REGIONAL AND LOCAL ECONOMIC DEVELOPMENT STRATEGIES IN THE EASTERN CAPE AND GUIDELINES FOR FUTURE DEVELOPMENT

THESIS
Submitted in fulfilment of the
requirements of the Degree of
DOCTOR OF PHILOSOPHY
of Rhodes University

by

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December 1996

ABSTRACT

Local Economic Development (LED) is an applied economic development strategy which seeks to address site-specific needs through locally appropriate solutions. In this thesis, the faith being accorded to the potential of LED in South Africa is critically examined. The study is based on a detailed examination of the experience of regional development and several emerging cases of LED in the Eastern Cape Province of South Africa. High levels of poverty and unemployment necessitate and justify innovative approaches to address such problems. The thesis examines the potential of LED strategies and identifies applied policy guidelines which can help address the Province's development needs.

The theoretical framework of this research is based on a critical examination of international and South African literature dealing with development issues, LED and localities theory. A detailed documentary examination of early LED endeavours and the experience of regional development in the present century was undertaken. Results suggest that LED is not a new concept and that regional development, through its political bias, achieved only limited success. Contemporary examples of LED were identified and examined through detailed site-specific investigations. This was carried out through the use of semi-structured interviews supplemented by participatory rural appraisal and questionnaire surveys which served as a means to triangulate the results.

The research findings indicate that regional development, as applied in the study area, did not lead to the establishment of a permanent industrial base. In terms of the concept of LED, it is apparent that it has allowed for socio-political empowerment but has only improved economic conditions in the more well-endowed case-studies. In these areas, positive antecedent conditions and the key role played by community supportive non-governmental organizations is apparent. Despite the limited degree of success which many initiatives attain, the thesis regards LED as a development alternative for areas which are unlikely to draw in external investment.

Some of the key contributions of the thesis include the advancement of a refined typology of LED, the development of a research schedule to investigate and assess LED initiatives and the postulation of appropriate development guidelines and theoretical constructs.

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ACKNOWLEDGEMENTS

I would like to express my thanks to my supervisor, Prof. Roddy Fox for his sound advice and guidance in the research and writing of this thesis. His advice on aspects of methodology and assessment and how to incorporate such issues into the thesis were particularly useful.

The assistance and many hours put in by my two proof-readers, Mr Jonathan Lancaster and Dr Trevor Hill is gratefully acknowledged. Dr Hill's advice with a variety of aspects pertinent to this thesis was especially helpful. Debi Brody of the Cartographic Unit at Rhodes University also put in many hours in producing the maps for which I am grateful. The assistance of the other staff in the Cartographic Unit and John Keulder in particular is acknowledged.

I am grateful to various organizations for their assistance with tracing relevant information or advising me on the topic, namely: the staff of the Cape Archives Depot, Cape Town, the East London Municipal Record Store, the Daily Dispatch library in East London, Rhodes University library, Leeds City, the Sheffield Department of Employment and Economic Development and the former Reconstruction and Development Programme ministry in Pretoria.

Several individuals deserve special mention for their influence on my understanding of Local Economic Development, namely: Peter Kenyon of York, Australia, Ivan Turok of the University of Glasgow, Norbert Eichler of the Friedrich Ebert Stiftung, Johannesburg, Chris Rogerson of the University of Witwatersrand, Tony Binns of the University of Sussex and Gerry Delany of the National Business Initiative in Durban. Oakly West of Rhodes University also deserves mention for his encouragement and support. In addition, the assistance and valuable information gained from hundreds of community members, officials and leaders in the various centres selected for study was invaluable. It is impossible to mention these individuals by name, however, several people stand out for special mention, namely: Nico Ferreira, Max July, Charles Meyer, Mike Kota, David Toomey, Cindy Woest, Arie Mjinster, Ronald Eglin and Bongani Matomela.

The financial assistance of the Centre for Science Development towards this research is hereby acknowledged. Opinions expressed in this thesis and conclusions arrived at, are those of the author and are not necessarily to be attributed to the Centre for Science Development.

Last, but not least I would like to express my thanks to my family for their support and encouragement over the years and for tolerating my frequent absences from home and all the hours which I have not spent with them. Thank you to my parents, Noleen, Catherine and Amy.

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NOTE:

1) In this thesis the term 'black' is used collectively to refer to the African, Asian and 'coloured' racial groups.

2) In this thesis pre-1960 currency values are quoted in £s. For values after 1960, South African Rands (R) are used. In October 1996 R 4,5 = US $ 1; R 7,12 = UK £ 1.

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CHAPTER ONE

INTRODUCTION

"After the political miracle of 1994, it is accepted that what is now needed in our country is an economic miracle" (Stutterheim Development Forum, 1995, 1).

1.1) INTRODUCTION

South Africa's recent democratic transformation has introduced and facilitated many significant changes in the country's society and economy. One of the most important changes has been the reduced control of the state and the greater freedom which entrepreneurs and communities have to embark on independent action. Simultaneously, the country is ponderously attempting to grapple its way back into the global economic arena and is trying to reverse the economic stagnation which prevails in much of the country. New development strategies are being sought, including increased local-level autonomy in economic planning and moves towards privatization by government (Republic of South Africa {RSA}, 1996a). One development strategy which has received considerable attention in recent years, from policy makers in South Africa and elsewhere in the world, is that of Local Economic Development (LED) (Stöhr, 1990; Bennett, 1990; Moloi, 1995; Syrett, 1995). The reality that LED is already occurring in many parts of South Africa and the desire on the part of development planners to encourage the phenomenon make it a topic worthy of study. This thesis sets out to examine what LED is, how it is developing in the Eastern Cape province of South Africa (see Figure 1.1), to assess what it has achieved and to comment on the appropriateness of LED as a future growth strategy for other parts of the country. This thesis also examines the results of previous state regional development strategies in the Eastern Cape. From a theoretical standpoint, the thesis is based, primarily, on theories pertaining to LED and locality studies. Two of the objectives are to develop a South African perspective

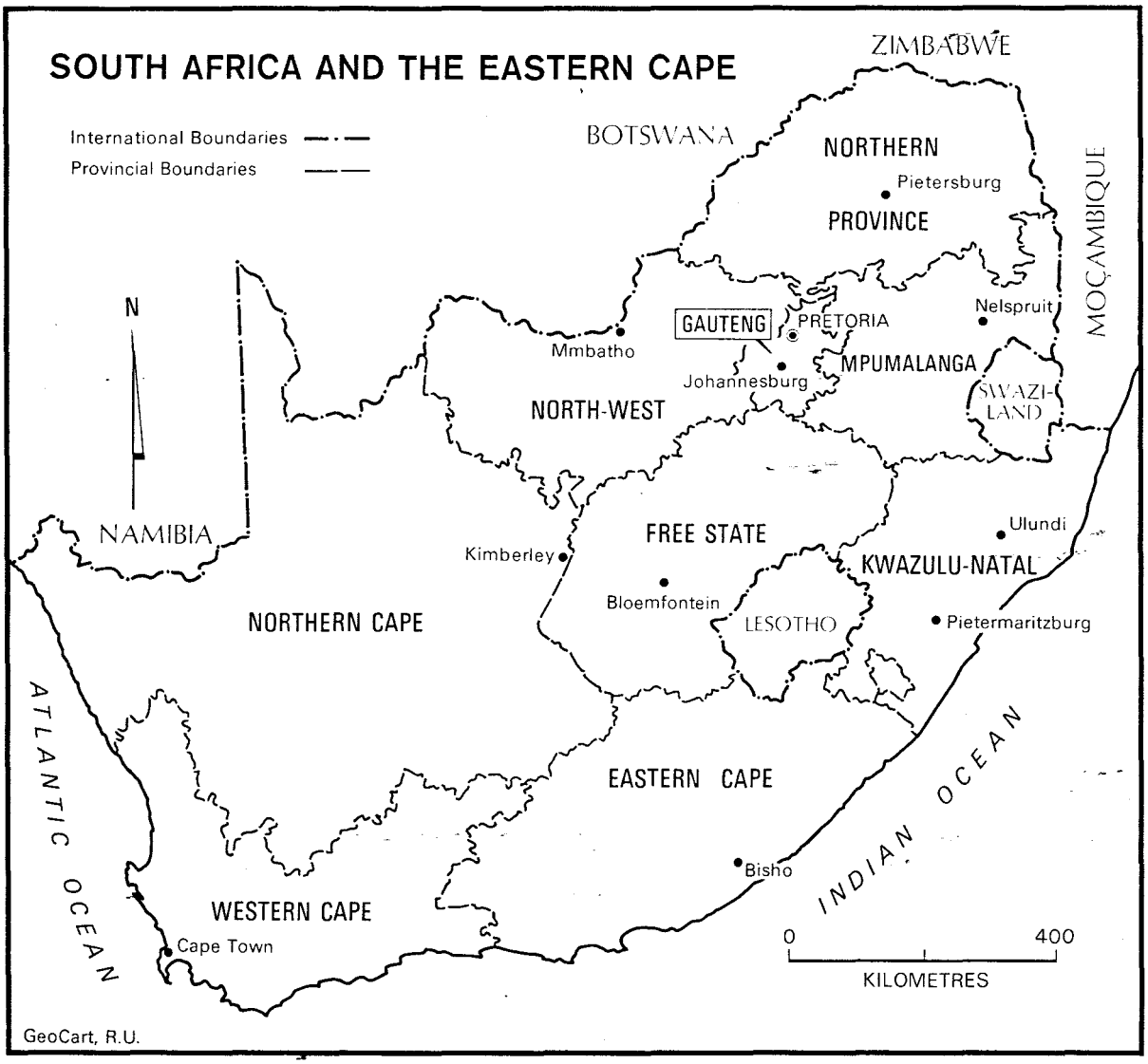


FIGURE 1.1) South Africa and the Eastern Cape

Source: Department of Regional and Land Affairs, 1994.

on these two foci and to research and develop an appropriate assessment schedule for LED schemes.

1.2) THE INTERNATIONAL CONTEXT IN WHICH LED IS DEVELOPING

The world has experienced significant changes in the operation of the international economy and the role and function of states and localities in recent years (Henderson and Castells, 1987; Cooke, 1990a; Dicken, 1993). In an era characterised by increasing internationalisation and the weakening of central state control in many countries, individual localities (both urban and rural) are often pursuing locally determined and appropriate development strategies (Glasson, 1992; Blakely, 1994). According to Tomlinson (1993a), the limited success achieved by central state regional development strategies in many countries has assisted this overall trend. It has resulted in the responsibility for development planning being devolved from the institutional cores to individual localities. This trend has occurred in response to global economic change and crises, such as the collapse of the Bretton Woods system, the recession of the 1970s, the failure of centralized planning to address contemporary problems, budget cuts and the differing local impact of broader economic changes (Moloi, 1995). Simultaneously, structural changes in the operation of business and institutional systems have affected economic and employment patterns in local areas. These changes have combined to induce the spatially selective impact of economic 'recession' and 'resurgence'. This situation has either precipitated localised economic problems or created areally specific opportunities (Chisholm, 1990). The need to address local crises, to capitalise on opportunities and the 'retreat' of the central state has encouraged numerous urban and rural areas to assume the responsibility for development planning designed to meet their unique situations (Lever, 1992; Stöhr, 1990). The strategies adopted are collectively referred to as 'Local Economic Development' (LED) in this thesis and they reflect the greater degree of autonomy which local role-players

are now able and allowed to express in the post-Keynesian era (Stöhr, 1990; Savage and Robins, 1990).

The relatively sophisticated LED endeavours in the countries of the North are matched by emerging moves to develop local self-reliance or coping strategies in the countries of the South. In the case of the South, these are practised either as traditional forms of livelihood or as local alternatives to the vagaries of global capitalism and marginalisation (Taylor and Mackenzie, 1992; Binns, 1995). Assistance mechanisms are gradually being put into place to support the emerging reality of LED. These include the European Community's 'LEDA' (Local Employment Development Action) support programme, the activities of regional facilitation agencies such as in Scotland and Ireland and the assistance of a range of developmentally orientated NGOs internationally (Stöhr, 1990; Bennett and Krebs, 1993).

1.3) THE SOUTH AFRICAN CONTEXT IN WHICH LED IS DEVELOPING

South Africa's recent political transition has encouraged an awareness of current, international development endeavours in general and LED applications in particular, on the part of various development orientated organizations (Urban Foundation, 1994; South African National Civics Organization {SANCO}, 1995). Although many localities in South Africa are experiencing economic changes and restructuring, not dissimilar from those in other parts of the world (Stöhr, 1990), the situation is compounded by the desperate legacy of apartheid. Apartheid was a system of 'applied geography' (Western, 1981), which sought to enforce spatial separation and inequality between racial groups (Lemon, 1977). The final abandonment of the policy in the early 1990s has not removed the legacy of spatially enforced disparities and inequalities. This has created areas or localities marked by recession or resurgence either on a regional, sub-regional, urban or intra-urban level. The current government's emphasis on community-driven development contained

in its Reconstruction and Development Programme (RDP) (African National Congress [ANC], 1994) opens up the opportunity for local actors and development agencies to attempt site-specific, appropriate LED strategies (RSA, 1995a). The RDP has been drawn up to address apartheid's legacy and to encourage overall growth and local level action. According to Bernstein and McCarthy (1994, 68) "successful local development is the foundation on which the country's prospects for stability and sustained democracy will rest". Claassen (1994, 18) however, holds the view that local development is currently impeded by bureaucratic realities, and "what is needed is to ensure (that) development is not so much a system, as people with initiative, insight and drive". This assertion is supported by the examples of LED investigated in this thesis. In several of the case-studies, individuals have broken with the traditional mould of relying on the central state for funds and direction and have actively striven to implement non-conventional endeavours.

In South Africa the successes and future potential of LED in local areas is receiving recognition from national and provincial governments, funding agencies, non-government organizations, the private sector and a limited number of local authorities and community based organizations (Urban Foundation, 1994; National Business Initiative [NBI], 1995; SANCO, 1995; RSA, 1995a). One of the reasons for the rise to prominence of LED is the limited success achieved by previous, centrally driven regional development strategies in South Africa and the fact that they were tainted by a direct association with apartheid planning. This has led to a period in which such strategies have been scaled down to the point that they are in virtual abeyance (Moloi, 1995). It is uncertain whether this will remain the case indefinitely, but in the interim, it provides an opportunity to gauge the effects of regional planning and allows locally driven initiatives a chance to become established. Although LED has, in many cases, developed as a response to the failure or the absence of state planning and support, LED should not be seen as an alternative to regional development. Rather, it is a strategy

which for various political and economic reasons is currently enjoying greater acceptability in South Africa than it previously did (Moloi, 1995). Its success is not guaranteed and its emergence is in many ways a reflection of the current post-modern swing to individualism, uniqueness and local autonomy (Wilson, 1995).

1.4) LOCAL ECONOMIC DEVELOPMENT

The reality of people assuming responsibility for their own developmental future through Local Economic Development (LED) is an emerging focus in academic literature (after Stöhr, 1990). This process has clear links with what Harvey (1989) has referred to as 'urban entrepreneurialism' and the notion of 'bottom-up' development (Stöhr and Taylor, 1981). Even though there is an obvious North American and European bias in writings on the topic, there are lessons which can be learnt from countries in the South. An examination of applied local development in the South reveals that similar local initiatives, often referred to as self-reliance strategies (Binns, 1994; Stock, 1995), are particularly prevalent in rural areas. It is apparent that these various approaches have the potential to provide instruction into development alternatives for South Africa's urban centres and rural areas.

Critical to the undertaking of this research was the need to clearly identify what LED is. The following definition is advanced by Zaaijer and Sara (1993, 129), namely that LED "is essentially a process in which local governments and/or community based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in an economic area". Bennett (1990) and Stöhr's (1990) writings helped to refine the focus. According to the former, LED is "subnational action, usually sub-state and sub-regional, taking place within the context of a local labour market" (Bennett,

1990, 222). Stöhr (1990) identifies two criteria for recognising LED, namely initiative and entrepreneurship, which he states can occur in both urban and rural areas. Any economic activities, ranging from farming and sustainable rural development to city-based development strategies can fall within the broad parameters of the concept of LED. This is provided that the action is locally based, mobilizes local resources and skills, promotes economic diversification, training and new forms of organizational development (after Stöhr, 1990). It is important to note that in areas lacking in skills and capacity, external facilitation and support of local development by government or non-governmental organizations is an accepted norm and has become European Union policy (Bennett, 1990; Bennett and Krebs, 1993; Taylor and Mackenzie, 1992). These considerations are deemed to be particularly pertinent in South Africa as certain of the case-studies will reveal.

Zaaijer and Sara (1993), describing LED in the South, identified the following additional features which are particularly pertinent in the South African context, namely that LED should focus on:

- a package of local interventions,
- economic development which is a catalyst impacting on broader development worked out in consultation with the affected communities,
- participatory management and empowerment, and
- the need to integrate policy and poverty interventions.

The writings of various other authors (Garcia, 1993; Syrett, 1995) assisted in providing further clarity as to the meaning of LED, its different features and ways in which to conceptualise it. LED is clearly associated with attempts to promote the satisfaction of basic needs, to bring about 'empowerment' and to allow for greater local-level self-determination and self-reliance. As Garcia (1993) notes, such initiatives generate improved methods of popular involvement and enhance community responsibility. This supports Stöhr's (1990, 3), assertion that

LED includes "local initiatives using mainly local control for predominantly local benefit". Syrett (1995, 3), interestingly enough, identifies LED as a "process" the products of which, in his terminology, are "Local Economic Initiatives". He defines these initiatives as "activities which involve the mobilisation and development of local resources ... to tackle local economic and social problems ... varying in their organizational forms to include small firms, cooperatives, community business ventures, self-help networks and support agencies". Elsewhere Syrett (1993, 527) asserts that these initiatives "are a heterogenous class of diverse economic activities". LED can be led by local authorities or any other prominent local stakeholder.

Initiatives frequently involve public-private partnerships which can draw in local and regional governments, business, unions, community based organizations and non-governmental organizations. Given the wide diversity of strategies employed, ranging from formal business support and place-marketing to community economic development and self-reliance (Meyer, 1993), the term LED can be regarded as a catch-all term to describe localised economic activity initiated by a local community or local authority / external agency / non-governmental organization in a rural or urban area. The broad definitional statements above were used in this thesis to denote what LED is and were also used in the field to identify evidence of the phenomenon. Different categories of LED are detailed in the next section and strategies employed in Chapter Two.

It needs to be pointed out that, according to the literature, the term 'local' or 'locality' in which LED can occur does not have a rigid definition (Massey, 1994; Syrett, 1995). According to Cooke (1989, 3) "localities ... are a descriptive term for the place where people live out their daily working lives". Localities are also defined as areas in which local social and labour processes occur and the area delimited by a group of people with a common accord (Syrett, 1995). In the research which was undertaken these principles were used as guidelines to

identify 'localities' within which LED was taking place. The term 'community' appears to occasion considerable definitional difficulties. In this thesis it is simply taken to refer to the inhabitants of a particular locality in which LED is occurring.

Although, as Meyer (1993) has pointed out, LED differs around the world because of political and legal differences, this does not alter its basic nature and focus. According to Syrett (1995), LED in the 1980s focused on job creation and business support and has since broadened out to encompass social, cultural and organizational issues and general encouragement for entrepreneurship. Strategies applied have varied according to differing theoretical views. Right wing (neo-classical) writers and politicians have focused on the development of the free market, while those on the left (Populist) have also supported broader social and cultural issues within the development process (Syrett, 1993). LED also shares much in common with the notions of 'development from below' (Stöhr, 1981), 'development from within' (Taylor and Mackenzie, 1992), endogenous development (Wilson, 1995), self-reliance (Burkey, 1993) and 'internal combustion' theory (Daniels, 1989). These particular topics are examined in greater depth in Chapter Two.

1.5) LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICA

In parallel with locality based development initiatives in other parts of the world, numerous similar endeavours are emerging in South Africa. These have sprung from local economic crises and the initiatives of local leaders and the communities which they represent. Places or localities where this phenomenon is being experienced include, Stutterheim, Johannesburg and Atlantis (Nel, 1994a; Rogerson, 1995a; Nel and Meston, 1996). In addition, the rise to prominence of numerous sub-regional, metropolitan and urban development negotiation and development fora heralds a new era of co-operation which can contribute significantly towards the search for sub-regional and local development initiatives

(Harrison, 1993; Nel, 1993a; Wyley and Talbot, 1993). According to Davies (1994), the forum movement signifies a new area of planning and co-operation and the search for appropriate solutions to development problems. The preceding, coupled with the socially responsive programmes of the government-led Reconstruction and Development Programme (RDP) would appear to have the potential to offer moral and material support for the endeavours of individual communities.

At present, no clear distinction appears to be utilized in South Africa to identify and differentiate between different categories of LED. This situation does not appear to be unique to the country. In order to provide a clearer focus for the thesis and to overcome obvious definitional differences regarding LED which are evident in published South African literature on the topic (Nel, 1994a; Rogerson, 1995a; National Business Initiative, 1996) the determination of defined categories of LED was deemed to be appropriate. The following typology is suggested for use in the South African context and this also served as a theoretical assertion which was evaluated in the field. The current application of LED by local-level actors in South Africa reflects two different approaches, namely 'authority based' and 'community based' LED which parallel the phenomena in other countries:

- the Authority Based application in which local authorities, in consultation with key stakeholders and sometimes with the host community, unilaterally decide on development options for their locality. This usually focuses on publicity campaigns, place-marketing and property development, conventionally referred to as boosterist strategies (Judd and Parkinson, 1990). South African examples include Johannesburg, Cape Town and Durban (Tomlinson, 1994; Rogerson, 1995a). It should be noted that this approach is essentially 'top-down'. This does not imply control from the central state, but rather direct control by a local authority. Alternatively it can encompass a situation in which LED is introduced, facilitated and encouraged in a community by an external

agency, from the 'top' as detailed by Bennett (1990) and Taylor and Mackenzie (1992).

- Community Based or 'true', 'bottom-up' initiatives which tend to be more common in smaller centres (Nel, 1994a) and which focus on community business and local employment strategies (Stöhr, 1990). These generally develop from within a community under the leadership of a local, non-governmental organization or community group. Calling on external agencies for support is not uncommon.

It should be noted that both forms meet the criteria of LED as defined above. Whereas the authority based approach approximates the experience of many cities in the North and some in South Africa, the community based approach approximates the small town or neighbourhood initiatives in the North and the self-reliance strategies of communities in the South. In terms of actual strategies pursued, both have an economic and job-creation focus, varying in terms of having either a big-business or a community orientation respectively. In this thesis three examples of recent authority based initiatives (including East London city) and three examples of community based development are examined. It should be noted that East London city recently decided to attempt a community based approach. Although the incipient endeavour is detailed, it is still to early to examine and assess it in the same fashion as other cases examined.

1.6) OBJECTIVES OF THE STUDY

The central focus of this thesis is a study of previous regional development strategies in the Eastern Cape and an in-depth investigation of a series of historical and contemporary case-studies of LED. This was undertaken to identify key features of the development process, to design and test an assessment schedule of LED and to make a contribution to both theoretical interpretations and applied policy. The assessment of the results achieved by past regional development policies and current LED

initiatives will facilitate an evaluation of the optimism currently accorded to LED policy by government and the private-sector (Moloi, 1995; NBI, 1996).

The objectives of this thesis are:

1) To provide a contextual basis for the thesis in terms of a range of international theories relating to LED and localities.
2) To use the findings from 1) and the results of the research to derive appropriate theoretical constructs to describe the emerging phenomenon of LED and the role and place of localities in the South African situation.
3) To identify whether LED was a reality in the Eastern Cape prior to the post-World War II era of state driven regional development. This objective serves to examine whether recently identified developments in the North in this period have their parallels in the study area (Ward, 1990; Collinge, 1992, Erie, 1992).
4) To identify the results achieved by central state regional development planning in the province.
5) To examine a range of case-studies of LED in the Eastern Cape with a view to identifying the key features, causal conditions, strategies and results achieved.
6) To develop and field test a research schedule to establish details of LED projects and to assess them.
7) To comment on the suitability and potential of LED in the province, and more generally in South Africa, and to determine practical policy guidelines in the light of these findings.

Specific research foci which contribute to the objectives include:

- a brief analysis and description of the history of the Eastern Cape, placing emphasis on apartheid induced spatial inequalities, which laid a basis for state and now local economic intervention,

- an examination and assessment of previous regional development policies,
- an examination of the history and development of LED in the Eastern Cape prior to World War II,
- outlining evolving LED policy in South Africa and assessing it in the light of the findings of the case-studies,
- an examination and assessment of the causes, relevance and appropriateness of the LED strategies which have been implemented in selected localities in the Eastern Cape,
- detailing the contribution which development fora, non-governmental organizations, community based organizations, local authorities and business have made to LED. Related to this will be the examination of the results achieved by authority and community based LED initiatives in the study area,
- relating the experience of LED in South Africa to the broad and diverse experience which has been built up world-wide in the subject. This aspect will provide a basis to assess the viability of the incipient strategies as they are developing in South Africa and to investigate the possible comparability which might exist with experience elsewhere,
- the development of a set of criteria which can be used to assess and evaluate LED projects such that comparisons can be made between cases,
- providing broad policy guidelines of the elements necessary to implement successful LED strategies in the Eastern Cape specifically and South Africa in general,
- making a theoretical contribution to the subject in terms of LED and Localities theory.

1.7) A NOTE ON THEORY

From the outset it should be noted that although the apparent rise to prominence of localities appears to reflect the post-modern swing to uniqueness and difference (Massey, 1994), post-modern theory will not serve as a guiding principle in this

thesis. Instead, the emphasis is on LED occurring in 'localities' as conceptualised by the localities school (Cooke, 1989). Despite a seeming accord between the localities approach and that of post-modernism, both of which focus on local variation, the former differs in that it seeks to identify both the variations between places and the patterns of "common principles of spatial variation in restructuring ... (in) the experiences of different areas" (Martin, 1989, 190). In this thesis localities theory is adopted as an approach to understand local variations as a reflection of the socio-economic change and restructuring and it is used as a basis to identify commonalities and differences in the experiences of localities. This conceptualisation is in line with Massey's (1994, 133) assertion that "locality (studies are)... not opposed to 'meta' in metatheory". Although the focus in this thesis is on local places, the study will serve to assist in drawing up general conclusions about the broad nature of localities and the processes of LED occurring within them.

1.8) MOTIVATION FOR UNDERTAKING THE RESEARCH

The motivation for undertaking this research can be ascribed to numerous considerations. At one level, the patent failure of regional development, as previously applied in South Africa, has made the search for alternate development strategies an urgent priority. The increasing attention paid to LED internationally, as reflected in a growing body of literature, and emerging examples in the country, suggests that such approaches might have considerable potential in South Africa. In the light of this consideration and the desperate reality of decades of inequality and suffering, it was therefore deemed appropriate to investigate whether incipient LED initiatives can and are actually helping to address the legacy which exists and if they can offer a development alternative. The close links between LED and community-based development, which forms an essential basis of the national Reconstruction and Development Programme (RDP) (ANC, 1994), implies that a critique of the principles on which both

LED and the RDP are based can also be made. The nature of these links has ensured that LED merits considerable interest and attention in the country. It is thus deemed to be a timely and topical issue to research.

The significant national interest in the concept of LED from government, business and community groups is evidenced in the range of research projects which have been commissioned and policy documents which have been written. This is, in itself, a motivation to examine whether the faith being placed in LED can live up to the expectations being placed in it. Through an examination of a range of empirical studies and an assessment of the results achieved, it is anticipated that the potential of LED in the country, as a whole, can be evaluated.

The potential role which LED can play in the Eastern Cape has been identified as a key priority by the Ministry of Economic Affairs in the Eastern Cape. This is because LED is regarded as one of the key development options for the province (Sowazi, pers. com., 1996). The potential to contribute to both LED policy and application in post-apartheid South Africa is another key motivation for the research.

At a broader level, relating South African experience to that of other countries and to theoretical considerations in general provides the means to compare and contrast local reality with the more general context of LED. This can be undertaken with a view to providing a realistic evaluation and assessment of the nature, form and success of LED in the country in the light of international experience. Other key considerations included the fact that it appears as if no doctoral dissertation has yet been written on the topic in the country. Not only is such a study timely, but it also appears as if an appropriate research and evaluation technique to assess LED projects is a necessity which has not yet been met.

1.9) THE POTENTIAL CONTRIBUTION OF THE THESIS

It is envisaged that the thesis has the potential to make a significant contribution to geographical knowledge and theory in the country. On a factual level it appears to be the first doctoral dissertation to examine the notion of LED and its application in South Africa. Furthermore, it represents a documentation of centres which are currently influencing policy planning at national level and at the level of other local authorities. The virtual uniqueness of the LED strategies in the centres investigated at the present time and the important insight which their experience can provide into the potential of LED in South Africa should not be underestimated. As a result of earlier research by the author, Stutterheim, one of the case-studies selected, has been termed the *cause celebre* (McCarthy, 1995a) of small town development in the country. Simultaneously, Hertzog is being promoted as the country's most successful example of an independent, sustainable, small-producer co-operative (NBI, 1995). The researcher's preliminary research findings and conclusions have already had a significant influence on various national policy documents including the LED policy document of the South African National Civics Organization (1995), the government's draft Green Paper on LED (1996), the National Business Initiative's 'LED Kit' (1996) and the Centre for Development and Enterprise's policy document on Small Towns (1996).

The more detailed recording and the assessment of a range of projects in this thesis will allow a broad-based critique to be made of the faith currently being placed in the 'models' offered by Stutterheim, Hertzog and other localities. This could further inform policy-makers in the country. The typology of LED already suggested (Section 1.5) has been advanced to try and correct the apparent lack of clarity which exists over the use of the concept in academic and policy papers in South Africa.

One of the major contributions of the thesis will be the

development and field testing of a research schedule designed to establish details of LED projects and to assess them. The criteria used in assessment were applied in the various case-studies and the results compared in order to refine the assessment schedule which, it is hoped, can be applied elsewhere in the country.

From a theoretical perspective it is envisaged that the thesis will lay a foundation for understanding the development and nature of LED in South Africa and the role played by localities within this overall process. This in turn will provide a basis from which LED in South Africa can be assessed and understood. At a broader level these finding will contribute to an understanding of the role and place of LED in the context of a developing country.

1.10) THE RESEARCHER'S ROLE IN THE RESEARCH PROCESS

The researcher has been involved with the process of LED in South Africa at two levels, namely that of undertaking empirical research and secondly in helping to develop national policy positions and strategies on the topic. The researcher's findings, at an empirical level, are reflected in the case-studies contained in this thesis. The researcher tried, at all times, to play the role of an observer in the research process rather than a direct participant in LED. Other than the occasional, limited advice on contact persons which was requested from him, the researcher sought not to influence the development initiatives and chose rather to monitor and assess the initiatives of the respective communities from as neutral and objective a perspective as was possible (Guy *et al*, 1987; Babbie, 1992). The frequent presence of the researcher in communities, particularly when his later involvement at the level of national policy advice became known, may well have affected the *rapport* developed with communities and the type of information which they were prepared to share with him. This scenario was particularly apparent in the

case of the last two case-studies undertaken, namely those of Hertzog and Seymour. In an attempt to verify information and obtain objective data small questionnaire surveys were used to supplement the standard forms of data collection applied in the other cases.

As far as was possible the researcher tried not to influence emerging development initiatives in the various communities investigated. It is however acknowledged that the mere presence of the researcher in communities and the nature of the questions asked would have influenced local thinking and concepts of development.

The researcher's second level of involvement, namely that of assisting with national policy development, involved making a far more active contribution to the evolving LED debate. Based on the findings of earlier empirical research, as it became available, the researcher was asked to contribute to various policy debates. The researcher's involvement included the 'Small Towns' investigation and subsequent policy paper of the free-market orientated Centre for Development and Enterprise (formerly the Urban Foundation)(1996). In the case of the populist South African National Civics Organization (SANCO) investigation into LED, the researcher participated as a researcher and author of the subsequent policy document (SANCO, 1995). Research into LED policy and its application was also undertaken on behalf the joint Overseas Development Agency / Reconstruction and Development Programme investigation into LED, in which the researcher was one of several authors of the government's draft Green Paper on LED. The final contribution of the researcher was that of adviser to and co-author of the National Business Initiative's 'LED Kit' which was developed as a manual to assist communities to identify and implement appropriate LED strategies. The researcher is currently involved in a programme to monitor and assess LED in the Eastern Cape in collaboration with the provincial Ministry of Economic Affairs and the National Business Initiative. In this thesis these documents are assessed in the

light of subsequent research and evaluation considerations.

1.11) THESIS STRUCTURE AND THE CASE-STUDIES

The following structure was selected to investigate the objectives specified. The empirical focus of the thesis is on an investigation into the application and results of government sponsored regional industrial development strategies in the period from 1940 to 1991 and a study of past (pre-World War II) and current (post-1990) LED initiatives in the Eastern Cape province. No evidence of LED activity between approximately 1950 and 1990 could be established through archival searches. The study commences with a survey of international and national literature. This is followed by chapters on methodology, background details to the study area and early examples of LED in the province. Thereafter regional development, as it was applied in the era of strong central state control from the 1940s to the early 1990s, is described and assessed. Evolving LED policy positions forms the next focus.

The major section of the thesis focuses on a series of case-studies of LED in the province, which are examined, described and assessed. All major known cases of LED in the province were investigated. The case-studies selected were chosen on the basis of them being the six most obvious and prominent examples of LED in the province, a choice justified by the findings of the National Business Initiative Investigation (1995). This organization established that, in their opinion, there are six major LED case-studies in the country and 43 minor cases of LED / community development. Four of the six major studies are located in the Eastern Cape province. This suggests that a study of LED projects in the province will provide a more than representative indication of the potential, problems and processes which face LED in the South African context. This assumption is endorsed by the finding of Peter Kenyon, an international development expert, that LED initiatives "in this

province (the Eastern Cape) more than any other has contributed to the development of LED in the country" (Kenyon, 1996).

In order to investigate the diverse nature and form of LED and its constituent processes three community based or 'bottom-up' strategies were selected, namely Hertzog, Seymour and Stutterheim. These studies also reflect on the role played by local authorities, NGOs (non-governmental organizations) and CBOs (community based organizations) in LED. To complement these studies, three authority based examples were selected. These were East London city where there was no community involvement until recently and two others, namely Kei Road and the Independent Development Trust's endeavours in a number of localities. In both of the latter cases essentially authority based approaches were used to externally induce and facilitate community development processes. In East London the process was an internal one.

The three community based projects are examined first, followed by the three authority based ones. They are:

- Stutterheim, a large town and its rural hinterland in former 'white' South Africa, where development was led by a CBO in partnership with the local authority,
- Seymour, a small, former Ciskei Homeland town, where LED was catalysed through a joint initiative between a CBO and a NGO,
- Hertzog, a rural community in the former Ciskei Homeland where LED was initiated by a CBO,
- Kei Road, a small town in former 'white' South Africa where LED was initiated 'from outside' by a NGO,
- development and job creation schemes in the 'Border Corridor' which formed part of an external NGO and government driven initiative designed to foster and facilitate community-based development, effectively from the 'top-down'. It was sponsored by the government and implemented by the Independent Development Trust (IDT). As the IDT has been tasked to play a leading role in the government's development and public works initiatives, this study can be

deemed to provide an assessment of the potential of these particular government LED-type initiatives.

- East London, a metropolitan area where LED has been applied by the local authority. A recent, emerging 'bottom-up' initiative which is being launched by a joint local authority - community - private sector endeavour is also outlined.

The last chapters synthesize the key results and identify commonalities and differences and the successes and failings in the case-studies examined. This is followed by a comparison of the study findings with international experience and an endeavour to identify key theoretical findings. This lays a basis for determining a series of policy guidelines to assist government, planners, funding agencies and communities. Details of a revised typology and assessment schedule are also provided.

1.11.1) A Note on Reference Style

In this thesis the Harvard system of referencing is used throughout. The exceptions to this principle are where documentary material was accessed from either the Cape Archives Depot in Cape Town or the East London Municipal Records Department. Information from these sources is discussed in Chapters Five and Thirteen and an 'endnote' system is partially used in these chapters in instances where such material is referred to.

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CHAPTER TWO

LITERATURE REVIEW

> "The topic of Local Economic Development is at once among the most mundane and the most profound of scholarly concerns" (Clarke, 1993a, 78).

2.1) INTRODUCTION

The topic of Local Economic Development (LED) and related concepts such as community economic development, self-help and self-reliance strategies appear to have received considerable attention from scholars in recent years (Turok, 1989; Bennett, 1990; Stöhr, 1990). According to Reese (1993a, 492), "research on local economic development (has grown) exponentially". The rise in prominence of LED is the result of general changes in the nature of development strategies, the global economic crises of the 1970s, government related policies broadly referred to as Thatcherism, structural adjustment programmes in the South and modifications to the operation of capital (Thrift, 1992). Whilst there appears to be universal agreement that change has occurred, the degree to which it has taken place is open to debate as is the whole question of whether LED can really serve as a new growth option. Opinions on the latter point vary from the view of Razin (1990, 685) who asserts that "LED policies have gained widespread recognition during the last decade, and may soon overshadow national spatial economic policies" to the view of Stock (1995, 359) that "there are limits to what they (communities) can accomplish". This is a pertinent debate in contemporary South Africa in view of the current ANC government's ideological focus and endorsement of the principle of community based development.

In describing and assessing the causes for the rise to prominence of LED, cognizance will, initially, be taken of the broader theoretical context and concepts relevant to the topic in this chapter. Recent global and local economic changes and notions of

globalization are examined to provide a backdrop to discussion of the significance of the role played by localities and by LED. Relevant theoretical paradigms such as those of the post-modernism, locality studies and changes in development theory are outlined. Thereafter relevant literature on LED, development from 'above' and 'below' and 'within' are examined to broaden out the context of the study. The key focal theories which are used in this thesis are those of localities studies and LED. This chapter details the importance of these and related concepts and in so doing, lays a basis for the chapters which follow. In this thesis the following assertion is regarded as a key guiding principle, namely that "the recent wave of enthusiasm about community self-help as a strategy for development needs to be examined critically" (Stock, 1995, 359).

2.2) RECENT GLOBAL AND LOCAL CHANGES AND ASSOCIATED THEORETICAL CONSTRUCTS - SETTING THE CONTEXT

It is apparent that the decade of the 1970s was a watershed in global development. The dramatic weakening in the economic hegemony of the United States, the oil crisis, reductions in global aid and associated crises in the Fordist manufacturing system all combined to create what Martin (1988, 202) has termed a "new historical divide". Features such as national and international recession, areally selective de-industrialization, the trend towards closure or rationalisation of Fordist manufacturing plants in favour of the post-Fordist or flexible accumulation regime and the apparent rise to prominence of the post-industrial or post-modern society are all prominent and well researched themes in the geographical literature of the North (Henderson and Castells, 1987; Stöhr, 1987; Moulaert and Swyngedouw, 1989; Cooke, 1990b; Fothergill and Guy, 1990; Judd and Parkinson, 1990; Dicken, 1993). These changes have had profound spatial ramifications on local areas and regions. This is reflected in the writings of Chisholm (1990) regarding the emergence of regions of 'resurgence' or 'recession' and the

literature on the great disparities in the United Kingdom's space economy, namely the 'North-South divide' (Knox and Agnew, 1989). LED has become an important feature of local economies often in response to these changes (Stöhr, 1990; Meyer, 1993). The rise of the post-industrial economy, focusing on 'high-tech' corridors and sunbelt areas has furthermore been identified as another important change occurring throughout Western Europe and North America (Storper and Walker, 1989; Ewers and Allesch, 1990; Hilpert, 1991).

The North appears to have weathered the crises of the 1970s with a fair degree of success and its global hold has been entrenched under the 'New International Division of Labour', the global reach of multi-national corporations and the activities of global financial institutions. The South however, is in a different position (Thrift, 1988). Not only did the South endure the crises of the 1970s, but also had to endure the debt crisis of the 1980s. In many regions, Africa in particular, this led to the 1980s becoming a period of stagnant or negative economic growth (Ravenhill, 1986; Evans, 1989; Simon, 1990; Binns, 1994). As a result "the 1980s have been a period of crisis and change in the global economy and none have felt the impact more acutely than the billion or more impoverished people across the Third World" (Simon, 1990, 3). Other than for the limited exception of the Newly Industrialising Countries and the 'tiger' economies of South East Asia, the South has experienced greater marginalisation, relegation to an inferior trading and manufacturing position, dependence on aid and on international financial institutions and their imposed structural adjustment programmes (Cheru, 1989; Onimode, 1989; Park, 1990; Binns, 1994). As they are not able to aspire to the post-industrial status of the North, it appears that local coping strategies, reliance on the informal sector, self-reliance and 'development from within' are the effective LED alternatives in many countries in the South (Taylor and Mackenzie, 1992; Binns, 1995). These issues will be examined in greater detail below.

In many countries around the world, the so-called "rolling-back of the frontiers of the state" (Roberts, 1993, 759) and the reduction in state budgets, welfare and overt control and intervention has allowed and often compelled the residents of localities to become more assertive economically in order to survive and prosper. Blakely (1994, 49) alludes to a "fundamental shift in the actors as well as the activities associated with economic development". Local specialisation and the promotion of unique skills and comparative advantages can, in certain areas, assist with integration into the New International Division of Labour and enhance the potential for prosperity and adaptation (Henderson and Castells, 1987; Massey and Allen, 1988; Sengenberger, 1993). Within this context affected communities have greater opportunities than before to utilise their human, social, institutional and physical resources to attempt to build self-sustaining economic systems (Blakely, 1989). Local strategies and new forms of industrialisation are seen as part of the logic of restructuring in the capitalist system which contributes to increased productivity and efficiency (Vàzquez-Barquero, 1992). The commensurate rise to importance of growth coalitions, local partnerships and new forms of control also reflects a new political logic (Keating, 1993). Within this overall context, the notion of the 'entrepreneurial city' (Harvey, 1989) and the transition in the focus of the state from that of welfarism to that of entrepreneurialism has become a defined feature (Spooner, 1995).

Related to these changes which various theorists have identified, is an apparent fundamental change within society and the economy itself. In the so-called post-modern or post-industrial era local self-expression is being facilitated and encouraged, often as a result of the curtailment of the activities of the central state. Post-modernism with its emphasis on the unique and self-assertiveness, as opposed to generalisation and grand narrative, comes out strongly against the development of meta-theory (Cooke, 1987; Leontidou, 1993; Jäckel, 1994). This view endorses a study of local phenomena. However, it should be noted that post-modern

thinking has not been adopted whole-heartedly in this thesis for reasons specified in Chapter One. This standpoint is endorsed by Massey (1984) who maintains that whereas post-modernism identifies a world constituted by uniqueness and difference, the localities studies approach recognises uniqueness but sees places as forming part of a broader 'social structure' in which difference is implicit.

There are clearly great variations in post-modern approaches. These vary from the views of the Apocalyptics, who support the concept of the 'end of ideology', to the views of the sceptics, the critics and the pragmatics (Cooke, 1990b). According to Harvey (1989) one of the realities of post-modernism is that urban space is increasingly given over to urban entrepreneurship. Associated post-Fordist concepts such as the small-scale, flexible operations of firms, urban renewal and gentrification are also characteristics of this new understanding (Amin and Robins, 1990). Within this overall context, many authors believe that increasing freedom at the local level has encouraged local areas to assert themselves developmentally, to take unique action and to engage in LED. At an international symposium on LED in Lille in 1994, consensus was reached that "deterministic economistic analysis from global to local is out. Centralised theory-building, grand theory and unidirectional deterministic theory must give way to more situational explanations" (Wilson, 1995, 653).

One of the effects of the broad changes described above is the emergence of the notion of the 'global village'. The notion of globalization is also linked to a belief in the declining role and place of the nation state (Brechler and Costello, 1994), particularly in relation to the rise of supra-national states and international trading blocs, such as the European Union, the North American Free Trade Area (NAFTA) and the Association of South East Asian Nations (ASEAN). The main processes assisting in this overall trend include the internationalisation of capital and trade and the reality of 'vanishing borders' in many parts

of the world (Sengenberger, 1993). On a theoretical level, these arguments are endorsed by 'World Systems' theory (Peet, 1991) which advances a neo-Marxist analysis of the advance of capitalism which is seen as entrenching the trend towards global integration under the capitalist system. The notion of a single world system was popularised in the writings of Wallerstein (1979) who identified an interlinked global space economy consisting of cores, peripheries and semi-peripheries.

These changes have led to the identification of what Storper and Scott (1992, 8) term a "global mosaic of regions". More extreme views on what is happening include the view that there is a:

> Globe of villages (which) reflects the dominant changes occurring across the planet. The dominant social, political and economic patterns of the industrial era are being replaced by a society in which two interdependent systems - one global and one local - are creating the future. Communities have come to supersede states and nation states as the focus of fundamental change. (Community Development Society, 1995).

However, this view is not endorsed by all theorists. According to Tickell and Peck (1992), the control of the nation state continues to operate, albeit in a less overt fashion, which is more conducive to the needs of capitalism.

While dependence on global capitalism remains in the South, local areas are beginning to assert themselves, often as a result of economic collapse and maladministration by the state (Stöhr, 1987). This has encouraged the gradual emergence of independent survival strategies at the local level which do not accord with the universalistic, sweeping claims of global harmony held by the Community Development Society mentioned above.

Although the degree of globalization which is occurring is debatable, it is apparent that it is taking place either as a result of the dictates of global capitalism, post-modern trends or as a reaction to the policies of international financial

institutions, acting individually or in combination with each other. The result is that regions or localities can 'win' or 'loose' as a result of their ability or inability to compete and draw in international capital and investment or to develop their unique 'winning' strategies (Lipietz, 1993; Fujita and Hill, 1995). In the 'successful' urban areas, which have been drawn into this overall process, a 'new urban politics' has been noted which focuses on issues of redistribution, drawing in 'hypermobile' capital, control and competition between centres, rather than nation states, in a global economy (Cox, 1993). Harvey (1989) regards one of the key facets of this development as being a shift in the focus of urban governance from managerialism to entrepreneurialism, which in turn promotes competition, aggressive marketing and development within and between places. Associated with the crises of the 1970s, some theorists have contended that one is witnessing the end of 'organised capitalism' and the onset of 'disorganised capitalism' (Lash and Urry in Knox and Agnew, 1989; Cooke, 1988a; Martin, 1989). Fundamental alterations in the organization and hold of capitalism through perceived social and cultural fragmentation, economic desegregation and spatial decentralisation are treated as the hallmarks of this phase. In contrast, other authors hold the view that these changes, in terms of firm dispersal, flexible specialisation, differentiation and customisation in fact represent a phase in which capitalism is becoming more, not less organised (in Martin, 1989). The basic laws of capital accumulation are seen by Marxian theorists as essentially unaltered although the physical and outward expression creates the impression of change (Storper and Walker, 1989).

Questions relating to the nature of change and where control is vested do not alter the essential reality that localities are, increasingly, becoming a prominent feature of the global space economy, a concept which is the focus of the next section. In Syrett's (1995, 5) view, "concepts such as locality, industrial districts and flexible specialisation have highlighted the importance of local economic, social, political and cultural

conditions in shaping processes of economic growth and capital accumulation". Syrett (1995) goes on to caution that globalization and localisation are inter-related but also contradictory movements. In addition, a focus on the local economy should not infer spatial closure, but should rather be based on an understanding of what is often the internationalisation of local economies.

Until recently, South Africa's international isolation partially isolated the country from the destabilising effects of international change and the intervention of international financial organizations. However, the growing importance of new forms of business organization and the emergence of flexible production has been noted in the country (Rogerson, 1991). Several local areas, though lagging behind places elsewhere in the world, are starting to assert themselves as independent agents and embark on economic initiatives which reflect on the reality of incipient LED. Examples include Cape Town (Kilian and Dodson, 1995, 1996), Johannesburg (Rogerson, 1995a) and Durban (Robinson and Boldogh, 1994).

2.3) THEORETICAL PERSPECTIVES ON LOCAL INITIATIVES

From a theoretical point of view, Syrett (1993, 527) regards local initiatives as an "ideological football" which have been seized upon by theorists from different standpoints in an era of economic and political transition. Despite their modest success they have been used in debates regarding the future of small towns, entrepreneurship, the local state and the restructuring of capital and labour. The failure of many past development strategies and the obvious significance recently accorded to local-level development issues (Massey, 1984) has received attention from the 'self-reliant', the 'structural' and the 'regional political economy' approaches to development (Syrett, 1993, 1995).

The notion of 'self-reliant' development (not to confused with self-reliance in the South) with its focus on entrepreneurship, human resource and economic development and endogenous development has clear links with both neo-Populist and free-market interpretations about regional planning and 'development from below' (Daniels, 1989). On the negative side, such positions can been regarded as utopian, failing to "provide an understanding of locally based action or to offer a practical programme for the promotion of local initiatives" (Syrett, 1993, 528).

According to structural theory (Sharpe in Harloe *et al*, 1990) the character of central and local government relations allows scope for local variation. This is reflected in the influence and actions of local socio-economic conditions and local pressure groups. The pursuit of local discretion and action is seen as a key feature of contemporary society and economy.

According to the regional political economy perspective, the geography of uneven development, global and capital restructuring and the uniqueness of place has become a key focus in debates over global-local interaction, the concept of locality (Wilson, 1995) and issues of equity in local areas (Daniels, 1989). Neo-Marxist writers such as Mandell (in Syrett, 1995) identify geographic unevenness as a key element in modern capitalism which seeks to exploit differences. Spatial unevenness necessitates a focus on the role of the local state which is seen as a key mechanism in preserving order, class dominance and capitalism (Harloe *et al*, 1990).

The localities approach, which is discussed more fully in the next section, has the advantage of placing local initiatives within their geohistorical context and thus provides a defined framework for analysis. Clarke (1993a, 78) states that localities "now are key arenas for restructuring of capital and state relations". As Castells' work on urban social movements shows, spatial variation and human agency are key foci which revolve

around the issue of local difference (Syrett, 1995). This chapter and the thesis in general is based on various theoretical premises. The importance of local endeavour and initiative, as identified by the self-reliant approach, is recognised as an important theoretical and investigative base. Simultaneously, cognizance is taken of the effects of the uniqueness of places and their determining geohistorical contexts on the nature of development initiatives and their outcomes.

2.4) LOCALITIES AND THE RISE OF LOCALITY STUDIES

2.4.1) Locality Theory

One of the key results of the global changes and crises noted above is that "local development activity has intensified dramatically" (Feiock, 1991, 64). This in turn has led to a focus in the literature on the notion of the locality and the local state. Cooke (1989,3), one of the chief proponents of the localities approach states that a locality is "a descriptive term for the place where people live out their daily working and domestic lives". Cooke (1989, 296) also stresses that localities are not simply places but "are the sum of local energy and agency resulting from the clustering of diverse individuals, groups and social interests in space. They are not passive or residual but, in varying degrees, centres of collective consciousness". The localities concept has been refined to also focus on the social processes occurring within particular localities or 'places' and the important role of governance operative within that context. According to Clarke (1993b, 4) key features of the contemporary era are a "return to places" and a focus on new "localism" in economic action. In Massey's (1994, 131) view the localities focus has developed because of shifts in the economy and the realisation that "a particular place is a product of its position in relation to wider social forces, but also that character in turn stamped its own imprint on those wider processes".

The importance of localised activities in a particular locale has

clear links with the 'territorial approach' of Friedmann and Weaver (1979). It also relates to what Wilson (1995, 649) refers to as "a shift away from a functionalist perspective of place as the passive location of economic activities according to the grand logic of global capitalism ... to an endogenous approach, that emphasises the unique factors of the spatial milieu". In Syrett's (1995) view, social processes, human resources and local variation combine in a particular locality to produce distinctive local initiatives. As a result of differences in the economy and society between places, Syrett (1995, 35) reaches the conclusion that "geography matters" .

Localities can be interpreted as having two distinct meanings, namely:

- locality as localised social structure, which links local dependence and territorial forms in the division of labour (Duncan and Savage, 1991).
- locality as agent, according to which locally based actors, with interests in the same area, form alliances and act together to further their interests (Cox and Mair, 1991). An extension to this view is held by Friedmann (1992, viii) who maintains that empowerment must focus on localities because "civil society is not readily mobilised around local issues".

The importance attached to localities is seen in part as a reflection of post-modernism and also, in part, is a response to global change and the "revitalization of local political culture or territorial identity" (Savage, 1987, 53). This in turn conditions and affects local political allegiances and solidarities and entrenches the notion of "localities as agents" mentioned above (Cox and Mair, 1991, 197). These tendencies are reinforced by a sense of local dependence, mobility or immobility and dominant social relations which shape and influence policy decisions and economic policies at the local level (Cox and Mair, 1988). Localities have grown in prominence due to their unique differences and the attention which this is meriting, combined

with the physical and symbolic expression of such differences. The ability of companies to focus specific operations within localities and changes to the previous sense of coherent regional economies, all sharpen the focus on decentralisation and the distinctiveness of place (Urry, 1990). Within this scenario local officials, in the view of Clarke (1993b, 16) now "face a hegemonic obligation to promote growth". The emergence of unique urban management strategies, infrastructural provision, place-marketing, economic facilitation and support for job creation programmes within localities, endorse and support a broad swing in favour of LED. The concept of a 'new localism' has been observed by Goetz (1993, 218) as contributing to "tremendous experimentation and innovation in local governance around the globe ... (which in turn has contributed to the) vitality of local politics and the importance of local variations even in an era of global economic change".

Stemming from the nature of global and local changes described above and the writings of authors such as Massey (1984; 1991; 1994), considerable academic attention has been devoted to the question of what processes occur in individual localities or places. At one level Massey's analysis has sought to identify and stress aspects of uniqueness and diversity within and between places as a result of the spatial division of labour. At another level, social processes operating within places are seen as space forming and, in turn, spatial realities shape society and the economy (Massey, 1984). A locality is perceived to be not only about physical buildings and capital but also about social activity and social relations. Localities are not just areas, they are also "configurations of social relations and processes which are constituted by difference and conflict" (Page, 1996, 194). Places are seen as being unique and they have within themselves networks of economic and social relations which give space 'meaning' (Carter *et al*, 1993).

Locality studies focus on the unique attributes found within specific, spatially located communities and the degree to which

inherent characteristics and social conditions in such places determine future development (Cooke, 1987; Jonas, 1988; Cooke, 1990c; Massey, 1991). The result is the acknowledgement that the unique conditions and social structures implicit in a locality, mould and determine future development trends, a reality which is particularly pertinent in terms of LED strategies (Cooke, 1989; 1990c) both internationally and more specifically in South Africa. Local social structures determine urban political processes and economic outcomes (Imrie *et al*, 1995).

Although contested, the rise in importance of the notion of localities has even been seen by some as representing the development of a "new regional geography of localities" (Jonas, 1988, 101). The fact that capitalism transcends spatial scales and Harvey's (in Jonas, 1988) warning not to abandon theory in favour of very specific empiricism, all add a moderating tone to interpretations of what is happening. The interpretation of localities clearly is a contested terrain in which consensus has not yet been reached (Duncan and Savage, 1991). The reality however remains that local areas are gaining in importance and prominence, as is their unique potential to influence and shape development outcomes.

In the countries of the South the importance of unique elements specific to individual localities cannot be ignored. According to Storper (1990, 424), the emergence of both post-imperialism and post-Fordism are, in themselves, supportive of the "local 'endogenous' mobilization of resources and skills for industrialisation". Olowu (1993), Ngau (1993) and Burgess (1994) writing about Nigeria, Kenya and Zimbabwe respectively, all illustrate how constraints on the central state have encouraged the decentralisation of decision making to localities which in turn has encouraged independent decision-making. This has led to the revitalisation of grassroots organizations and enhanced the role of indigenous and non-governmental organizations and local authorities. Local self-reliance and coping strategies, particularly in rural areas have been documented in Tanzania,

Kenya, Ghana, Zimbabwe and Ethiopia (in Gooneratne and Mbilinyi, 1992; in Taylor and Mackenzie, 1992).

In South Africa, the recent transition to democracy has encouraged and facilitated an era of local autonomy and independence in which local authorities and communities have, in principle, acquired the capacity to take greater control over their future development. This reality is endorsed by the precepts of the Reconstruction and Development Programme (ANC, 1994), its associated White Paper (RSA, 1995b), the Development Facilitation Act (RSA, 1995b), the draft Urban and Rural Strategies (RSA, 1995a; 1995c) and the draft constitution (RSA, 1996a). These documents place the onus for development on local authorities and communities and call for the establishment of local development fora to work with government and to interface the public, private and community sectors. Although few local authorities appear to be taking independent action and becoming agents of development and change at this present juncture, the context for independent action and the acknowledged role and place of 'localities' appears to be set.

In support of a locality studies approach, Syrett (1995, 41) argues that there should be a focus on case-studies using empirically based geohistorical research because "localities provide a basis for studying how general processes affect a local area and how local areas affect general processes". Given the apparent significance attached to localities, research into the processes happening within places and the uniqueness of individual experience, a case-study approach is justified. This in turn can be used as a basis to identify broad, general conclusions about similarities and differences in the development experience as argued for by Martin (1989) and Massey (1994).

2.4.2) The Local State

The issue of the role of the local state as an agent of development and change in an era of global transformation has merited considerable academic attention. Many authors view the

rise in the importance of the local state as a symbol of independent action (Duncan and Goodwin, 1982; Grant, 1990; Collinge, 1992; Page, 1996). The local state is seen as the focus of class action, political consciousness and social relations (Duncan and Goodwin, 1982). The emergence of urban entrepreneurialism as a key local issue and a related focus on demand side management all enhance the role of the local state as an agent of change, control and economic facilitation at the local level (Grant, 1990). The ideal of pursuing growth maximization is seen by Anglin (1990) as promoting self-interest, forging links between local government and business and using public-choice options to increase economic potential.

Collinge's (1992) overview of 100 years of local government intervention reveals that local states have played an interventionist role for a considerable period of time, fluctuating between phases of growth management and growth promotion. These notions find support, in this thesis, in terms of the long history of local state intervention in the economy of certain South African urban areas in the twentieth century. Globally, the post-World War II era was one in which the role of local states was temporarily marginalised. Their recent prominence clearly does not herald the birth of local assertiveness. The 1970s crises, the reduced role of the central state and the election victories of numerous right wing local authorities in the North in the 1970s and 1980s all combined to focus local state endeavours on issues of economic growth. Lack of real power to intervene has led to a situation in which few local states actually achieve what they aspire to (Keating, 1993), leading to a distinction between policy proposals and concrete achievements in many places (Topham, pers. com., 1994).

The development of a new 'urban politics' (Cox, 1993) and the notion of the city as a 'growth machine' is not an uncontested terrain academically. Rather than heralding a change in modes of urban governance, Hall and Hubbard (1996) see a process of modifying urban functions occurring, one in which coalition

building, a project focus and a greater emphasis on economic growth, frequently at the expense of social justice, is occurring. Views on the perceived recent assertiveness of the local state and the apparent recent rise of local state economic intervention (Charlesworth and Cochrane, 1994) have been moderated by the views of authors who are sceptical as to how dramatic the break with the past and the alleged diminution of national control in favour of that of the local has been (Tickell and Peck, 1992; Taylor, 1993). Despite numerous apparent changes, several authors maintain that the control of the central state and national tendencies remain important (Agnew, 1988; Tickell and Peck, 1992). This is probably most evident in the United Kingdom, where in contrast to many other countries, national government has practised active intervention within local areas though often through indirect means (Valler, 1996).

Marxist authors first popularised the concept of the local state. This was an attempt to explain the survival of capitalism and the preservation of its associated social order through what was seen as an extension of the hold of the state into the local area (Cockburn in Harloe *et al*, 1990). According to Collinge (1992, 60), the local state needs to be seen as an appendage of the national state "expressing interests dominant at the centre, and as a response to local class relations expressing interests dominant in the locality". From the perspective of regulation theory and what some theorists identify as the rise of the flexible accumulation regime and its associated mode of production, the local state is perceived to be an increasingly important component in local modes of regulation (Moulaert and Swyngedouw, 1989; Fothergill and Guy, 1990). According to Goodwin *et al* (1993, 85), "the local state, as agent and object of regulation, will therefore continue to be a key site of experience and contention and thus a crucial area of study for those concerned to analyse the contents of the new spaces of regulation".

2.5) REGIONAL DEVELOPMENT STRATEGIES

2.5.1) 'Top-Down' Strategies

The changes in the role of the state and its reduced involvement within national economies mentioned in section 1.2 have found direct expression within changes in regional development policies. At one level there appears to be a near universal rationalisation and withdrawal of the state from many activities in which it had previously engaged (Savage and Robins, 1990). At another level, in parallel with changes in international development thinking and funding criteria, there have been switches in the objectives and strategies of development planning followed (Simon, 1992).

In the post-World War II Keynesian era, the reality of the strong, dominant interventionist state found its expression in countries throughout the world. Centrally-driven strategic planning and control and the welfare state became common features in many countries. In spatial terms the era was also marked by a belief in the ability to achieve regional parity through targeted support for marginal areas. Growth centre planning and support for and belief in the notion of the diffusion of growth came to characterise regional planning policies throughout the world (Malecki, 1991). The stage models of economic development of Friedmann and Rostow, national growth and development plans (in Fair, 1982; Simon, 1990) and a belief in the ability of growth centres to catalyse growth in a region (Chapman and Walker, 1987) all enjoyed widespread popularity in the North and the South for a considerable period. Such strategies were collectively referred to as 'normative theories', having close links with 'neo-classical' economic reasoning and a belief in the principle of the 'redistribution through growth' school of thought promoted by the World Bank (Simon, 1990). In general terms, this type of state intervention and planning has come to be referred to as 'top-down' planning because of the degree of control exercised by the central state over the entire development and planning process. Results of these strategies did

not, however, come up to expectation and a re-evaluation of the role of the state and broader development issues was undertaken by the 'political economy' school of thought (Mabogunge, 1980; Simon, 1990). The notion of the 'development of underdevelopment' and the dependency syndrome, though not offering a fully practical alternative, did serve to promote a re-evaluation of the overall success and role of planning and intervention.

The failure of the least prosperous regions to show any significant improvements in their economies as a result of determined state intervention paralleled the rationalisation in state policies after the 1970s crises and the emergence of the post-Keynesian state in the 1980s (Roberts, 1993). As a result, 'top-down' regional development, growth centre policy and state intervention in general began to experience decreasing international popularity from the mid-1970s (Glasson, 1992). Traditional 'top-down', government engineered policies generally failed to achieve meaningful national development objectives in specific localities (Simon, 1990; Syrett, 1993). Attempts to redirect transferable investment from core to targeted centres in disadvantaged regions through the mechanism of subsidies and grants had largely failed, leaving behind what have been termed artificial "cathedrals in the desert" (Ewers and Allesch, 1990, 1) with little or no growth potential. Difficulties associated with the preceding strategies and the emergence of the post-Keynesian state (Gaffikin and Warf, 1993) encouraged reduced control, management and intervention. This led certain countries to adopt approaches which rely more on market forces, as endorsed by neo-classical theorists, than on direct intervention (Todes, 1993). Where these approaches have been followed, there has been a natural reluctance to invest in the poorest areas. This has led to the fortunes and hopes of local communities being dependent on the whims of distant financiers. Sole reliance on entrepreneurs is difficult as they lack perfect market knowledge and can seldom address market distortions or influence specific local variables such as education and research programmes (Bennett, 1990; Stöhr, 1990). As a result, by the early 1980s,

regional development had entered a period of uncertainty and pessimism regarding its efficacy (Glasson, 1992). The realisation that regional planning was, in many ways, a reflection of earlier political expediency paralleled the abandonment of the Keynesian belief in full employment. This belief could not withstand the pressures of monetarism which strove to effect radical reductions in the nature and degree of intervention (Friedman, 1980; Spooner, 1995). Regional policy has undergone dramatic changes. Some of the more common features of this change are a radical curtailment or abandonment of available incentives, the devolution of control to regions or localities and, in certain cases, a reliance of supra-national groups such as the European Commission to intervene where required (Bachtler and Michies, 1993).

2.5.2) 'Bottom-Up' Development and the Rise of Local Economic Development / Self-reliant Approaches

According to Glasson (1992), by the end of the 1980s regional planning in the North emerged from the 'doldrums' in a revamped, dynamic new form. 'Top-down' approaches have now, partially, been superseded by locally driven strategies. These are based in the host community, are motivated by a desire to improve local conditions and encourage that area's entrepreneurs. This is in preference to the more traditional 'smoke-stack chasing' approach of seeking investment by large-scale, external firms (Daniels, 1989; Stöhr, 1990). The notion that regional policy was at a 'crossroads', both financially and theoretically, has given impetus to local initiatives and LED more specifically (Albrechts *et al*, 1989). In the North there has been a definite switch to 'bottom-up' / 'development from below' / endogenous / supply side strategies characterized by a frequent reliance on decentralized, flexible production in which local authorities and actors play a key role (Stöhr, 1990; Glasson, 1992). The swing in favour of so-called 'bottom-up' strategies, which emphasize local action as opposed to that of the central state, has clearly marked a significant shift in development thinking. It was largely motivated by the retreat of the central state from its previous

position of targeting support to regions and the parallel rise of local level action aimed at filling the development void and addressing local-level problems. The term 'bottom-up' was popularised by Stöhr (1981) and has since gained in acceptance. Although it has been criticised on conceptual grounds, the essential re-orientation in policy thinking and implementation which it implies remains relevant (Syrett, 1995). This approach, with its focus on local or indigenous growth, has gained the support of the influential Organization for Economic Co-operation and Development which sees it as a new model of strategic planning and development (Roberts, 1993).

'Bottom-up' development differs from that of 'top-down' development in terms of the focus and orientation of the controlling agency and the degree of local ownership which may exist. According to Keane (1990) they also differ in that 'bottom-up' development is not only an economic concept but deals with the total human condition. In addition, numerous development paths exist, dependent on locally applicable circumstances and opportunities. This is in contrast to what were often very standardised 'top-down' strategies.

At one level, 'bottom-up' development is a localised response to crisis and the reduced role of the central state. At another, broader level, particularly in the South, it is a reflection of whole new approach to development (de Souza, 1990). The growth in popularity of the 'basic needs' strategy was precipitated by the failure of state policy, general corruption and a desire by aid-agencies to address the needs of the poorest through targeted support which encourages principles of empowerment and involvement by the recipients (Friedmann, 1992). Non-governmental organizations' support for poorest of the poor and their attempts to catalyse development within such communities represented a new phase of development intervention from the 1980s. One of the key proponents of assertive, empowering assistance of people to meet their needs through self-reliance is Max Neef (1989, 9) who called on the state to open up opportunities for direct

participation by different social actors, leading to "a more complete and harmonious satisfaction of the system of fundamental human needs". According to Simon (1990), Friedmann's Agropolitan development model, with its allowance for selective spatial closure and planning focused on functional integration, is a clear attempt to foster a basic needs strategy. Although results achieved have been mixed, it does represent a serious attempt to promote development from the bottom in marginal communities (Hunt, 1989; Afxentiou, 1990; de Souza, 1990; Simon, 1990). In terms of a way forward, Simon (1990, 19) argues for a strong basic needs approach which allows "grassroots action to secure adequate levels of living with a maximum degree of self-reliance and control".

One of the key expressions of 'bottom-up' development is the concept and application of LED. The term LED has attracted increasing attention in recent years and is being used to describe a wide-range of local level actions (Turok, 1989; Stöhr, 1990). This approach is variously described as endogenous development or the 'internal combustion theory' (Daniels, 1989, 422) and it has, in principle, much in common with basic needs, community economic development and self-reliance strategies. The localities which have adopted LED focus on developing cities/towns/communities within regions rather than the region itself. In addition to the reasons which are discussed above, the paradigm shift in development thinking stems from the realization that attempting to model a town's or an area's economic evolution according to a centrally determined concept of how the region should function seldom works. Old, deductive style approaches did not take cognizance of local institutional, political and cultural conditions which often have a decisive influence on the development of an area (Stöhr, 1990). It needs to be noted that LED encompasses a wide variety of approaches and strategies ranging in scope from the development and promotion of 'world cities' to neighbourhood / community strategies. The distinction noted in Chapter One between authority based and community based categories of LED is deemed to provide an appropriate typology

of LED, namely that there are distinctions between:

- authority based strategies, which are usually led by the local authority and focus on boosting the local economy (boosterism) through investment, marketing and partnerships between key local stakeholders, often without true community support (Judd and Parkinson, 1990; Rogerson, 1995a). Related to this category are instances where an external agency - government or non-governmental - seeks to catalyse LED within a locality, often in cases where local leadership is weak and there is a perceived need to try and unify communities,
- true, 'bottom-up' or community-based development, where the initiative and control is taken by local stakeholders and the local authority, if such exists, tends to be peripheral. Activities focus far more on consultation and co-operation with the affected communities than is the case with the previous category. Strategies embarked on also have an economic focus, but tend to involve different sections of society more directly (Ferguson, 1992; Zaaijer and Sara, 1993).

While the latter category naturally approximates the ideal of LED (Burkey, 1993), true examples are limited and in practical terms, as the literature reflects, the former tend to be the more obvious expressions of LED.

This new developmental approach is based on the endeavours, innovation and entrepreneurship displayed by local agents who seek to achieve meaningful and sustained economic and social betterment of the conditions in their local area. These strategies have now been described as being "a priority area of activity in all regions and receive significant support from private business, local government, the church, trade unions, community and neighbourhood groups and financial institutions" (Stöhr, 1990, 138). The initiative for undertaking LED does not lie solely with local authorities. Instead it depends on a variety of key groups which often include voluntary and non-governmental organizations, development agencies and the private

sector with joint public-private initiatives often being a distinctive feature (Lever, 1992). It has been observed that there is scope for sub-regional action and in areas such as Scotland, the 'area based programmes' of the Scottish Development Agency have witnessed the participation of sub-regional agents in attempts to induce local level development (Lever, 1992). International support and facilitation of LED at the local level is to found in the 'local employment initiatives' of the Organization of Economic Co-operation and Development and the LEDA (Local Employment Development Action) programme of the European Union (Bennett and Krebs, 1993). According to Roberts (1993) there has been a revival of interest in strategic planning as a result of the campaigns of local government and business pressure groups. The result of this transition, according to Glasson (1992), is that government planning increasingly has to acknowledge local level demands, pressure and initiatives. The scope for new forms of sub-regional planning and the participation of local actors therein is obvious.

In many areas, but particularly in North America, Harvey's (1989) notion of 'urban entrepreneurialism' and a focus on business activity is one of the key manifestations of LED. According to Leitner and Garner (1993, 59) cities are now "acting as risk-takers and active competitors in the urban economic game, and the key to each city's success is its ability to invest widely and to market shrewdly". One of the key problems associated with these high-profile city approaches are their frequent failure to address serious social, housing and community needs.

The emergence of an 'entrepreneurial' spirit in urban areas is clearly a distinguishing feature of LED (Rich, 1992). This approach does not seek to create new industrial hearths in depressed and backward areas; instead it normally seeks to stimulate local initiative and endeavours in such a fashion that the growth impulse is retained in the host community and the overall quality of life in that area is thus improved. Urban marketing and the creation of a town or city 'image' based on a

centre's unique advantages have become popular ways to draw in investors, unify the community and focus development planning (Paddison, 1993). Although seldom directed by governments, such strategies do still rely on a measure of state funding. The new strategy is characterized by "a more flexible decentralized approach, geared to regional innovation, techniques and services rather than manufacturing, indigenous rather than inward investment, programmes rather than projects, and small/intermediate rather than large firms" (Glasson, 1992, 512).

From a neo-classical theoretical perspective there is clear accord between the encouragement of private sector operators in a deregulated environment and contemporary Northern economic and financial theory. The 'monetarist revolution' in the developed world in the 1970s and 1980s introduced new economic and fiscal policies (Friedman, 1980). These have favoured the placement of strict controls on the role of the state in the economy, weakened the welfare state, encouraged deregulation and supported a free-market economy (Savage and Robins, 1990). In the case of thee United Kingdom, the reduction in assistance given to regional policies clearly accords with the monetarist / neo-classical notion of non-intervention in the economy (Friedman, 1980). Associated with the enhanced support for the private sector is the perceived need to break the perceived 'dependency mentality' on the provisions of the welfare state in many areas. The European Union has actively favoured 'local self-help solutions' for problem areas (Bennett, 1990). The notion of creating a facilitating environment in which local initiatives can emerge is a standard neo-classical concept (Savage and Robins, 1990). The result has been the granting of assistance and/or approval to community based initiatives in the United States and the European Union for a considerable period of time (Stöhr, 1990).

Whilst local initiatives play an important role in the North, there is also a place for them in the South, where the focus must be on the provision of basic needs and the development of human skills (Simon, 1990). In the light of the long and problematic

history of regional development in South Africa, which had its origins in state direction and attempts to enforce grand apartheid (Rogerson, 1988), it is appropriate that alternative strategies for the poorer regions of the nation be investigated. This is all the more urgent because the rationalization of the Regional Industrial Development Programme in 1991 reduced financial support to the peripheral areas (Pickles, 1991).

A diverse international literature suggests that while LED initiatives cannot be viewed as a new growth strategy designed to radically alter the economy, they nonetheless can provide for more sustainable development, arrest economic decline and restore lost jobs. Examples include local development responses to the altered needs of industry in Germany (Stöhr, 1990), the leadership role played by non-governmental organizations in neighbourhood revitalisation in the United States (Judd and Parkinson, 1990), job salvation strategies in Chemainus, Canada (Barnes and Hayter, 1992) and community-owned tanning industries in Toldeo, Brazil (Ferguson, 1992).

Such initiatives tend to be more receptive to community needs and more enduring because of the commitment which local actors have to their area and its future (Glasson, 1992). It would, however, be naïve to suggest that external resources and actions can be ignored in such action. Although LED-type strategies have been advocated for decades, it is only recently that the positive experience of many areas in the world is coming to light and elements critical to success are being revealed.

2.6) LOCAL ECONOMIC DEVELOPMENT POLICY AND STRATEGIES

LED is often initiated by local actors following their joint recognition of defined problems and growth pre-requisites with or without the support or intervention of external agents. The reality of de-industrialization or particular social and political problems frequently serves as the catalyst promoting

joint action by political, community and business leaders (Bennett, 1990) with the occasional involvement of sub-regional agencies/authorities (Lever, 1992). Overall leadership can be assumed by any key local agency such as the local authority, a community based organization or a non-governmental organization acting individually or in partnership (Stöhr, 1990). Strategies selected are often influenced by whether the LED initiative is an authority or a community based one. The formation of a variety of partnership arrangements between public and private sector groupings often leads to meaningful employment creation strategies which tap local skills and resources and retain newly generated wealth within the community. Partnership formation has been identified by numerous authors (Lloyd and Newlands, 1988; Cooke, 1989; Bennett and Krebs, 1993) as one of the key features in successful LED. Partnerships can involve a range of key local and occasionally regional or national agents who pool their resources and skills for the general betterment of the locality. Public-private partnerships are some of the most common combinations, usually formed between local states and the business community. Such arrangements combine a local authority's service, infrastructural and policy support with the entrepreneurial skill of local business to achieve mutually determined targets through joint action (Cooke, 1989; Harding, 1990).

From a policy perspective, implementing agencies have to make a number of critical choices in strategy selection:
- job creation or wealth creation;
- general or targeted programmes;
- economic growth or community economic development;
- sectoral specialisation or economic diversification;
- local development or recruitment and
- passive incentives or public investment

(Meyer, 1993; Reese, 1993b).

In addition, questions over land policy, financial support (if any), governance issues (in terms of issues of control) are all

critical (Reese, 1993a). Policy choice affects whether the focus should be on business or community assistance or a combination of the two. The host community, internal dynamics, the nature of the local economy and poverty levels and its size influence overall policy choice and associated strategies. The overall goal of improving socio-economic conditions generally places considerable emphasis on issues of empowerment, community participation and training. In certain areas, such as in Sheffield, England (Seyd, 1990; Dabinett, 1991), defined political standpoints fostered the launching of pro-socialist development strategies. This made for some of the most progressive experiments in LED, until curbed by Thatcheristic restrictions (Cooke, 1988b). The role of government in LED is another key issue and is one which varies according to place, legal context and policy focus. It can vary from that of an observer, a limited participant, a facilitator or to that of serving to regulate the development context and provide appropriate services through adjustment policies (Goetz and Clarke, 1993).

One of the key authority based policy approaches adopted in many localities is a focus on high-technology industry and associated science and research parks. This is particularly prominent in North America and Western Europe and is associated with aggressive regional and local marketing and development to draw in high-technology firms, usually in close proximity to science/research facilities (Sabel *et al*, 1989; Saxenian, 1989; Ewers and Allesch, 1990; Hilpert, 1991). Despite the obvious significance of this phenomenon in promoting local growth, particularly in the south of France, south-east England, New England, California and southern Germany, there is limited scope for comparison with the development experience in Africa and South Africa in particular. Outside of a single, small technology park in Stellenbosch the reality of technology-led local and regional development does not exist in South Africa (de Wet, 1993).

Another feature of certain LED related policies is the notion of the 'industrial district', as identified by Marshall (in Cooke, 1990c; Wilson, 1995) which is characterised by the growth of networks of small-firms (Bennett and Estall, 1991). This has encouraged the identification of industrially-orientated sub-regions, such as in the 'Third Italy', where local government support and the development of linked small-firms has enabled local areas to adapt to industrial and technological changes (Zeitlin, 1989; Cooke, 1990c; van Dijk, 1993).

Though a great variety of strategies are applied around the world, some general approaches can be outlined. Individual selection will depend on whether an authority or community based LED is being followed. The latter will normally opt for community focused activities, with an economic and job-creation focus tending to dominate strategies; support for small enterprises is a common trait. Company establishment is frequently encouraged by authority based endeavours through either 'supply-side' incentives such as tax related incentives which are common in the U.S.A. or demand-side incentives. The latter, which are common in Canada, involve the development of new businesses by employing strategies which build demand for locally produced goods and support for emerging enterprises. Assistance with marketing and training all feature prominently in this case (Reese, 1993b). Some of the most common LED strategies involve (in no set order of precedence):

Financial Support:

- revenue bonds
- revolving loan funds and below market rate loans
- tax incentives
- loan guarantees and / or equity participation
- investment packages
- financial assistance to small firms
- community banking / group loan schemes

Land and Building Development:

- provision of infrastructure and land
- land acquisition
- the provision of workshops and small industrial premises
- enterprise zones with tax and planning concessions
- urban regeneration
- agricultural support

Information and Marketing Assistance:

- supply of information and advice
- general marketing and promotion and image reconstruction
- targeted marketing of products or areas
- export promotion

New Planning and Organizations Structures:

- adoption of comprehensive planning techniques
- streamlining administration
- community development corporations, community business and co-operatives

Training and Employment:

- employment and training strategies and grants
- direct employment
- vocational education
- social support structures / community organizations

(Bovaird, 1992; Clarke and Gaile, 1992; Lever, 1992, 1993; Koebel and Bailey, 1993; Reese, 1993a, 1993b; SANCO, 1995).

It needs to be pointed out that no single locality will apply more than a limited number of these strategies. Some examples serve to illustrate this point. Italian towns have been noted for a focus on small business promotion, through the use of grants, equity participation, tax incentives and the occasional provision of factory space (Brusco and Righi, 1989).By contrast, in Spanish centres, the focus is often on place-marketing and infrastructural development which acts as a drawcard to potential

entrepreneurs and investors (Garcia, 1993). In documented Brazilian localities there has been an alternate focus on community organizations, community business, community support programmes and appropriate training (Ferguson, 1992). Applied LED can vary from a strategy applied within an entire city to one applied in a particular neighbourhood or community. When identifying and advocating LED strategies appropriate for South Africa, policy makers need to take cognizance of this reality.

It would be wrong to see the above strategies as resounding successes or as the prelude to a new phase of economic regeneration. LED does, however, represent a serious attempt by local actors, as representatives of their communities, to promote and sustain economic development in spite of recessionary and other global forces. The apparent degree of success which is being achieved throughout the world indicates the potential viability of endogenous development strategies (Glasson, 1992). Applied strategies in other countries do contain valuable lessons for those areas in South Africa which are, similarly, unlikely to be able to rely on externally sourced investment.

The application of the above will naturally be limited and shaped by available levels of finance. In the case of Canada and the U.S.A. where either Federal, state or provincial revenue can be drawn on, the scope for local improvement is naturally far broader than in other countries (Reese, 1993b). In poorer, marginal communities, as in most of South Africa, critical questions over whether community focused strategies are more appropriate than broader business support strategies also need to be posed.

2.7) LOCAL DEVELOPMENT STRATEGIES IN THE SOUTH AND AFRICA

Although many of the principles described above have been drawn from the experience of the North, they are however of general relevance to the South. An emerging literature indicates the

appropriateness of locally-derived and based strategies for coping with the various economic crises which face the South and Africa in particular (Simon, 1992). Such approaches naturally tend to approximate the community based type of LED as identified above. The emergence of local initiatives and coping strategies in Kenya, Nigeria and Zimbabwe has been referred to above. This experience concurs with the call by de Valk and Wekwete (1990) to decentralise control beyond local government structures and to allow for greater degrees of local participation and empowerment. The experience of British Commonwealth aid agencies on this issue is that strategies to assist the poor must not be imposed on them. The poor should instead be seen as partners in poverty reduction endeavours which strive to foster "self reliance and social/economic independence (and) people-centred development" (Commonwealth Association for Local Action and Economic Development, 1995, 1).

In the view of Stock (1995), development strategies in Africa need to focus on local self-help and community self-reliance. Structural adjustment, droughts, warfare and the failure of 'top-down' strategies have forced the people of Africa to look inward to their own resources, skills and often what is termed their 'indigenous technical knowledge' to cope with the harsh realities of the modern global economy (Binns, 1994). At its most basic level such strategies are often merely forms of survival. They do find accord with new World Bank assertions about the need to foster 'participatory' approaches to development (Stock, 1995).

The fact that economic realities are now obligating communities to embark on self-reliance initiatives has been recognised by the United Nations Centre for Regional Development. This centre has called for the active pursuance of strategies which draw on indigenous knowledge to deal with the crises facing Africa (Gooneratne, 1992; Gooneratne and Mbilinyi, 1992). Such strategies are seen as necessary for survival, given the prevailing economic crises, the inability of governments to intervene and the wealth of indigenous knowledge which can be

supported. According to this organization, "local initiatives offer great scope for promoting self-sustaining local development and, through it, national development" (in Taylor and Mackenzie, 1992, 255).

The above concepts have been taken further by Taylor and Mackenzie (1992) who have also built on the ideas of Stöhr's (1981) 'development from below' thesis. They argue that the latter idea needs to be redefined as 'development from within' in the case of Africa. This notion focuses on enhanced participation and control by local people over their development endeavours in a fashion which embraces all members of a community. A second component, in their view, is territory, which involves place, economics and social relations and which plays a defining role in development activities (Taylor and Mackenzie, 1992). Links with the locality studies approach in this connection are evident. In order to succeed, people must control the development process and appropriate local structures need to be created. Support should come from NGOs in preference to government structures. The focus on people and their local knowledge in the implementation of development has clear advantages. Despite the appeal of such an approach, as Stock (1995) points out, the notion is constrained by the complexity and unpredictability of individual communities and strategies and the fact that communities are not isolated and autonomous. Stock (1995, 363) goes on to caution that this approach cannot be regarded as a panacea and it "is unlikely to achieve more than small sporadic victories for the disadvantaged majority". These words clearly need to be heeded in the case of development initiatives in South Africa.

The sobering thoughts contained in the last few lines and the patent logic which they express are verified by numerous failed development endeavours and marginal successes achieved (Harloe *et al*, 1990). This should not, however, preclude communities and institutions from applying the concept, even if the chances of success are limited. There are obvious overlaps between the

notions of popular participation and territoriality expressed in the 'development from within' ideology and the basic principles of LED and locality studies. Perhaps in some senses, local coping strategies need to be seen as the situationally appropriate forms which LED takes in Africa. In certain of the case-studies in this thesis, rural coping strategies similar to those detailed by Taylor and Mackenzie (1992) will be examined.

2.8) COMMUNITY BASED ECONOMIC DEVELOPMENT

LED is fundamentally concerned with the improvement of social and economic conditions within communities. Much has been published about community economic development which, as with material in the previous section, shares many similarities with the concepts and principles of community based LED as identified in Chapter One. These principles influenced this study of LED and broadened out its focus. In general terms, there is a degree of congruence between the notion of a community and that of a locality and the human social and economic relations that define such an area (Fasenfest, 1993). There is a sense that economic development needs to be pursued to empower communities, to allow them to take charge of the process of development and to reinvest within themselves (Daniels, 1989; McArthur, 1993; McGregor and McArthur, 1993; Wilson, 1996).

The recent focus on communities by aid agencies, planners and academics has been motivated by the failure of traditional economic development strategies and the recognised importance of grassroots movements in unifying communities and achieving concrete results (Friedmann, 1992; Burkey, 1993). This reappraisal fits in with the notions of empowerment and alternate development as expressed by Friedmann (1992, 160) and detailed in his assertion that "without community involvement projects are difficult to implement successfully". Developing a similar theme and based on the apparent commitment which ownership brings about, Burkey (1993) proposes the idea that communities need to

be encouraged to practise 'self-reliant participatory development'. This is because it is only through community based, self-reliance strategies that peoples' commitment to the success and the on-going sustainability of projects can be assured. Some of the most detailed investigations into community development come from India. This country has a well established tradition of encouraging community based development through defined policies of democraticisation and decentralisation designed to promote rapid rural development. Due to the inability of the state to meet the needs of all its people, strategies such as the *Panchayati Raj* have sought to ensure effective popular participation and to enhance rural living conditions. Although results have been mixed, the devolution of control to communities has had positive effects economically and in terms of empowerment (Vidya Sagar *et al*, 1992).

The principle of community-focused development is explicit in development policies adopted in South Africa and many of the case-studies examined in this thesis. According to the views outlined in this section, communities need to take ownership of initiatives in order to ensure their success. The case-studies will, hopefully, provide insight into these issues.

2.9) APPLIED LOCAL ECONOMIC DEVELOPMENT

2.9.1) Local Economic Development: its History

The recent wealth of material produced on LED policy and applied studies and its association with recent economic and global changes could lead to the conclusion that LED is a recent phenomenon. A small but emerging literature indicates that LED, as a development strategy, has had a reasonably long history. Research conducted in the United Kingdom by Ward (1990) and Collinge (1992) indicated that local authorities actively pursued local intervention and industrial promotion strategies as far back as 1880. Policies alternated between phases of 'growth management' and 'growth promotion', dependent on the prevailing

level of prosperity or depression. Parallel research in the United States has shown that LED was a reality from the late nineteenth century (Erie, 1992). LED was characterised by a wide variety of strategies which were pursued, primarily by local authorities, to attract business investment. No evidence of community based activity is discernable in the literature. In general terms, the central state welcomed these initiatives in the pre-Keynesian era as it partially removed the requirements for their intervention (Ward, 1990). One of the objectives of this thesis is to establish whether LED was a reality in the study area in the corresponding period (pre-World War II) and, in so doing, to contribute to the international re-evaluation of the history and legacy of LED.

2.9.2) Recent Local Economic Development Policy Development

In line with the above explanations for the recent rise to prominence of LED, a wealth of literature on LED policies and case-studies has been produced. According to recent policy publications a considerable number of development initiatives fit within the broad definition of LED. Numerous authors have attempted to assess LED and determine the key policy attributes which determine the success or failure of strategies and the criteria on which such strategies can be grounded. These range from books which can be broadly described as development manuals for both cities and community groups (Sheffield City Council, 1987; Blakely, 1989), to assessments of the role of development agencies and key actors (Cochrane, 1987; Campbell, 1990; Cochrane and Clarke, 1990; Hayton, 1992; Lever, 1992; Rich, 1992; Boyle, 1993; Paddison, 1993; Shaw, 1993), to generalised descriptions and analyses of key policy issues (Blunkett and Jackson, n.d.; Henderson and Castells, 1987; Lovering, 1988; Hayton, 1989; Totterdill, 1989; Turok, 1989; Zeitlin, 1989; Smith, 1990; Stöhr, 1990; Ward, 1990; Meyer, 1991; Bovaird, 1992; Clarke and Gaile, 1992; Foley, 1992; Bingham and Mier, 1993; Keating, 1993; Reese, 1993a). In the United States, four land-grant universities receive federal assistance to operate 'Regional Rural Development Centers'. Amongst other priorities, these centres have been

tasked to encourage economic development in non-metropolitan urban communities (North Central Regional Center for Rural Development, n.d.; Southern Rural Development Center, 1992). These centres have generated an extensive set of reports about applied LED strategies, policies and case-studies. The role which regional and sub-regional agencies and authorities can play in facilitating local level development is an acknowledged reality (Glasson, 1992; Lever, 1992; Roberts, 1993).

2.9.3) Case-studies of Local Economic Development - the North

In parallel with the detailed literature which exists about the theory and policy aspects of LED, extensive case-study material has been published. These writings detail and assess key features of LED strategies in numerous parts of the world. Although it is apparent that the bulk of the research has been undertaken in Northern countries, it is equally apparent that there is an emerging literature about the topic in countries of the South (discussed below). In terms of the North, studies of LED include developments in localities:

- throughout Europe (Albrechts *et al*, 1989; Judd and Parkinson, 1990 [12 case-studies]; Stöhr, 1990 [11 case-studies], Meyer, 1993);
- North America (Judd and Parkinson, 1990 [6 case-studies], Meyer, 1991; 1993);
- Canada (Barnes and Hayter, 1992; Mason, 1992);
- Finland (Oksa, 1992);
- France (Le Galès, 1992);
- Germany (Sabel *et al*, 1989; Bruegel, 1993);
- Israel (Razin, 1990);
- Italy (Brusco and Righi, 1989; Michlesons, 1989);
- New Zealand (Welch, 1992);
- Portugal (Syrett, 1993);
- Spain (Garcia, 1993);
- the United Kingdom (Deakin and Edwards, 1993; Lovering, 1988; Saxenian, 1989; Totterdill, 1989; Bassett, 1990; Seyd, 1990; Dabinett, 1991; Imrie, 1991; Champion, 1992; Gaffikan and Warf, 1993; Minns and Tomaney, 1995);

- the United States (Sabel *et al*, 1989; Judd and Parkinson, 1990; Clarke and Gaile, 1992; Gaffikan and Warf, 1993).

The strategies applied in these countries fall within the broad categories of interventions detailed in section 2.6 above and tend to be of the authority based LED type, except for examples in Portugal, Ireland and Scotland. These general findings serve as a basis for comparison with the experience of South Africa, later in the thesis.

2.9.4) Local Economic Development in the South

In terms of the South, LED related case-studies undertaken include examinations of LED in: Botswana (Jones-Dube, 1992), Brazil (Ferguson, 1992), Ghana (Burrows, 1992), Peru (Zaaijer and Sara, 1993) and Zimbabwe (Rasmussen, 1990; 1992). Policy material regarding the potential of self-reliance strategies in Africa has been published by the United Nations Centre for Regional Development (Gooneratne and Mbilinyi, 1992) and Gooneratne (1992). Studies undertaken into African urban economies and appropriate strategies necessary to induce economic growth, general development and, more importantly, to foster rural-urban linkages are detailed in Smoke and Evans (1993) and Binns (1995). The role which small towns can play in fostering local and rural development, serve as market centres and derive endogenous growth potential from the processing of rural produce, has been recognised by numerous authors (Potter and Unwin, 1989; Baker, 1990; Baker and Pedersen, 1992). These studies tend to approximate the community based category of LED.

2.10) THE EVALUATION OF LOCAL ECONOMIC DEVELOPMENT INITIATIVES

Given the considerable time, effort and capital which has been invested in LED, it is not surprising that various evaluatory techniques have been developed and applied to assess the impact which strategies have had (Willis, 1985; Wren, 1987; Turok, 1990). This has been particularly common in the United Kingdom where many, essentially locally based strategies, have

experienced high degrees of central state intervention, funding and control and hence have been subject to strict control. Evaluation techniques vary considerably. Those advocated by international financial institutions focus on the economic rate of return and the number of jobs created (Staudt, 1991). Within larger, business type operations Turok (1990) has identified the need to use either reviews of administrative effectiveness, financial efficiency or social accounting. A range of techniques to measure the impacts of government and local authority sponsored job creation and industrial promotion schemes have also been developed (Willis, 1985; Wren, 1987; Turok, 1989; Storey, 1990; Foley, 1992; Hughes, 1992).

The above measures are naturally critical from a purely fiscal perspective, but they cannot capture broader dimensions of empowerment, training, innovation and processes of community reconciliation which are often implicit features of LED. Almost without exception, the projects examined in this thesis fall into this category, and as such, standardised, evaluation measures which focus only on economic scores are seen as being of limited relevance. In Chapter Three additional criteria which have been developed to assess community based projects are outlined.

2.11) THE APPLICABILITY AND SUCCESS OF LOCAL ECONOMIC DEVELOPMENT STRATEGIES

Having outlined what LED is, attention now shifts to a discussion of the applicability of LED in general. While admitting that LED strategies have achieved impressive successes in numerous localities such as in the 'Third Italy', the Mondragon co-operative in Spain, the Jura Arc and Dortmund (Stöhr, 1990), it is also apparent that they often appear to be 'shoring-up' strategies which can only partially counter economic crises, such as in Ireland and Scotland (Stöhr, 1990). With the exception of LED initiatives in places like the U.S.A. and Italy, LED approaches do not seem to be able to enable localities or broader

regions to aspire to the forefront of economic growth and activity (Michelsons, 1989; Stöhr, 1990). In areas with limited economic prospects however, they can restore lost employment opportunities and provide for initiatives which are often more sustainable than government intervention is. A good example of this are the endeavours to create local jobs through business support strategies and community co-operatives in Cambe, Brazil, following the collapse of the agricultural economy of the region (Ferguson, 1992). Given the limited or often non-existent alternatives existing in the poorest areas of various countries, such as South Africa, LED does merit further consideration as a current and future strategy. These considerations are regarded as important in this particular thesis.

There is, however, no clear-cut case that LED always succeeds and several authors have raised questions over the sustainability of many LED initiatives (Bovaird *et al*, 1991). According to Leathers (1994), success or failure varies on a case by case basis and current strategies to promote development do not differ from previous development strategies in terms of their success or their negative side-effects. Political fragmentation, competing ideologies, shortage of funds and a focus on any available alternative distorts the process and inhibits success (Teitz, 1994). The most common drawbacks associated with LED include: the limited prospects of growth diffusing from the areas of adaptation, the failure to truly tap into macro-level resources and the reality that only centres with the greatest pool of physical and human resources are likely to prosper. The relative differences in the success of LED in the U.K. between the north and south of that country supports such a conclusion (Todes, 1993). In addition, as Stöhr (1990) and Taylor and Mackenzie (1992) point out, the poorest areas will still continue to require a level of state support. Other limitations with LED include the narrow range of business activities which are generally adopted and the frequent reliance on external / government revenue (Mason, 1992). Capital scarcity and the inherent conflict which exists between running a business

venture, yet trying to organize socially responsive programmes with community participation in the process, are all factors limiting the overall effectiveness of LED.

On a more positive note, although LEDs often rely on costly trial-and-error methods, as Vàzquez-Barquero (1992) points out, it is precisely through the implementation of such processes in a unconstrained environment that creativity can triumph and resourceful strategies can be identified. According to Clarke (1993a), local development often has only short-term impacts unless there are key developments in terms of human capital. In an interesting analysis of the effects of LED, Feiock (1991) established that they do have a positive effect on industrial development and capital investment, but very little on employment creation. The reliance of LED on community based processes has been identified as more appropriate than previous approaches. This is because "development 'from below' ... (is) based primarily on maximum mobilization of each area's natural, human, and institutional resources with the primary objective being the satisfaction of the basic needs of the inhabitants of the area" (Stöhr and Taylor in Baker, 1990, 9).

The positive and fundamental link which exists between small centres and rural development processes in their hinterlands should not be ignored in relevant cases as this serves to promote synergy and focuses endeavours. In order to succeed, any local initiative cannot develop in isolation from the outside world and must take cognizance of broader developments. As Lovering (1988) points out, attempts which focus solely on the local centre and which ignore changes in its broader market, economy and production are fraught with problems. These notions are important in the case-studies in this thesis where LED seeks to link urban and rural areas together for their mutual benefit (for example in Stutterheim).

Given the requirement for high levels of skill and dynamic leadership (Stöhr, 1990) it is obvious that the opportunities for

successful LED initiatives in Southern countries may well be limited (Todes, 1993). Despite this gloomy prognosis, desperate situations, such as exist in South Africa's economically deprived areas, often necessitate a consideration of all possible alternatives which can and should include outside facilitation of local initiatives. The successful application of LED strategies in Brazil does lend hope that Southern countries can participate in this new arena (Ferguson, 1992). While the implementation of LED does not ensure success, it does offer hope to deprived areas given the unlikely prospect of major external investment occurring within them, the reality of job loss (i.e. in former industrial development points) and the limited benefits which current state policies in South Africa can offer (after Todes, 1993).

One of the most interesting and insightful comments on local initiatives and how to achieve successful implementation comes from the writing of Simon (1992). This work suggests ways to blend the successes and compensate for the weaknesses of 'top-down' and 'bottom-up' planning. He calls for planners to become more intimately involved with communities and the need to integrate development theory and spatial planning more adequately. In his view, the way forward is the "formulation of multifaceted, integrated policies sensitive to different group and local needs and embodying the most positive elements of both 'top-down' and 'bottom-up' planning. In the contemporary world neither of these polar opposite approaches alone will achieve the desired results" (Simon, 1992, 41). Scott Fosler (1991, 15) endorses this standpoint and views the two approaches as "complementary, informing, challenging, and reinforcing one another". Sengenberger (1993) also regards the most appropriate way forward as the search for a blend of approaches in which those at the local level complement national ones in order to ensure the local relevance of development strategies and to maximize the chances of success. It is important to note that Stöhr (1981), who popularised the notion of 'development from below', in his seminal article argued for it to be incorporated

in 'development from above' approaches. According to Stock (1995), local initiatives need to be supplemented with well-conceived, carefully implemented national strategies of development. There is a clear challenge to governments, planners, local authorities, community leaders and academics to seek such a convergence in policies and strategies. These ideas serve to influence the overall policy recommendations made in Chapter Fifteen of this thesis and serve as a guide in identifying optimal growth options.

2.12) THE POTENTIAL RELEVANCE OF LOCAL ECONOMIC DEVELOPMENT STRATEGIES TO SOUTH AFRICA

The impact of globally sourced economic crises in South Africa has been aggravated by unique factors at the local level. These include :

- the impact of sanctions;
- the protracted economic recession and currency devaluation;
- the spatial and social imbalances induced by apartheid;
- the recent rationalization of the industrial decentralization programme;
- the contraction of the mining industry;
- the devastating impact of the protracted drought,
- the influence of GATT related reductions of internal tariffs on local industries,
- political uncertainty and labour unrest.

(McGregor, 1990; Riordan, 1990; Bond, 1991; Nedcor and Old Mutual, 1992).

It is against this backdrop of years of negative growth in the national economy and severe recession in a multitude of localities (Efrat, 1992) that this particular study is situated. Within various centres such as Stutterheim, Germiston, Welkom and Durban, conscious efforts are being made to address the prevailing economic problems which exist and to provide for locally sourced and driven growth (Nel, 1994a). Although still in its incipient phase, the parallels with international

experience in the realm of LED are apparent (Nel, 1994a). This tendency is not uniform and many communities and towns have entered a cycle of accelerated decline with no apparent means of reversing the situation, other than through the possible seizure of the development initiative locally.

2.13) CONCLUSION

In the chapters of the thesis which follow cognizance is taken of the broad contextual themes discussed above. The potential reality and relevance of key international findings in terms of global change, the emergence of localities as key foci of activity, the curtailment of traditional regional policies and the rise to prominence of LED and various 'bottom-up' strategies all form a key conceptual basis for this thesis. The thesis also seeks to identify whether the cases of LED examined conform to internationally identified general processes and results of LED. The notions of locality and LED are adopted in this thesis as key theoretical underpinnings. These theories will inform interpretations of the case-studies and provide the base to develop South African variants on these themes. The research will also seek to develop policy related conclusions which balance research findings with the key issues discussed above. The following view expressed by Teitz (1994, 105) is taken as a guiding principle in the chapters which follow, namely that "it is time to undertake research that will reveal the impacts of the new forms of economic development strategies that are at least as concrete as those associated with the old".

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CHAPTER THREE

METHODOLOGY

3.1) INTRODUCTION

In order to meet the objectives specified for the thesis in Chapter One, appropriate research techniques and assessment criteria were identified. In this chapter general research and theoretical issues pertinent to the research design and methodology are examined before proceeding to an examination of the techniques and assessment criteria utilised. It should be noted from the outset that due to local variations in the case-studies, each chapter is prefixed with a description of the specific methodology applied. Fundamental differences between the case-studies investigated in terms of their physical and demographic size, the nature of development endeavours embarked on and the receptivity of the communities to an external researcher, necessitated the application of various research methodologies. Allowances were also made for local, spatial and temporal considerations.

As a basis for the case-study chapters, a core set of questions constituted the major research focus. These questions were drawn up prior to the commencement of the research in 1993 and sought to identify information required to fulfill the objectives of the study. The core questions were applied, through semi-structured interviews in all of the cases studied, subject to minor, site-specific modifications.

Secondary methods employed to supplement the semi-structured interviews varied from standardised questionnaire surveys to participatory rural appraisal (PRA) techniques. Documentary analysis in chapters where a survey of archival and documentary evidence was required were also used. The only locality in which the core questions were not applied was East London. This was because LED endeavours there were not community-based until 1995

which meant that information could only be derived from records and interviews with key individuals for the period prior to 1995. The recency of the launch of a community initiative in that city has not allowed sufficient time to elapse to establish a broad data base or range of experienced, participating individuals whom one could question.

The process of conducting research in a series of case-studies was inductive in nature and this permitted the identification of both unique and common themes in the cases examined. This also allowed for later comparison and contrast between local and international experience. In addition to the core questions, one of the most critical aspects of the research was the identification of a standardised final assessment schedule (a second set of core questions) which was developed for use in all the projects investigated. This was done in order to evaluate what had been achieved, to assess project results, to allow for comparison between cases and to lay a basis for policy derivation.

3.2) THE SOUTH AFRICAN RESEARCH SITUATION

Research investigations in South Africa, particularly in disempowered communities, have been and continue to be hampered by the legacy of apartheid, antagonism and disempowerment. Disempowerment of the majority of the rural black population has generated a constraint in that the rural people have been subjected to 'top-down' decision making over many years which has mitigated against self-expression. Furthermore, such people are often not used to articulating their views and having cognizance taken thereof. The research scenario in rural areas in South Africa is further complicated by questions of physical and political access. Due to the country's historical legacy, communities are often reluctant to accept the presence of researchers and question their legitimacy and research *raison d'etre*. However, the urgent need for appropriate, developmentally

orientated research obliges researchers to adopt techniques acceptable to both the communities under consideration and research requirements. When selecting appropriate research procedures and undertaking the research, these considerations were paramount.

3.3) THE RESEARCH CONTEXT

According to Bless and Higson-Smith (1995, 12), "research can loosely be defined as the translation into practice of the relationship between facts and theory ... and the endeavour of acquiring knowledge". The most common purpose of undertaking research is to achieve the objectives of exploration, description and explanation (Babbie, 1992). Whereas exploration lays the groundwork for detailed study, description focuses on the detailed acquisition of information and explanation seeks to account for the patterns which are observed. Existing theory clearly serves as a guide or 'roadmap' in determining what the focus of research needs to be and how it can be achieved (Guy *et al*, 1987). Simultaneously, theory has the potential to be modified by subsequent findings. Within this sense, the key findings of this or any thesis should strive to broaden both empirical knowledge and theoretical understanding. Although this particular study focuses on an examination of an internationally recognised development phenomenon as it exists in South Africa, the basic interpretational logic is not of a deductive nature.

The inductive approach was adopted because of the uniqueness of the South African situation and the fact that this is the first comparative study of its type in the country. The research process was based on the detailed study of a series of cases where LED was known to be occurring but without making suppositions with regards to the process and results (Guy *et al*, 1987; Babbie, 1992). The research process thus started from a limited base of known fact and strove to explore the realities, constructs and processes which operated in each case. The

undertaking of a series of case-studies was also geared towards the generalisation and comparison of findings in an endeavour to derive theoretical conclusions regarding the occurrence and operation of particular phenomena in the South African context (Schofield in Hammersley, 1993).

In pursuit of the requisite knowledge, the standpoint that qualitative data is necessary to discover the emic (or insider) view is upheld in terms of determining the critical importance of local contexts and realities (Denzin and Lincoln, 1994). For purposes of verification, triangulation techniques (as discussed below) were also used which employed quantitative data techniques.

3.4) THE RESEARCH DESIGN, THE KEY RESEARCH PHASES AND THE SELECTION OF THE CASE-STUDIES

A research design is defined as "the plan of procedures for data collection and analysis that are undertaken" (Guy *et al*, 1987) and "the program that guides the investigator in the process of collecting, analysing, and interpreting observations" (Nachmias and Nachmias, 1982, 75). It includes the planning and the carrying out of the research study. The key factors which need to be identified in any research design include decisions over the research setting, the research time frame, the unit of analysis and the research purpose (Guy *et al*, 1987; Bless and Higson-Smith, 1995). An appropriate research design was required to fulfill the objectives specified for the thesis.

The research setting selected for this study was, in the first instance, the province of the Eastern Cape in South Africa. Its sheer physical size and the limited incidence of major LED initiatives within it helped to narrow down the focus of the study. Although general details of the province are provided in Chapter Four, in Chapters Five and Six and Eight to Thirteen the focus is on known points of development activity. Regional

development planning and known incidents of LED have focused on defined localities. The adoption of a 'case-study' approach is justified by the limited incidence of locality based development, the significance of their uniqueness and their ability to provide detailed information for analysis, generalisation and transfer (after Denzin and Lincoln, 1994). Localities in which regional development assistance was focused constitute one set of case-studies. LED case-studies were selected on a two-fold basis. In the case of pre-1950 LED, centres for study were identified on the basis of a thorough trace of archival records. All centres in the Eastern Cape with discernable LED policies for which records exist were selected for study (see Figure 3.1). In the case of more recent examples of LED, selection was based on the known incidence of LED in centres (see Figure 3.2). All major, known examples of LED became the focus of research as a result and no sampling procedure was employed. The adequacy of the selection in the latter instance was confirmed by the National Business Initiative (1995) survey of all known cases of LED in the country. The range of centres in which identifiable LED processes are occurring approximates the rural to metropolitan continuum. This allows for a comparison to be made between the form, nature and incidence of LED at various spatial scales.

One of the first issues which had to be dealt with in the determination of an appropriate research design was that of delimiting the time dimension of the study i.e. were cross-sectional or longitudinal studies to be employed (Babbie, 1992). Given the nature of the material under investigation, both approaches were used. The research was cross-sectional in that it sought to study the same broad phenomenon as it occurred in a variety of localities, particularly in the period from 1995 to early 1996. The final assessment of all the case-studies was done, effectively simultaneously, in June 1996. The research was also longitudinal in that observations were undertaken over an extended period of time. Although there were variations in terms of how long a project had been running (or had run), the focus was on identifying the evolution of endeavours and how they

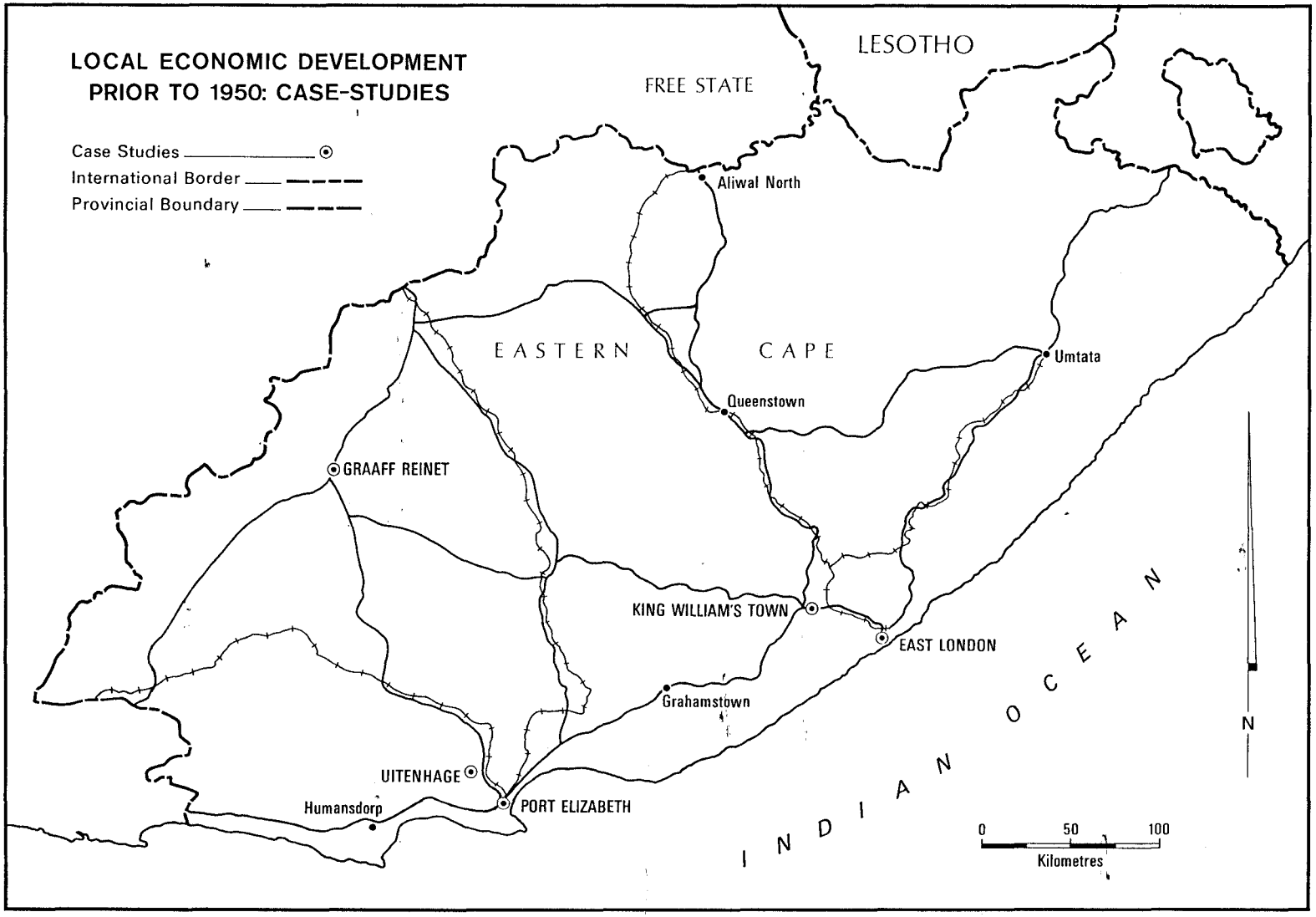


FIGURE 3.1) Local Economic Development Prior to 1950: Case-Studies

Source: Cape Archives Depot (CA), 3/ELN, 645, 1937; CA, 3/KWT, 4/1/228, 1928; CA, 3/GR, 4/1/1/13, 1938; CA, 3/PEZ, 1/3/2/3/1, 1936; CA, 3/UIT, 4/1/216, 1938.

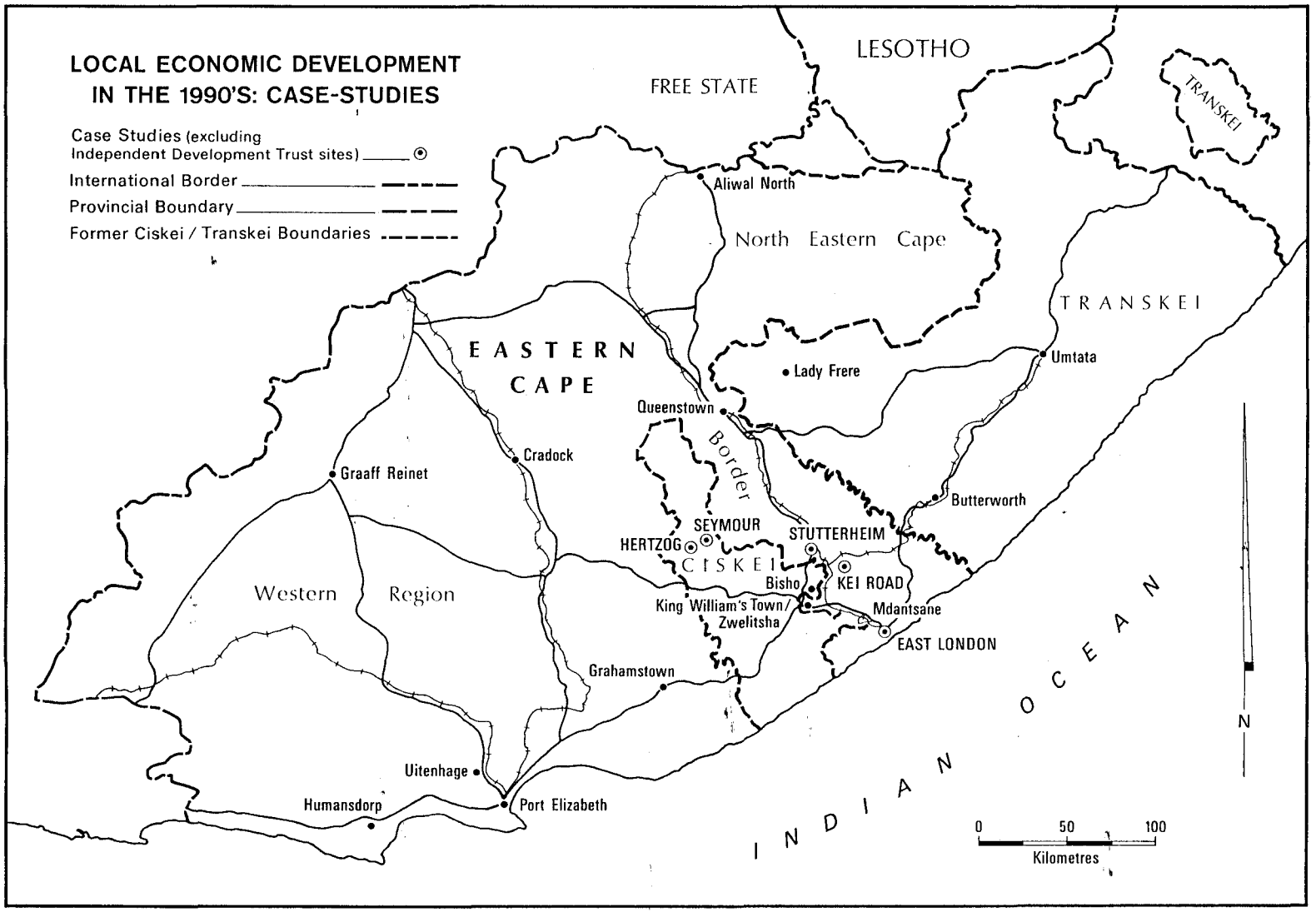


FIGURE 3.2) Local Economic Development in the 1990s: Case-Studies

Source: Stutterheim Development Foundation, 1993; Hertzog Agricultural Co-operative, 1994; Kent, 1996; Kota, 1996; Toomey, 1996.

altered in focus through the passage of time in their search for sustainability. With the exception of Hertzog, all the recent LED endeavours studied had taken place in the pre- and post-1994 transformation period. The events of 1994 appear to have influenced the projects less significantly than the general period of freedom, relaxation of control and new development and expenditure foci which has marked the 1990s.

The unit of analysis varied according to the research foci at different points of the research investigation. It included historical records, urban centres, development fora, community leaders, various organizations, government policies and details of the province in general. The unit of analysis as such varies from chapter to chapter according to the issues under consideration.

The purpose of the research is naturally a critical component in any research endeavour. According to Bless and Higson-Smith (1995), research should seek to explore and describe, to explain and to evaluate. In terms of this research, the exploration and description of the issues under consideration were undertaken either to record and document development features (which have never been researched before) or to describe the results of previous development policies. The element of explanation is important as it permits the identification of cause and effect relationships and allows inferences to be made about the features and development processes under investigation. Evaluation is critical in the context of current development needs to establish the appropriateness and potential, if any, of the processes under investigation. It also needs to identify their drawbacks and advantages and, ultimately, their potential replicability or uniqueness as the case might be. The ability to compare results, either between the cases or, more broadly, with evidence from further afield, allows for generalisation which is deemed to be a critical component in social science research (Nachmias and Nachmias, 1982). In this thesis the case-studies will be compared and contrasted with each other in order to draw conclusions about

the experience and nature of LED in South Africa. These findings, the general experience of regional development and evolving LED policy nationally will be related to international literature in order to derive theoretical conclusions about LED in South Africa and the role and place of localities.

The next major step in the actual undertaking of the research programme was the identification of key issues to be investigated and appropriate methods to assess the findings in the case-studies. Thereafter followed the identification of research techniques suitable and appropriate for undertaking the envisaged investigation. Given the varied nature of the units of analysis and the significant spatial, social and economic differences which exist in each of the research settings, a variety of techniques were employed. These various techniques are described in detail below, at this point it is sufficient to state that semi-structured interviews were the major technique employed. The secondary approaches which were utilised to supplement the semi-structured interviews included: documentary analysis, questionnaire administration, field observation and rapid rural appraisal / participatory rural appraisal.

In order to validate data collected, to overcome bias and to ascertain the representative nature of information collected, more than one data collection approach was used in each study area. This procedure is referred to as 'triangulation' and is deemed appropriate in instances where people's perception might be an expression of unique, possibly biased standpoints (Ely, 1991). It is employed to "reduce the likelihood of misinterpretation ... and (uses) multiple perceptions to clarify meaning" (Denzin and Lincoln, 1994, 241). In the case-studies in this thesis detailed interviews with key individuals were backed-up and triangulated with other interviews (individual and group in certain cases), field study and questionnaire surveys. In certain instances, documentary analysis and various participatory rural appraisal techniques such as transect walks were used to validate findings and to expand the data-base.

Following the collection of data, analysis was undertaken. In each case, results from the various data sources were compared and synthesised and findings were drafted. Statistical data derived from the questionnaires was used to lend factual support to the derivations and conclusions reached. In the concluding sections, comparison between the cases and between current and past development approaches permitted the identification of points of commonality and difference and also the nature of causal linkages, if any. Comparison then took place at a broader level in the sense of placing the findings of the study within the context of national and international experience in the same areas. Conclusions thus reached permitted the identification and derivation of theoretical conclusions about the role and place of LED and localities in South Africa and development policy recommendations.

3.5) IDENTIFICATION OF KEY ISSUES TO BE INVESTIGATED AND APPROPRIATE ASSESSMENT CRITERIA

In order to meet the objectives specified in Chapter One, five primary research foci were identified:

- the need to undertake a thorough literature survey of international literature relevant to the study, the results of previous policy initiatives in the country and evolving LED policy and practise (first and fourth objectives).
- the need to undertake documentary analysis of archival and other records to determine whether LED existed prior to the contemporary period and if so, to identify what forms it took (details are provided in section 3.6.1 below) (third objective).
- the need to draw up a set of core questions which could be posed to each community selected for study. This was done in order to identify the key causal conditions, features, strategies and results achieved by LED and to provide a measure of standardisation and comparability in the research undertaken (Phase One below) (Fifth objective).

- the need to identify and draw up an appropriate final assessment schedule which could be applied in all the cases investigated (Phase Two below), with a view to developing a standardised schedule for use in other comparable situations (sixth objective).
- based on the results and findings of the above, to derive appropriate theoretical conclusions to describe the role and place of LED in localities in the Eastern Cape and in the country in general and to draft appropriate policy guidelines (second and seventh objectives).

The criteria and range of questions selected to address the third and fourth points above, are outlined below. The first two points are not discussed further at this juncture in that no defined parameters were set and the historical and literature examination was of an exploratory nature. The fifth point could only be fulfilled once the preceding issues had been dealt with and the synthesis and analysis involved forms the key focus of the last section of this thesis.

3.5.1) Phase One: Initial and On-going Assessment

The following general questions were asked in a semi-structured fashion in all communities investigated. The question schedules were subject to a limited number of site-specific modifications, which are detailed in the respective case-study chapters. The questions were drawn up by the researcher based on a thorough preliminary reading of published empirical research on LED by Stöhr (1990) and others, as detailed in Chapter Two. The focus was on identifying objective appraisals and assessments applied in multiple countries, in order to identify a core set of questions which could be applied in the study area. The questions were not posed in the case of East London as a large portion of that chapter is based on recorded evidence of 'top-down' municipal endeavours, as mentioned in Chapter One.

The questions were asked, in a semi-structured fashion, to the community leaders in the first major contact session/s in each

case. Follow-up sessions were used to clarify outstanding issues and to find out further details about projects which had started. Overlap in the questions asked was justified by the need to triangulate information for verification purposes. Approximately every six months a major interview was conducted in each community in which most general questions were re-asked and details of on-going, new or completed projects were established. Information gathered was supplemented by discussion with project participants, field visits to projects, a review of documentary evidence and reports, questionnaire surveys and various PRA methods as discussed below. These other approaches served the purposes of verifying the results obtained from the semi-structured interviews and helped to provide new insights into aspects of the projects. Generalised results for all the case-studies are attached in Appendix One.

The following list details the questions which were asked in semi-structured interviews:

General Questions:

1- When was the project started ?
2- What caused it to develop ?
3- Was it caused by some type of local crisis or socio-economic change in the area, if so what was it ?
4- Who initiated the project ?
5- Did the nature of the pre-existing skills base affect the direction that the project took ?
6- Was the launch of the project inspired by political change in the country ?
7- Was the launch motivated either by the failure of the government to provide sufficient support for the community and/or the curtailment of previous state regional development support ?
8- Was the launch of the project internally triggered or was it driven from outside ?
9- Does the project only focus on the local area or is the area of coverage far broader ? Does the project support rural-

urban linkages ?

10- Who were the key participants ?

11- Are partnerships important in the initiative? If so describe what partnerships exist and what the purpose and achievements of such partnerships are.

12- Who are the local leaders and what positions do they hold ?

13- How did they acquire such positions (i.e. election / nomination) ?

14- What were original goals of the project ? How were they agreed to and by whom ?

15- What are your goals now or are they the same ? If they have changed, why did they change ? (used in subsequent interviews)

16- What are the key projects which have been undertaken? Do they address basic needs in the community ?

17- Have participants joined or left the initiative since it was initiated - who and why ?

18- Was external support secured, what form did it take ?

19- If external support has been secured how important was it to the success of the initiative ?

20- Is control of the project dominated by:

a) The community
b) Community leaders
c) Outside agencies
d) Funders
e) A combination of groups

Detail and describe

21- How much funds were secured ? Where were they secured from?

22- Are there any other development initiatives / employment projects in the area which are benefitting the local community ? Do you have a good working relationship with them ?

PROJECTS EMBARKED ON

1- In order of decreasing importance list the projects embarked on by the community, indicate next to each whether the

project had an economic focus or not.

2- Provide precise details about the aims, nature, funding, employment and achievements of the projects embarked on.

EMPLOYMENT AND TRAINING

1- Provide details of the number of people who have gained employment and the nature of their jobs.

2- What training projects have been embarked on and who has benefitted from them ?

RESOURCE UTILIZATION / RURAL-URBAN LINKAGES

1- Is use made of resources locally available to the community in its immediate vicinity or its hinterland ?

2- Are rural-urban linkages being strengthened as a result of the undertaking ?

3- What benefits are being derived / can be derived from mutual interaction between rural and urban areas ?

3.5.2) Phase Two: Final Assessment

The final phase of the research took place in a seven day period in June 1996, when the questions detailed below were asked of the community leaders in all the localities currently implementing LED. The cross-sectional data gathered permitted the standardisation of the evaluation and allowed for comparison between the various initiatives. The criteria for evaluation and the questions asked were synthesised and adapted from a combination of published evaluation schedules which appeared to be appropriate to the South African situation. The major criteria employed were extracted from the combined British Community Development Society and the Centre for Local Economic Strategies (in Henderson, 1991) evaluation schedule; the 1992 British government criteria (in Foley, 1992) and guidelines detailed by Stöhr (1981, 1990) and Blakely (1989). Full details of the various criteria and their sources are listed in Appendix Two.

The chief criteria were as follows: economic, employment, training, empowerment, services, infrastructure, quality of life

and an assessment by the local leaders. These criteria were selected to determine whether the various projects were having a defined impact on the communities studied in terms of employment and training opportunities, economic change and overall quality of life. The notion of empowerment has been identified as a key ingredient in any development initiative as it allows for local control of the process of development and self-actualization (Stöhr, 1990). Criteria such as services and infrastructure were added to determine whether there had been concrete improvements in the physical structure of the centres. The final assessment section in this schedule was used to determine the perception of the project leaders with regard to the success of their own initiatives.

Overlap in the questions asked was justified by the need to triangulate information for verification purposes. The only case-study in which these questions could not be meticulously applied were those involved in the Independent Development Trust (IDT) scheme. This was because of the termination of the initiative in 1995 and the failure of the state or the IDT to supplement its initial expenditure there. This withdrawal ended the original development project embarked on. By June 1996, no evidence of sustainable farming developing from the project could be established.

The results of the assessment are contained in Appendix Three. It should be noted that where issues were raised in the initial and the final assessments, for example about employment and resource utilisation, only the final results are recorded, i.e. in Appendix Three. The key criteria and questions were:

ECONOMIC

1- Has the project increased private sector investment and confidence ? Describe, detailing in particular whether the investment has been from internal or external sources.
2- Has the project increased turnover and investment by local firms ? Describe ?

3- Have external firms been drawn in ? Is the community benefiting from their investment ?
4- Has the project fostered and supported new and emerging enterprises ? Describe.
5- What problems have been encountered ?
6- To what degree have local people / firms benefited ?
7- Has the project mobilised local entrepreneurial resources ?
8- Has the government provided support / co-financing / allowed decentralisation of control ?
9- Are there RDP projects in the community ? If so do they complement your initiatives ? Describe them and detail the response of the community to them ?
10- Have other government or para-statals support mechanisms improved economic conditions in the area serviced by your initiative ? Describe.
11- Has income in the community been improved ? If so, by how much approximately and who are the beneficiaries ?
12- Has the project promoted self-sufficiency ? For how many people ?
13- How much money has the project raised locally ?
14- How much money has been drawn in from outside ?
15- How much money has been generated locally by the project for the initiative and for local people in general ?

EMPLOYMENT

1- Who has taken the lead in creating jobs i.e. the initiative, the private sector, the state etc. ?
2- How many new jobs have been created and of what kind ?
3- How many previously unemployed people have now found new jobs?
4- How many local people have found jobs ?
5- How many threatened jobs have been saved or sustained ?
6- How many short-term jobs have / were created ?
7- How many permanent jobs were created ?
8- How many jobs were created for the low income members of the community (detail if short-term or permanent) ?
9- Describe the type of jobs which have been created ?
10- How many people are currently unemployed ?

11- To what extent has the quality of employment opportunities for local people improved ?
12- Have people learnt new and relevant skills for employment ?
13- Have local people been able to take control of development initiatives ?
14- Have local people become more 'employable' ?
15- Has newly derived income made a real / major difference in the lives of the beneficiaries ?

TRAINING

1- Were people trained ? If so in what and what are they now doing?
2- If there was training who undertook it ?
3- Has there been external support for such endeavours ?
4- Are there broad opportunities for community development and education ?

EMPOWERMENT

1- Has the project encouraged local / community involvement ? For how broad a cross-section of the community ?
2- Has the project encouraged local / community ownership ? For how broad a cross-section of the community ?
3- Is there democratic decision making and election of leaders?
4- Is the project controlled by the host community or by outsiders?
5- Do any of the following groups benefit directly from the initiative and have a major say in its plans and operation:
   a) The youth ?
   b) Women ?
   c) The aged ?
6- Who decides what is needed locally, who is consulted and what is the process for assessing the need ?
7- How many people are involved in community / local activities?
8- How many people are involved in community economic development?
9- To what extent do they control resources and decision-making?

10- Are people more confident about using agencies like social services / support groups of the initiative / state agencies etc. ?
11- Have such agencies changed in their attitude to the area and their expectations of it ?
12- Is there more social interaction than there was previously?
13- Are more people interested in what happens locally ?
14- In what ways has general community life improved ?
15- Are people happier to stay in the community now and less willing to move away ?
16- Has the initiative promoted a 'sense of belonging' in the community ?
17- Is the project helping to overcome apartheid divisions and is it promoting community reconciliation and empowerment ? Describe and discuss.

SERVICES

1- What new services have been provided ?
2- What new services have been maintained which otherwise would have disappeared ?
3- How has the provision of services been improved ?
4- How are communities needs being met ?
5- Have any independent services / facilities developed as a result of the presence of the initiative ?

INFRASTRUCTURE

1- What improvements to the local housing stock and conditions have been brought about ? What other improvements have been made ? Has the government's housing campaign assisted the community ? If so, detail and describe.
2- What improvements have been made to transport and other infrastructural services ?
3- Is there a community meeting place ? Do people have the amenities which they require ?
4- What social facilities are there ? Are they well used ?
5- What premises are available locally for new enterprises and activities ?

6- Has the quality of building stock been improved ?
7- Has provision been made for recreational / community facilities?
8- Have land and building been brought back into use ?
9- Have rural-urban linkages been improved ?

QUALITY OF LIFE

1- Has the overall quality of life in the community improved ?
2- Has the local environment (natural and social) improved ?

ASSESSMENT

1- What are the primary successes of the initiative ?
2- What are the primary weaknesses of the initiative ?
3- Has the project been successful ?
4- Is the project sustainable ? (detail which aspects are / are not).
5- Is the project a new growth track or is it only a survival strategy ?
6- Can local communities successfully address their problems or do they need to rely on external support ? If outside support is needed, is it critical and what form should it take ?
7- What role is there for government / external agencies / the private sector / community groups in such endeavours ?
8- What role should / could local government play in these endeavours ?
9- How important is people's attachment to place and its future development ?
10- What are your future plans ?
11- Could your knowledge and experience benefit other communities?
12- Comment on government development strategies such as the RDP and discuss their strengths and weaknesses and what they need to focus on in order to succeed.

Details are provided in Table 3.1 of when research was undertaken in each of the major case-studies.

TABLE 3.1) Research Programme for the Six LED Case Studies

	Stutterheim	Seymour	Hertzog	Kei Road	IDT Project	East London
Preliminary Contacts	March 1993	June 1994	September 1995	May 1994	October 1994	June 1989
First Key Interviews	September-October 1993	June 1994, May - June 1995	September - November 1995	June - July 1994	October 1994	May 1992
Follow Up Interviews	May - June 1994, 1995	August 1995, October 1995, November 1995	February - June 1996	February 1995	November - December 1994	September 1992, may 1993, June 1994, July - August 1995
Field Visits	October 1993, May 1994	May 1995, October 1995	October, November 1995, February, April, June 1996	June 1994, November 1994	October - November 1994	-
Sample Surveys	November 1994	February 1996	February 1996	November 1994	-	-
Follow Up Interviews	September 1995, November 1995	March-May 1996	-	August 1995, September 1995	January, April 1995	February 1995, April 1995
Final Assessment	June 1996	June 1996	June 1996	June 1996	June 1996	June 1996

3.6) THE MAJOR RESEARCH TECHNIQUES EMPLOYED

In this section the major research techniques which were employed are discussed and outlined. In order to investigate the case-studies and to answer the various questions posed by the thesis objectives above, appropriate research techniques had to be applied. Within the broad parameters of social science research a wide variety of qualitative and quantitative research techniques exist to assist the researcher in identifying key factors under consideration. The techniques selected are outlined below, namely: documentary analysis, survey techniques (semi-structured interviews were the primary research technique in the case-studies), field research and rapid rural appraisal / participatory rural appraisal.

3.6.1) Documentary Analysis

A key source of information, particularly in Chapters Four, Five, Six, Seven and Thirteen, were various sources of documentary information. This approach is also referred to as obtaining information through 'unobtrusive research' (Babbie, 1992). As the material discussed was largely historical in the case of these five chapters, reliance had to be placed on various recorded sources of information. This included archival records, secondary source material, data-tables and newspapers. In subsequent chapters, documentary evidence played a limited role, usually confined to extracting information from reports, minutes, newspaper articles and development proposals. In these instances, information helped to provide background and factual details and to verify information collected through other means.

The primary sources of historical data were the Cape Archives Depot, Cape Town and the Municipal Records Department in East London. In these repositories details of past development activities were accessed from past and current municipal correspondence files, government reports and the minutes of official meetings. Other sources included newspaper records in the Cape Archives Depot, the Daily Dispatch library in East

London, the library of Rhodes University, available records of the former Transkei Development Corporation, the former Ciskei People's Development Bank and the offices of the former Department of Regional and Land Affairs in Port Elizabeth and Pretoria. This information proved indispensable in the examination of the early history of LED in East London, Port Elizabeth, Graaff Reinet, Uitenhage and King William's Town. It was also used to detail the region's experience of regional development planning in the post-World War II era and applied LED in East London in the 1990s. Secondary source material (including material for the literature review) and data-tables were obtained from academic libraries across South Africa, the Development Bank of Southern Africa, the Border-Kei Development Forum in East London, the Regional Development Advisory Committee in Port Elizabeth and the former RDP Ministry in Pretoria.

When analysing material from the various data sources, cognizance was taken of the notion expressed by Foucault that texts reveal not only factual details but also provide information about the exercise of power and control in a society (in Hammersley, 1993; Denzin and Lincoln, 1994). Methods of content and discourse analysis were not applied as a specified objective. Attempts were made to gain insight into underlying assumptions, prejudices and biases within the documentary material. This was undertaken in order to discern the role played by issues such as racial discrimination and civic pride in the policy decisions taken. This was particularly relevant in determining the responses of local authorities to the perceived need for development and to government strategies.

3.6.2) Survey Techniques

One of the most fundamental methods of data collection in the social sciences is that of the survey. "Surveys can be used to explore, describe, or explain respondents' knowledge about a particular subject, their past or current behaviour, or their attitudes and beliefs concerning a particular subject" (Guy *et al*, 1987, 220). Surveys have the advantage of being able to

identify both factual and attitudinal data. Key issues include questionnaire design and administration and the various types of interviews which can be utilised. Administration often requires the selection of appropriate sampling procedures to gain a representative cross-section of the study population. In other cases, the use of 'key' subjects which involves the deliberate targeting of individuals for survey is justified on the grounds of their unique knowledge and the leadership position which they play. In this study the focus was on the interview of key subjects, backed up by small questionnaire surveys, group and individual interviews. Details of the various types of survey feature in sub-sections below.

3.6.2.1) Interview Methods

Interviews involve direct contact between the researcher and the researched; questions are presented orally and responses recorded. The interview method allows the researcher to clarify issues and correct misunderstandings which might arise (Babbie, 1992). Interviews can either be:

- non-scheduled, i.e. which involves asking people to comment on widely defined issues and respondents are free to expand on the topic as they see fit,
- non-scheduled structured (semi-structured), i.e. the interviewer prepares a list of issues / questions which the respondent is asked to reply to in an open manner. It is more structured than the previous type in that the interviewer exercises greater control and the questions posed serve as an outline within the parameters of which the respondent is encouraged to think laterally and develop the issues under discussion.
- scheduled structured, i.e. where questions from a set questionnaire are asked and indications are given as to the format answers which are expected. The researcher's role is limited and no attempt is made to probe deeper into issues (after Nachmias and Nachmias, 1992; Denzin and Lincoln, 1994; Bless and Higson-Smith, 1995).

Semi-structured (non-scheduled structured) interview methods were selected in this thesis because of the exploratory nature of the research undertaken. These permitted the identification of key aspects of the development processes under consideration and also allowed respondents to comment broadly on the issues which they felt were pertinent to the development of their locality. The key advantage of this method of data acquisition is that it permits the "gaining (of) extensive information, verified by extended discussion and probing in problem areas" (Guy *et al*, 1987, 245). The technique allowed the researcher to form a broad picture of the topic under discussion and, simultaneously, permitted immediate clarification of problem issues. It also provided the opportunity to gain new insights and factual details in areas not initially anticipated, for example in terms of local adaptations to crises and innovative marketing strategies. Information was sought from community members and their leaders and also from administrators. In all instances the objective was to obtain details of individual projects, their achievements and failures, opportunities and constraints and the structure and operation of organizations. The perceptions of individuals regarding causes for success and failure and the key determinants of successful local developments were also key foci.

In several instances use was also made of group interview methods (see Denzin and Lincoln, 1994; Bless and Higson-Smith, 1995). This was undertaken with communities where shared and democratic leadership was the norm in order to allow for interaction and the joint-determination of answers to the semi-structured interviews which were conducted. Information thus collected was often rich in detail and it was comparatively easy to identify issues which the community regarded as controversial. In the case of both individual and group interviews, the key questions detailed in Section 3.5 formed the basis for discussion.

3.6.2.2) Questionnaire Methods

The nature and focus of questionnaire design is extensively detailed in research-related literature. The key types of

questions which need to be resolved in questionnaire design relate to whether questions are, 'open-ended' or 'close-ended', opinion or factual and contingency questions (Nachmias and Nachmias, 1982; Babbie, 1992). In this study, questionnaires were not the major research technique applied. They were however utilised in the case-studies to obtain supplementary data and to verify and triangulate information collected through interviews. They also served to provide a factual base and permitted the discernment of the perceptions of a representative sample of the communities studied. Questionnaires were applied in Hertzog, Seymour, Kei Road and Stutterheim. In all cases community members assisted with the data collection owing to questions of language and the general acceptability of an outside researcher. The interviewers received instruction as to what was expected and random stratified techniques were used to reflect internal differences within communities (i.e. spatial differences in places of residence and whether or not the respondents had any involvement in the development schemes investigated). In the case of Seymour and Hertzog short questionnaires were administered to establish personal details of the respondents in terms of family size, employment, their perceptions of the challenges facing their area and the success and ability of their local forum to address these issues (copies of the two questionnaires and summary results are attached as Appendix Four). Twenty questionnaires were administered in each centre in 1996. In the case of Stutterheim and Kei Road, because of the level of detail obtained through interviews, group discussions and field observation it was decided to use very short questionnaires to ascertain community perceptions of the respective fora and their success (see Appendix Five). Forty were administered in Stutterheim in 1994 and twenty in Kei Road in the same year. In the case of these two centres, information was collected in a stratified fashion in order to determine the overall credibility of the fora in terms of the racially heterogenous nature of the two centres (as compared with Hertzog and Seymour which are effectively racially homogenous).

Questionnaires were not employed in East London where the community-based LED initiative is still at an incipient phase and is not yet widely known in the community. The sheer size of the city was another deterrent. In the case of the IDT supported communities (Chapter Thirteen) the well attended group interviews and the representative nature of elected committees, which hopefully made results more accurate, influenced the decision not to employ a questionnaire survey. In addition, the sheer number of people (some 30 000) resident in several markedly differing villages pursuing different strategies also mitigated against the use of a representative sample survey.

3.6.3) Field Research

Another broad technique which can be employed is that of 'field research', which involves active research in the field or area of enquiry. Specific techniques include participant observation and direct observation. Rapid rural appraisal and participatory rural appraisal also form part of this broad approach and they are detailed more specifically in the next section (Guy *et al*, 1987; Babbie, 1992; Chambers, 1992).

Participant Observation involves researchers placing themselves within the process without disrupting it and seeking to participate in the events and processes which they wish to describe, becoming a co-researcher with their subjects (Guy *et al*, 1987; Reason, 1994). There are various types of participant observation, namely those of 'complete participation', the 'participant as observer', the 'observer as participant' and the 'complete observer' (otherwise known as 'nonparticipant observation') (after Guy *et al*, 1987; Babbie, 1992). Extensions of these approaches include the active involvement of the researcher in the process of change in the subject group through 'participatory action research' or 'action inquiry' (Whyte, 1991; Reason, 1994; Bless and Higson-Smith, 1995).

In this study the researcher's involvement was confined to that of 'nonparticipant observation'. Although participatory

techniques were used at times, as detailed below, and the researcher was occasionally asked to assist subject communities with the supply of information about external agencies, the role was, in essence, a passive one and focused on the collection of relevant data. In so doing, detailed observations in the field relating to the development activities engaged in by the various subject groups could be observed and evaluated. This approach proved particular useful in terms of triangulating results from key informants through the use of field visits to see schemes in action and to interview participants in projects.

3.6.4) Rapid Rural Appraisal (RRA) and Participatory Rural Appraisal (PRA)

RRA and PRA and their research techniques utilise many of the standard survey and field techniques as discussed above. RRA developed as a result of a sense of disillusionment with conventional, normally quantitative methods of data collection and what was regarded as the superficial, biased, rural research of the past. These approaches often prevented true assessment of development problems in the South and marginalised the views and perceptions of rural people, inducing a bias based on western preconceptions (Chambers, 1983). RRAs aim is to develop an understanding and appreciation of rural people and their indigenous technical knowledge (Chambers, 1992). From the late-1970s RRA developed as a defined research technique which sought to learn "from and with rural people, directly on the site, and face-to-face, gaining from indigenous physical, technical and social knowledge" (Chambers, 1992, 8). It involves rapid learning through conscious exploration, flexible use of methods, improvisation and cross-checking as opposed to following a rigid programme. The main RRA methods are detailed in Appendix Six.

As RRA techniques tended to encourage dominance by the outside researcher, a re-evaluation took place in the 1980s, leading to the development of PRA. This is similar in methods to RRA but differs in the sense that control is vested with the informant. The latter is allowed to dominate and determine more of the

agenda and, in so doing, exposes the researcher to a greater range and depth of issues which the researcher may not have been able to conceptualise initially. PRA relies extensively on the researcher facilitating and enabling villagers to express themselves and the development of a sense of rapport. Key techniques include: the visual sharing of information, sequencing of research endeavours and the sharing of ideas (Chambers, 1992, 1994; Van Vlaenderen, 1995).

Although it cannot be claimed that RRA or PRA were the primary techniques used in thesis, they did play a role. RRA/PRA approaches were used primarily in the Hertzog and Seymour case-studies and at a secondary level in Kei Road, the IDT job-creation projects and Stutterheim. The development projects embarked on in these cases were significant in the degree to which traditionally disempowered communities had seized the development initiative making these techniques appropriate ways in which to access information. Through key informants and group discussions with community leaders, farmers, business persons and community members, the researcher was able to ascertain a detailed chronology of the development endeavours, key success factors and the major hindrances. In addition to these discussions, detailed observations of the area and agricultural, small-business and infrastructural development were undertaken using 'transect walks' in the various localities. In Hertzog and the IDT projects, seasonal calendars were constructed through detailed discussions which identified the key elements of the production cycle and their timing. The researcher also utilised a video-making exercise in Hertzog and Seymour to encourage community discussions in which members expressed key elements important in their daily life. Although the researcher provided questions, a significant part of the information was elicited by community members interviewing each other and describing developments in the surrounding areas in their terms. This proved to be a valuable mechanism for focusing the community's attention on their achievements and to self-analyse the development process. These techniques helped to develop a picture of the

communities, the dynamics operating within them, the key ingredients of success, the constraints experienced and the importance of a range of key variables including: leadership, accountability, co-operative initiatives and transparency. Information thus obtained broadened out the general data base.

3.7) FINAL ASSESSMENT

The concluding section of the thesis focuses on the final assessment of the material examined. In assessing the various projects and LED in general, cognizance was taken of the Stöhr's (in Wilson, 1995) argument that assessment of community based projects cannot focus purely on economic criteria. One also needs to take note of the nature and evolution of human behaviour and values which are key components in any attempts to empower and improve conditions in a community. In consequence, issues such as whether empowerment and training had taken place and whether the overall quality of life in the localities had improved, were key aspects of the final assessment.

Clarke (1993a) has established that local initiatives only have a limited impact unless there is a concerted focus on the development of human capital. Assessment also needs to acknowledge the reality that community based development differs from that of authority based development (as identified in Chapter One) in terms of the focus and orientation of the controlling agency and the degree of local ownership which may exist. According to Keane (1990) 'bottom-up' development is not only an economic concept but deals with the total human condition. In addition, numerous development paths, dependent on what is locally applicable, can be pursued as compared with what were often very standardised 'top-down' strategies.

When evaluating LED in marginal areas and communities Stöhr (1990, 9) cautions that success often needs to be gauged in a relative sense. He states that "in a severely depressed area even

a mitigation of decline can be considered a success, particularly if accompanied by structural and qualitative change leading to increased competitiveness and survival chances in future". In consequence, in the assessment an attempt was made to determine any aspects of success relative to the criteria identified.

3.8) METHODS UTILISED IN THE VARIOUS CHAPTERS

The findings presented in the various chapters were identified through the differing research techniques described above. The techniques applied depended on the nature of the topic or the community under consideration, accessibility of information, the need for verification and the willingness of community members to co-operate in the research process. In this section the various chapters are briefly outlined and the relevant techniques used in each are detailed. Fuller details are contained at the commencement of each chapter. The timing of the various research endeavours in the case-studies is detailed in Table 3.1.

Chapter One:
Introduction.

Chapter Two:
The focus of this chapter was on a review of available literature which was surveyed in order to identify key features, policy and theory related issues in the experience of regional development and LED locally and internationally.

Chapter Three:
Methodology.

Chapter Four, Five and Six:
These chapters focus on historical and background details to the province, regional development and early cases of LED. Information was obtained from secondary sources, archival sources, record stores and data sources (such as the Development

Bank and Regional Development Advisory Committee). Documentary analysis was used and information gathered was reviewed, synthesised and recorded to outline key events and to explain particular developments.

Chapter Seven:
This chapter outlines the current status of LED in the country. Information was accessed from government and other policy papers and the limited numbers of LED case-studies and discussion papers published to date in the country. These were assessed, summarised and synthesised to produce the findings detailed in this chapter.

Chapters Eight-Eleven:
These chapters detail and assess case-studies of LED in Stutterheim, Seymour, Hertzog and Kei Road. The primary research technique employed in each was semi-structured individual and group interviews. Small questionnaire surveys, RRA/PRA methods and the analysis of available documentation provided supplementary information.

Chapter Twelve:
The IDT job-creation projects were the focus of this chapter. Data was gathered through the use of semi-structured individual and group interviews and limited use of RRA/PRA techniques. Information thus gathered was supplemented by an analysis of the detailed financial and project records kept by the IDT staff. No questionnaire was applied in this case. The study and comparison of multiple villages permitted the triangulation of the results.

Chapter Thirteen:
East London is the focus of this chapter. The authority based nature of LED practised till 1995 necessitated a focus on semi-structured interviews of key individuals and documentary analysis given the initial absence of community focused activities. In 1995 a community-based LED initiative was launched. However, because it was in its incipient phase at the time of the research and there were few tangible results, this necessitated a focus

on key stake-holders. In addition, the sheer physical size of the city prevented the application of RRA/PRA techniques. The main source of information was the analysis of documents (municipal and newspaper), records of meetings and semi-structured interviews with key role players.

Chapters Fourteen, Fifteen and Sixteen:
These chapters conclude the thesis, assess the results and identify key themes. Information was extracted from the general findings of the whole research process. Comparisons were also drawn between South African and international experience to assist with the derivation of key policy and other conclusions. In addition the general contributions of the thesis in terms of geographic literature and theory are outlined.

3.9) CONCLUSION

A wide variety of research techniques were utilised in this study and standardised question/interview and assessment schedules were employed to provide a basis for comparison between the case-studies investigated. The selection of techniques was determined by the diversities of the cases and the sources of information. Wherever possible an attempt was made to use RRA/PRA techniques to gain a detailed and thorough understanding of community dynamics, the key processes operating within them and the perceptions of the key stake-holders. In a very real sense the diverse nature of the techniques employed permitted a comparison and comment to be made about the appropriateness of the various techniques. This issue will merit attention in the assessment section of this thesis.

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CHAPTER FOUR

SOUTH AFRICA'S SPACE ECONOMY AND EASTERN CAPE'S KEY HISTORICAL, ECONOMIC AND SPATIAL FEATURES

4.1) INTRODUCTION

The fundamental spatial, social and economic inequalities and contrasts which currently characterise the Eastern Cape are not a recent phenomenon. The evolving nature of the South African economy and the current distribution of wealth and power have ensured the marginal or peripheral status of the province. An examination of the historical record indicates that inequality became entrenched in the area from the commencement of the early colonial period. The frontier wars laid a basis for the territorial separation of the African majority into designated reserves and the economic subjugation of the Xhosa, the predominant African tribe in the region. The notion of the expanding 'frontier' is an important one, which in historical terms, laid a basis for land seizure and subdivision, as detailed below. A brief examination of the period from the eighteenth century is deemed necessary to help clarify why policies of regional development were pursued so rigorously from the 1940s through to the 1990s. The persistence of spatial and economic inequalities in the study region, largely inherited from a legacy of disempowerment, discrimination and confinement which started in the last century, now requires new forms of intervention, such as LED. The objectives of the chapter are to provide background details to the evolving space economy of the country, to outline key historical and economic facts about the Eastern Cape and to outline the context in which regional development was applied and LED is now emerging.

This chapter initially seeks to detail the evolving national space economy. The focus then shifts to a historical examination of the evolution of the Eastern Cape Province. Space does not permit a detailed examination of specific events of the entire

province. Instead, major developments in the region, particularly in terms of the racially based division of the area are examined. The chapter examines the current nature of development inequalities nationally and in the province and the high levels of poverty which prevail. Economic inequalities which exist within the Eastern Cape and between it and the national core areas have served as a justification for regional development in this province and are currently a factor motivating and encouraging the implementation of LED.

4.2) SOUTH AFRICA'S EVOLVING SPACE ECONOMY

In order to conceptualise the economic character of the Eastern Cape and how it has evolved through time, it is important to first identify the role which the province has played and currently plays in the evolving South African space economy. Published literature reveals that stark economic and social disparities are evident within the national space economy (Board *et al*, 1970; Fair 1981; Development Bank of Southern Africa {DBSA}, 1994; Fox, 1994). These disparities led to the emergence of clear economic cores and peripheries by the early nineteenth century (Fair, 1981).

In the pre-industrial period and after the first colonial incursions in the seventeenth century, the economy was dominated by mercantile and agricultural activity which was focused in the primary colonial settlements on the coast, namely Cape Town, Port Elizabeth and Durban (see Figure 4.1). In the case of Cape Town, initial settlement had been by the Dutch who were replaced by the British in 1806. A reasonably prosperous agricultural economy based on wool, fruit and grain products led to the gradual expansion of a network of small towns within the hinterlands of these centres in the first half of the nineteenth century (Pretorius *et al*, 1986). The British administered part of South Africa in their two colonies, later provinces, of the Cape and Natal. In the 1830s farmers of Dutch descent, the Boers, left the

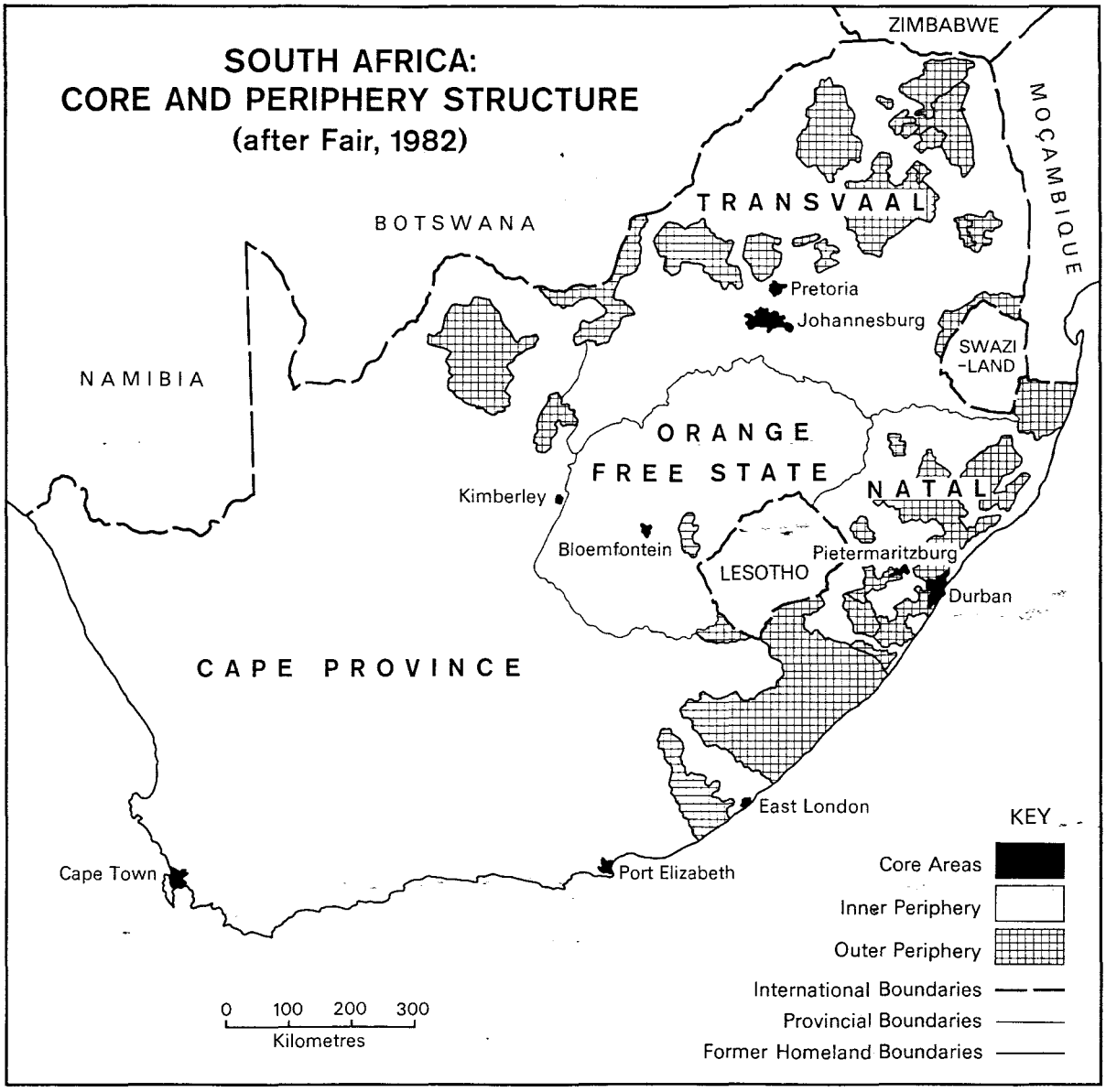


FIGURE 4.1) **South Africa: Core and Periphery Structure (after Fair, 1982)**

Source: Fair, 1982.

Cape Colony and established two independent republics in the interior, namely the 'Zuid Afrikaanse Republiek' (later the Transvaal) and 'Trans-Oranje' (later the Orange Free State). These four states were amalgamated in 1910 to form South Africa (Davenport, 1977). The boundaries of the four states remained as provincial boundaries (see Figure 4.1) till the new provinces were created in 1994 (see Figure 1.1) (Rogerson, 1994).

Control of the colonial economy was firmly maintained in European hands and through measures which are discussed below, the African tribes were gradually forced into a subservient position (Switzer, 1993). They were increasingly restricted to specific tribal reserves, which later became the Homelands and they were incorporated into the economy as a labouring class. Industrialization of the economy commenced with the discovery of diamonds in the Kimberley area in 1867 and the subsequent and more important discovery of gold in 1886 in the Johannesburg area (Pretorius *et al*, 1986). These findings led to the locus of economic activity shifting to the interior of the country. This laid the base for the dramatic mining, industrial and commercial growth which the country experienced in the late nineteenth and early twentieth centuries (Coleman, 1983). Industrialization naturally incorporated the different regions of the country in markedly differing ways. By the early twentieth century a dominant core had emerged in Johannesburg and the surrounding cluster of cities which now form the metropolitan area of Gauteng and which generates approximately 40 % of the nation's economic wealth (DBSA, 1994). Fair (1982) identified the two main, secondary cores as being the metropolitan areas of Cape Town and Durban. These were followed in importance by Port Elizabeth, East London, Pietermaritzburg, Bloemfontein and Kimberley. He deemed the inner-periphery of the space economy to consist of essentially all of rural South Africa excluding the African reserve or Homeland areas which he identified as being the outer-periphery (see Figure 4.1). These latter areas tend to be characterised by high population densities, low levels of economic activity and investment and they have traditionally

functioned as effective labour reservoirs for the core areas (Pickles and Wood, 1992). The Homelands had certain degrees of political independence till 1994 under the apartheid system.

Fox (1994) re-examined the core-periphery structure of the South African space economy, in terms of the former development regions of the country (see Figure 4.2). Based on the derivation of composite development indices, he determined the following:

- the core was the Johannesburg complex (Johannesburg) and the Western Cape region,
- the inner periphery was the Eastern Transvaal (now Mpumulanga), the Orange Free State (now Free State), the Western Transvaal (the core of the North West province), Natal (now KwaZulu-Natal)
- the outer periphery was the Eastern Cape, the Northern Cape and the Northern Transvaal (now the Northern Province).

This re-classification identified the important role played by the Western Cape and Cape Town's economy in particular and also the importance of the Durban economy in what is otherwise one of the poorer areas in the country. The essential marginality of provinces in which numerous former Homelands occur, such as the Eastern Cape and the Northern Province, is reiterated by these findings.

Table 4.1 indicates key development indicators for the various provinces of South Africa (based on the 1994 provincial division as depicted on Figure 1.1). The economic dominance of Gauteng (Johannesburg and associated cities) is apparent. The low scores attained by the Eastern Cape and other areas which have concentrations of former Homelands is apparent (namely KwaZulu-Natal and the Northern Province). High poverty levels in the Eastern Cape, 64% of individuals (based on the location of the nation's poorest 40% {after the World Bank, 1995}), high levels of unemployment and dependency and low GGP per capita scores ensure that the province is the second poorest after the Northern Province. These reasons helped motivate previous state intervention and currently serve to justify the need to identify

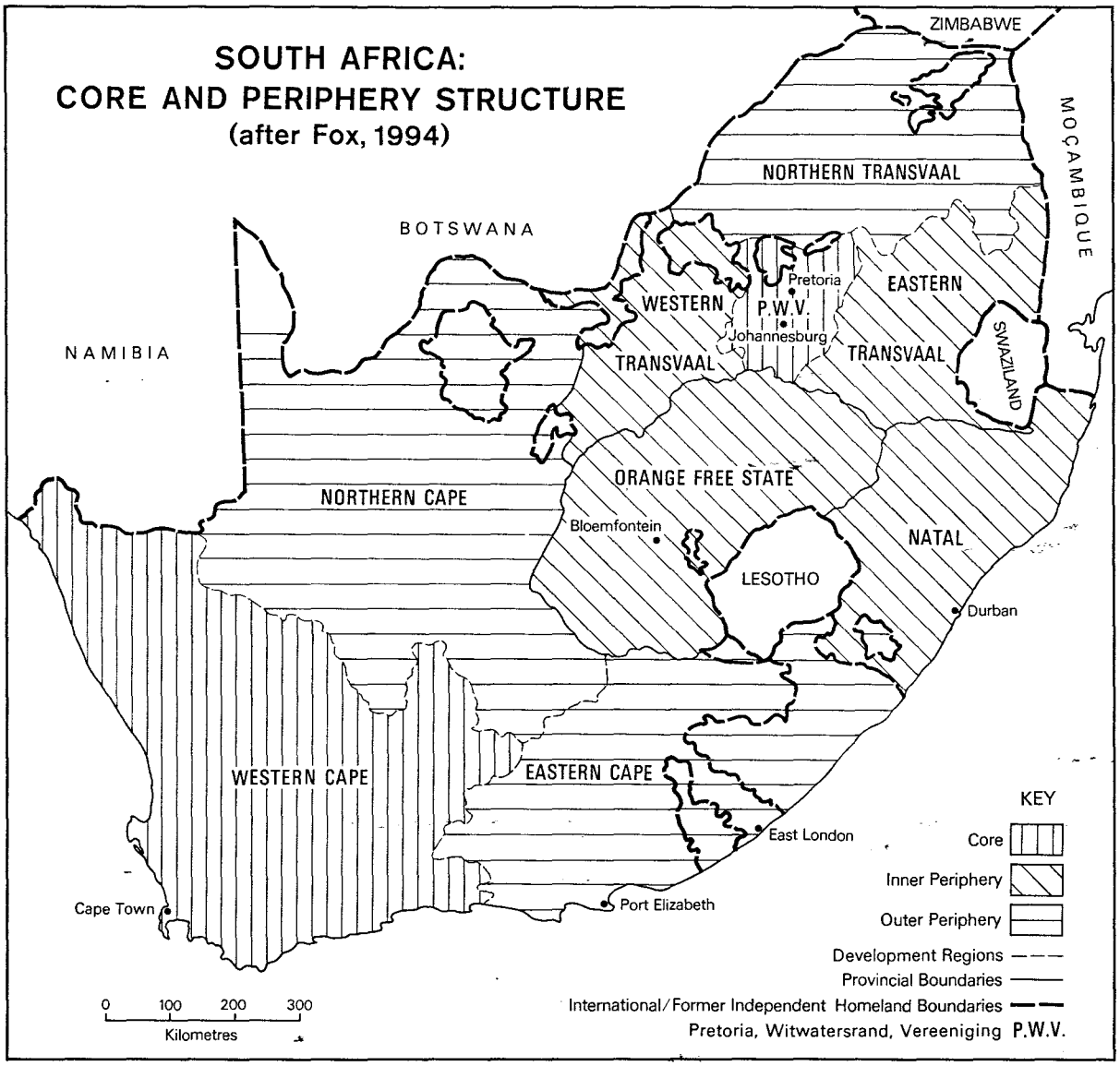


FIGURE 4.2) **South Africa: Core and Periphery Structure (after Fox, 1994)**

Source: Fox, 1994.

TABLE 4.1) Key Socio-economic Indicators in South Africa's Provinces, 1994

PROVINCES	Unemployment (de jure) %	Male Absenteeism %	Dependency Ratio	GGP per capita (R '000)	Literacy %	Human Development Index
Western Cape	13,3	2,5	1,2	24,0	71,9	0,76
Northern Cape	16,7	4,3	1,6	4,0	67,6	0,73
Free State	15,3	19,6	1,4	12,9	60,0	0,66
Eastern Cape	23,6	-31,3	3,7	13,6	59,0	0,48
Kwazulu-Natal	25,2	-14,5	2,3	26,8	58,7	0,58
Mpumulanga	16,3	6,0	2,1	15,2	54,6	0,61
Northern Province	24,8	-28,1	4,8	5,9	52,7	0,40
Gauteng	16,6	20,7	0,9	67,3	69,0	0,71
North West Province	22,3	7,0	1,6	12,6	55,8	0,57

Note: 1) GGP = Gross Geographic Product
2) R = South African Rand (R 4,5 = US $ 1; R 7,12 = UK £ 1 in October 1996)

Source: Development Bank of Southern Africa, 1994.

new forms of intervention, such as LED.

Within this broad picture, the Eastern Cape plays a rather minor role in the economy, having only 2,5% of South Africa's industry (RSA, 1985). This is focused on the two secondary, industrial cores of East London and Port Elizabeth. Agriculture has become an increasingly fragile activity, mining is effectively non-existent (Nel and Hill, 1994) and high unemployment rates are the norm (see below). The area experiences high levels of labour out-migration which reflects on the continued role which the province plays as a labour reservoir (DBSA, 1994). Rennie (1945) identified the area as having an essentially marginal and transitional nature. Having detailed the general nature of the South African space economy and the position of the Eastern Cape within it, attention shifts to an examination of the historical development of the province and inequality within it.

4.3) THE HISTORICAL DEVELOPMENT OF INEQUALITY IN THE EASTERN CAPE

4.3.1) Setting the Context

In South Africa racial conflict, discrimination and exploitation have been both distinguishing and dominating features of the country's history since European colonization started in 1652. In common with lands of so-called 'recent settlement', such as Canada, Australia and the United States (Williamson, 1951), the 'frontier' theme is a well established concept in South Africa's historical experience and its historiography (de Kiewiet, 1941; Kellerman, 1993). Thompson and Lamar's (in Kellerman, 1993, 27) definition of a frontier has definite application in the South Africa case, namely that it is "a territory or zone of interpenetration between two previously distinct societies". As in the case of other lands of recent settlement, colonists came into direct contact with established indigenous societies (de Kiewiet, 1941; Davenport, 1977; Christopher, 1984). Contact and territorial seizure were at first of a limited nature. The opening up of the interior, the appreciation of its vast wealth

and the arrival of large numbers of settlers induced a concerted invasion of the interior from the nineteenth century however. The progressive subjugation of the African tribes (primarily the Xhosa in this instance) either through co-option or military suppression, as the frontier expanded westwards, led to their territorial segregation into set reserves. According to Davenport (1991, 112), the story of the frontier is a story of "black-white confrontation in which the white man with his superior weapons and his notion of individual ownership, his theodolite and his title deed generally gained at the expense of the black". In this section, emphasis is placed on territorial arrangements to control and pacify indigenous people and force them into a situation of economic dependence. Issues of race and space were conflated to reflect dominant white attitudes of racial supremacy and the enforced discrimination and marginalization of indigenous peoples.

4.3.2) The Eastern Cape Frontier

The most drawn out colonial confrontation in South Africa was over the so-called 'Eastern Cape' frontier, which was a true moving frontier of conquest and subjugation in the American sense. According to Elphick and Giliomee (1982, 291), this was to be "the most dramatic of all South Africa's frontiers" and the setting for the first major interaction between black and white peoples which has dominated South African history ever since. It was this frontier on which, "far more than any other frontier ... policies (of control) were thought out and deliberately applied" (Davenport, 1991, 114).

In South Africa, the initial point of colonial settlement was the South Western Cape, from whence expansion into the interior commenced (de Kiewiet, 1941) (see Figure 4.3). By the middle of the last century, most of what is now South Africa was controlled by either the British or Boers. The same cannot be said for the area known as the 'Eastern Frontier' however, the last part of which was only finally absorbed into the British Empire in 1894 (Davenport, 1977). Following numerous colonial spatial

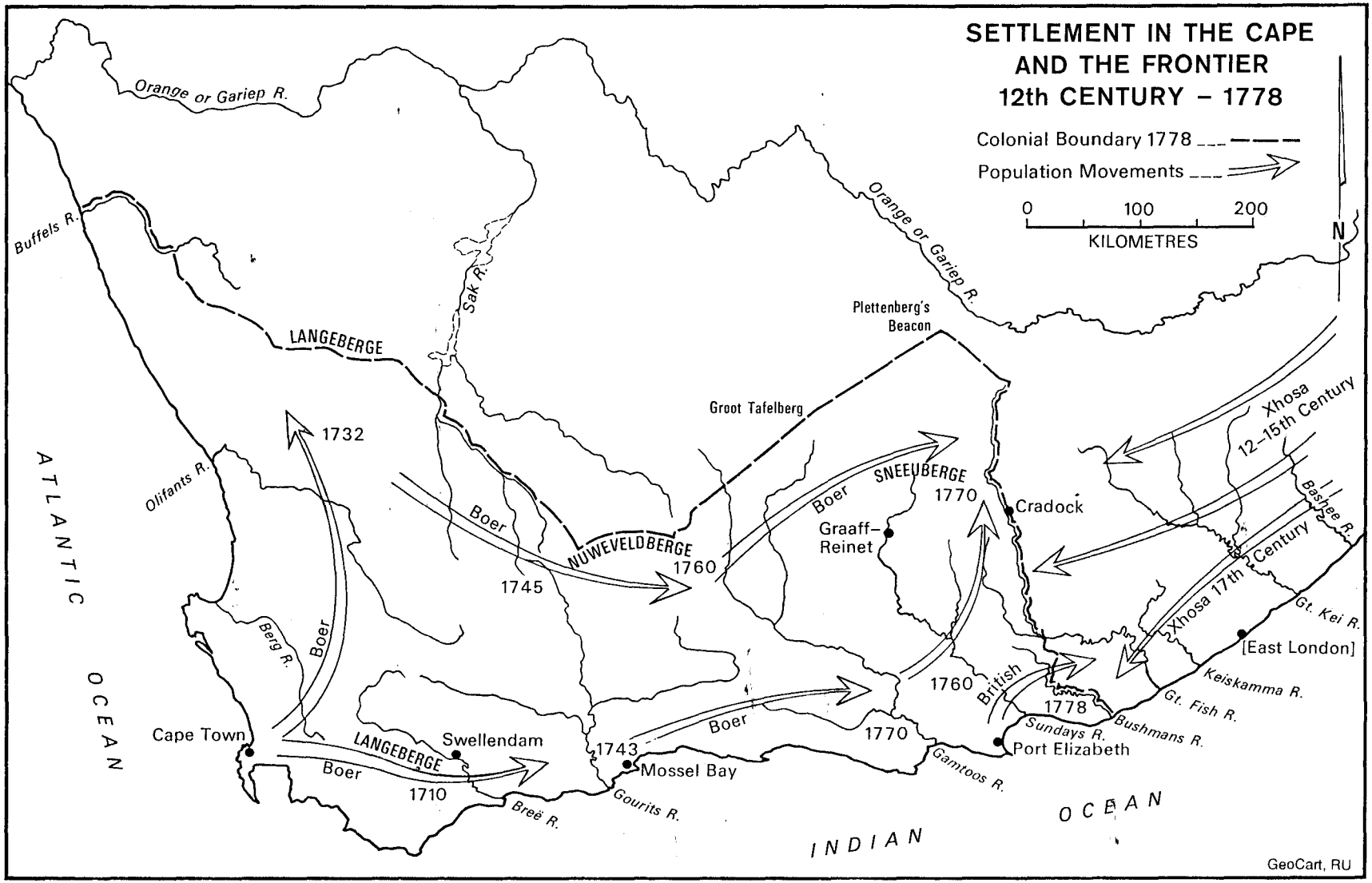


FIGURE 4.3) Settlement in the Cape and the Frontier, 12th Century - 1778

Source: Davenport, 1977; Hummel, 1988; Switzer, 1993.

restrictions of Africans to set reserves and the later entrenchment of these controls by the 1913 Land Act, part of the region in question was divided into two groupings of 'native' reserves for the Xhosa people, namely the Ciskei and the Transkei (Nel, 1993b). The intervening portion of 'white' South Africa between the two reserves came, significantly, to assume the name of 'Border' (see Figure 3.2) (Driver and Platzky, 1992). These reserves were to become labour reservoirs for commercial and mining interests in the distant metropoles (Rogerson and Pirie, 1979). The post-World War II era, instead of heralding the freeing of subjugated peoples, as in many other former European colonies, marked an intensification of racial exploitation under the system of apartheid and the transformation of the reserves into the Homelands. Although functionally part of South Africa, in parallel with the nation's other Homelands, both Ciskei and Transkei experienced only limited economic growth, coming rather to be seen as sources of cheap, migrant labour, subsistence agriculture and places to which people could be removed (Pickles, 1991; Pickles and Wood, 1992).

4.3.3) The Historical Development of the Eastern Cape Frontier

The Xhosa are the dominant African tribe in the Eastern Cape. This group would appear to have arrived in the eastern part of the disputed area between the Bashee and the Gamtoos Rivers between the twelfth and the fifteenth centuries A.D. Their westward movement was however impeded by the presence of two tribal groupings between them and the later European settlement around Cape Town, namely the KhoiKhoi and San (Switzer, 1993). By the late seventeenth century the Xhosa had penetrated most of the area between the Fish and Kei rivers (see Figure 4.3). This was the area which was to become the primary zone of conflict with European settlers (Christopher, 1984). The eighteenth century was marked by the expansion eastward of European settlers, primarily independent Dutch farmers or Boers who wished to obtain new grazing for their livestock and agricultural land. Their movement had little if any military backing and was not the formal land seizure which the British administration was to turn

the process into after their securance of control of the Cape in 1806 (de Kiewiet, 1941). Instead, the pastoral frontier expanded eastwards as an 'open' frontier under the leadership of individual farmers (Christopher, 1984). The intervening tribes between the Europeans and the Xhosa were gradually either decimated, assimilated or forced into servile labour.

In 1812, following the British take-over of the Cape, a decision was taken to enforce strict territorial segregation and the frontier became a 'closed' one (Hummel, 1988). After a series of disturbances and cases of stocktheft, all the Xhosa (some 20 000 persons) west of the Fish River were forced to relocate across it. In addition their crops and homesteads were destroyed and their cattle confiscated (Davenport, 1991). The entire area from the Gamtoos to the Fish River was then opened up for European settlement and the latter river had a series of forts built along it. The arrival of several thousand British settlers in 1820, who were settled in the areas just west of the defended boundary, marked a concerted effort to enforce the areal distinction between the two cultures (Christopher, 1984; Hummel, 1988).

The British designation of the Fish River as the frontier was soon challenged by the Xhosa chiefs, with disputes over that border and subsequent ones forming a major catalyst for the nine frontier wars which were fought between 1779 and 1878 (de Kiewiet, 1941). Territorial claims by the Xhosa seem to have been matched by European demands for both land and labour, creating an explosive situation in which conflict was inevitable (Switzer, 1993). After the war of 1819, the Xhosa were pushed over the Keiskamma River and the area between it and the Fish River was set aside by the British as 'neutral territory' (Peires, 1981; Davenport, 1977, 1991) (see Figure 4.4). In parallel, the British followed a policy of 'divide and rule' trying to isolate individual chiefdoms from each other and to exploit existing differences. The co-option of the Fingo clan gave the British an ally in conflicts. They were rewarded with land grants which helped to form a buffer between the British and the rest of the

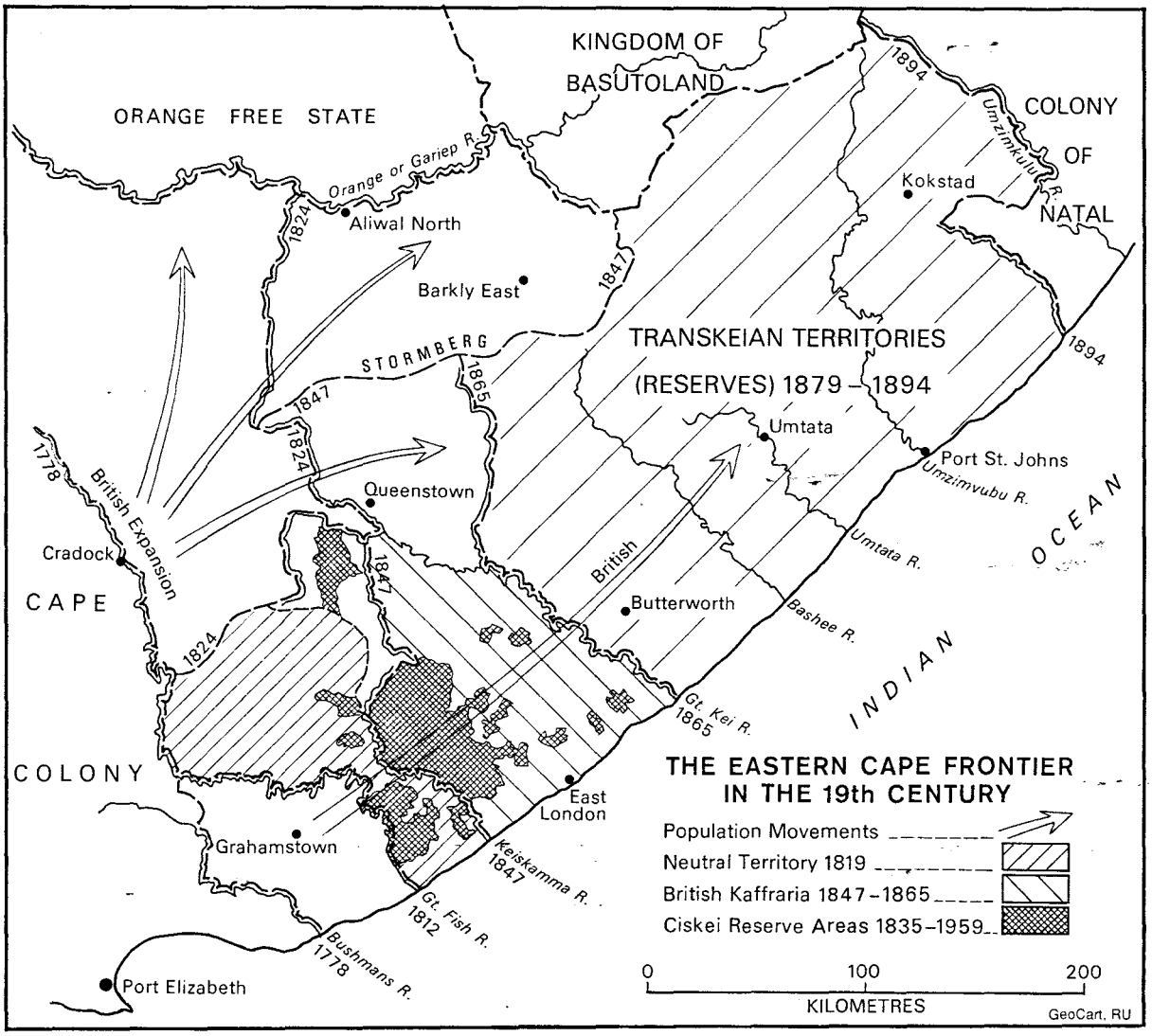


FIGURE 4.4) **The Eastern Cape Frontier in the 19th Century**

Source: Davenport, 1991; Switzer, 1993.

Xhosa and also served to weaken the unity of the Xhosa tribes. The Fingo became the vanguard of the British eastward drive, being allowed to occupy the neutral territory in 1835 (Davenport, 1991; Switzer, 1993). Following the war of 1834-5, the British temporarily seized all the land up to the Kei River. Although they later withdrew, the British frontier was effectively fixed at the Keiskamma River and Xhosa clans west of it were confined to specific rural 'locations' or reserves as part of the first steps at proclaiming ethnically distinct reserves (see Figure 4.4).

In 1846, following increasing land hunger amongst the Xhosa and provocation by the British, the Xhosa invaded the Cape Colony, sweeping through to the Sundays River. The results for the Xhosa, following the British reaction, were dramatic (Peires, 1981). The Keiskamma River was then enforced as the boundary of the Cape Colony. The area between that river and the Kei River was taken over as the Crown Colony of British Kaffraria in which clans were confined to 3 050 square miles of reserves (Nel, 1991; Switzer, 1993) (see Figure 4.4). British commissioners were appointed over these reserves and the rest of British Kaffraria was opened up for European settlement. The subsequent war of 1850-53, ended with further territorial losses being experienced by the Xhosa and the British entrenching their hold over them. The then Governor, Sir George Grey, decided to "undermine and destroy" the Xhosa society and to position them as a "subordinate people" (Switzer, 1993, 65). He proceeded to do this through financial support for the missionary societies, schools, roads, hospitals and irrigated farming in an effort to settle and control the Xhosa and force their dependence on European civilization.

In 1856-57 the last major act of Xhosa resistance took the form a ritual cattle-killing and destruction of their crops. This took place at the inspiration and guidance of spirit mediums who told the Xhosa that this was necessary to usher in the return of their ancestors who would lead them in a mission to destroy the Europeans (de Kiewiet, 1941; Peires, 1989). The failure of this

religious sacrifice decimated the Xhosa physically and psychologically. Starvation led to the death of between 35 000 - 50 000 people. This, coupled with targeted British action, forced large numbers of Xhosa into contract labour, in return for food rations (Switzer, 1993). This action as such helped to address the serious demand for labour which had existed in the Colony.

In 1866 British Kaffraria was annexed by the Cape Colony and the remaining Xhosa strongholds east of the Kei River were further weakened by the settling of the pro-British Fingo and Tembu clans between the Kei and the Bashee Rivers (Davenport, 1977; 1991). From 1878 to 1894, the British were able to extend their control eastwards from the Kei to the border of the Natal Colony on the Umzimkulu River through peaceful means (see Figure 4.4). This whole area from the Kei River was later set aside as the African reservation of the Transkeian Territories (Transkei) (de Kiewiet, 1941; Davenport, 1977) (see Figure 4.4). The period of military conquest was matched and followed by a period of intensified subjugation of the Xhosa. They were forced into the position of a servile, labouring class, co-opted into participating in a western economy through having to seek low skilled employment partially through the new obligation to pay taxes to the colonial authorities. The enforcement of a dependent relationship was entrenched under apartheid, a situation which now calls for targeted support in the contemporary period.

4.3.4) The Economic Subjugation of the Xhosa

The clash with the British had destroyed the Xhosa militarily. They had lost most of their land and were confined to set rural locations, which, by the beginning of the twentieth century were loosing their ability to support their resident populations (Switzer, 1993). In parallel with the phase of military expansion and subsequent to it, an economic battle was also being fought. African commercial farmers had competed with white farmers. In an attempt to weaken them, white demands for land and the demands of the mining industry for labour were combined in a concerted effort to incorporate the Xhosa into the capitalist system

(Peires, 1981; Bouch, 1988; Davenport, 1991). This was achieved through various restrictions and the imposition of taxes on huts and individuals. This obliged Xhosa men to seek temporary work on the mines or with the transport system to pay those taxes. According to Switzer (1993, 87), the result was that the Xhosa were "denied the right to an independent rural existence and ultimately subordinated to the industrial labor process". Tied up with the spread of missionary activity and education, the Xhosa were effectively westernised, but, on the lowest possible tier of the socio-economic spectrum.

The introduction of the capitalist economy in the Eastern Cape involved a redefinition of terms of access to the basic means of production, namely land. New forms of property ownership were superimposed on the existing African indigenous land tenure systems. New tenurial arrangements were designed to link conditions of access to land resources to the new labour demands of emerging capitalist agriculture and the needs of the mining companies (Mini, 1994).

4.3.4.1) The Restructuring of the Indigenous Economy in the Eastern Cape Frontier, 1854-1894

When Sir George Grey became the governor of the Cape in 1854 he reformulated the policy towards Africans and argued for the implementation of individual land ownership in the rural locations (reserves) (Beinart and Bundy 1987, Macmillan 1927). This policy was influenced by his observation of events in other British colonies. It was believed that in British Empire the "weaker races ... must adapt themselves, they must become economically indispensable to Europeans" (Eybers, 1918, 26).

The introduction of individual land tenure was regarded as the way to undermine the authority of the chiefs and to introduce a more productive form of land holding. In 1856 a new policy was introduced aimed at reducing the power of the chiefs by installing magistrates in their areas and by appointing headmen to serve as policemen. These policies effectively curtailed the

judicial, economic and political power of the chiefs and enforced allegiances to the new colonial order (Mini, 1994).

4.3.4.2) The Glen Grey Act: 1894

The aforementioned rapid development of mining and commercial agriculture in this period created a demand for cheap labour. The shortage of African labour in the mines and on white farms was attributed to the economic independence of the African peasantry. The mineral discoveries of the late-nineteenth century provided the stimulus to entrench the migrant labour system (Peires, 1989). As the designated African locations (reserves) were seen as being unable to support their own populace, migrant labour to the mines and cities was seen as the only means of economic survival for the Xhosa. As such, the reserves were seen as a base for the 'reserve army' of labour by the colonists and bases in which their families, the elderly and the infirm would subsist (Davenport, 1991). This servile status was entrenched through rapid population growth, drought and the absence of government support for African farmers.

When Cecil Rhodes became prime minister of the Cape he introduced new measures of domination (Welsh, 1971; Brookes, 1924). By redefining African policy as one of control rather than improvement Rhodes advanced the interests of both emerging commercial agriculture and mining companies. Rhodes introduced the Glen Grey Act in the Cape parliament in 1894. While the Act was intended to give more security of tenure, its principal purpose however, was to provide labour. Land was to be held on an individual basis only, no subdivision was allowed and a single male relative was to inherit the whole unit. As a result future landless generations of African peasants would be born proletarian according to Harris (1968). They would have no access to land and would thus be totally dependent upon wage labour (Fazan, 1944). Rhodes insisted that:

> every black man cannot have three acres, and a cow or 3,5 acres and a commonage right...It must be brought home to them that in the near future nine tenths of them will have to spend their lives in daily labour, in physical work, in manual labour (Cape House of Assembly Debates, in Mini,

1994 27 July 1894, 362).

The Act sought to restructure social relations in the Cape's native locations (reserves), to accelerate the process of proletarianisation and to redefine the terms of access to the traditional means of production, namely land (Switzer, 1993; Mini, 1994). The new policy reduced African economic independence and established the basis for the effective mobilisation of an unskilled labour force.

While modern forms of property ownership were introduced, efforts were also made to close off land markets to Africans. Land rights were not transferable except with the consent of the Governor General or the chief magistrate and such transfers could only take place between Africans and not between Africans and Europeans (Harris, 1968). The rigidity imposed was intended to prevent the system of shifting agriculture. The process of spatial and racial subjugation described above preceded the further formalization of the process of discrimination in the apartheid era when the reserves were transformed into the infamous Homelands and the system of migrant labour exploitation was entrenched.

4.3.5) The Period From 1913 - 1948

In 1910, South Africa was formally established following the amalgamation of the four former states of the Cape Colony, the Colony of Natal, the South African Republic (Transvaal) and the Republic of the Orange Free State (Davenport, 1991). This led to the passage of numerous, nationally co-ordinated discriminatory measures. The first of these was the 1913 Natives' Land Act (Bouch, 1988). This Act denied Africans access to land outside the reserves and, as such, ended the practise of black tenant farming in white districts (de Kiewiet, 1941). Individual tenure in the reserves on standard land grants was enforced to reduce social stratification and to concentrate the greatest number of people possible (Switzer, 1993). The 1913 and 1936 Land Acts laid the territorial basis for the expansion of the reserves which later came to constitute the Homelands in the post-1945 era

(Branch, 1994).

Under this situation, overcrowding ensued and conditions degenerated in the reserves. By 1900 the population in the Ciskei areas had already reached saturation point; by 1918 the land could no longer provide for the subsistence needs of the entire population (Switzer, 1993). Overpopulation and overstocking of the land induced serious erosion and the further deterioration of conditions. As a result, only 20% of the Ciskei was deemed to be suitable for arable cultivation by 1948. Economic conditions in the reserves worsened with destitution and dependence increasing in parallel. By 1925 household cash income from production was about 22% of what it had been in 1875 and cash expenditure was less than half (Switzer, 1993). In certain districts up to 75% of the able-bodied men were migrants working outside the district on a semi-permanent basis. Decades of government discrimination and manipulation clearly succeeded in forcing the African populace into a situation of dependence on European capitalism and entrenched their position as a servile proletariat. Enforced marginalisation and white desires to enforce separation still further were to lay a basis for subsequent apartheid policy after 1948.

4.3.6) The Apartheid Era, 1948 - 1990

After 1948, with the formal adoption of apartheid as a state policy, conditions in the reserves deteriorated at an accelerating rate. The government perpetuated the view that the reserves were labour reservoirs, but simultaneously overlaid this notion with its separate development ideology (Davenport, 1991; Pickles and Wood, 1992). In order to enforce territorial and racial separation, hundreds of thousands of people were relocated, either from 'white' farmlands or 'white' urban areas (such as East London) to the Homelands (Nel, 1991; Driver and Platzky, 1992).

In an attempt to develop each tribal/ethnic group into separate nations, measures of autonomy were accorded to each reserve such

that they could eventually acquire political 'independence' from South Africa, yet continue to provide labour for 'white' business (Pickles, 1991; Pickles and Wood, 1992). In 1959 the Promotion of Bantu Self-Government Act provided the initial legislative basis for self-governing status (Nel, 1991). As part of the process of imposing territorial autonomy on the Homelands (the new name for the reserves) and denying their residents citizenship, voting and other rights in 'white' South Africa, first territorial and then legislative assemblies, elected by the Homeland dwellers, were sanctioned. In 1976 Transkei and in 1981 Ciskei in the Eastern Cape were granted nominal independence from South Africa (Switzer, 1993). These governments were dominated by co-opted African elites who accepted the policy for the personal gains it promised them and their supporters (Pickles and Wood, 1992). On a political level, the separateness of black and white were entrenched, based essentially on the old colonial division of space. Africans were thus maintained as the destitute residents of impoverished Homelands and forced to become migrant labourers in 'white' South Africa's mines and cities.

4.3.6.1) Economic Intervention

The process of apartheid planning, otherwise known as 'separate development', strove to enforce racial separation and to develop the peripheral (i.e. Homeland) areas of the country as more sustainability entities in their own right (Nel, 1993b). In pursuit of this ideal, the migrant labour system was entrenched and methods to develop the Homelands as economic entities were considered. In 1955 the government's Tomlinson Commission recommended that, in addition to improving the agricultural base for a limited number of farmers, a policy of industrial decentralization should be pursued in the Homelands (Union Government, 1955; Switzer, 1993). The policies launched under apartheid had a particularly negative influence on African and other black people (term used collectively to refer to Africans, Asians and 'coloureds'). Skilled jobs were denied to them and there was an imbalance in state expenditure in favour of whites and non-Homeland areas. The expansion of capitalism and racialism

led to the "institutionalization of a massive structural imbalance in the relationship between the geographical location of job opportunities and the settlement pattern of the black population" (Rogerson and Pirie, 1979, 325). The result was the entrenchment of the distinctive legacy of retarded development and limited growth in the Homelands.

4.3.6.2) Agriculture:

In terms of the economic sustainability of these areas it was decreed that only a certain proportion of rural inhabitants would be able to remain as farmers in the Homelands. The non-farm population would need other forms of employment inside and outside the Homelands. In practice it was only small elites, usually aligned to the co-opted African leaders, who benefitted from government sponsored 'improvements' and betterment of farming conditions (Switzer, 1993). Government intervention led to the removal of some 71% of the most dehabilitated agricultural land from production and average plot size shrank by 21% - this in turn forced even greater numbers to depend on migrant wages for their livelihood (Switzer, 1993). By 1980 although 64% of the Ciskei's population was officially rural, only 5% were making a full-time living from agriculturally derived activities.

4.3.6.3) Industry:

The blatant incapacity of agriculture to support the majority of the Homelands population and the desire to prop up the illusion of their independence, served to strengthen the government's conviction of the necessity of sanctioning industrial support to firms in the Homelands and near their borders. In addition, state support helped to entrench the system of 'racial-Fordism' in the country by assisting metropolitan capitalists to exploit the low skilled, cheap labour situation prevailing within the Homelands (Pickles, 1991; Rogerson, 1991; Pickles and Wood, 1992). Industrial development formed a cornerstone of the government's regional development strategies, these issues are dealt with in greater depth in Chapter Six.

4.3.7) The Frontier Areas Today

In the current South African space-economy the old reserve areas, while now lacking any form of territorial autonomy, remain as enclaves of desperation and destitution. Close on 40% of the country's total population reside in areas such as these under conditions of desperate poverty. These people, through their spatial isolation and lack of a unified, distinctive identity, are the true disempowered and deprived masses of the country. The frontier has thus been transformed in the South African context from a zone of conquest and subjugation to one of depravation and impoverishment for its residents.

4.4) A PROFILE OF THE EASTERN CAPE AND THE INEQUALITIES PREVAILING WITHIN IT

In this section the major features of the province's economy and the constraints which it faces are outlined before proceeding to a more detailed examinations of the general nature of the economy, prevailing levels of poverty and unemployment, conditions in rural areas and regional problems. Given the fact that rural dwellers predominate in the population of the Eastern Cape, conditions in rural areas receive special mention in this section.

4.4.1) Setting the Scene

The Eastern Cape is one of the most destitute provinces in South Africa. The provincial population stood at an estimated 7 948 380 people in 1994 of whom nearly 67% lived in rural areas (DBSA, 1994; Levin and Lloyd, 1995). In terms of the former division of the country into Development Regions, Region D, which forms the core of this province, was deemed, in 1981, to be the most destitute region in the country and the one most deserving of state support and the targeted regional development assistance available at the time (RSA, 1982). Details contained in Table 4.1 indicate that in 1994, the province was only marginally better-off than the Northern Province. This desperate reality is

reinforced by the findings of the recent World Bank Study on Poverty which established that the Eastern Cape has the country's greatest concentration of poor people (see Section 4.4.3). Poverty is focused on the former Homeland areas primarily and secondly within the former 'black' enclaves in white areas and towns. In the case of the Transkei sub-region, 92% of that area's population are regarded as poor with 60% of rural children living under the 'bread-line' (Whiteford *et al*, 1995; South African Broadcasting Corporation - Television, 22 January 1996). According to the DBSA (1994, 59), the province "has long been at the bottom of the scale in terms of human development".

In structural terms the economy is dominated by the two industrial cores of Port Elizabeth-Uitenhage and East London-Mdantsane, with the rest of the province acting as a marginal hinterland. With the major exception of the western parts of the province, agricultural conditions are generally of a marginal nature (as a result of climatic constraints, over-crowding and degradation in many areas) and there is effectively no mining industry. The fact that 480 000 Transkeians and 76 000 Ciskeians were migrant labourers in 1991 indicates the high levels of dependency which exist in the province and the inherent weakness of the host economy in those areas. On a range of key indicators, the province features very poorly. It has the lowest labour participation rate of all the provinces (42,6%), the second lowest labour absorption capacity (44,8%), the third highest *de jure* unemployment rate (23,6%), the highest level of male absenteeism (-31,3%), the second highest dependency rate (3,7), the second lowest nominal GGP p.c. rate in the country (R 2 317), the second lowest personal income *per annum* (R 1 358), the lowest life expectancy (59,6 years) and the second lowest human development index (0,48) (DBSA, 1994).

At an institutional level severe infrastructural and capacity constraints are compounded by negligence, extortion, corruption and crime which has severely impeded development for decades. This is particularly evident in the former Transkei where,

"deteriorating socio-economic conditions (occur) in spite of escalating budgets and increased public-sector employment" (DBSA, 1994, 59). Current political and administrative fragmentation between the former Homelands and the former 'white' areas and the lack of resolute leadership from the new provincial government are cause for concern (Barberton, 1996). The province depends on the national core for development funds, institutional support and fiscal transfers. The reality that public services constitute the largest single element of the regional economy in terms of Gross Geographic Product and employment is a sad indictment of the prevailing structural weakness of the economy, its legacy of dependence and external intervention (DBSA, 1991a, 1994).

In general terms the picture of the province is a bleak one. "The province remains dependent on the core economic areas of South Africa for development funds, employment and markets" (DBSA, 1994, 60).

4.4.2) The General Nature of the Economy

The nature of formal sector employment in the whole province is in itself a cause for concern because of the dominant position of the community and service sector (public services) in the regional economy. Given that this is not a capital generating sector, the demands which this places on the region and the national fiscus, are worrying. Table 4.2 below provides an indication of the nature of the distribution of economic activity and employment (in terms of Gross Geographic Product) and employment in the province.

4.4.3) Unemployment and Poverty

A survey of prevailing unemployment levels in the rural areas in the Eastern Cape reveals just how serious the current situation is. According to the DBSA (1991a), the *de jure* unemployment rate in the rural areas of the region varies from approximately 9,5% of the potentially economically active population in the Langkloof region in the west of the province to 84,8% in the Gatyana district of the Transkei. Although these figures only

TABLE 4.2) Percent GGP and Employment by Sector in the Formal Sector

Sector	GGP %	Employment %
Agriculture etc.	8,12	17,1
Mining	0,18	3,5
Manufacturing	24,40	19,9
Electricity/Water	2,95	0,6
Construction	3,68	6,0
Commerce	12,88	11,3
Transport	10,81	4,7
Finance	9,94	3,5
Community/Social Services	27,03	33,5
Total	100 %	100 %

Source: DBSA, 1994.

relate to the formal sector, the seriousness of the unemployment situation remains grave. The following table (4.3) indicates the range in unemployment levels which prevail in the Eastern Cape:

TABLE 4.3) Unemployment Levels in the Rural Districts of the Eastern Cape (formal sector)

Region	% Range of Unemployment
Western	9,1 - 16,4 %
Former Ciskei	41,8 - 45,3 %
Border / N.E. Cape	8,4 - 32,5 %
Former Transkei	17,7 - 84,8 %

Source: DBSA, 1991a.

Low employment levels often enforce a dependence on migrant labour remittances and marginal/informal sector activities. In terms of migrant labourers, male absenteeism rates of up to 50% have been noted in districts of the Transkei. The provincial average is 31,3% (DBSA, 1994). A related figure of note is that approximately 34 % of all jobs are to be found in what is frequently the low-waged informal sector. High unemployment levels have induced extremely high dependency ratios whereby, in central Transkei, each worker has, on average 6,8 dependents,

compared with only 1,3 in the western parts of the province (DBSA, 1991a).

Few detailed research investigations into conditions in the rural areas of the Eastern Cape have been undertaken. An insight into the prevailing state of affairs in rural areas has, however, been provided through the detailed research of de Wet (1993) and Sperber (1993) in one particular district. Their research in the Keiskammahoek district established that in rural villages, the formal sector employs only between 13 - 32% of potentially economically active people with unemployment varying between 23 - 42%. Research also established that, at most, 31% of earnings are earned locally or through agricultural sales, the balance coming from pensions (up to one third of income) and remittances from migrant labourers. It would appear that agriculturally derived income does not exceed 10% in any rural village in that district. In an average household of 7,9 members, 2,2 are living away from home, primarily for reasons of employment. The number of long-term migrants varies from 43-82% of those potentially able to do so.

The seriousness of such high levels of deprivation and dependence is reflected in prevailing poverty levels. World Bank (1995) research, which influenced the government's Rural Development White Paper (RSA, 1995c), has established that even though 53,4% of the total population of the country live in rural areas, 74,6% of all of the country's poor are rural dwellers. The situation is particularly acute in the former Homeland areas where 85,5% of all rural people live. In terms of a national comparison, poverty rates in the former Homelands vary from 48% of the total population in the case of Kangwane to 92% in the worst case, namely in Transkei. The former Ciskei Homeland is the fourth worst off with a poverty rate of 73%.

The bleakness of the prevailing situation in the Eastern Cape is revealed in Table 4.4 which compares the percentages of rural African people living in poverty in the various provinces.

TABLE 4.4) Percent of Rural Africans Living in Poverty

Province	% of Africans
Western Cape	0,0
Northern Cape	50,0
Eastern Cape	86,4
KwaZulu-Natal	64,3
Free State	78,8
Eastern Transvaal	53,6
Northern Transvaal	75,6
North West	57,4
Gauteng	9,1

Source: RSA, 1995c.

Rural women are particularly hard hit by prevailing poverty and unemployment levels and are in the most urgent need of support and assistance.

4.4.4) Conditions in Rural Areas

Although the majority of the province's population are classified as rural (Central Statistical Services, 1994), official statistics do not reflect the definitional difficulties in establishing what 'urban' is. Many thousands of people live in 'rural' settlements which, for all intents and purposes, are 'urban' because of the close clustering of residents, small or negligible household plots and dependence on local or distant urban cores for employment and services. A host of peri-urban areas and resettlement camps fall into this classification and are occupied by what are essentially 'functionally urbanised' people.

The notion of functionally urbanized people living, officially, in rural areas can also be broadened out to include many of the residents of traditional rural villages. Few detailed research projects examining socio-economic realities in the rural districts of the Eastern Cape have been undertaken. The major exceptions are the aforementioned surveys undertaken by de Wet (1993) and Sperber (1993) in the Keiskammahoek district. Their findings shed considerable light on the prevailing employment, renumeration and dependency situation in the rural areas and the

fact that less then 10% of rural income is derived from agriculture. This induces a dependence on state welfare and migrant remittances.

These findings endorse the aforementioned desperate reality established by Switzer (1993) who concluded that by 1918, what are now the former Homeland areas of the Eastern Cape could not provide for the subsistence needs of the population and by 1948 only 25% of the former Ciskei was deemed suitable for agriculture. This situation has deteriorated considerably since then, to the point in 1980 when only 5% of Ciskei's population were making a full-time living from agriculture (Switzer, 1993).

The preceding statistics clearly reveal the very weak nature of rurally derived income and the high levels of dependence on income and pensions sourced in distant urban centres. Low levels of rural employment and agriculture production restrict the economic and employment potential of the local service centres and smaller towns of the region and enhance the dominance of the largest centres. The fact that so many people commute to distant centres (up to 60% of the workforce) indicates the degree to which local centres are serving a limited role in the space economy of the region (Sperber, 1993). High unemployment levels in the smaller centres and rural areas weakens the capacity of such centres to adequately provide for the needs of their own populace and that of the rural areas. *De jure* employment figures for the larger urban centres are in the order of 25%. In rural areas and the smaller centres they are significantly higher and exceed 80% in the most depressed rural districts (DBSA, 1991a). This situation enhances the relative attraction of the larger centres to the unemployed and acts as a dampener on economic expansion in the smaller centres.

4.4.5) General Problems Facing the Eastern Cape

The need to break the desperate situation of poverty and dependence among the suppressed people of the former frontier has become all the more urgent and places very specific demands on

the new South African government. There are, however, many structural defects in the regional economy. The current recession, nearly ten years of drought and problems in the wool industry have severely weakened the economic base of the farming community and related service centres. Parallel to these factors has been the retrenchment of tens of thousands of farm labourers who have migrated to the already economically depressed small service centres. In the case of the town of Ugie, the low income and effectively destitute population of the town rose from 3 000 to 12 000 between 1990 and 1993 for these reasons (Nel, 1993b). Mass squatting, the lack of viable employment and the town's declining economy can only exacerbate conditions. At a more general level, economic uncertainty and labour instability has seriously inhibited growth in the region (Nel and Temple, 1992).

Serious job losses from closing industrial concerns, particularly in the former Homelands (Nel, 1996), worsening conditions in agriculture, contraction in the mining industry nationally and hence in migrant remittances have enforced increasing dependence on informal sources of income. The absence of any social security system, with the exception of old age pensions and disability grants, only enhances destitution. In addition, education, health and social service facilities do not meet the demands which exist, particularly in the more isolated rural communities.

The mainstay of the study-area's economy has traditionally come from agriculture. This activity has focused almost exclusively on the rearing of livestock, with smaller amounts of irrigation and dry land cultivation taking place in the better watered areas. Years of on-going drought, rural depopulation and a decline in the commercial value of animal products (wool in particular) has wrought a toll on the area, diminishing agricultural purchasing power, employment and the whole base of the region's economy. Forestry production takes place in a limited number of areas and has fared better, providing raw materials for the wood based industries in the region (Nel and Hill, 1994).

Other than meeting the needs of agriculture and forestry, the towns and rural service centres play an important role as service and distribution centres for their own communities and those of the surrounding rural areas. Most inputs, with the exception of certain agricultural products, are sourced outside the region. In terms of regional produce, most is destined for distant centres and not markets in the region (Nel and Hill, 1994). As a result the dependence of urban areas on the produce of the rural areas (as opposed to their buying power) in the study area is limited.

The new government, at national level, through its Reconstruction and Development Programme (ANC, 1994) and at the provincial level through the new Ministry of Economic Affairs of the Eastern Cape, is seeking suitable strategies to come to terms with these issues (Eastern Cape Government, 1995). Time alone will tell whether they can succeed in addressing a legacy of depravation and disempowerment which has roots extending back over 200 years.

4.5) CONCLUSION - THE WAY FORWARD

It is apparent that the situation in and prospects for, the province currently appear to be bleak. The historical record intimates that these problems are not recent ones, but are ones which have bedevilled planners for decades (Nel and Rogerson, 1996). Most attempts to correct the serious structural imbalances which exist and to relieve the chronic unemployment levels have failed. Decades of determined and massive state economic intervention under apartheid-planning did not create an enduring economic base (see Chapter Six) and, if anything, have helped to narrow down the range of available growth alternatives which can be pursued (Nel, 1996).

It is within this overall context that local economic development and associated job creation strategies (as discussed from Chapter Seven) are mooted as potential mechanisms to assist with the

alleviation of prevailing destitution. These strategies cannot, on their own, realistically address the problems of the province. It would, however, appear that in a limited number of cases they are bringing about local relief and improving localised employment bases. Such strategies can only form but one component of larger, more embracing strategies. It is from that perspective that this thesis seeks to explore the relative successes and failings of applied development strategies in the province.

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CHAPTER FIVE

INCIPIENT LOCAL ECONOMIC DEVELOPMENT IN THE EASTERN CAPE: 1909-1955.

5.1) INTRODUCTION

As the international literature review reveals, it is becoming increasingly recognised that LED strategies are not only a late-twentieth century phenomenon. Rather it appears to be a development initiative which was temporarily suppressed in the post-World War II era of state management. Evidence from Canada, the United States (Erie, 1992) and the United Kingdom suggests that "there was a rich pre-1940 tradition of local economic initiatives" (Ward, 1990, 114). Despite the fact that South Africa's society and economy have been one of the most rigidly controlled in recent history, with the government determining and controlling almost all forms of initiative and development, there is increasing evidence that LED was a very real feature in urban areas prior to the 'apartheid era' (Robinson, 1990; Nel and Rogerson, 1995). Evidence from Johannesburg (Rogerson, 1995a) has demonstrated that strategies such as 'place-marketing', 'urban entrepreneurialism and public works programmes are not new concepts in South Africa. The goal of this chapter is to fulfill the requirements of the third objective, namely to investigate whether LED was a reality in the Eastern Cape prior to the post-World War II era of state driven regional development. This chapter deals with developments in an era of municipal interventionism in the Eastern Cape in the first half of the twentieth century which preceded the enhanced levels of state control which characterised the post-World War II period, as is detailed in the next chapter. Although the focus is on the period prior to World War II, in certain cases, LED programmes only terminated after the end of the war. Where this occurred the rigid cut-off of the War was not applied and the process was followed through to its suspension in those centres.

The research undertaken for this thesis indicates that this was indeed the case in certain Eastern Cape urban centres. A detailed examination of the state archival holdings revealed that LED-type practices were applied by several local authorities in the Eastern Cape prior to the apartheid era. The specific centres investigated in the Eastern Cape are the only ones in the province which, according to archival records, had developmentally orientated local authorities which practised LED. They are the cities of Port Elizabeth and East London and the towns of King William's Town, Graaff Reinet and Uitenhage. The earliest date for which evidence of LED activity exists in the province is 1909 and the latest, in this initial phase, is 1955, in the case of East London. Most centres had however ceased applying such endeavours prior to 1940. LED activities appear to have only re-emerged in the 1990s (detailed in Chapter Eight).

Incipient LED activities in the Eastern Cape from the early decades of the twentieth century through to the 1940s exhibited diverse approaches. Given the greater financial, infrastructural and technical resources of the larger urban centres it is not surprising that Port Elizabeth and East London experimented with a far broader range of activities than the three smaller centres. One common thread across all five case-studies is, however, the almost exclusive focus of LED activity on promoting manufacturing as the 'lead' economic sector. To a large extent, this is explained by the fact that this particular phase of 'place entrepreneurialism' in the Eastern Cape coincided with the period when the national economy shifted from primary to secondary sector domination, a trend accelerated by the government's commitment to nurture import-substitution industrialization from 1925 (Nattrass and Ardington, 1990; Coleman, 1983). The opportunity to broaden out the local industrial economy beyond its previous agro-industrial base was seized upon by local centres and this is reflected in active municipal place-marketing by Eastern Cape urban centres. It is important to note that this era of LED appears to have petered out in the phase of enhanced central state control of all aspects of the economy and society

after 1948 (as discussed in the next chapter). Another key feature of LED in this period, was the degree to which local authorities acted in a 'top-down' fashion without consultation with local communities in their decisions and actions.

5.1.1) Methodology

This chapter focuses on the history and background details of early cases of LED in the Eastern Cape. Information was obtained from archival sources (primarily the Cape Archives Depot, Cape Town). Documentary analysis was used and information gathered was reviewed, synthesised and recorded to outline key events and to explain particular developments. The centres investigated are indicated on Figure 3.1.

5.2) A PERIODIZATION OF STATE ECONOMIC AND SPATIAL POLICIES IN SOUTH AFRICA - PROVIDING A CONTEXT

The period of British colonial rule in South Africa (1806-1910) followed the British industrial revolution and the popularisation of the ideas of *laissez faire* advocated by the neo-classical school of thought (Hobart Houghton, 1964). In terms of management of the economy, prior to 1924, "the dominant ideology was that of economic liberalism and the emphasis was on the need to minimise government interference" (Nattrass, 1981, 231). It was in this period of limited constraints on local authorities that elementary experiments with municipal economic interventionism were made, as detailed in this chapter.

In their periodisation of the South African economy, Nattrass and Ardington (1990) identify the white labour unrest of 1922 and the subsequent election victory of the PACT government in 1924 (a coalition government formed between the Labour and the Afrikaner, National party) as marking an end to the period of English liberal control. Motivated by a desire to protect the Afrikaner proletariat, controls on the employment of blacks and attempts to protect local industry and foster state backed manufacturing

and para-statals, were progressively introduced after 1924. As a result, according to Nattrass (1981, 231) "1924 produced a dramatic change in government attitudes towards the economy, and the way in which the state perceived its own economic role". Initially, as discussed in the introduction, import substituting policies permitted the role of local authorities to be enhanced. Change was however gradual and it was only at the end of World War II and following the subsequent election victory of the National party in 1948 that the dominance of the state over the economy became all pervasive (Hobart Houghton, 1964). Until then, as evidence in this chapter reveals, local states were still able to pursue independent policy actions in the economic sphere.

The post-World War II period of Keynesian state-economic management found its parallel in South Africa after 1948 (Savage and Robins, 1990). The passage of various racially restrictive measures, state assertiveness and the state's preparedness to remove local authority functions, for example through the establishment of township administration boards (Nel, 1991), weakened the resolve of local authorities and constrained their opportunities to take independent action. In the same period high levels of state intervention resulted in many local authorities turning to the state for economic guidance and support as evidence in Chapter Six illustrates. It was only in the post-1990 reform period that local authorities have, again, been able to assert themselves economically. These issues are discussed in Chapter Seven.

In the sections of this chapter which follow, examples of local state economic intervention in the latter part of the 'liberal' period of economic management (pre-1924) and in the post-1924 period of increasing state intervention are discussed. The effective cessation of all such activity by the end of World War II reflects, in part, on the enhanced control of the state. Government intervention thereafter was manifested in aggressive regional development strategies which were pursued until the

1990s reform era (this period is discussed in the context of the Eastern Cape in Chapter Six).

5.3) THE REGIONAL METROPOLE: LOCAL ECONOMIC DEVELOPMENT IN PORT ELIZABETH: 1919-1945

Port Elizabeth's development as a major industrial centre began soon after the town's foundation in the nineteenth century. Early industrial activity was dominated by leather, wool washes, footwear, food processing, soap, candles, cigarettes and explosives production. The strong links between the city's initial industrial base and it's rural hinterland are apparent from the nature of these evolving industrial activities (Robinson, 1990).

The mineral discoveries in the interior of South Africa during the latter half of the nineteenth century, the development of a large commercial and banking sector, the Anglo-Boer War (1899-1901) and the First World War (1914-18) together provided major stimuli to further industrial and general development in the city (Mabin, 1986). World War I, in particular, has been described as inducing an "industrial miracle in the city" (1). According to Robinson (1990, 293), Port Elizabeth had a well-established tradition of local economic development, marked by a local state and mercantile coalition which sought to "transform Port Elizabeth from a run-down and poorly serviced colonial town into a suitable place for capitalist expansion".

The city's manufacturing sector received a major boost after 1925 when the Union Government embarked on a policy of import-substitution, imposing tariffs on imported manufactured goods (Hobart Houghton, 1964). Port Elizabeth's coastal situation and it size were locational attractions to new durable goods manufacturers, particularly of cars, tyres, cement and glassware. The diversification of production away from a purely consumer goods and the agriculturally based focus led to significant

growth in the local economy. The result, according to the municipality, was that "Port Elizabeth's industrial expansion became a source of wonderment", with local industries outcompeting foreign suppliers because of the tariff protection (2). Local business interests clearly had a stake in the development of the city and on their own initiative "made stout efforts to promote economic activity in the area". These efforts included publicizing the city "promoting railway and harbour development and ... encouraging cotton growing and processing in the region" (Robinson, 1990, 293). The local chamber of commerce also extolled the virtues of the city's business climate and potential its future role as an industrial centre. Whilst these efforts made by local business were noteworthy, the co-ordination and technical support role played by the council was crucial in local development initiatives. As early as 1919 the municipality produced a town brochure and was placing advertisements in magazines, such as Industrial South Africa (1919), in order to promote the locational attractions of Port Elizabeth. During the 1920s the council's efforts at place marketing were extended with promotional material for Port Elizabeth appearing widely in the local press, at railway stations and, significantly, at the 1924 British Empire Exhibition (3).

Port Elizabeth's locational advantages, as the "central port of the Union", were widely proclaimed for both manufacturing and commercial enterprises in the media. In addition, promotional material produced by the council emphasised the city's proximity "to the Native territories with their large aboriginal population and constant and heavy demands for blankets", which was marketed as a locational advantage to prospective industrialists. Cheap labour, raw materials, abundant water and electricity, and available land were all regarded as ideal ingredients for industrial settlement and growth in the city (4). To augment such direct place promotion endeavours, the Mayor of Port Elizabeth personally wrote to major industrial firms in England inviting them to establish plants in the city.

Although the city experienced a phase of industrial expansion in the 1920s, it would appear as if growth rates had slowed down by the early 1930s. The local municipality in Port Elizabeth could clearly not assume that industry would move to the city with minimal effort on its behalf given the competing locational attractions of other South African cities. The relatively complacent attitude shown by the council was epitomised by the fact that whilst it did place numerous promotional advertisements in newspapers in the 1920s and 1930s, the council failed to sanction various advertising publications in local and overseas magazines and the offer of a promotional film. By contrast, other South African cities were taking full advantage of the media to 'sell' their locations to prospective industrialists throughout the 1920s and early 1930s. The result appears to have been a phase of impeded development in the early 1930s and a failure to draw in significant new investment (5). The situation was such, in this period, that Councillor J. Neave urged the city to 'take stock' of the situation since Port Elizabeth had 'few major industries' (Eastern Province Herald, 16 April 1941).

The city's retarded industrial progress was reflected in serious local unemployment problems and the resultant implementation of another facet of incipient local economic development planning in Port Elizabeth. In an effort to address the city's serious unemployment problems, the municipality embarked on a major local campaign to employ destitute males in 1931. The council entered into an agreement with the government whereby both authorities would each contribute 50 percent of the wages paid. In October 1931 the council resolved to employ 200 men at a rate of six shillings a day to work at the city's water scheme and power station, to maintain the stormwater drainage system, and, to clean furrows, fields and cemeteries (6). From 1932 the scheme was expanded and the council set aside £ 5 000 for the programme, targeting road maintenance and construction as a priority. Racial discrimination prevailed in the conditions of service applicable, with non-European workers being paid three shillings a day compared to the six shillings for Europeans (7). By 1933, the

public works programme was costing the state and the council a combined £ 150 000 and total numbers employed had risen to 1 620 Europeans, 860 coloureds and 1 100 Africans (8) . Problems with the scheme were experienced from 1934 after the government subsidy for African labour was suspended. African labourers had been subsidized by the government's Native Affairs Department, whilst whites and coloureds were subsidized by the Department of Labour (9). The public works system was continued throughout the 1930s, albeit with a significantly reduced staff complement and at reduced rates of renumeration. By 1941 the programme and this aspect of LED had effectively been suspended (10). The limited results of this programme, the lack of training achieved and the costs incurred are a poor commentary on the efficacy of public works programmes in general and employment creation embarked on by the local authority.

During the 1930s, alongside the public works initiatives, the Port Elizabeth municipality recommenced an active marketing drive to attract new inward investment. In order to facilitate a process of LED an Industries Committee was appointed by the town council and strenuous efforts were made to improve the availability of serviced industrial sites (11). Under the aegis of this committee a determined effort was made to enhance LED. According to the Town Clerk, "Port Elizabeth encourages economic development by affording special privileges in the provision of essential services... industrial sites are set out and procurable at a very reasonable figure" (12). In support of the drive to develop the city, an aggressive advertising campaign was launched in 1935. Councillor T.C. White announced in September 1935 that there was "a new era of development" and that "with the special facilities which the council is prepared to offer, we shall, within a few years be a great industrial centre ... no effort will be spared (by council) to bring about a desirable state of affairs" (Eastern Province Herald, 5 September 1935). Advertisements about Port Elizabeth were placed in overseas newspapers, such as the Manchester Guardian, and 10 000 brochures on the city were jointly ordered in conjunction with the South

African Railways and Harbours Administration. This vigorous marketing campaign designed to sell the locational attractions of the city continued throughout the 1930s and into the 1940s (13). In 1939, it was noted that "Port Elizabeth is to-day making every effort to attract industries. This city is perhaps most alive to the benefits accruing from industrial development" (Natal Mercury, 27 July 1939). This aggressive marketing campaign proclaimed Port Elizabeth as "the City of Industrial and Commercial Opportunity" and "the commercial and industrial hive of South Africa" (Eastern Province Herald, 16 April 1941 and 1 April 1946) (14).

This promotional drive appears to have borne fruit as is revealed by the scale of new factories opening in the city (Table 5.1). By 1935, several reports indicated that keen interest in the city was developing amongst prospective industrialists (Eastern Province Herald, 5 September 1935). In 1939 it was observed that the city's industrial revival "has been so marked recently that leading industrialists are emphasising the optimism with which they are planning future production" (Cape Times, 17 May 1939). A threat to continued industrial expansion appeared in 1941 from a shortage of industrial land. This prompted the council to launch "a bold programme of industrial development" linked to the provision of new factory sites (15). New industrial estates were laid out at Deal Party (46 acres) and Neave (223 acres). Freehold sites were made available at low cost and services, transport and housing for workers were provided, all of which were major inducements for prospective investors in the city (16). By 1945, 248 acres of industrial land had been sold to a variety of new investors, both South African and foreign (Eastern Province Herald, 28 August 1945). The city's advantages of power, gas, labour and the port, imbued local manufacturers and councillors with the confident belief that "the future of Port Elizabeth appears assured" (Eastern Province Herald, 1 April 1946). Thereafter, despite these impressive gains no obvious development endeavours on the part of the local authority could be identified.

TABLE 5.1) Industrial Establishments in the Centres Investigated, 1907-1950

Towns:	1907	1920	1929	1940	1946	1950
Port Elizabeth	131	156	188	286	325	596[1]
Uitenhage	16	18	19	18[2]	n.d.	n.d.
Graaff Reinet	25	18	19	n.d.	n.d.	n.d.
King William's Town	60	44	52	60	n.d.	n.d.
East London	69	80	92	192	n.d.	n.d.

Note: n.d. = no data available.
[1] = combined total for Port Elizabeth and Uitenhage.
[2] = Data for 1946.

Source: Howard's, 1907; Donaldson and Braby, 1921; Donaldson's, 1929; Griffith, 1940; Union Government, 1941, 1954.

Table 5.2 details the key LED policies pursued in Port Elizabeth and the other centres investigated.

5.4) UITENHAGE: 1909-1947

The town of Uitenhage has always existed in the economic shadow of the neighbouring metropole of Port Elizabeth. Although local development occurred in Uitenhage, the town lacked the obvious advantages of agglomeration and a coastal location which counted strongly in favour of Port Elizabeth. In their effort to secure the future of the town, the actions taken by the town fathers are noteworthy. The municipality attempted to promote LED for almost four decades, a considerably longer period than in the other towns investigated in this chapter. Promotional and developmental endeavours took a variety of forms.

In 1909 the Town Clerk's department began a marketing and advertising strategy to promote the town. In a brochure entitled 'Uitenhage, Cape Colony: And the Advantages it offers for the establishment of various industries', the town was described as a 'garden town' with excellent water and raw materials, wool, cheap electricity, healthy cheap living, a large native population, railway workshops, a market, light municipal tax, good education facilities and a hospital. In addition, the council was prepared to "furnish land and water on exceedingly advantageous terms". Accordingly, it was argued that "Uitenhage is able to provide unusual advantages, which are well worth the attention of manufacturers who contemplate the establishment of industrial works in South Africa" (17).

By the early 1930s the need to encourage industrial development was once again prioritised. The council declared that "the municipality was anxious to embark on a publicity campaign for the town, more particularly in the direction of encouraging the establishment of industries". In 1933, the process was enhanced by the decision to establish a permanent Industrial and

TABLE 5.2) LED Strategies Pursued Through Time in the Centres Investigated, 1909-1955

Towns:	Place Marketing	Public Work's Programmes	Land Development	Incentive Provision	Petitions to Government	Competition with other centres
Port Elizabeth	1919-1946	1931-1941	1936-1941			
Uitenhage	1909-1947			1933-c.1947		
Graaff Reinet	1938			1936-1938		
King William's Town	1918-1933		1918	1928-1933	1930	1932
East London	1927-1955	1936-1943	1928-1945	1932	1929	1932

Development Association (18). The council also reported on the desirability variously of engaging an advertising agency, entering into a publicity arrangement with the railways, advertising posters, launching a competition for the most suitable advertisement and producing a well illustrated publicity brochure (19). In 1933, the town council resolved to vote £ 100 to cover the costs of an advertising campaign (20). Further, in November 1933, it decided on the wording of a promotional poster which read: "Uitenhage: Free Industrial Sites, Water and Power in Uitenhage". The steps which the council was prepared to embark on to 'sell' the town were quite significant, especially in terms of the offer of 'free' land, giving the town's campaign the characteristics of LED found in the latter part of the twentieth century in other countries (21). In 1934, the council tried to introduce additional incentives when the Town Clerk made representation to the Administrator of the Cape for a far-reaching reduction in rates to assist new industrial development (The Port Elizabeth Advertiser, 23 March 1934).

In February 1934 an additional £ 300 for advertising was voted by the council. The wording of a 1934 advertisement in the magazine Industrial and Commercial South Africa, illustrates the nature of the council's efforts to promote LED. The brochure proclaimed the following: "Invest in Uitenhage; the ideal industrial centre", "Uitenhage offers definite industrial advantages" and "Opportunities are awaiting industrialists in Uitenhage. Here, definitely are facilities and factors of economy without equal - strategic position, unusually low water rates, power at cost, free industrial sites - aerodrome and rail advantages". Overall, it was asserted that "It will pay manufacturers of all products to get facts about the town"(22).

In a 1934 report of the Town Clerk entitled, the "Establishment of Industries: Particulars of Facilities Offered", the council set out the major incentives which it was offering, *inter alia*, sites on rail, nominal lease rental of 1 shilling per acre *per annum* for 99 years and sale at £ 25 /acre if the purchaser built

within one year, an assessment rate of 3d in the pound which the council was seeking to lower (23). After World War II the campaign to promote inward investment was further enhanced. In 1947, the council published a pamphlet entitled: "Facilities for Industrialist in Uitenhage", which proclaimed the following locational attractions for Uitenhage, *viz.*, a surplus of employable, female, European labour, artisans, railway workshops, a large African workforce and good communications (24).

Table 5.1 provides details of the state of industrial development both in Uitenhage and other Eastern Cape centres. In terms of their effectiveness, an examination of Table 5.1 discloses that the initial council attempts to promote LED in Uitenhage do not appear to have met with any major degree of success. As is evident from 1907 to 1946, the number of industrial firms hardly altered. Incipient LED efforts appear to have had only a limited impact in Uitenhage.

5.5) GRAAFF REINET: INCIPIENT LOCAL ECONOMIC DEVELOPMENT IN THE 1930s

Graaff Reinet is a typical, small, country town in South Africa. Situated in a prosperous stock-rearing district, it has always had an important agro-industrial sector. By the 1930s the concentration of industrial and commercial activities in the larger Eastern Cape centres and the gradual drift of the more skilled workers to the cities started to exact a toll on the town's economy. An examination of the number of firms in the town (Table 5.1), clearly reveals that limited development activity and the lack of staying power of firms was in evidence.

In a determined effort to attract new industry, the town council committed itself to a policy of subsidizing the costs borne by potential entrepreneurs who were prepared to establish in the town. According to the Town Clerk, "Graaff Reinet is prepared to offer suitable sites free of charge, adjoining the railway

station, while there is an abundance of water and electric power supplies. Special contracts would be entered into to make these supplies available virtually at cost price" (25). A sub-committee of the municipality, tasked to promote the establishment of factories, was established in 1938. This committee sought to promote the town as a centre of the surrounding stock and breeding areas, cheap industrial sites, rail services, electricity and cheap building costs (26). Despite this bold attempt at LED and efforts to make the centre attractive to new firms, there is no evidence of the council's initiatives being rewarded by any new developments. Similar promotional initiatives do not appear to have been attempted after 1938. The town's limited industrial growth reflects the diseconomies of the site, the small size of the centre and its physical isolation.

5.6) THE CASE OF KING WILLIAM'S TOWN: 1918-1933

Attention now turns to King William's Town, one of the larger Eastern Cape towns. The urban centre of King William's Town is situated 50 kilometres inland from the coastal city of East London adjacent to the densely populated rural districts of the former Ciskei Homeland (Figure 3.2). Industrial development has been encouraged by the town's location close to major transport arteries, its abundant water supply and a prosperous agricultural hinterland. Between 1918 and 1933 the town council embarked on various ambitious campaigns to attract manufacturing firms. These initiatives are discussed below.

5.6.1) The Special Promotional Committee and Overseas Visits

In an effort to attract industry, the council appointed a special council committee, consisting of representatives of the town council, the chamber of commerce and the manufacturers' association, in 1918, to consider "what measures might advantageously be taken to further the industrial development of King William's Town" (27). No records of this committee appear to survive but it seems to have been influential in an aggressive

marketing campaign which was launched from 1918.

One of the most innovative attempts to interest foreign investors was taken in 1918 when Mr G. Whitaker, the local member of Parliament, agreed to visit industrial areas in the United Kingdom in order to promote the town (28). In a letter sent to Mr Whitaker, the Town Clerk advised that the council had established a promotional committee, set aside 30 acres of industrial land, and was prepared to supply electricity cheaper than that available in either Port Elizabeth or East London (29). Particularly favoured industrial firms would be those involved with the wool, meat, fruit canning and fire-clay industries.

5.6.2) Place Marketing

From as early as 1918, the town council identified the need to develop an advertising brochure of a standard similar to those of the larger centres (30). In 1923 a high-quality brochure about the town was produced in conjunction with the railways administration. In total an impressive 12 500 copies were produced for circulation. The town brochure was simply titled: 'King William's Town: Its Natural Advantages and Commercial Activities'. The town was marketed to potential investors, with typical advertising hype. It was proclaimed that "the industrial heart has awakened" and moreover that "there is undoubtedly no town in South Africa that can boast of as many industries as can King William's Town". Overall, the town brochure claimed that "King William's Town is an excellent manufacturing centre", having abundant water, cheap living, good food supply, an "immense native population", cheap labour, good transport, cheap land and ample room for expansion (31). As part of this place marketing campaign, the advantages of the town were advertised in the South and East African Year Book (c.1928) in which King William's Town was described as "the centre of the second most thickly populated district in the Cape, therefore labour is plentiful ... water is abundant and cheap" (32). In 1929, as part of an aggressive campaign designed to attract industry, it was decided to request the South African High Commissioner in London

to distribute information about the town in the United Kingdom (33). Unfortunately, the recession of the 1930s wrought its toll on local finances and in 1932 the council informed the railways administration that it could no longer afford to pay its contribution towards high profile advertising (34) .

Local advertising of the locational virtues of King William's Town continued, however, into the 1930s. In 1933 in the Mercantile and Commercial Directory an advertisement boasted of the town's "natural industrial advantages, important commercial and manufacturing centre, perfect climate, magnificent scenery" (35). More importantly, despite budgetary constraints, the council in 1932 commissioned the Daily Dispatch publishers to produce another illustrated brochure on the town. Once again, the document extolled King William's Town's locational advantages to investors. Emphasis was given to the following factors: the town's excellent facilities, healthy climate, land, water and electricity (36).

During the early 1930s the town council embarked on numerous enterprising missions designed to attract investment. In 1930, the Town Clerk requested an interview with the Minister of Railways in order to secure part of a contract to supply wooden railway rolling stock and horse drawn vehicles for local wagon builders in King William's Town (37). A similar instance arose in 1930 when the Mayor personally requested the intervention of the Prime Minister, General Smuts. This followed the threatened relocation of a King William's Town factory to Rhodesia as the South African government had refused to waive duty on imported cotton wastes used in blanket manufacturing (38).

Throughout the early 1930s, the council handled numerous requests for information on the town and its facilities, many of which arose from its advertising campaigns. Such requests came primarily from Germany, England and Scotland. In its replies the council marketed the town on the basis of available land, cheap labour and services (39). For example, in response to requests

from a prospective German blanket factory, the Town Clerk informed the management of the extensive wool industry in the area and the town's ideal location for the sale of blankets as it was a "distribution centre for the Transkei Native territories" (40).

One of the most instructive episodes in the history of LED in King William's Town was the outright and aggressive competition which the council engaged in with East London and other centres in an effort to lure one particular German blanket manufacturer, Fisher and Mauerberger, to set up operations in the town. In 1932, in a letter to the Mayor of King William's Town, the Town Clerk proposed that the town should offer the firm "extraordinarily favourable terms, so as to place King William's Town on a better footing than East London, where, I am informed, attractive conditions have already been offered". He suggested that six months' free electricity (valued at approximately £ 1 100) should be offered as "the cost would be infinitesimal compared to the advantages the town would derive from the establishment of industry". Owing to the competition posed by East London, his view was that "it would be to the advantage of King William's Town to make some sacrifice financially with the view of offering better terms so as to obtain the advantages which would inevitably result" (41). As part of the strategy to attract the firm the council agreed to offer 6 acres of land at the nominal charge of £ 10/acre, providing buildings to the value of £ 10 000 were erected on it. In addition, a special reduction on electricity tariffs was approved (42). The firm however, subsequently decided that the interior location of the town was a disadvantage and that a coastal location was more desirable. After establishing this from an interview with Mr Mauerberger, the Town Clerk reported that "if King William's Town is to consider the encouragement of industry in competition with other towns (in future), there are many points which must be viewed carefully" in terms of services and transport disadvantages in particular (43).

5.6.3) Incentives

King William's Town appears to have been very energetic in its policy of offering incentives to prospective investors. In 1928, the council authorised the Town Clerk to offer "facilities and inducements" to prospective applicants. Incentives included the sale of industrial land at a nominal figure of £ 1 per acre, making available water at a concessionary charge of 9d per 1 000 gallons and offering low electricity tariffs (44). As part of an appeal to new firms, the Town Clerk was also mandated to offer industrialists the attractions of "an ample supply of good and cheap labour" claiming that "the Natives are intelligent and a large percentage have a fair education and are accustomed to the work of the various industries in the town". In addition, the cost of living in the town was deemed to be five percent cheaper than in coastal cities. Other advantages proclaimed for the town were the region's good agriculture, forestry, rail facilities, educational institutions and large wool industries (45).

Despite the range of LED initiatives launched by the municipal authorities in King William's Town, the efforts to market the town as an industrial centre did not achieve the desired results. Table 5.1 shows that the number of industrial firms in the town actually declined after 1907, and only returned to 1907 levels in 1940. The above-mentioned history of LED in the town also provides insight into the racial perceptions and prejudices which prevailed in local authority circles at the time.

5.7) THE CITY OF EAST LONDON: 1927-1955

In this section, the role played by LED in East London prior to the apartheid era and the associated initiation of rigid state control is examined. East London was founded in 1848 and soon became the most important commercial and industrial centre in an area which later came to be popularly known as 'Border-Kei' or the Border-Ciskei-Transkei region (see Figure 5.1) (Nel, 1993a; 1993b). The city experienced rapid growth in the latter part of

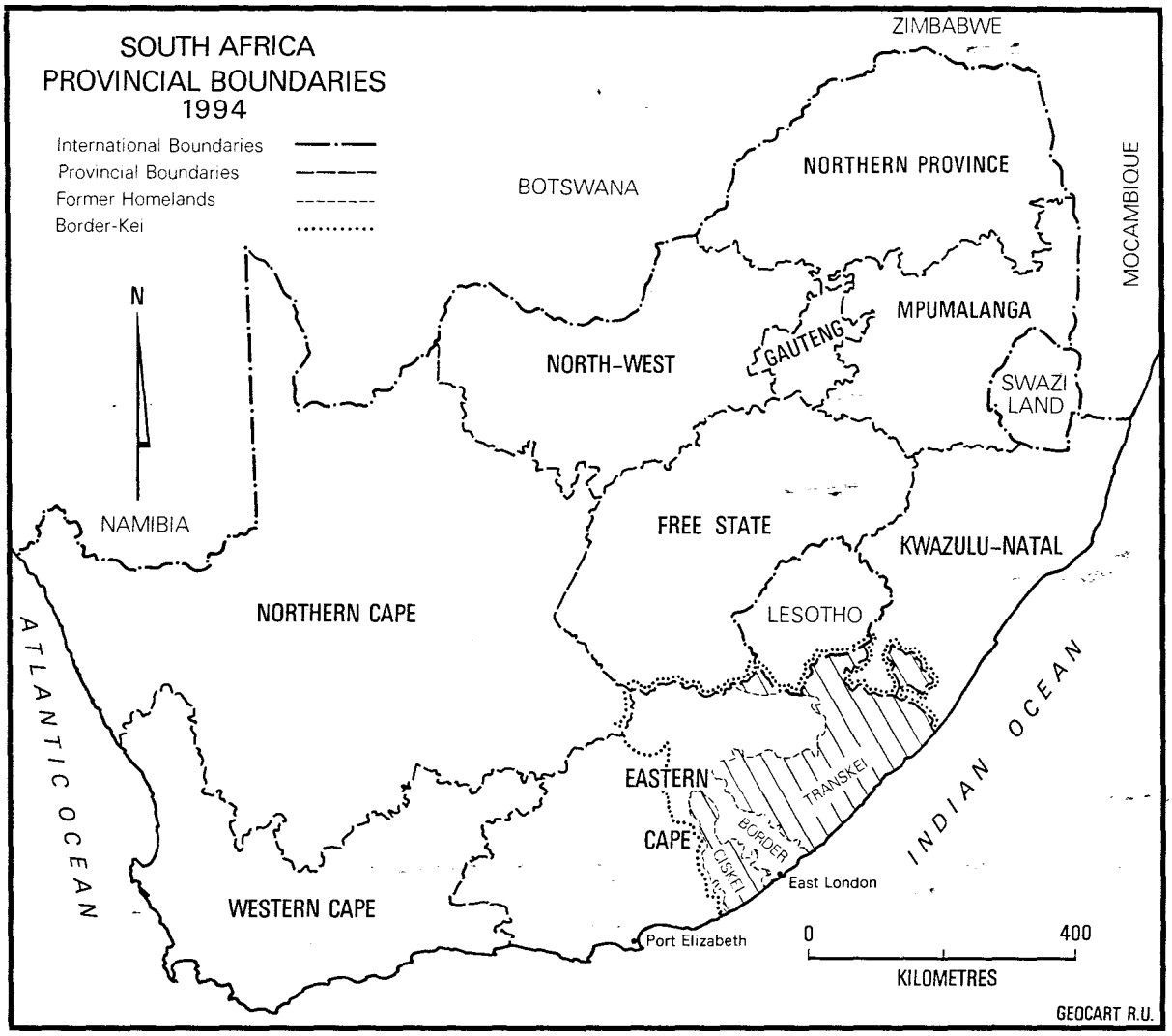


FIGURE 5.1) **South Africa and the Border-Kei (Border-Ciskei-Transkei) Region**

Source: Border-Kei Development Forum, 1993; Department of Regional and Land Affairs, 1994.

the nineteenth century and the first half of the twentieth because of its central location to what was then the prosperous wool industry, the reality that it was the closest port to the diamond fields, its good transport link to the Johannesburg metropolis and the important role it served as an industrial, service and transhipment centre in the Boer and World Wars (Gordon, 1932; Moult, 1951; Geldenhuys, 1952). By the early years of the present century, East London had become an important industrial centre attracting leading clothing, textile, confectionary, food and later automobile manufacturers (Gordon, 1932; Nel, 1990a). It would appear that one of the main reasons for the city's prosperity was the aggressive policies of the local state which were adopted to support LED (46).

5.7.1) The Initiation of Municipal Economic Development Policies and Intervention, 1927 - 1933

Prior to the 1920s some initial efforts had been made to attract industry to the area. The focus, however, lacked the enthusiasm and vigour which was to characterise later endeavours. If anything, earlier approaches appear to have been as restrictive as they were supportive of industry. In 1911, although the council had decided to foster the "benefits of planned industrial development" it was clearly selective in its approach, seeking only to "attract the right industries to the area" (South African Builder, 1953, 41). There is scant evidence of the council actually discouraging industrial development, with the exception of the decision to disallow the establishment of a whaling station in the city in 1906. Nonetheless the overall nature of the council's approach could not have been conducive to the development of industry in general.

Indications are that, until the 1920s, the city fathers of East London were content to allow the city's economy to develop with only minimal municipal intervention, relying on natural growth enhancing factors such as the mineral and the war related economic booms. It would however appear that during the early inter-war period the city had acquired the reputation of being

one which discouraged industry in favour of promoting the city as a tourist centre, free from polluting industries (South African Builder, 1953). Although this was not an overt municipal policy, it was probably the limited nature of local state involvement in the local economy and the traditional encouragement of tourism in the city which created this perception. When the council became aware of these allegations they reacted by launching an aggressive campaign in 1927, to attract industry to the city. The council's indignation over the perception which prevailed is illustrated by a later comment by the Chairman of the Council's Industrial and Development Committee who stated, "It has come to my notice that a misconception exists, to the effect that East London desires to develop as a health resort only, and would not encourage industries. That, of course, as you are aware is not the end" (47).

In 1927, in response, no doubt, to the above-mentioned situation and in a parallel desire to promote the city's industrial and commercial development, the council called a special meeting of persons interested in advancing industry and commerce in the city (48). At the special meeting in July 1927, the council resolved to appoint a special committee to report on practical development directions for the city and to make recommendations best suited to accomplish these aims on a sound, economic basis (49). The result of this action was the establishment of a 'Sub-Committee on Industrial Sites' which later became the 'Industrial and Development Committee' (50). This first step laid the basis for an aggressive policy of LED in the city and served to direct the city on a course which strove to develop the city's industrial and commercial potential and break the perceived stigma of merely being a tourist resort.

The first act of the new sub-committee was to investigate the availability of industrial land in the city. The known reality of the shortage of industrial land was endorsed by the findings of the council's sub-committee. Up to that point in time, with

the exception of isolated industrial units, there were only two industrial townships in the city, namely Arcadia and Chiselhurst (see Figure 5.2)(South African Builder, 1953). Both of these were relative small central city areas, facing severe growth constraints. This was because of the development of the city around them and internal subdivision of those areas amongst smaller firms which limited the amount of land available for larger concerns. In consequence, the sub-committee recommended the establishment of additional industrial townships as a matter of urgency. In August 1928 the City Engineer was instructed to survey an additional 100 acres of industrial land at Chiselhurst. Further, in a significant move, which broke with the general urban development thrust of the city to the north and the east, a new site of 100 acres on the West Bank, above the harbour, was identified for large industrial concerns (see Figure 5.2) (51). The designation of this, the first phase of the Gately industrial township on the West Bank, proved to be a major asset for the city. Land was sold at the price of £ 50 per acre with the railways providing private siding facilities (South African Builder, 1953). The area's close proximity to the harbour, its centrality in the city, its good rail and road connections and the availability of large tracts of land for major firms made it an attractive location for new, large firms and helped to ensure the success of the municipality's new venture in LED. The increase in the number of industries between 1920 and 1929 (see Table 5.1), indicates the success of the council decision to make the city more attractive to new firms through the provision of additional industrial land.

Other initiatives undertaken prior to 1933 included municipal endeavours to ensure that the city secured part of the lucrative market for the export of manganese from Postmasburg in the northern Cape. When it was announced in 1929 that Durban would be the transhipment point for the bulk of the exports of that mineral, the council joined the chamber of commerce in sending a deputation to the Minister of Railways to protest against this step (52). Local opinion was that the decision in favour of

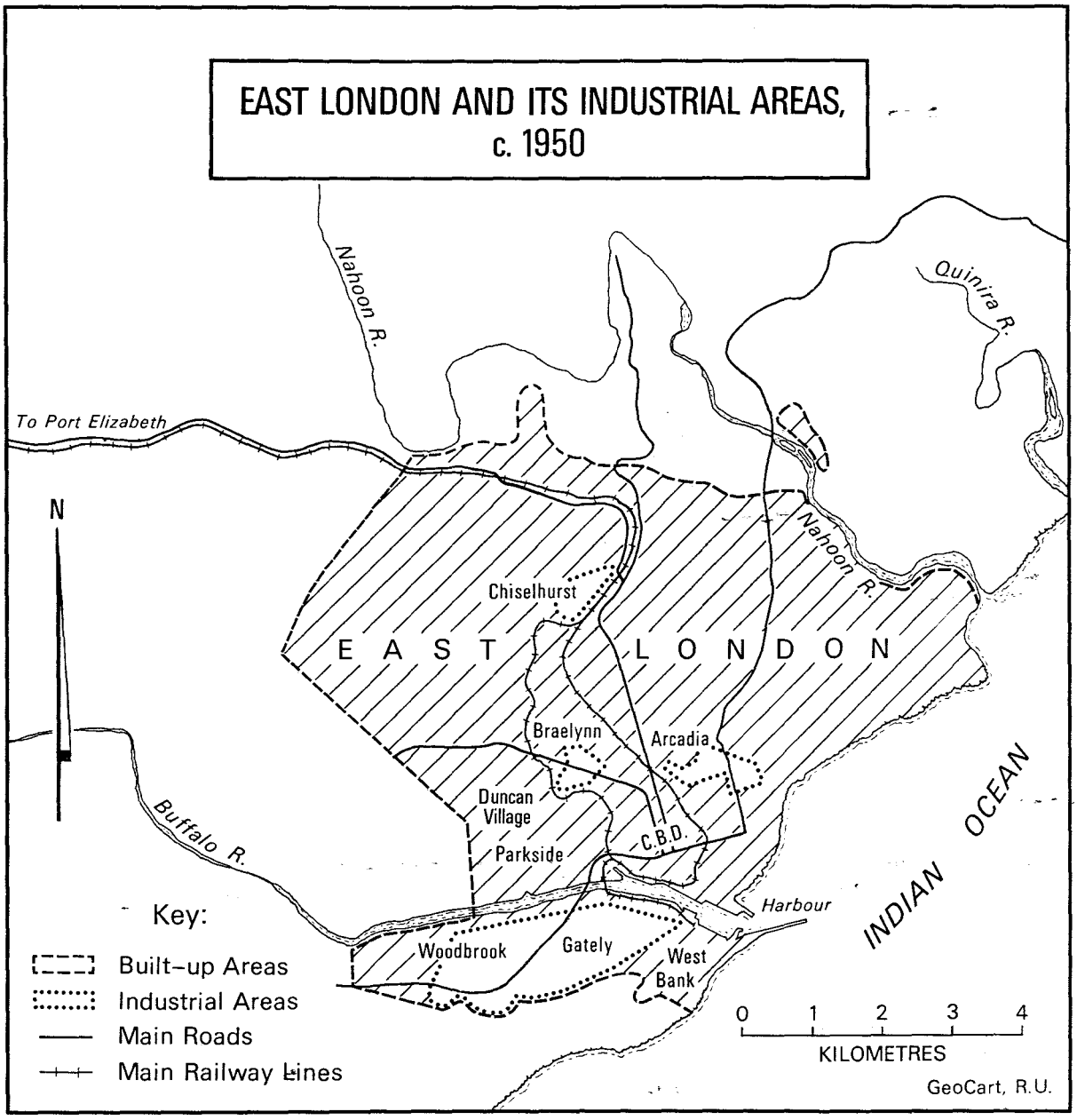


FIGURE 5.2) East London and its Industrial Areas c. 1950

Source: South African Builder, 1953.

Durban was a "serious interference with the natural course of trade" because East London was the closer port and that the "principles of economics and trade had been violated most drastically" (Daily Dispatch, 14 March 1929). Following telegraphic communication with the Minister of Railways, the council did not secure a reversal of the decision; they did however win a major concession in that the Minister announced that a portion of the manganese traffic would be routed through East London (Daily Dispatch, 20 March 1929). This victory was significant as its results enhanced the activities of the transport and related sectors in the city.

In 1932, as already mentioned, in a rather intriguing episode, the city council entered into direct competition with the nearby town of King William's Town to secure the investment of the German blanket manufacturer, Fisher and Mauerberger (53). Following several lucrative offers by both councils trying to outdo each other through the offering of various incentives, such as cheap land and reduced electricity tariffs, East London eventually secured the firm (54). Unfortunately details of what was offered to the firm cannot be established. Nonetheless the assertive action and outright competition which councils were prepared to indulge in to secure lucrative investments is in stark contrast with earlier policies and is indicative of the degree to which the promotion of local interests in support of LED had become an entrenched policy of certain local authorities by the 1930s.

Council action clearly had become a significant force which pro-actively sought to advance local prosperity and economic well-being in the city. By the early 1930s it had become clear that LED was firmly on the agenda of the local authority in East London and that the local council was achieving tangible results which contrasted markedly with its earlier neutrality in the economic realm.

5.7.2) The Formalization of the process of Local Economic Development in East London, 1933 - 1939

Following the initial success of LED in the city, the process was consolidated into a more well-defined, orchestrated policy in the 1930s. In the period leading up to 1939, principles of LED were clearly pursued by the local state through a variety of means.

In 1933, a concerted effort was initiated by the council to promote the city and to draw in industry. Plans for extensions to the Gately industrial township came to fruition in that year and plots therein were sold off (South African Builder, 1953). In 1937, after consolidating and clarifying its approach to the economic development of the city, a new phase of LED was launched with "an onslaught through publicity ... the battle for industry was on" (South African Builder, 1953, 45). To spearhead the programme a new special council sub-committee was appointed, which consisted of the mayor and four councillors. The sub-committee was given significant powers and was tasked to deal with any subject "affecting the interests and the future development and advancement of the municipality as an industrial and commercial centre" (55). Although focusing primarily on efforts to advertise the city and attract industry, the new programme took various forms. At one level it was reflected in the enhanced provision of industrial land. In 1938, in a significant testimony to their new-found optimism in the city's future and their confidence in the success of their LED strategies, the council proclaimed four new industrial townships. These were Braelyn on the East Bank of the Buffalo River and Gately extension, Gately West and Woodbrook on the West Bank (see Figure 5.2)(South African Builder, 1953). As a result of the opening of these new areas and in a clear repudiation of earlier standpoints regarding the attraction of only selected industries, the Chairman of the Industrial and Development Committee declared, "East London is now prepared to compete for any industries desirous to establish itself in the Union" (56).

Another aspect of this new LED drive was the council's endeavour to ensure that a sense of sound economic management pervaded all aspects of council administration and management in this period. This approach was reflected through the establishment and operation of a 'Committee of Heads of Department - Interdepartmental Economic Committee'. In addition to investigating various cost-saving mechanisms, standardised accounting and other procedures, this committee sought to standardise various forms of municipal interaction with the commercial sector such as the hiring of vehicles (57).

The promotion of the city as an industrial centre through the media soon became the major thrust of council endeavours, with a concerted 'place-marketing' scheme being launched in 1937. In that year, the council negotiated with a Port Elizabeth based advertising consultancy to head up an advertising campaign (58). The following year the council negotiated with the South African Railways and Harbours Administration to produce 3 000 folders containing information about the city. The costs were to be shared equally between the two organizations (59). In 1938 the first specific promotional brochure was produced and was entitled 'The Industrial Sites of East London'. The brochure offered the facilities of the port and the fact that the city "commands trade of huge native areas" as major attractions to prospective investors. In the same year promotional material was sent to the Empire Exhibition in Glasgow for distribution and the council even investigated the possibility of having a promotional film produced about the city (60).

In 1939 in a new brochure entitled, 'Urban Industrial Amenities in the City of East London', the advantages of available land, water and electricity and a plentiful supply of 'native labour' were highlighted. The confidence felt by the city fathers is reflected in the statement that the city "enjoys a high reputation as a manufacturing centre ... (and) has attractive provision for industrial expansion" (61). The decision to produce 20 000 booklets about the city motivated the drafting of a new

booklet for inclusion in the municipal promotional folder. The booklet was entitled 'Soundings' and in it the council strove, at length, to promote the city to prospective industrialists primarily because of the previously referred to marketing ploy of the attraction of proximity to the large 'native reserve' areas in the vicinity. Racial perceptions of the time and of the council underlay this particular marketing strategy and reflect on what was regarded as an attraction to overseas investors. The notion of an emerging African market was fully exploited as key sections in the brochure detail:

> Huge fortunes were made in the past by South African wholesale dealers supplying native requirements. Today the harvest field of the wholesaler is passing steadily to the South African manufacturer. East London appeals to United States and United Kingdom manufacturers who have specialised in the trade to the negroes of the southern states of the U.S.A. ... The biggest economic factor in the future of the once 'Dark Continent' is the steady rise of the aboriginal ... East London is the gateway to the vast native territories of the Transkei and Basutoland, with their countless millions of natives, who ever year are seeking more of the white man's ways, thoughts and especially clothes ... The whole population of the native territories are potential consumers.

Arguing on the same lines that the future lay in exploiting the enormous potential of this emerging market, appeals were made to clothing, textile, curtain and furniture manufacturers. Other attractions offered to the prospective industrialists were abundantly available industrial land, the harbour, good rail and road connections, skilled white labour, plentiful African labour and the protection offered by high government tariffs. As part of the overall marketing image, the city gave itself an aggressive *nome de plume*, namely that it was "The Fighting Port", which "gets things done"(62). To sustain the above campaign the council voted an additional £ 1 000. When the increased number of 25 000 booklets was completed, it was decided to send some 10% direct to manufacturing establishments in the U.S.A. and Britain.

The result of the council campaigns and obvious industrial interest in the city was what one contemporary source described as a "surge of development" (63). Between 1932/3 and 1936/7 there was an overall increase in the number of industries from 146 to 182 (see Table 5.3). Although an increment of approximately 25% in the total number of firms clearly was significant in its own right, the economic impact was much greater, with total employment opportunities and the value of output more than doubling in a mere four years. The impact of the new firms was enhanced by the fact that they tended to be larger than pre-existing ones. This reflects the availability of extensive sites for the larger firms and no doubt the rewards reaped by marketing the city to the larger international investors.

TABLE 5.3) Industrial Growth in East London, 1932/3 - 1936/7

	1932/3	1936/7	% Increase
No. of Industries	146	182	25%
Industrial Investment	£ 334 188	£ 492 289	47%
Employees	2 176	4 673	115%
Wages paid	£ 295 061	£ 565 161	92%
Value of Output	£ 962 929	£ 1 986 635	106%

Source: South African Builder, 1953.

Although it is impossible to ascribe the impressive results achieved solely to the council's endeavours, the conclusion that aggressive place marketing strategies in support of LED were reaping rewards cannot be avoided.

5.7.3) World War Two and Industrial Development in the City

The outbreak of the Second World War in 1939 had a profound

effect on the city. Its coastal location, the safe harbour and the industrial facilities which it could offer, as well as the nation's vast contribution to the British war effort in terms of food, raw materials, manufactured goods and personnel ensured that the city experienced a trade and manufacturing boom. This war related boom built on the earlier industrial success of the city, council endeavours and the provision of extensive, serviced industrial townships.

Capitalising on the growth which the war brought, the council continued its efforts to attract new industries, centring on the safe haven theme which the city could offer in a war-battered world. The 1941 advertising campaign focused on the placement of eye-catching, large, advertisements in numerous major newspapers, under the heading "Get in Now ! East London City of Opportunity". In addition to repeating the standard attractions of the city, the council reverted to the earlier approach of extolling the virtues of the city's climate and natural beauty (64). Figure 5.3, an extract from the Star newspaper (The Star, 20 May 1941), is a typical illustration of the council's media and marketing initiatives of the time and the factors which the council regarded as being appealing to prospective investors.

In response to these endeavours there was clear interest in the potential of the city from many firms and areas (65). Between 1942 and 1947, the council processed no less then 41 enquiries from major British and South African firms who considered establishing themselves in the city (66).

In a significant display of foresight, the council decided, in 1943, to anticipate developments in a post-war world. The Mayor expressed the view that, "now is the time to prepare so that time is not lost due to being unprepared when hostilities cease" (67). The result was the production of a brochure entitled 'Post War Greater East London' which once again extolled the virtues of the city. The air of assertive self-confidence which the city had come to exude is well illustrated in their 1943 advertisement in



FIGURE 5.3) Advertising East London, 1941

Source: The Star, 20 May 1941.

the journal 'Industry and Trade', which described East London as being the "Progressive city of modern industry" and assured investors that, they would "be even more glad when Victory is ours that you established your concern in East London, for it is a city long recognized as one of enthusiastic enterprise and rapid, but steady growth" (68). Throughout 1943 and 1944 advertisements were repeatedly placed in all major national newspapers and various industrial journals. The benefits of established industries, the large labour force, land and the attraction of the city as a tourist destination featured in advertising campaigns which urged investors to 'Nail it down' or boasted that East London had 'The power to make industry hum' and that the city was the 'Progressive City of Modern Industry' (69). Figure 5.4 is a reproduction of a typical advertisement of this period which was placed in the Johannesburg paper the Rand Daily Mail (14 June 1944).

Such was the success of these endeavours and the related economic and industrial boom that nearly all of the total of 180 acres of industrial land available in Gately industrial township and its extensions had been sold by the end of the war (70). The cessation of hostilities in 1945 once again worked in East London's favour. Shortages of goods on the international market proved to be a major stimulus to local production leading to a situation in which "East London rode on the crest of the wave" according to a contemporary commentator (South African Builder, 1953, 45).

Immediately after the war the city council continued with its promotional endeavours and advertised in numerous publications. In 1948 however, council budgets were cut as a result of a post-war recession. In that year the advertising budget had be axed down to £ 200 and a series of illustrated promotional brochures were cancelled (71). Numerous requests from South African and British newspapers to advertise the city were rejected by the council (72). So serious was the situation that in 1950, the Town Clerk informed the Cape Advertising Contractors that the council

EAST LONDON OFFERS *Great Scope* TO MANUFACTURERS and INDUSTRIALISTS



The growing city of East London offers unbounded facilities for industrial and manufacturing enterprise, and within recent years many industrial concerns have taken advantage of them and chosen East London for their operations.

* * * * *

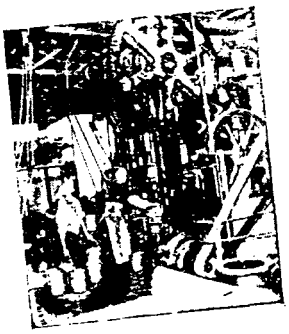
Apart from its geographical importance, both from the point of view of shipping facilities and its central situation as a distribution centre for the Union, East London offers amenities vital to the prospective manufacturer.

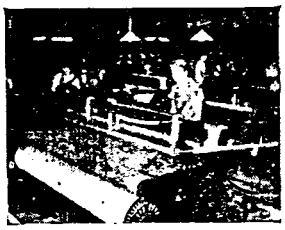
* * * * *

At present, suitable sites are available at moderate prices. The rapid growth of industries has attracted many skilled artisans and local skilled and native labour is easily obtainable.

* * * * *

There is an ample supply of water and electric power, and the railway freight rates are distinctly favourable to industry. East London's industrial area has been planned apart but not inconveniently distant from the residential districts. With its pleasant and temperate climate, everything is conducive to a healthy and happy living environment in East London. It is a modern city which offers attractive prospects to residents and manufacturers alike.







Get in Now!

POST THIS COUPON

To the Town Clerk
EAST LONDON
Please send me/us full particulars concerning East London's industrial sites.
Name .....
Address .....
.....
.....

EAST LONDON

CITY OF OPPORTUNITY

FIGURE 5.4) Advertising East London, 1944

Source: Rand Daily Mail, 14 June 1944.

had "to exercise the strictest financial stringency, (and) no provision has been made in the current year's estimates for industrial advertising" (73).

With the exception of one promotional brochure in 1955, the industrial promotion campaign of the city had effectively petered out. The 1950s and 1960s were an era of economic stagnation in the city and is was only with the launching of the government's Decentralization and later Regional Industrial Development Programmes from the 1960s that growth rates similar those in the first half of the century were once again achieved in the city (Nel and Temple, 1992).

5.7.4) Public Works Programmes, 1936-1943

In parallel with the above policies, and in a similar fashion to what which was being practised in Port Elizabeth in the corresponding time-period, East London sought to promote and sustain the local employment base through support for a defined public-works programme, partly subsidized from municipal funds (74). Although motivated by a desire to assist the victims of the great depression and to expand local employment, this policy was clearly influenced by a racial bias in its application in that the only beneficiaries were white, unemployed labourers. The programme was aimed at the "promotion of civilized labour" (75).

In 1936 the first 41 labourers were employed by the council on a pay rate of five shillings a day (76). By 1937, the number employed had increased to 125 and the pay rate to six shillings and two pence a day of which the government's Department of Labour paid just over half the bill. Work engaged in by the labourers included that of cleaning buses, acting as watchmen, garage attendants, bush clearance, maintaining rubbish tips and footpaths and roads (77). This so-called 'civilized labour' policy, though motivated by apparent sympathy and racial bias, did however come into conflict with the cost-saving ambitions of the General Purposes Committee. This committee argued that the employment of 125 white workers for the tasks assigned was

undesirable as they could not "economically replace native labour" who were no doubt paid an exploitatively low salary on the grounds of race (78). By 1943, as a result of the fiscal and other demands of the World War, the number of staff employed had diminished to a mere 18, who worked in the Parks department (79). Thereafter no record of the subsequent or continued appointment of workers on similar terms appears to exist. The Public Works programme does not appear to have yielded any particular benefits, other than for short-term employment for the beneficiaries. No skills upgrading appears to have been embarked on and the programme would seem to have been motivated more by charitable goals than the perception of the need to promote skills and the overall economic well-being of the city.

5.7.5) Assessment of Results Achieved

Despite the dubious success achieved by the city's public works programme in East London, the same cannot be said of the other council initiatives. The appreciation of their handicaps in the 1920s, namely the shortage of land and the stigma associated with the city prompted a determined and aggressive response. Although economic growth cannot be directly attributed to local state initiatives, the significant increase in available industrial land and the associated place-marketing campaign would appear to have led to clear and significant gains in the city's industrial base. Table 5.2 details the major LED policies initiated. The rapid industrial growth experienced in the 1930s in particular enabled the city to become one of the country's major industrial centres by the time of the outbreak of World War II. The positive results achieved and the sense of determined optimism which had come to characterise the city, the council and its LED policies is reflected in the following statement from a municipal document released in 1955: "a great deal has been achieved in the years since East London decided to promote industrial enterprise. Very much more can be expected in the future" (80).

5.8) CONCLUSION

This discussion has disclosed that LED was a facet of municipal policy in Eastern Cape urban centres during the first half of the twentieth century. Indeed, at various times between 1909-1955, LED considerations came to the fore in terms of influencing municipal planning and activities. Overall, these efforts were focused largely on municipal activity and the encouragement of industry in particular, though in the case of Port Elizabeth and East London, defined public works programmes were also undertaken. The strategies used to sell the Eastern Cape centres as attractive industrial places exhibit a wide array of inducements and publicity initiatives. Bold advertising campaigns, place marketing and the offer of various incentives, including subsidized land, as detailed above, were common features. LED strategies followed were essentially of a boosterist nature. Table 5.2 details the strategies which were applied. It is evident that place marketing and industrial advertising were the most common approaches, followed by the provision of industrial land and limited incentive schemes. Campaigns were implemented aggressively and the two cities certainly benefited from this activity, with the smaller centres achieving fewer tangible gains. Experiments with petitions to the central state, public works programmes and competition with other centres were less common and were not pursued in a sustained fashion in any of the centres studied.

The LED strategies pursued were initiated in a fragmentary fashion, coming to focus primarily on the provision of land, promoting defined city 'images' to appeal to investors and place marketing. Although it is difficult to attribute economic and industrial growth directly to LED strategies, it is apparent that the adoption of pro-growth strategies helped to focus local endeavours and undoubtedly contributed to enhanced local growth. Although the methods used were limited in scope when compared with today's strategies and their effectiveness constrained, their very existence however, indicates and verifies the

existence of LED in pre-World War II South Africa. The promotional material produced by the local authorities also clearly reflects the racial prejudices which prevailed at the time.

The results of the incipient LED activities appear to have been mixed. In the cases of Graaff Reinet, King William's Town and Uitenhage, what were seemingly innovative strategies do not appear to have exerted a significant impact on the total number of industrial establishments in these three towns. By contrast, in Port Elizabeth and East London, as one would expect in larger centres, industrial growth did accelerate and the foundation was provided for later phases of expansion. In the case of these cities, growth was clearly catalysed by a combination of promotional activity and inherent locational and agglomeration advantages, the most important being harbour facilities. Quite clearly, industrial growth only took place in those Eastern Cape urban places where natural advantages and potential already existed. The activities of LED served merely to enhance, rather than to create such advantages. Accordingly, the most well-meaning and well-conceived LED strategies could not succeed if urban centres lacked any inherent growth potential or locational attraction for prospective investors, a lesson which remains true today.

In conclusion, it is obvious that LED was a distinguishing feature in certain local states in the pre-1948 era in South Africa. Although not manifesting the whole range of factors now associated with LED, such as the establishment of municipal industries, the provision of business advice centres and local training programmes (Glasson, 1992)(see Section 2.6), the local state was still acting as an economic agent in its local area. Place marketing campaigns, aggressive advertising, attempts to provide employment through public works programmes and the provision of additional industrial land endorse the conclusion that LED had become well established in the centres. With the resurgence of interest in LED in South Africa in the last decade

of the twentieth century, and the actual adoption of LED type strategies by numerous local authorities, there is clearly much which can be learnt from the successes and failings of earlier forms of LED as practised in the first half of the century. It is important to note that the LED described above, though focused exclusively within local areas, was essentially of a 'top-down', authority based nature. Decisions were made and implemented by the local authority without consulting the citizens of the local area. Pre-World War II LED appears to have petered out in the era of enhanced state control which characterised the apartheid era (Todes, 1993). The demise of apartheid and rigid state control is now, once again, facilitating a phase of LED.

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ENDNOTES:

(1) Cape Archives, Cape Town (CA), 3/PEZ 4/1/1/18, Note on Port Elizabeth, 1938.

(2) CA, 3/ELN, 1119, Port Elizabeth Commercial and Industrial Review, 3, 1955.

(3) CA, 3/PEZ, 4/1/1/18, Note on Port Elizabeth, 1938.

(4) Ibid.

(5) CA, 3/PEZ, 4/1/1/20-21, Letters and minutes, 1928-1933.

(6) CA, 3/PEZ, 4/1/1/1670, City Council Minutes, 21 October 1931.

(7) CA, 3/PEZ, 4/1/1/1670, Letter from the City Engineer to the Town Clerk, 12 March 1932; Port Elizabeth City Council Minutes, 2 April 1932.

(8) CA, 3/PEZ, 4/1/1/1725, City Council Minutes, 9 August 1933; Town Clerk's note, 27 February 1933.

(9) CA, 3/PEZ, 4/1/1/1725, Town Clerk's Note, 27 February 1933.

(10) CA, 3/PEZ, 4/1/1/1633, Report of the Park's Superintendent to the Town Clerk, 26 February 1941.

(11) CA, 3/PEZ, 1/3/2/3/1, Minutes of the Industrial Committee, 1936.

(12) CA, 3/PEZ, 1/3/2/3/1, Letter, 18 February 1936.

(13) CA, 3/PEZ, 4/1/1/18, the Manchester Guardian, 16 September 1938; Industrial Committee Minutes, 9 December 1938.

(14) CA, 3/PEZ, 4/1/1/1126, The Manchester Guardian, 16 September, 1938.

(15) CA, 3/PEZ, 1/3/2/3/1, Letter, 18 February 1936.

(16) CA, 3/ELN, 1120, Port Elizabeth Commercial and Industrial Review, 1955.

(17) CA, 3/UIT, 31, Brochure attached to the minutes of a special council meeting, 19 June 1933.

(18) CA, 3/UIT, 31, Town Council Minutes, 19 June 1933.

(19) CA, 3/UIT, 31, Report of the Industrial Committee, 5 July 1933.

(20) CA, 3/UIT, 31, Town Council Minutes, 17 July 1933.

(21) Ibid., 6 November 1933.

(22) CA, 3/UIT, 31, Financial Committee, 28 February 1934); CA, 3/UIT, 31, attached brochure, September 1934.

(23) CA, 3/UIT, 31, Town Clerk's Report, 1934.

(24) CA, 3/UIT, 4/1/216, attached brochure, 15 February 1947.

(25) CA, 3/GR, 4/1/1/13, Letter from the Town Clerk to the Manager, African Consolidated Investments Corporation Ltd., 17 October 1936.

(26) CA, 3/GR, 4/1/1/13, Minutes of the Graaff Reinet Sub-Committee on the Establishment of Factories, 7 September 1938.

(27) CA, 3/KWT, 4/1/259, Council Minutes, 15 April 1918.

(28) CA, 3/KWT, 4/1/259, Health and General Purposes Committee meeting, 8 March 1918.

(29) CA, 3/KWT, 4/1/259, Correspondence, 24 April 1918.

(30) CA, 3/KWT, 4/1/259, Health and General Purposes Committee meeting, 8 March 1918.

(31) CA, 3/KWT, 4/1/229, attached with Council Minutes, 11 April 1923.

(32) in CA, 3/KWT, 4/1/228, attached brochure, c.1928.

(33) CA, 3/KWT, 4/1/260, Council Minutes, 1929.

(34) CA, 3/KWT, 4/1/230, Finance and Law Committee, 8 January 1932.

(35) CA, 3/KWT, 4/1/228, attached advertisement, 17 May 1933.

(36) Daily Dispatch, 23 September 1932, in CA, 3/KWT, 4/1/228.

(37) CA, 3/KWT, 4/1/260, Town Clerk's report, 14 February 1930.

(38) CA, 3/KWT, 4/1/260, Mayor's letter to General Smuts, 13 September 1933.

(39) CA, 3/KWT, 4/1/260, Correspondence, 1930-1933.

(40) CA, 3/KWT, 4/1/260, Letter from the Town Clerk to Vereinigten Deckenfabrieken, Wartenburg, 15 September 1931.

(41) CA, 3/KWT, 4/1/260, Letter from the Town Clerk to the Mayor of King William's Town, 21 August 1932.

(42) CA, 3/KWT, 4/1/260, Council Minutes, 21 August 1933.

(43) CA, 3/KWT, 4/1/260, Town Clerk's Report, 19 September 1933.

(44) CA, 3/KWT, 4/1/260, Minutes of the Finance and Law Committee, 11 April 1928.

(45) CA, 3/KWT, 4/1/260, Minutes of the Finance and Law Committee, 11 April 1928.

(46) CA, 3/ELN, 805, Establishment of Industries and Advancement of East London's Commercial Interests, 1927-1940.

(47) CA, 3/ELN, 645, Letter from the Chairman of the Council's Industrial and Development Committee to the Chairman of the East London Publicity Association, 12 October 1938.

(48) CA 3/ELN, 805, Letter from the Town Clerk to the Border Chamber of Industry, 8 July 1927.

(49) CA, 3/ELN, 805, Minutes of a Special Council Meeting, Minute No. 31244, 18 July 1927.

(50) CA, 3/ELN, 645, Minutes, 1938.

(51) CA, 3/ELN, 805, Minutes of the Sub-Committee on Industrial Sites, Minute No. 31428, 23 August 1927.

(52) CA, 3/ELN, 805, City Council Minute No. 37165, 20 March 1928.

(53) CA, 3/KWT, 4/1/260, Letter from the Town Clerk to the Mayor of King William's Town, 21 August 1932.

(54) CA, 3/KWT, 4/1/260, Town Clerk's Report, 19 September 1933.

(55) CA, 3/ELN, 645, Letter from the Town Clerk of East London to the Town Clerk of Kokstad, 26 April 1946.

(56) CA, 3/ELN, 645, Letter to the Chairman of the East London Publicity Association, 12 October 1938.

(57) CA, 3/ELN, 991, Committee of Heads of Departments - Interdepartmental Economic Committee, 1938-1939.

(58) CA, 3/ELN, 1091, Letter from the Town clerk to A.C. Tiddy, East London, 5 November 1937.

(59) CA, 3/ELN, 645, Letter from the Town Clerk to A.C. Tiddy, East London, 20 January 1938.

(60) CA, 3/ELN, 645, Letter from the Town Clerk to the South African Railways and Harbours, 19 March 1938; Industrial Development Committee Minutes, 23 June 1938.

(61) CA, 3/ELN, 645, Advertising East London as an industrial centre, 1939.

(62) CA, 3/ELN, 645, 'Soundings', 1939.

(63) CA, 3/ELN, 645, City Council Minute No. 69743, 6 September 1939; 17 August 1940.

(64) Cape Argus, 17 May 1941 in CA, 3/ELN, 645, Advertising East London as an Industrial Centre.

(65) CA, 3/ELN, 645, Advertising East London as an Industrial Centre, 1941.

(66) CA, 3/ELN, 645, Advertising East London as an Industrial Centre, 1942-1947.

(67) CA, 3/ELN, 645, Letter to Griffiths Standard Co. Ltd., 9 January 1943.

(68) Industry and Trade, March 1943, 114 in CA, 3/ELN, 645.

(69) CA, 3/ELN, 645, Advertising East London as an Industrial Centre, 1944-1945.

(70) CA, 3/ELN, 645, Letter from the Town Clerk to A.C. Tiddy, East London, 11 December 1945.

(71) CA, 3/ELN, 645, Public Works Committee Minutes, 18 October 1948; City Council Minutes, 7 December 1948.

(72) CA, 3/ELN, 645, Advertising East London as an Industrial Centre, 1948-1950; 3/ELN, 1119, Advertising - Industrial, 1955.

(73) CA, 3/ELN, 1118, Letter, 30 March 1950.

(74) CA, 3/ELN, 1091, Unemployment Relief Workers, 1936-1943.

(75) CA, 3/ELN, 1091, Report of the City Engineer - Labour Subsidy in Respect of European Labourers Employed in Regular Services, September 1943.

(76) CA, 3/ELN, 1091, Unemployment Relief Workers - Report, 31 March 1936.

(77) CA, 3/ELN, 1091, Letter from the Department of Labour to the Town Clerk, 17 August 1937; Letter from A. Jooste to the Town Clerk, 16 June 1937; City Engineer's Report, 15 October 1943.

(78) CA, 3/ELN, 1091, City Council Minutes, 4 August 1937.

(79) CA, 3/ELN, 1091, Parks Department Report, 12 August 1943.

(80) CA, 3/ELN, 1120, Industrial Brochure, 1955.

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CHAPTER SIX

AN EXAMINATION OF THE IMPLEMENTATION, EFFECTS AND IMPLICATIONS OF REGIONAL DEVELOPMENT PLANNING IN THE EASTERN CAPE, 1940-1993

6.1) INTRODUCTION

This chapter examines the implementation and effects of regional development planning in the Eastern Cape in the period from 1940-1993. In line with international trends, the post World War II era of Keynesian state-management found expression in South Africa (Todes, 1993). As was the case in other countries, the rise of central state control witnessed the demise, albeit for only a few decades, of early forms of local / municipal self-expression and LED (see Chapter Five). In the post-1945 period in South Africa, racial policies as opposed to purely economic considerations place the experience of South Africa into a unique category, whereby economic planning and racial discrimination were combined to ensure 'white' privilege and exclusivity. State planning strategies were utilized for a period of over thirty years to further the ends of apartheid through an attempt to turn the African territorial reserves, the Homelands, into independent economic entities. In addition to the political ramifications of the strategy, the dubious results of the policies applied and their implications receive attention in this chapter. The recent closure of numerous, previously assisted firms, as a result of exposure to market forces is noteworthy. The chapter's purpose is to fulfill the fourth objective of the thesis, namely that of examining state regional development policy and its effects. The focus includes that of documenting and analysing what happened in the area, the derivation of conclusions from the experience and, by implication, the raising of considerations which planners need to consider in future planning endeavours.

This chapter will show that politically based planning of the economy led to a situation which subsidised inefficiency,

encouraged exploitation and failed to leave a sustainable industrial base. Generous incentives were offered to firms to set up in the region. The result was that firms were drawn in by the incentives offered and not by inherent locational advantages. The weak economic linkages which resulted and current disinvestment in the wake of the termination of incentives are an indictment of the policies pursued. The new government should not repeat the mistake of attracting and subsidising industrial firms which have only tenuous links with the host economy and which require state support to operate profitably.

6.1.1) Methodology

Information discussed in this chapter was derived from a detailed review of published reports, academic articles and research projects and was supplemented with interviews with government and development agents, chambers of commerce and municipalities. The period examined extends from the early 1940s, when the first attempts at regional development planning were made, through to 1993, the latest year for which data are available for individual localities (Border- Kei Development Forum, 1993). This permits a broad sweep to be made of policies from the apartheid to the post-apartheid period. The chapter first examines the evolution of regional development in the country before proceeding to a study of the specific implications of evolving policy for the province under investigation. It should be noted from the outset that the focus of the study is on the Border-Ciskei-Transkei (Border-Kei) region as this was the only region in the province in which growth points were declared and funds directed in a deliberate attempt to prop up the twin strategies of Homeland and regional development (see Figures 5.1 and 6.1). Beyond this region only *ad-hoc* assistance was available. Given the absence of consistent policy application and growth point planning outside of the Border-Ciskei-Transkei region, this focus is deemed appropriate in order to provide a detailed examination of impact of regional development intervention on the region in question.

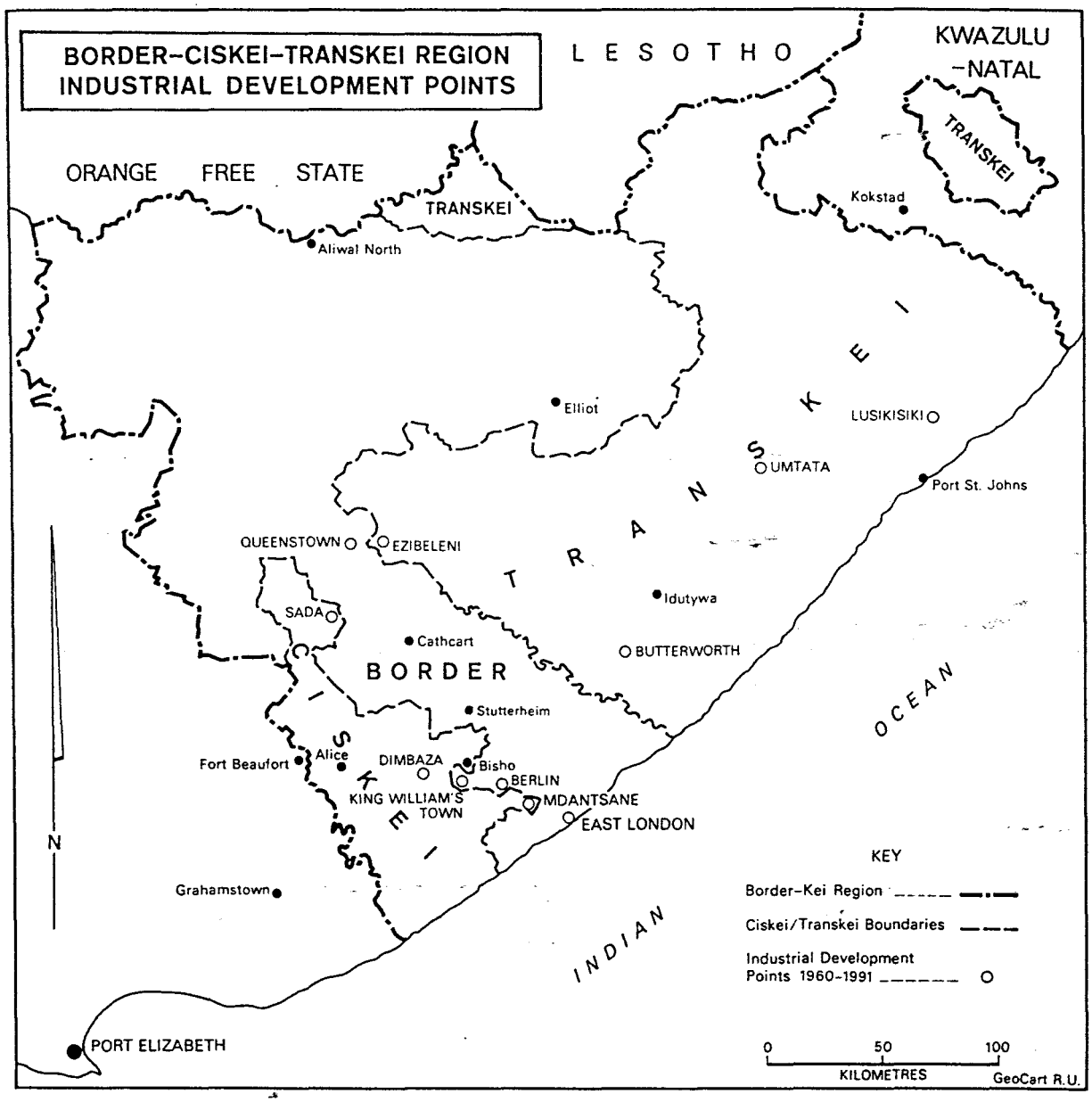


FIGURE 6.1) **The Border-Ciskei-Transkei (Border-Kei) Region and its Proclaimed Industrial Development Points**

Source: DBSA, 1991; Border-Kei Development Forum, 1993.

6.2) THE CONTEXT

Assertive, 'top-down' regional development planning was one of the distinguishing features of the policies of the white minority government which, until recently, held control in South Africa. The application of apartheid, as a definable policy of government from 1948, paralleled the era of state economic management based on Keynesian theory which held sway in many Western nations in the corresponding period. South African planners copied many of the regional planning theories and strategies which became vogue in the West from the 1940s to the 1970s but grossly, and unjustly, modified them to serve the racial purity philosophy of the government (Pickles and Wood, 1992). Through the years the policy evolved in its scope and scale, coming to acquire, by the 1980s, the reputation of offering the world's most generous industrial incentives (Rogerson, 1991). Notions such as the support of towns designated as growth centre and decentralization policies were fused into an uneasy amalgam with policies of using cheap labour in mass-production and attempts to distort space to serve the ends of racial discrimination. In the current period, policies have now come to reflect a rejection of racial bias and an opting for spatially neutral policies based on what are currently more acceptable forms of tax relief (Nel, 1993b). Future policies still have to be defined in the country, but whatever else, it is apparent that prevailing levels of poverty in the apartheid created Homelands justify some form of support for such regions in order to address the desperate legacy of apartheid which prevails there.

6.3) REGIONAL DEVELOPMENT PLANNING IN SOUTH AFRICA: 1940-1993

The sheer scale of the South African government's intervention within the nation's space economy can be grasped from the fact that, by 1992, fully 30 per cent of South Africa's manufacturing employment, approximately 400 000 jobs had been created in industries having some form of state assistance (South African

Institute of Race Relations [SAIRR], 1993). State bias in favour of white owned capital led to clear efforts to encourage industrial development in peripheral areas of African residence such that a situation of super-exploitation, referred to as 'racial Fordism' was able to hold sway (Rogerson, 1991). Regional development strategies through the years were clearly orientated towards the goals of encouraging industrial growth away from the core areas which were characterised by union activity and higher wages in favour of the peripheral / Homeland areas, which were essentially seen as 'cheap labour reservoirs' (Pickles and Wood, 1992). Support for industry in or near the Homelands was also seen as a means to promote a degree of development and sustainability in these areas, such that the nominal political independence which they came to be accorded by the apartheid government could also find some form of economic reality.

6.3.1) The First Phase of Regional Development Planning, 1940-1981

Prior to 1960 only limited attempts were made to promote a more balanced spread of economic activity away from the four core metropolitan areas. State intervention in this period was partially prompted by the knowledge that these core areas had accounted for approximately 80% of the nation's industrial activity. In order to achieve these ideals, the Industrial Development Corporation (IDC) was established in 1940 to assist new industrial growth in peripheral areas (Rogerson, 1988). In 1947 the Council for the Development of Natural Resources was created to provide alternate, peripheral destinations for urban migrants (Driver and Platzky, 1992). Few tangible results were achieved prior to the 1960s however. The catalyst initiating a more effective form of regional development came in 1955 with the publication of the Tomlinson report on the Homelands (Union Government, 1955). The report identified their fundamentally weak economic nature and, no doubt in support of the ultimate Verwoerdian ideal of 'independent' Homelands, advocated the broadening of their economic base through the establishment of industrial activity in or near them. The commission asserted that

industry would absorb surplus labour, discourage migration to 'white' cities and permit the Homeland economies to become self-sustaining (Driver and Platzky, 1992). Manufacturing industry was identified as the chief means to absorb the expanding African labour force (Rogerson and Pirie, 1979). Despite later proclamations of the need for multi-sectoral development, manufacturing has remained the exclusive focus regardless of regional strengths and weaknesses. The 'Bantu Self-Government' Act of 1959 made provision for the accordance of a measure of autonomy to the Homelands.

These principles were formalised into official policy in 1960 when Dr Verwoerd launched the 'Industrial Decentralization Strategy'. Simultaneously, the mechanisms to allow the Homelands self-governing status and later nominal political 'independence' from South Africa were endorsed (Driver and Platzky, 1992). Four Homelands, including Transkei and Ciskei in the Eastern Cape, were to accept the latter (see Figure 6.2). The decentralization strategy made provision for industrialists setting up firms near the 'borders' of Homelands (but still in 'white' South Africa) to be granted a range of incentives. The decentralization of firms from the core area of the Witwatersrand (greater Johannesburg) was actively sought. Incentives were made available in designated 'Border Areas' growth points, with approximately three to five such points being allocated to each Homeland (see Figure 6.2)(Rogerson, 1988). The ideas of Perroux, Myrdal and Hirschman were thus formed into a rather uneasy alliance with the principles of enforced racial discrimination and Homeland creation (in Driver and Platzky, 1992).

Limited success led to the passage of the Physical Planning and Utilization of Resources Act in 1967. This Act attempted to restrict the size of new firms in the core areas on the basis of predetermined racial ratios in the workforce such that labour-intensive firms would be compelled to move to the Homeland areas. Instead, many firms either went to the secondary cores, never opened or switched to capital-intensive technology (Dickman,

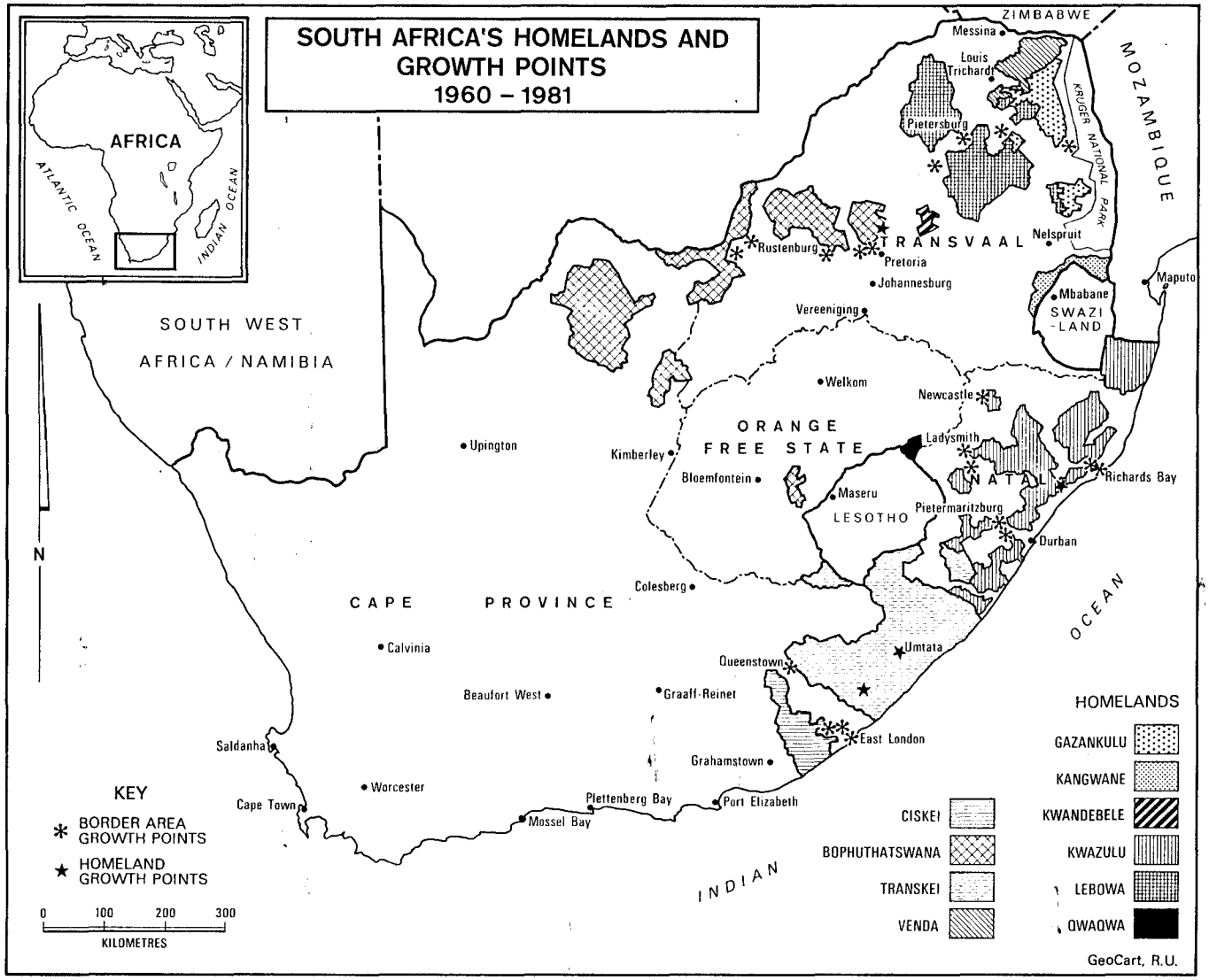


FIGURE 6.2) South Africa's Homelands and Growth Points, 1960-1981

Source: Malan and Hattingh, 1975.

1991). In 1968 the government allowed white owned industries to set up operations in selected growth points within the Homelands (see Figure 6.2).

A key result of the above policies was the identification of a large number of growth points, few of which otherwise had any realistic growth potential. The map of growth points (Figure 6.2) clearly reflects the spatial and ethnic bias in their designation. In addition to the large number of growth points (24) which were established, manufacturers were also able to apply for *ad hoc* assistance in another 41 towns in or around the Homelands. These policies led to the dilution of investment and an attempt to subjugate the economy to political ideals (DBSA, 1989; Nel, 1993b). As part of the attempt by Verwoerd to apply apartheid at all levels of society, incentives were also made available on an *ad hoc* basis to manufacturers setting up in nine designated towns in which the predominant racial group were either so-called 'coloured' or Asian people. Through the overlay of regional and 'separate development' ideals, the South African government was thus consciously seeking to develop racially exclusive enclaves within the country. These measures however paid little attention to prevailing economic and spatial strengths and weaknesses in the provincial space economy (Rogerson, 1988; Nel, 1993b).

In the allocation of the effectively automatic support to firms, little cognizance appears to have been taken of their sustainability, the question of where they drew their raw materials from and whether it might be desirable to have sub-sectoral foci in different areas. The result was the clustering of unrelated firms in the growth points which had few links with each other or the host region. In the early 1970s, the benefits available to establishing firms were extended in an attempt to ensure the strategy's success. A White Paper released in 1969 (RSA, 1969) declared that the government's objectives were now those of:

- curbing metropolitan growth,

- utilizing all the nation's resources,
- preventing African migration to urban areas, and
- providing for a balanced spread of industrial development.

While the fourth point might have been difficult to achieve, given the spatial bias in the allocation of growth points, the third point served to provide a limited employment alternative for the thousands of African people for whom access to metropolitan areas had been denied.

Although modified at times the general incentives available from 1960 to 1981 included the following:

- factory space was available on a rental basis. The government undertook to provide up to a maximum of 45% of the remaining capital requirements (except for housing),
- subsidization of rental on leased buildings and land for five years,
- subsidization of interest rates on loans incurred in establishing factories,
- provision of subsidized housing for 'white key personnel' in the Homelands and subsidized loans to purchase such housing in 'white' centres,
- payment of cash grants to manufacturers decentralizing their plants from the PWV (Pretoria, Witwatersrand, Vereeniging metropolitan area - now Gauteng),
- tax concessions could be granted in respect of wage and investment costs incurred for a period of seven years,
- incentive amounts equivalent to 25% of the total amount of tax and interest concessions was also granted,
- provision of wage concessions,
- granting of transport and harbour rebates on the movement of manufactured goods from certain points to markets areas was pegged at 15% of the total cost (RSA, 1969; 1972).

The provision of incentives was virtually automatic to new firms, expanding firms or relocating firms in the designated growth points. The absence of sub-sectoral targeting and the multiple

points which were supported seldom led to the industries generating any significant local linkages, multipliers or agglomeration. Growth points came to consist of groups of small, unrelated industries drawn in by the incentives and the availability of cheap labour, yet relying on backward and forward linkages to distant metropoles and not the host area (Nel and Temple, 1992).

In criticism of the strategy, Wellings and Black (1986) pointed out that the government's objectives really were, firstly, to provide an economic base for the ethnically organized groupings in the society. Secondly, to undermine urban protest by decentralizing growth to areas lacking formal minimum wages and trade unions. The last objective was to provide a base for a collaborative African middle class and to legitimize separate development initiatives.

6.3.2) The Second Phase of Regional Planning, 1981-1991

In 1981, owing to the poor results which had been achieved by previous endeavours and in an attempt to ensure the survival of apartheid policies in a new era, the state launched its 'Regional Industrial Development Programme' (RSA, 1982). The strategy was an attempt to woo greater private sector participation in the state's strategies. The country was divided into a series of development regions which allegedly ignored the Homelands. Incentives were made available to firms setting up in designated growth points in each region (see Figure 6.3). The levels of incentives varied according to the perceived development need of each region. The fact that the majority of growth points (now called development points) fell in or near the Homelands makes a mockery of attempts to argue that there was no Homeland bias in the strategy. The reality that some non-Homeland growth points had been designated implies that the government had, however, recognised past failings and was trying to adopt a more market responsive strategy.

In order to enforce the strategy an impressive array of

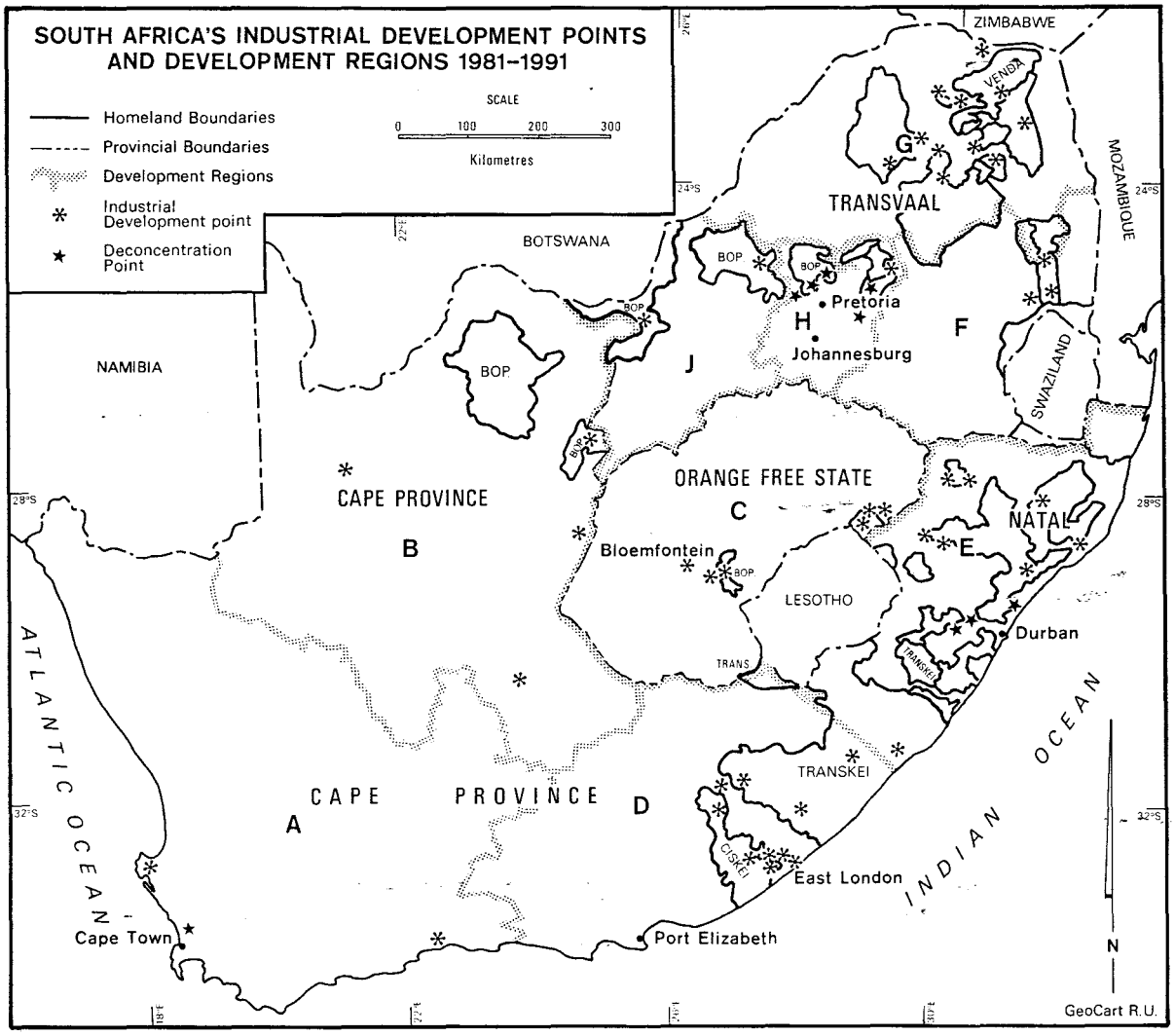


FIGURE 6.3) South Africa's Industrial Development Points and Development Regions, 1981-1991

Source: RSA, 1990.

incentives were made available to firms who wished to take advantage of them. The highest levels of assistance in the country were accorded to firms which established themselves in the Ciskei and Transkei Homelands. In these areas firms were eligible for:

- a rebate on the cost of railing manufactured products (40 - 60% of the cost, varying according to area),
- a road transport rebate equivalent to the figure set for the rail rebate,
- subsidies on electricity to ensure cost parity with charges in the Johannesburg area,
- a harbour rebate of 50% of harbour tariffs (only available for firms using East London harbour),
- a seven-year employment incentive equivalent to between 80 and 95% of the workers' salary,
- a 125% grant in respect of worker training undertaken,
- a ten year rental and interest subsidy on factory and capital expenses (40 - 80% of market interest rates),
- the government subsidised between 40-60% of the interest repayments on houses purchased by a firm,
- a relocation allowance to factories moving from core areas to a development point,
- preferential selection for government tenders (RSA, 1982).

The above incentives helped to incorporate the Homeland areas into the periphery of the new international division of labour with mobile capital and labour-intensive firms taking advantage of the concessions and the exploitable labour. Numerous multi-national corporations from the South, particularly from Taiwan, were drawn to the Homelands, with abuses occasionally being associated with their presence (Rogerson, 1986; Haines, 1989). The benefits to the host community of low wages, job insecurity and the absence of worker protection were naturally questionable. Nonetheless many firms were drawn in. Unfortunately, in many areas they came for the incentives, not inherent regional advantages and came to rely on inputs from distant sources which limited the potential impact of the firms in the local area

(after Addleson, 1990). By 1986, a total of 14% of the nation's industries, some 2 500 firms, were receiving state assistance (Wellings and Black, 1986).

The scheme proved to be very costly, with the total bill coming to nearly R 1 billion by 1992 (SAIRR, 1993). On the whole, the lack of infrastructure, skills an other considerations in the development points led to a cost four times that in the metropolitan areas being incurred to create each new job (Wellings and Black, 1986). Together with the fact that approximately 50% of manufacturers interviewed in various surveys claimed that they set up operations only because of the incentives and would have to cease operation should they be suspended, the artificiality of the scheme is apparent (Addleson, 1990). High levels of dependence by firms on continued state assistance in order to survive could not be sustained, particularly when the political climate started changing in the late-1980s. Mounting criticism of its policies and sheer cost led the state to call an independent investigative commission which, in 1989, severely criticised the government for its policy (DBSA, 1989).

6.3.3) The Third Phase, 1991 - 1993

In 1991, in accordance with its renunciation of apartheid and the search for political accord within the country, the Regional Industrial Development Programme was totally revised. In line with cost-saving measures elsewhere in the world (Savage and Robins, 1990) and in a search for market-based solutions, the new policy scrapped all racial and Homeland overtones and introduced a 'profit-output' incentive scheme (DBSA, 1991b; Rogerson, 1994). The scheme is aspatial in that firms can now locate anywhere in the country and not just in defined growth points as had been the case previously. A limited, tax-related incentive is available to firms for a period not exceeding five years, as a 'kick-start' mechanism. The incentive is available anywhere in the country, albeit at reduced levels in the core areas. In contrast with the massive and costly array of incentives previously available to

artificially prop up firms in the Homelands, only very limited, short term support is available. Results indicate that assisted firms are clustering in and around the logical growth areas, namely the metropoles and the secondary cities and the previously supported Homeland growth points are all but ignored (Wilsenach and Ligthelm, 1993). A cut-off date of 1993 was selected for this section, because it is the last year in which data on the implementation of the scheme in individual localities could be accessed. In 1994 the scheme was scaled down, pending the new government's decision on the future of regional industrial development policy and strategies (Moloi, 1995; RSA, 1995a).

The parallel phasing out of previously available incentives from 1993 clearly affected the employment bases of numerous former Development Points. Employment has fallen by up to 50% since 1990 in certain areas (Ntshinga and Daphne, 1992; Transkei Development Corporation [TDC], 1993). The potential loss of jobs in development points throughout the country as a result of policy rationalization is estimated, by a leading banking organization, to be in the order of 40% of jobs created (Todes, 1993). Such a loss could amount to nearly one-eighth of manufacturing jobs in the country (SAIRR, 1993). The withdrawal of what was vitally necessary assistance to numerous firms (despite their frequent artificiality) is impoverishing the thousands of African people in the Homelands who depended on state-supported industry for their livelihood.

6.4) THE IMPACT OF STATE POLICIES ON THE BORDER-CISKEI-TRANSKEI REGION

The influence of the above policies on the Border-Ciskei-Transkei (BCT) region since 1960 is the focus in this section (see Figure 6.1). Given the existence of two former Homelands within the area under investigation regional policies have had a very clear and defined impact on the region since their initiation.

6.4.1) A Short History of Planning in the Region

6.4.1.1) The First Phase, 1940-1981

Prior to 1960, there was only very limited state involvement in the economic planning of the region. In 1940 the Industrial Development Corporation set up a single, large textile factory on the outskirts of King William's Town in an attempt to bring industrial employment into an area characterised by low levels of industrialization. This initial gesture was not followed by any concrete action until the introduction of the 'Decentralization Strategy' in 1960, when assistance initially became available on an *ad hoc* basis to firms in the general region. The most important firm to receive assistance in the early 1960s was the English textile firm of Cyril Lord which Dr Verwoerd encouraged to set up a large, labour-intensive plant, employing some 10 000 workers, between the city of East London and the newly created Homeland township of Mdantsane (Nel, 1990b). In addition, the government intended to remove the entire African populace of East London to that Ciskeian centre as part of its policy of spatially subdividing the country on racial grounds (see Figure 6.1).

In 1968 the first designated growth points were proclaimed. In these centres establishing firms were granted various incentives almost automatically. These were the pre-existing industrial areas within the city of East London and the two provincial towns of King William's Town and Queenstown (see Figure 6.1). The location of these centres on the borders of the Ciskei and Transkei Homelands was a deliberate attempt to implement the 'Border Areas' development policy. In 1969 a new industrial growth point was declared at Berlin, a small town lying, strategically, on the border of the Ciskei in close proximity to Mdantsane. The government planners envisaged that this area would be transformed within a short space of time from virgin farm land to the nation's second industrial heartland. In pursuit of this ideal some 10 000 acres of industrial land was zoned, massive infrastructural services provided and accommodation planned.

Despite the claim by the Prime Minister in 1969 that "more bricks would be laid than in any other town" (Daily Dispatch, 23 March 1969), little has ever been achieved. Although generous incentives have been provided and a state subsidized steel distribution centre was established, never more than 100 acres of land have been occupied and a large industrial complex anchored by metals based factories has not materialized (Nel and Temple, 1991).

The low success rate experienced with the policy of decentralization on a national level led, as stated above, to the authorization of Homeland growth points. The Homeland centres of Butterworth (1971) and Umtata (1972) in the Transkei and Dimbaza (1975) in the Ciskei were designated in response (Nel, 1993b). In the case of Dimbaza, an attempt was made to transform a resettlement camp, to which African people had been forcibly moved, into an industrial city complete with a steel foundry. This was done in spite of the fact that Dimbaza lies approximately 1 000 kilometres from the closest iron ore fields (Nel, 1993b).

6.4.1.2) The Second Phase, 1981-1991

In 1981, as part of the effort to launch a market related, regional development scheme with less of a Homeland emphasis, the Regional Industrial Development Programme was launched. The result was the allocation of most of the Border-Ciskei-Transkei (BCT) region to Region D, which was the part of the country in which the highest level of incentives for establishing firms was authorized. Part of Transkei, surprisingly, was allocated to Region E as Figure 6.3 shows, which complicated development planning in that area. In addition to the general incentives available in the region, as detailed in a preceding section (6.3.2), Ciskei interestingly enough, in a display of 'independence', announced in 1985 that firms setting up in that Homeland could either opt for the standard incentive package or choose to be granted tax-free status. This proved to be a popular option in the 1985-1991 period with nearly 60% of new firms

choosing the latter option (Ntshinga and Daphne, 1992).

Development was targeted at eleven designated 'industrial development points' in the BCT region (see Figure 6.1). The declared points were at East London, Queenstown, King William's Town, Berlin, Butterworth, Umtata, Lusikisiki, Ezibelini, Sada, Mdantsane and Dimbaza. The Homeland bias in the allocation of centres was obvious despite government claims to the contrary. The designation of non-viable points in isolated centres such as Lusikisiki, to appease local political interest groups, was a flawed policy. In the case of the latter, that town did not even have a tarred road, let alone the requisite growth potential, skills, infrastructure or resources. By contrast, in the more viable areas such as the Ciskeian development points, because of their accessibility to East London and the availability of a good service and infrastructure network, growth was rapid up to 1991 (see Table 6.1). The availability of tax free status and better incentives than those in the Border area however, mitigated against growth in the more logical and viable centre of East London (Nel and Temple, 1991).

6.4.1.3) The Third Phase, 1991 - 1993 and the Suspension of Previously Available Incentives

Following extensive criticism of its policies from the investigative commission (DBSA, 1989), the private sector and metropolitan capital, the government announced in 1991 that it was revoking its previous policies. Instead of designating specific growth points, limited incentives were made available to approved firms settling anywhere within the BCT region. The profit related incentive scheme was deemed to be an economically sound approach (Holden, 1990; Black and Roux, 1991). While paralleling an international shift away from support for growth point strategies (Storper, 1991), there has been no clear policy position on either secondary cities or local endeavours which would be the natural beneficiaries of such policy changes. Although numerous firms have set up operations in terms of the new scheme, as the statistics detailed in Table 6.2 reveal,

TABLE 6.1 INDUSTRIAL DEVELOPMENT IN THE BORDER - CISKEI - TRANSKEI REGION, 1963 - 1993

	1963		1970		1979		1985		1989-1991 Estimate		1993 Estimates	
	Indus	Emply	Indus	Emply	Indus	Emply	Indus	Emply	Indus	Emply	Indus	Emply
East London/Berlin	156	12941	176	20607	209	26984	228	31202	200	30000	230	36000
K. W. T.	32	4884	33	4832	41	7141	35	2104	25	2000	20	
Queenstown	36	890	31	884	30	1181	35	1080	21	1000	20	
Rest of Border	35	1021	31	1255	30	1865	30	2258	20	2000	20	
Border Total	259	19736	271	27578	310	37171	328	36644	266	35000	290	36000
Butterworth	5	64	9	1596	n.d.	n.d.	42	7772	51	17452	35	4444
Umtata	22	556	15	731	n.d.	n.d.	16	2372	30		21	1382
Ezibeleni	-	-	-	-	-	-	9	582	18		14	513
Rest of Transkei	-	-	-	-	-	-	6	880	8		7	2333
Transkei Total	27	620	24	2327	n.d.	n.d.	73	11606	107	17452	77	8672
Dimbaza	-	-	-	-	33	3500	50	8694	105	15436	79	9017
Mdantsane	-	-	-	-	5	586	14	1971	80	7486	73	3901
Zwelitsha	-	-	-	-	7	479	1	525	6	2000	3	1000
Sada	2	50	2	50	11	950	5	685	12	3946	8	2000
Ciskei Total	2	50	2	50	56	5515	70	11875	203	28868	163	15918
Regional Total	286	20406	297	29995	n.d.	n.d.	471	60125	579	82320	530	60590
% of S.A. Total	2,4%	2,44%	2,26%	2,75%	n.d.	n.d.	2,53%	4,2%	n.d.	n.d.	n.d.	n.d.

Notes: Indus = No. of industries; Emply = No. of industrial employees; m.= million;
K.W.T.= King William's Town; n.d. = no data available.

Source: RSA, 1963, 1970, 1979, 1985; DBSA, 1985, 1987; Hirsch, 1987; Ciskei People's Development Bank, 1990a, 1990b; Transkei Development Corporation, 1990a, 1990b, 1993; Daily Dispatch, 13 August 1992; Baker, pers. com., 1993.

TABLE 6.2 INDUSTRIES ESTABLISHED UNDER EACH PHASE OF THE REGIONAL INDUSTRIAL DEVELOPMENT PROGRAMME

Industrial Centres	1960 - 1981 Policy		1982 - 1991 Policy		1991 - 1993 Policy	
	No.of Firms	No.ofJobs	No.of Firms	No.ofJobs	No.of Firms (planned)	No.of Jobs -potential
BORDER: East London	53	11 000	377	12 252	26	2 036
K. W. T.	9	2 000	29	861	3	222
Queenstown	+/- 5	+/- 300	41	1 801	1	40
Other	+/- 5	+/- 850	17	335	2	76
Total	72	14 150	464	15 249	32	2 374
TRANSKEI: Butterworth	30	5 000	35	12 500	2	n.d.
Umtata			21			
Ezibeleni			12			
Other			6			
Total	30	5 000	74	12 500	2	n.d.
CISKEI: Dimbaza	33	3 500	72	12 000	6	n.d.
Mdantsane	5	586	75	6 900		
Other	18	1 429	12	4 700		
Total	56	5 515	159	23 600	6	n.d.
Regional Total	159	24 665	697	51 349	38	n.d.

Notes: 1) East London totals include Berlin which is part of the East London Municipal area.
2) Totals for the Border from 1981 indicate number of projects supported as opposed to the total number of firms (i.e. one firm can have several extension projects added to it).
3) Figures detailed in the 1993 column for Ciskei actually indicates 1992 data.
4) n.d. = no data available
5) K.W.T. = King William's Town

Source: Nel and Temple, 1991; Daily Dispatch, 13 August 1992; Baker, pers. com., 1993; Border-Kei Development Forum, 1993; Transkei Development Corporation, 1993.

assisted firms have located in the more viable Border towns and not in the destitute Homeland areas where the needs for a regional redistribution of wealth are in fact the most pressing. Under the new scheme firms are not restricted to specific localities. Table 6.2 needs to be examined in conjunction with Table 6.3 which shows the centres in the province which previously were not eligible for support but which are now attracting investment. The focus of activity on places with inherent potential is evident. Growth is therefore focusing on areas where it is the most sustainable and most rational in terms of market realities. Whilst such a free-market supported approach is to be welcomed, this and the simultaneous suspension of previously available incentives are now precipitating the loss of jobs and the wastage of millions of Rands worth of infrastructure and factory space in the poorer areas. Renouncing apartheid in the 1990s will not sweep away the very real problems experienced by the millions of African people who, for decades, have been forced to live in Homeland areas.

A major factor weakening the Homeland employment base has been the collapse of non-viable firms which are suffering from the combined effects of the withdrawal of previously available incentives, recession and political instability in the region. In Transkei the number of industries in the Homeland peaked at a level of 107 factories (employing 17 452 people) in 1989, by July 1993, there were only 77 factories remaining, a 28% reduction (employing 8 672 people, a 50% reduction) (see Table 6.1). Given the already high unemployment figures in the Homeland which averages at over 50% and the very high dependency ratio which prevails of over ten dependents per salaried worker (Nel and Temple, 1991), the effects of rationalization are a serious cause for concern. In the case of Ciskei the number of firms fell from 203 to 163 and the number of jobs from 28 868 to 15 918 between 1991 and 1993 (see Table 6.1).

The removal of jobs created under apartheid related policies is, ironically, placing a heavy burden on the region. The failure of

TABLE 6.3) Industrial Establishments Qualifying for R.I.D.P. Assistance in the Western Half of the Eastern Cape, 1991-1993

Centre	No. of Firms	Potential Jobs	Total Investment
Port Elizabeth	59	3 122	R 863 m.
Uitenhage	10	624	R 412 m.
Cradock	1	58	R 1,9 m.
Jeffreys Bay	1	14	R 1,5 m.
Middelburg	2	76	R 1,6 m.
TOTAL	73	3 894	R 1280 m.

Notes: 1) m.= million
2) R.I.D.P. = Regional Industrial Development Programme

Source: Border-Kei Development Forum, 1993; te Braake, pers. com. 1993.

the state to provide for alternative forms of job creation, such as enhanced small business promotion schemes, have left large numbers of people without any realistic hope of living above the 'bread-line'. The result, according to Pickles (1991, 85), will be that "marginal manufacturers will close down and rural decentralization sites will lose whatever momentum they have achieved up until now". Retrenched workers face either increasing levels of poverty or migration to an uncertain future in the crime-ridden and violence-torn townships and squatter camps of the metropoles. According to the President of the former Ciskeian Chamber of Industries the entire (former) Homeland, economically, has effectively "ground to a halt" (Dorrington, pers. com., 1993).

By contrast, the prospects for the Border region do not appear to be as bleak. Although several major firms have suspended operations in the East London area in recent years, and a recent survey established that 25% of that city's firms were considering shutting down, the prevailing economy is clearly more buoyant than in the Homeland areas (Nel and Temple, 1991). This reality is endorsed by the failure of a single firm to set up operations in the Transkei in terms of the new development scheme (despite the approval of the applications of two firms since 1991) compared with 32 new ventures in the Border area, of which 24 were in East London. If anything, the less restrictive free-market approach being permitted by the government is naturally focusing growth in the most viable centres. The attraction of Port Elizabeth and other economically attractive areas is evident from Tables 6.2 and 6.3.

6.4.2) Results Achieved by Regional Planning

It is apparent that whatever their inherent biases, South Africa's regional development policies have had significant economic, political and spatial effects. Data contained in Tables 6.1 and 6.2 indicates the degree to which spatial-economic change took place through deliberate government targeting. Whilst Table 6.1 details the location and total numbers of industries in the

region between 1963 and 1993 (which includes pre-existing firms and assisted and non-assisted firms established during that period), Table 6.2 details the numbers and location of only those firms established with state support under each successive phase of government planning. On a superficial level it would appear that there was a dramatic improvement in the region's prevailing industrial and employment base. Between 1963 (the closest year to 1960, in which an industrial census was conducted) and 1991 the number of industrial firms increased from 286 to 579 while the number of employment opportunities rose from just over 20 000 to more than 80 000. Statistics such as these are noteworthy, particular in the light of the total number of industries established through state assistance (see Table 6.2). According to the Transkei Development Corporation, only 7,5% of the total number of firms in 1990 in that Homeland were established prior to the initiation of state assistance. In addition, 70% of the firms were set up under the second phase of assistance (1981-1991) (TDC, 1990a). In the case of Ciskei, the dependence on state assistance was even more dramatic. Prior to 1960 there were only two industries in the whole Homeland. By 1991 however the number had increased to 203, some 75% having been established since 1981. In the case of East London, by 1991, it would appear that there were over 100 assisted firms in the municipal area employing some 18 824 workers (Nel and Temple, 1991).

On a superficial level the above statistics certainly appear to be impressive. In reality, in the light of the rapid process of de-industrialization which has occurred since 1991, they are, however, indicative of the artificiality of the strategy and the degree to which industrial development was virtually imposed in the most economically backward areas. As statistics in Table 6.1 indicate, the total number of firms in the region declined from approximately 579 to 530 and the number of jobs fell from 82 320 to 60 590 between 1991 and 1993. These last statistics are a startling testimony to the failure of regional planning to create a permanent, sustainable economic and industrial base in the region. It is also a reflection of the schemes' inherent

weaknesses and the degree to which it drew in firms with limited growth potential or linkage to the host region. Based on the information outlined above, it is apparent that, in terms of industry, what O'Neill predicted in 1988 has come to pass, namely that "if the concessions are withdrawn ... the whole development endeavour in Ciskei and Transkei can come to a standstill" (O'Neill, 1988, 162). Whilst artificial support is naturally undesirable there are at present few viable alternatives for the region. Withdrawing one of the few support mechanisms has only aggravated the prevailing situation of poverty.

The fact that industry did not settle in such areas under free market conditions is indicative of the poor resource base, lack of skills and absence of cumulative industrial growth in those areas. Over 64,7% of firms in the region stated in surveys that the prime reason that they settled in the area was because of incentives and not the region's inherent advantages (Nel and Temple, 1991). This indicates the inherent weaknesses of the scheme and the limited prospects for sustainable development. In the case of Ciskei 81% of firms were drawn in because of state assistance, the corresponding figures are 78% in Transkei and 52% in the East London area (O'Neill, 1988; Nel and Temple, 1991). The dramatic reduction in the numbers of industries in the Homeland areas since 1991 parallels these findings. This indicates, amongst other causes, the lack of staying power which previously supported firms had because of their dependence on the continued receipt of incentives and their inherent artificiality. It is also indicative of the lack of cumulative growth and the inability of firms to structure demand and supply networks in a cost-effective fashion. Surveys have shown that incentives were critical for the economic survival of at least 50% of the region's firms, a situation indicative of the lack of regional self-sustainability (Muller, 1987). The recession, production disruptions through unrest, contracting markets and the burden imposed on firms by the high internal transport costs to the country's main markets all combined with the phasing out of incentives to make large numbers of industries non-viable. The

increased investment experienced under the new scheme in the more logical centres in the province, particular the cities of East London and Port Elizabeth is in stark contrast to the former Homeland centres (see Tables 6.2 and 6.3).

Perhaps one of the most telling criticisms of the type of industries which were drawn into the area and their inability to operate without support comes from details contained in Table 6.4. The 'input-output' table indicates 'industrial linkages' in selected parts of the region. It is conventionally regarded that a high degree of linkage between resident firms and the host economy in terms of sales, sourcing of raw materials, sub-contracting, etc., is indicative of a well established, sustainable industrial base which is contributing meaningfully to the host economy. In the BCT region it is blatantly obvious that linkages within the host region can, at best, be described as exceptionally tenuous, a trend noted in similar former Homeland areas throughout the country (Todes, 1993). Many of the region's firms are simply subsidiary plants specializing in the final stage of assembly (Muller, 1987). Firms are merely parts of a system based on racial-Fordism (Rogerson, 1991) and a division of labour which has exploited cheap labour conditions in the peripheral areas and led to the encouragement of 'fragile', dependent centres (Pickles, 1991, 78). Whilst industries in East London draw some 37% of their inputs from the BCT region, the figure for the Transkei is a mere 10%. The predominant linkages and resultant growth impulses lie elsewhere in South Africa. As far as outputs are concerned, there is a further leakage of potential economic growth from the region with most products and intermediate goods being marketed outside the area (Davies *et al*, 1980). In the case of East London, 37% of produce is sold locally compared to 33% in the case of Transkei. In Transkei specifically, less than 2% of industrial goods are wholly sourced and sold in the Transkei, emphasising the apparent structural weaknesses which exist. One of the results of this artificial situation has been the closure of plants when the incentives have terminated (Addleson, 1990).

TABLE 6.4 INDUSTRIAL INPUTS AND OUTPUTS IN EAST LONDON, CISKEI AND TRANSKEI, c. 1991

Inputs	Source	Industrial Areas		
		East London	Ciskei	Transkei
	Local (BCT)	37%	10%	
	From Transkei			18%
	Rest of R.S.A.	45,5%	90%	65%
	International	17,5%		17%

Outputs	Destination	Industrial Areas		
		East London	Ciskei	Transkei
	Local (BCT)	37,6%	25%	
	From Transkei			33%
	Rest of R.S.A.	56%	75%	59%
	International	6,4%		8%

Notes: 1) BCT = Border-Ciskei-Transkei Region.
2) Such data as is available has been displayed in the table.

Source: Black, 1990; Nel and Temple, 1991; Transkei Development Corporation, 1990b.

In terms of the overall importance of industry to the region, relative to the national economy, it is apparent that the marginal position of the area has not changed dramatically. Between 1963 and 1985 (the latest year for which reliable statistics are available) it is apparent from Table 6.1 that the percentage of South Africa's total industries in the region has in fact remained constant at a little over 2% of the total (up to 1985). Admittedly, total industrial employment did increase from 2,44% to 4,2% of the national total in the same period. In terms of the regional economy, it is blatantly apparent that the envisaged transformation of the region into the nation's second largest industrial core has definitely not taken place despite the expenditure of millions of Rands on infrastructure and incentives. In terms of the contribution of the manufacturing sector to the region's economy, despite decades of deliberate state assistance, industry only contributes 16% of the region's total GGP (Gross Geographic Product) and 14% of its employment (Border-Kei Development Forum [BKDF], 1993). Industrial policies clearly have not provided for economically viable Homelands as hoped for by Verwoerdian ideologues. These areas have instead become a major burden on the state. The experience of the region parallels international conclusions about "the relative powerlessness of traditional regional policies to remedy structural problems" (Albrechts *et al*, 1989, 1).

The introduction of the 1991 Regional Industrial Development Programme initiated a scheme which was economically more rational but in practice cannot offer much to the peripheral areas. As Table 6.2 indicates, there has been fairly large scale investment in the region since 1991. Growth has, however, concentrated in spatially selected areas and not in the majority of the long established growth points. This parallels Pickles and Woods' (1992) expectation that new growth would focus on the secondary cities such as East London. The effective failure of the two former Homelands to attract meaningful growth has certainly set the tone for the future in which industrial development will focus on the larger centres where resources, infrastructure,

skills and industry are concentrated. The more peripheral towns will have to face a future marked by a diminishing manufacturing base as firms are unable to survive in such areas either cease operations or relocate to more viable areas. While the future of the large centres seems reasonably assured and they benefited from increased investment in terms of the new scheme, inter-urban contrasts will probably be enhanced and core-periphery disparities widened.

6.5) KEY FINDINGS WHICH CAN BE DERIVED FROM THE EXPERIENCE OF REGIONAL DEVELOPMENT IN THE BORDER-CISKEI-TRANSKEI REGION

The experience of the Border-Ciskei-Transkei region provides insight into the numerous problems and limited results attained by South Africa's various regional development strategies since 1960. Although South Africa's policies have drawn on internationally accepted notions such as growth centre policies, regional development subsidies and an appeal to market forces, policy implementation has clearly been unique. The attempted utilization of regional development strategies to enforce and sustain the policy of Homeland creation was clearly flawed by the subservience of economic reality to political ideology. If anything, the few centres which have developed into sustainable industrial points are those which had logical growth potential and were not merely the creations of apartheid.

Despite the uniqueness of the South African experience, there are key lessons which can be drawn. These lessons have both general and specific implications:

- sustainable economic bases are unlikely to be created in areas which lack basic economic resources, skills, adequate infrastructure and agglomerative potential and which are distant from national markets and capital. Costly, wasteful incentives which subsidize inefficiency and which create artificial growth and appease political idiosyncrasies are unsustainable in the long term. When terminated, the loss

of incentives is likely to destroy what growth has been achieved. The failure to generate significant local economic linkages emphasizes the prevailing artificiality. Despite the endeavours of apartheid planners, significant growth was not diverted to the Homelands,

- the creation of the Homelands - as both allegedly independent states and as labour reservoirs - has proved to be a costly venture which has drained state resources, enforced discrimination and left a legacy of debt, animosity and destitution for the next government,
- on a more general level, the creation of an excessive number of growth points in economically weak regions diluted the overall benefit of the growth which did occur. This proved to be costly in terms of infrastructure provision and administration. The few permanent industrial bases which have been created by development policies in South Africa are in towns which already possessed logical growth potential, such as East London,
- the people for whom the strategies were designed to benefit, namely the African residents of the Homelands, received exploitatively low remuneration, and have now lost their jobs as a result of former policies being abandoned in an effort to keep in step with the rest of the world and practice free-market policies. The fact that the 1991 strategy does not appear to induce growth in the poorest areas serves to justify the need for some form of welfare approach and locally appropriate solutions,
- in future, it is important that only viable endeavours should be supported and that alternate employment strategies should feature in the event of anticipated job losses. Focusing on industry and ignoring what might be more appropriate development in alternate sectors was an oversight in previous strategies,
- while local development initiatives are clearly an important alternative for the poorer regions, there needs to be peace, stability, tolerance and externally sourced financial support. These are all factors which are at

present hard to come by in South Africa. In future, solutions need to be arrived at in consultation with communities and not merely imposed on them.

6.6) CONCLUSION

This research vividly illustrates the disastrous results of politically motivated planning of the economy of the region. The desperate legacy of lost jobs, unemployment and de-industrialization which has been left indicates that planners and the new government would be ill-advised to pursue industrial development strategies which have a political orientation and which do not take cognizance of economic realities in the recipient areas. They would also be wrong to place excessive faith in drawing in large, expensive firms which have few links to the host economy and which may require costly incentives to survive.

An examination of the experience of regional development in the BCT region endorses the conclusion that "the distinguishing feature of urbanization and regional planning strategies in the Republic of South Africa is their accordance with the political economy of apartheid" (Rogerson and Pirie, 1979, 339). The subservience of all else to the political ideals of apartheid created an unsustainable economic base in most of the region. Large numbers of uneconomic firms received excessive assistance and have generally been unable to encourage economic linkages in the host economy. Many are now disinvesting at great expense to the victims of apartheid, namely the residents of the impoverished Homelands. The loss of jobs and the prevailing recession have created a daunting legacy for the next government.

Quite clearly, there is very real pressure on the new government to devise workable and sustainable development strategies for the most destitute areas. Exploring the potential which LED might have to offer is a definite alternative. Although there will be

severe economic constraints, there is an urgent need for the "future state ... to play an active role in ensuring the development of South Africa's most neglected peripheral areas" (Ntshinga and Daphne, 1992, 9). There will be a need to transfer resources to poor areas such as the BCT region and appropriate development needs to be encouraged in conjunction with the state. The plight of the area is desperate and it is apparent that some form of regional development strategy will need to be implemented for a considerable period of time. Future strategies clearly need, in the first instance, to address local needs, to develop and exploit local resources and to work with the residents of the area such that employment opportunities can be maximised. Secondly, strategies adopted need to sustain and only support firms and investment which can meet that criteria. In terms of the desperate legacy of unemployment which exists, more concerted policies of retraining, small business support, LED and public works programmes need to supplement other strategies as soon as possible. The apparent demise of state planning parallels the increasing assertion of local interests and democraticisation in South Africa, which has the potential to encourage vitally needed development alternatives as subsequent chapters examining LED reveal.

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CHAPTER SEVEN

EVOLVING LOCAL ECONOMIC DEVELOPMENT POLICY AND PRACTICE IN SOUTH AFRICA

7.1) INTRODUCTION

Local Economic Development (LED) is still in its infancy in South Africa and only a limited number of examples have been documented in the country (Nel, 1994a; Rogerson, 1995a). By contrast, LED policy positions adopted by government, the private sector and community groups are well advanced. Quite clearly, planners in South Africa, conscious of international developments and the potential of LED, are seeking to facilitate and assist the emergence of local initiatives. The purpose of this chapter is to detail current LED policy positions in the country in partial fulfilment of the seventh objective of the thesis. Following an overview of the local government changes in recent years and the related rise to prominence of non-governmental organizations, attention focuses on evolving LED policy positions. The current status of research into LED in South Africa will also be discussed in this chapter. This material lays a basis for understanding the general context in which LED is emerging in the Eastern Cape (Chapters Eight-Thirteen).

The country's national development strategy, the Reconstruction and Development Programme (RDP) (African National Congress {ANC}, 1994), is clearly grounded on principles of community-based development. This programme seeks to involve and empower communities across the country in conscious efforts to address the harsh legacy of apartheid and to initiate sustainable development initiatives (Nel, 1994b). The concept of LED is explicit within this programme and the document asserts:

> In order to foster the growth of local economies, broadly representative institutions must be established to address local economic development needs. Their purpose would be to formulate strategies to address job creation and community

development (ANC, 1994, 83).

The importance being attached by the government to the concept of LED, which is seen as operating through joint ventures and principles of 'bottom-up' development, as opposed to 'top-down' government intervention has been stated by President Mandela in the context of urban development:

> By mobilising the resources of urban communities, government and the private sector we can make our cities centres of opportunity for all South Africans, and competitive within the world economy. The success of this will depend on the initiative taken by urban residents to build their local authorities and promote local economic development. (RSA, 1995a, 5)

During the course of 1994 and 1995, significant progress in the development and drafting of LED policies and strategies was made. In 1994, the private-sector supported 'think-tank', the Urban Foundation (now called the Centre for Development and Enterprise), released a policy document on the topic (Urban Foundation, 1994). In 1995, the South African National Civics Organization (SANCO), a national organization representing hundreds of community structures within townships and rural areas released it own document (SANCO, 1995). In late 1995, as part of the process of refining the aforementioned RDP and giving it a more applied focus, the government simultaneously released its Urban and Rural Development Strategies (RSA, 1995a, 1995c). In both documents LED is accorded significant attention. In addition, the government is finalising a separate LED policy, which is currently in the form of an LED draft Green Paper (Moloi, 1995). The latter has been undertaken in collaboration with the British Overseas Development Agency.

There are, naturally, significant disparities in the focus of the various policy documents, given the nature of the organizations which drafted them. After outlining changes in local government in South Africa and the key components of the various LED policy documents, this chapter will attempt a brief critique and

comparative assessment of the various policies, before proceeding to an overview of published material on applied LED in South Africa. Information for this chapter was obtained from government and other policy papers and the limited numbers of LED case-studies and discussion papers published to date in the country. These were assessed, summarised and synthesised to produce the findings detailed in this chapter.

7.2) SETTING THE CONTEXT: RECENT CHANGES IN LOCAL GOVERNMENT AND THE ACTIVITIES OF NON-GOVERNMENTAL ORGANIZATIONS

The political reforms of the early 1990s and the subsequent era of reconciliation and compromise which followed has brought about fundamental social, political, economic and administrative reforms in the country. One of the key changes has been the enhanced mobilization of civil society and their popular participation in a range of political and economic negotiating fora (Davies, 1994). The encouragement of reconciliation in many centres and the initiation of discussions about development planning has laid a basis for local government reform and local level planning. Fora have emerged within neighbourhoods, townships, cities and even regions. They have clearly played a role in political reconciliation and they permitted strategization in anticipation of national political change in the years preceding the first free election (Nel; 1993a; Wyley and Talbot, 1993). Thereafter, though now somewhat marginalised, they still play important roles as negotiation and planning fora. In the case-studies in this thesis, most communities involved have had or have active fora which seek mass participation and which have been the vehicles used to initiate LED (Harber and Ludman, 1994).

Another key feature of the removal of the 'state of emergency' controls on society, enhanced inter-racial contact and the reduction in state dominance of the society and economy has been "the explosive emergence of non-governmental organizations (NGOs)

as an institutional force facilitating development" (Barnard, 1991). The expansion in the number of NGOs in the early 1990s and their active participation in disempowered communities has brought the interests of such groups to the fore and has led to wide ranging endeavours to tackle a host of socio-economic challenges. Despite an on-going funding crisis, as evidence detailed in this thesis indicates, NGOs have played a key role in most of the communities investigated, either as external facilitators and supporters of the development process or as internal, institutional leaders. It is apparent that prior to the national government elections in 1994 and the local government elections of 1995, NGOs helped to fill the void of trying to address and vocalise the needs of the disempowered.

The general changes mentioned above and the 'rolling back' of state control have permitted an era of previously unimagined freedom for the new local authorities in the country. In a very real sense municipalities are being challenged to expand their traditional service orientated focus and undergo fundamental restructuring in terms of their operation and nature. According to Savage and Whelan (1996, 4) "Local government is now expected to play the role of a development facilitator and innovator - not only the 'hands and feet of the RDP' but also the brain - as opposed to the strictly regulatory and service roles it played in the past". This is a role which several of the municipalities in towns investigated in this thesis have started to assume. Their involvement has been encouraged by policy changes, the positive effects of the forum movement, reduced state control and the self-evident need for local authorities to broaden out their traditional focus in order to address very real needs in their areas of jurisdiction. In Stutterheim, one of the towns investigated in this thesis (see Chapter Eight), as part of the LED and reconciliation process the local authority was able to extend and improve township services.

Traditionally, local authorities have had limited legal rights to intervene in their local economies and economic action has

been confined to property development and rating policies (Craythorne, 1993). Until the 1990s provincial ordinances had constrained their areas of operation, a situation aggravated by what Floyd (1952) regarded as the general inefficiency of prevailing administrative practise. One of the key racially based inefficiencies was the separation of black and white local government services within single urban areas between 1971 and 1995. This was done in terms of the 1971 Bantu Affairs Administration Act and the Black Local Authorities Act of 1982 (Vosloo *et al*, 1974; Craythorne, 1993).

With the dawning of the reform era, an accelerating trend in South Africa, which parallels international experience, is for central government to reduce its involvement in local areas and devolve control to local authorities (Savage and Robins, 1990). The 1983 Constitution and the 1983 Promotion of Local Government Act, laid an initial basis for this policy shift in South Africa (Heymans and Tötemeyer, 1988). The formation of unified local authorities in 1995 and the election of the country's first non-racial local authorities will clearly effect a fundamental change on local authorities, their focus and operation. This is a position enhanced by current policy and constitutional changes in the country. According to the RDP White Paper (RSA, 1994), local government must take the lead in LED and work with communities and NGOs to effect good governance and development. This position is supported in both the Urban and the Rural Development Strategies (RSA, 1995a, 1995c). These principles are given far greater impetus and definition in the new constitution (which was still in a draft form at the time of writing). According to the draft constitution, local authorities are, for the first time, recognised as independent governments and not merely as extensions of higher authorities. This enhanced autonomy is backed up by the assignment of new responsibilities, including economic development to local authorities (RSA, 1996b, section 168; Mastenbroek, 1996) and the requirement that they "enhance social and economic development, economic viability and sustainability and self-supportiveness" (RSA, 1996b, section

163d). These principles mark a radical change in the traditional role of local authorities and they herald the dawning of an era in which considerable scope exists to apply the principle of authority based LED. As a reflection of these general changes since 1990, several local authorities, as detailed in this thesis, have broken from the traditional functions of local authorities and are seeking to enhance economic development in their areas of jurisdiction.

In consequence, as the preceding information reveals, South Africa's new era of democracy has brought to the fore key new actors in local areas. These include NGOs, fora and new local authorities. Reduced central state control, economic and political changes and new development priorities are clearly setting the scene for enhanced LED activity. Attention now shifts to a focus on emerging LED practise and policy within the country which results from the changes detailed above.

7.3) THE CURRENT STATUS OF LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICA

Applied LED is still in its infancy in South Africa. The primary reasons for this are to be found in the long and oppressive history of apartheid which discouraged black communities from asserting themselves or from taking economic initiatives. At a more general level, the persistence of rigid state-centred views on development till 1991, coupled with a panoply of laws restricted and discouraged local authorities and communities from seizing the development initiative.

Although there is some evidence of LED prior to World War II (Nel and Rogerson, 1995), it was only in the 1990s that the phenomenon is again discerned. The prime example appears to be the small rural town of Stutterheim in the Eastern Cape. This town, because of its virtual uniqueness in being the first town to adopt a comprehensive, community-based LED strategy (in 1990) and the

developed nature of its policies has been called a "cause celebre" by McCarthy (1995a, 40). Beyond the experience of Stutterheim, most other examples appear to still be in their infancy. Even in the big cities, such as Johannesburg, strategies tend to focus on marketing and publicity (Rogerson, 1995a) and not broader development issues. The NBI (1995) recognise the existence of only five major and several minor / community type projects as detailed in section 7.5.1. There are few published articles and the number of applied cases appears to be rather limited. At a recent set of workshops on LED held in Johannesburg, representatives from the major, known LED projects (as identified by the Friedrich Ebert Stiftung) participated and this serves as a rough indication of the current status of LED (Nel, 1995). With the exception of Johannesburg and Stutterheim, out of approximately 600 urban areas (Municipal Engineer, 1995) the following towns or cities have definable LED strategies: Cape Town, Durban, Khayelitsha, Seymour, Kei Road, Atlantis and East London. In terms of rural areas there are seemingly very few examples and only one community, that of Hertzog participated in the workshops.

As information which follows reveals, the paucity of applied examples in the country does not appear to be a dampener to the policy-makers who clearly are striving to encourage a proliferation of LED activities across the country.

7.4) CURRENT POLICY POSITIONS ON LOCAL ECONOMIC DEVELOPMENT

As was stated above, three organizations have issued policy papers on LED, namely, in chronological sequence, the private-sector supported Urban Foundation (1994), the community-organization SANCO (South African National Civics Organization)(1995) and the government (1995a, 1995c; Moloi, 1995). In this section the contents of what are often extensive documents are summarised and discussed.

7.4.1) The Urban Foundation Document

This document reflects the business leanings of the Urban Foundation (1994) and addresses three major foci, namely, major issues relating to LED, LED policies and ways in which to catalyse or kick-start the process in South Africa. The paper is largely based on Western experience and most of the strategies proposed are borrowed from Western countries. The document deals at length with new global realities and the changed role of local governments internationally. A call is made to South African local authorities to abandon their traditional managerialist stance and to move to a focus on entrepreneurialism. The private sector orientation of the document (as compared to the more community focused nature of the other documents) comes through clearly on this point.

Although not having the power to enact change or policy, the Urban Foundation recommends the active consideration of the following policies derived from European and North American experience, namely:

- the establishment of Enterprise Boards to develop sectoral policies for sub-regional areas,
- the establishment of Urban Development Corporations to focus on the development of single major or 'flagship' projects,
- privatization of local government activities to create local jobs,
- public-private sector partnerships as formalised mechanisms designed to initiate development,
- export processing zones,
- the creation of science and technology parks which promote the clustering of sophisticated activities, and
- the development of small-firm industrial districts.

In advocating LED an appeal is made for a shift in government policy from its traditional 'top-down' orientation in South Africa to a 'bottom-up' focus which relies on creativity found at the local level. In order to catalyse the launching of LED, appropriate national support strategies are advocated. This

thinking is based on the experience of the European regeneration grant. A clear call is made for dedicated funding, co-ordination and support of LED by the government, issues which appear to be only partially addressed in the documents outlined below. According to the Urban Foundation, the LED process must:

- involve all key stake-holders,
- it must build a common vision for the short, medium and long term,
- it must identify and emphasize local comparative advantages,
- it must encourage investment in the area, and
- strategies to develop new market opportunities are needed as are alliances to improve jobs and incomes.

The Urban Foundation therefore calls for a new way of thinking about the nature, functions and objectives of government. Locally appropriate strategies which encourage entrepreneurial initiatives and which address local development issues are seen as key features in LED. An appeal is made to government to become more entrepreneurial in its approach and to encourage privatization (Urban Foundation, 1994).

7.4.2) The South African National Civics Organization (SANCO) Document

In contrast to the business-orientated focus of the Urban Foundation paper, the SANCO paper (1995) reflects the community-based leanings of that organization. According to the document, the civic movement in South Africa, following the demise of apartheid, identified the need to bring together all key stake-holders in order to develop a common vision which can filter development information to grass-roots level. SANCO wishes to mobilize communities around the issue of LED - which it sees as critical to the programmes of government - and the RDP in particular. The paper also states that the time is ripe to encourage LED in South Africa and that LED can offer a partial solution to the current unemployment crisis and lay a fundamental basis for future economic development and community empowerment.

Key aspects of the proposed LED strategy include the need to support public works programmes, local procurement policies, support for small, medium and micro enterprises (SMMEs), public-private partnerships and the need to develop appropriate regulatory and planning frameworks. Quite realistically, SANCO asserts that there is no universally correct LED strategy, instead local circumstances, needs and realities will influence the nature and form of the strategy adopted. Various preconditions are necessary in order to implement LED. These include the need for local autonomy in decision-making, the need for sustainable financial independence at the local level, co-operation between all key stake-holders and the taking of decisions in a democratic and representative fashion. In addition, public and private support for joint ventures and appropriate development structures for workers and SMMEs are deemed necessary.

Local authorities are seen as playing a key role in LED and are encouraged to take a more pro-active stance in the area of economic development. A call is therefore made to establish economic development units within local authorities. Such units would need to provide close interaction between grass-roots and authority structures. Modifying municipal procurement policies to support local entrepreneurs and 'buy-local' campaigns are seen as important aspects of LED (SANCO, 1995).

In rural areas, unique needs necessitate specific support and attention, particularly in terms of issues related to agricultural promotion, access to credit and infrastructural support. The document also provides details of possible, applied strategies which can be adopted in rural and urban areas such as the provision of financial assistance to small firms, loan guarantees, equity participation, information and marketing support, support for co-operatives, incubation facilities, one stop shop facilities, urban renewal and local import substitution policies. Other key aspects of proposed LED strategies, according to SANCO, include the need to support public works and job-

creation programmes. Local authorities are seen as key agents for disseminating and popularising the concept of LED. The establishment of Business Advice Centres to support small firms and to help popularise LED is regarded as an essential step.

A discussion on possible funding from private, community, donor, government and local authority sources is included. In terms of town planning criteria an appeal is made to break the rigidity of the apartheid city model, to allow diverse activities within single areas, to promote the integration of small and large firms and to develop infrastructure in support of LED.

In terms of the way forward SANCO desires to popularise the concept of LED, to support the launching of LED in local areas, to promote interaction between key stakeholders and to introduce some form of national or regional research and support structure. SANCO also calls for the training and use of LED facilitators in the country and the launch of a massive, government supported, programme of LED promotion (SANCO, 1995).

7.4.3) Government Documents

At present the government's views on LED are contained in three documents, namely the Urban Development Strategy (RSA, 1995a), the Rural Development Strategy (RSA, 1995c) and lastly the draft Green Paper on LED (Moloi, 1995). An examination of these documents reveals a strong commitment to the precepts of LED. But few concrete strategies on how to achieve and implement LED are outlined and no commitment is made on the part of government to either fund or initiate such a process at this juncture. In a very real sense the government papers endorse the concept, but are weak on practical details, issues which the two preceding documents handle in a more sustained and explicit fashion.

Focus now shifts to a brief outline of some of the key features of the three documents:

7.4.3.1) The Urban Development Strategy

This document clearly sets out the government's belief that South Africa's future is an urban one in which the country's "economic performance will largely be determined in metropolitan areas, cities and towns" (RSA, 1995a, 40). Correcting urban inequalities and improving the function and output of urban economies is seen as crucial to the eradication of poverty and the achievement of a more equitable society. Within this context, LED is seen as playing a defined role with "assertive LED strategies (being required) to retain, expand and attract economic activity" (RSA, 1995a, 11). Fiscal and regulatory mechanisms required to achieve this are deemed necessary but have not been devised. The document defines the role of the state as merely that of helping to create conditions for economic development. It calls on local authorities, in collaboration with the private and public sectors, to develop appropriate strategies. Key features which the government conceptualises LED focusing on are the promotion of small, medium and micro-enterprises, employment opportunities and capital works, partly through public-works endeavours and support for housing and infrastructural development.

7.4.3.2) The Rural Development Strategy

Despite the aforementioned importance attached to urban areas, the Rural Development Strategy also receives considerable prominence in government planning. Within the overall context of rural development, LED is seen as the primary mechanism to create employment opportunities. According to the document, LED is of relevance because of the importance of "local solutions to the development of rural towns, and ... the advantages of agglomeration, which is usefully captured in rural areas through a deliberate attempt to promote markets" (RSA, 1995c, 24). The onus for applying LED is seen as lying with local government, business and communities which are called on to take innovative steps to secure growth and development. As with the Urban Development Strategy, the government does not clearly specify what its role is and the degree to which it is prepared to contribute to the process of development. In terms of development

options, four foci are identified, namely:

- the promotion of rural markets,
- the promotion of small, medium and micro-enterprises in rural areas,
- support for agricultural programmes, and
- the promotion of tourism and eco-tourism.

7.4.3.3) The Draft Green Paper on LED

Although not yet in its final form, the joint government, Overseas Development Agency research process has led to the writing of a draft Green Paper on LED. The document clearly identifies the importance which is attached to the principle of LED in its introduction, which states "it is becoming increasingly evident that within the context of global economic restructuring (that) central government is losing much of its capacity to promote the well-being of its citizens, and especially so when it comes to promoting development in targeted regions" (Moloi, 1995, iii). LED is seen as helping to fill that void through the mobilization of communities and resources, the restructuring of economies and the encouragement of investment. The paper states that the government wishes to use the document to 'introduce' LED to South Africa and to assist with the overall process of community development. It is significant to note that the government has not adopted an attitude of exclusivity in the implementation of the concept.

The paper's strengths lie in the degree to which it devotes considerable attention to the current and possible roles of a range of government departments (for example Housing and Trade and Industry), the private sector, community organizations and local authorities and the way in which their activities can and do assist LED. On the negative side, although the paper discusses a range of case-studies and general considerations, it is weak on actual policy prescriptions. A range of general strategies are outlined, namely those of investment attraction, property development, entrepreneurial development, urban efficiency, human resource development and community development. Unfortunately,

the government, although supporting LED, does not clearly identify particular strategies suited to the South African situation, nor does it spell out a defined role for itself (beyond that of standard government activities in various departments), neither is there any indication of how it can, or will, facilitate or fund LED at this stage.

In terms of the way forward, LED is seen as forming a key element in urban, rural and spatial development programmes, in the development of urban nodes, economic clusters, development corridors and in infrastructural provision. The proposed LED training kit for LED cadres, which is being drafted by the private sector funded National Business Initiative (in conjunction with SANCO and the government) is also outlined. Other key components are the government's future plans to popularise LED through workshops and government channels and the proposal to undertake further research.

7.4.4) Assessment

In comparing the three sets of LED documents, it is apparent that there are significant similarities and differences between them. There is universal agreement that the desperate economic situation in South Africa necessitates new approaches to development. There is also agreement that international and national realities require new strategies which are appropriate to meeting local needs and requirements. The tone of the three sets of documents reflects the differing backgrounds of the organizations. In the SANCO document, the Populist leanings of the proposed strategy are reflected in the assertion that SANCO's goal is to "ensure democratic governance and people centred development, through genuine grassroots participation" (SANCO, 1995, 2). By contrast the Urban Foundation document adopts a market-orientated focus in preference to a people-centred one, claiming that the focus should be on, "economic growth and development" (Urban Foundation, 1994, 22). The government documents adopt a middle of the road stance, claiming, simultaneously, a focus on community ownership and

entrepreneurial development which is in line with their apparent need to satisfy both their electorate and the needs of the economy.

All three approaches see the need for joint action and support of entrepreneurial activity, although the emphasis placed on the latter varies according whether the organization has a community or a business focus. The Urban Foundation calls on government to adopt a radical rethink of its development approach, while SANCO wants government to take a major role in LED. It is interesting to note that government views its own role as only that of creating the environment for development. The differences in approach are predictable. However, when it comes to implementation, the lack of a shared perspective could well hinder development and lead to the passing of responsibility from one organization to another.

In terms of practical strategies, the Urban Foundation and SANCO documents devote considerable attention to a range of development options. The SANCO document outlines the structure, functions and staffing requirements of municipal economic development units and town planning requirements. Perhaps not unrealistically, since they are expected to foot the bill, the government is more neutral on this issue. In some ways the first two documents have the appearance of being 'recipes' for LED, the Urban Foundation paper has a focus section on a 'kitbag' of LED strategies which can be used. By contrast, the state's papers identify few development strategies, seeing LED as something which is essential but which must develop at the local level in response to local decisions and needs. In this process the state intends to assist through a range of standard government procedures and interventions. While this might not be unrealistic, there is a sense that targeted funds, direct training of LED facilitators and defined policy prescriptions on what the government is prepared to assist with and thinks desirable are lacking. The fact that the National Business Initiative is collaborating with SANCO in developing a LED training programme is instructive as

to who is taking an assertive position in this regard (Moloi, 1995). Quite clearly, in the absence of targeted state support, LED will occur only in isolated cases. This stems largely from the destitute nature of many local authorities, particularly those which, until recently, were predominantly 'blacks only' areas.

A related concern is the fact that the papers regard local government as the 'champions' of LED, yet in many cases, these bodies are crippled by a legacy of non-payment of services charges which has plunged them into debt. This debt impedes development opportunities, restricts the ability of local authorities to implement LED and, even in the eyes of the government, retards its development endeavours (RDP Monitor, January 1995).

An interesting feature in all the papers, including the SANCO one, is the commitment to entrepreneurial activity which maximises comparative advantages. While such a strategy might be applicable to most parts of affluent western countries, which the authors of the documents quote from extensively, and the cities and wealthier regions of South Africa, limitations exist beyond those spatial parameters. As McCarthy (1995b) avers, in many areas, because of their depleted resources base, high levels of poverty, migration of skilled people and a legacy of poor administration, there are few development opportunities open. This may well require a reliance on welfarist policies. In the former Homelands in particular, which are generally situated in resource poor regions, unemployment figures of over 80% of the potentially employable population are not uncommon. Research has established that, in many of these areas, locally derived income seldom exceeds 30% of the total income, the balance coming from migrant labour remittances, state support and welfare payments. The fact that in many Homelands, up to half the potential male workers are migrant labourers endorses the reality of poverty and restricted local opportunities (DBSA, 1991a, 1994; De Wet, 1993; Sperber, 1993). The migration of skilled people, who might

otherwise lead LED endeavours, the weak nature of local government in smaller centres, the collapse of many services and disinvestment are common features in countries in the South (Lowder, 1986) and many parts of South Africa. In the case of LED, this means that the entrepreneurial focus of the documents, which seek to exploit local comparative advantage, can only be of limited relevance. In consequence, attention also needs to be devoted to the poorer areas through the development of targeted training, employment and support strategies. In addition, the fact that centres in the poorer areas are often distribution points of welfare to poverty stricken districts should not be ignored (McCarthy, 1995b). State pensions often account for nearly 40% of income in Homeland areas (Sperber, 1993). As such, given the unlikely reality of LED developing of its own accord in the absence of significant comparative advantages, and the reluctance of the private sector to invest in such areas, the government will need to consider the design of dedicated welfare-type support strategies if it is to fulfill its commitment to improve conditions for all South Africans (ANC, 1994). Until such is done, LED can only be anticipated in the wealthier or better endowed areas.

7.4.5) Policy Section Conclusions

It is apparent that South African planners acknowledge international experience in the field of development. The fact that LED policy is developing, effectively in anticipation of the reality, indicates the commitment which exists to the development of new, relevant approaches. These approaches can, simultaneously, address the twin challenges of economic growth and community empowerment. While the free market / entrepreneurial focus of the documents is appropriate to the needs of the country, and practical guidelines are given, the models proposed have a distinctively Western nature, which may only be appropriate in the cities and more developed areas. In the poorer areas an examination of self-reliance strategies in developing countries might well have been more relevant (Taylor and Mackenzie, 1992). In the light of international experience

(Stöhr, 1990; Murray, pers. com., 1996) and above-mentioned policy short-comings, the government needs to take a more assertive role. This should particularly be in terms of the setting of development objectives, the identification of practical strategies and making a commitment to part-fund and assist local projects. Despite the concerns which have been raised, it is interesting to note that, in contrast to most developing countries, a search is being made for innovative strategies which break with the traditional mould of state-centred planning and which, hopefully, hold some promise for the majority of South Africans. The SANCO (1995, 1) document, summarises the current situation and its realities:

> As a new era of administration dawns, new forms of development, appropriate to meeting the needs of the majority of the people and their economic and employment requirements, have to be embarked on.

7.5) APPLIED LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICA

While policy development in support of LED appears to be well developed in South Africa, the same cannot be said about applied evidence of the phenomenon. With the exception of a limited number of clearly defined cases on LED, which significantly enough, are mainly in small towns, LED cannot be said to be occurring in the majority of the country. Identifying applied cases of LED in the country, was assisted through the activities of the National Business Initiative (NBI), which undertook a national survey of economic initiatives through their member companies in 1995/1996. NBI sought to identify applied examples of LED which were used as a basis to develop a training manual to encourage community-based LED in the country (NBI, 1996). In this section the range of known LED initiatives is detailed before proceeding to an examination of what has been published about the phenomenon of LED in the country.

7.5.1) Applied Local Economic Development Initiatives

The aforementioned NBI survey of development activities in the country in 1995 led to a two-fold classification of 'major' and 'minor' case-studies of LED (NBI, 1995). It should be noted that the investigation focused mainly on broad, community-based, LED endeavours. Traditional municipal boosterism including place development and marketing endeavours, such as is practised in cities such as Johannesburg and which generally lack broad community endorsement, was not the main focus of this investigation. It should also be pointed out that the activities of regional promotional agencies such as WESGRO in the Western Cape and BOMEDCO in the Eastern Cape, were not included on for the same reasons.

The results of the NBI survey were as follows:

Major case-studies of LED:

Stutterheim, Seymour, Hertzog, Atlantis and the Umbumbulu/Amanzimtoti Local Enterprise Development Agency.

Minor case-studies:

East London, Durban, Cape Town, the Grahamstown Festival, Kei Road, Phinda, Phumulani, the Community Self-Employment Centre in Port Elizabeth, Ocean Action in Durban, central Johannesburg partnership, Mhlatuze, Philippi, business opportunity centres in Richards Bay, Johannesburg, Durban and Pietermaritzburg, Empangeni business advice centre, the self-employed women's union in Durban, the Midlands Meander, Nyanga junction, periodic markets in the Border area, Khayalitsha, Melkhoutfontein,

In the case of the 'major' studies, those identified are the only known examples of broad, community-based development which have been established for a period of several years and which are successfully promoting economic development in a reasonably sustainable manner in a diversity of areas. In the case of the 'minor' studies, several centres are developing LED strategies which have the potential to become wide-ranging LED endeavours,

such as East London and Durban, or they are laying the preliminary ground-work, such as in Cape Town and Khayalitsha. In several cases the LED programmes identified tend to be of a short-term nature and hence have a limited and immediate local impact which cannot be sustained through the rest of the year (such as festivals). In other instances, LED often takes the form of small business support. It is interesting to note that only a very limited number of local authorities in the country appear to be actively pursuing LED, despite the facilitating policy environment which has developed. The most obvious local authorities are: Stutterheim, Seymour, East London, Durban, and Cape Town.

While the list should not be taken as the authoritative statement on all LED strategies in country, it nonetheless, provides a indication of what is happening and the reality that only a limited number of cases appear to exist, despite the existence of over 600 local authorities in the country. These conclusions are endorsed by the results of a survey of 451 local authorities in the country which was undertaken in 1994 by Plan Associates to determine their involvement in economic development programmes (Municipal Engineer, 1995). Of the 43% which responded, 92% believed that they should be involved in economic development at the local level and in job creation strategies in particular. Only 38 local authorities however, claimed that they were actively involved in job creation strategies and/or the establishment of tourism and industries. A larger number actively seek to promote and market their area through traditional strategies. Claassen (1994, 12) notes that, "the promotion of social and economic development by local authorities is not addressed in any structured way" in the country. Few municipalities have special branches for promoting economic development, the exceptions being Durban and Cape Town. In most instances these units are focusing their endeavours on providing support for small businesses, providing retailing space and trying to integrate community development needs within the broader development framework of the cities (Nel, 1995). These

initiatives are, in many ways, a planning response to development needs (in the case of Cape Town, the unit is located in the Town Planning section) and not the result of a community driven programme which the East London municipality is currently seeking to pursue (Woest, pers. com., 1996). Economic and social realities in South Africa, in parallel with political change at national and local levels, demand local level action to address local inequalities and hardships. Claassen (1994, 18) notes that local development is currently impeded by bureaucratic inertia, and "what is needed (is) to ensure development is not so much a system, as people with initiative, insight and drive". The truth of this assertion is testified to by the 'successful' examples of LED investigated in the case-studies in this thesis where individuals have moved away from the traditional mould and actively striven to implement endeavours which break with convention.

7.5.2) Published South Africa Literature on LED

In parallel with applied LED in South Africa, writing on the topic also appears to be in an incipient phase. One book (Tomlinson, 1994) broadly related to the topic and a handful of articles are all that appear to have been published on policy issues and the general status of LED, while a few additional articles detail some of the known cases. The principles of urban development planning and the necessity for urban areas to seize the development initiate are dealt with by Tomlinson in his book (1994) and in two articles (1993a, 1993b). Tomlinson (1994, 2) helps to clarify the reasons for the limited range of applied evidence when he points out that "there is neither a tradition of local responsibility for development nor an awareness of how to promote such development". This largely results from decades of bureaucratic 'top-down' control and management. These works draw heavily from international, essentially western and metropolitan experience and do not really come to grip with the issues facing many of the marginalised, essentially rural or township based communities. Guidance and suggestion are, however, provided for the larger urban centres. The inevitable market

orientated focus of Western experience in this regard is somewhat out of step with the precepts of the RDP and the urgent need for broad-based community development.

Rogerson (1994, 1995a, 1995b) has also published on the topic, more from the perspective of the evolving reality of LED in the country as a response to "the current political transition towards democracy and the state's retreat from a 'top-down' regional development policy" (Rogerson, 1994a, 182). Rogerson (1995b) has also examined the applied practice of LED in the United Kingdom in an effort to identify key lessons for the country. The other policy related articles on LED published in the country are those of Claassen (1992) who examined international experience and Nel (1994a) who outlined the nature and form of LED, relevant strategies and their potential application in the country.

In terms of detailed analyses of applied case-studies, only a limited number of LED projects appear to have been documented and assessed. Conventional boosterist and place-development strategies are detailed and assessed in the case of Johannesburg (Municipal Engineer, 1993; Hunter, 1994; Rogerson, 1995a), Durban (Robinson and Boldogh, 1994), Cape Town (Dewar, 1994) and the Cape Town waterfront (Kilian and Dodson, 1995, 1996; SA Builder, 1993). Strategies such as these stress the notion of competitive action by large cities often competing in the global arena, and expensive property led development designed to 're-image' urban areas and to draw in investment. More broad-based LED strategies, focusing on the needs and realities of destitute communities are documented in the case of Stutterheim (Nel, 1994a; Fox and Nel, 1995), Vryheid (Strydom and Vrey, 1993), Tamboville (Vawda and McKenna, 1995) and Atlantis (Nel and Meston, 1996). These latter strategies share much in common with examples of LED documented in South America (Ferguson, 1992) and the poorer parts of Europe (Stöhr, 1990).

7.6) CONCLUSION

It is against this backdrop of evolving policy and applied practice and commentaries there-of that this study sets out to explore the existence and nature of LED in various Eastern Cape localities. The details contained in this chapter serve as an indication of LED practice in the country and the current state of policy support in which it is evolving. It is hoped that the findings of this thesis, in general, can make a contribution to policy, applied practice and the academic debate and literature on the topic.

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CHAPTER EIGHT

COMMUNITY INITIATED AND DRIVEN LOCAL ECONOMIC DEVELOPMENT IN A SMALL TOWN: THE CASE OF STUTTERHEIM

8.1) INTRODUCTION

In this, the first LED case-study chapter, details of a defined, post-1990 LED initiative are outlined and assessed. Chapters Eight-Thirteen, fulfill the requirements of the fifth objective, namely to examine a range of case-studies of LED in the Eastern Cape with a view to identifying the key features, causal conditions, strategies and results achieved. This also serves as a basis to develop and field test a research schedule to establish details of LED projects and to assess them (Sixth Objective) and to comment on the suitability and potential of LED in the province and South Africa more generally (Seventh Objective). These considerations, in turn, lay a basis for the determination of practical policy guidelines and theory in subsequent chapters (Second and Seventh Objectives). In this chapter, and the two which follow, three community based LED initiatives are examined, namely Stutterheim, Seymour and Hertzog, before proceeding to a study of the three authority based examples of LED. In these chapters projects are described and the results of the assessment schedule undertaken in each locality are detailed. The researcher's comments and observation are confined to the discussion section at the end of each chapter and to the general assessment in Chapter Fourteen.

In the limited field of applied LED in South Africa, the town of Stutterheim has gained the reputation of having the most well-developed, long-standing case of LED. There is little doubt that it was the first major example of LED in the post-apartheid era. The experience of the town has become so well known that it has come to be called the *cause celebre* of small town development in the country (McCarthy, 1995a). By 1993 Stutterheim had come to be hailed as a 'model' for other towns to emulate. According to

newspaper sources, the Stutterheim Development Forum was the most "far-reaching local level forum" (Finance Week, 19 August 1993, 16) in South Africa and "Stutterheim is both a model and an inspiration, providing simple, people-based solutions to complex problems" (The Sunday Times, 29 August 1993, 6). By 1996, over 80 towns had sought the advice of the Stutterheim Forum to try and address issues of urban reconciliation and economic development in their own communities (Ferreira, pers. com., 1996).

Prior to 1990 however, the town of Stutterheim, in the 'Border Corridor' between Ciskei and Transkei, possessed few attributes which could distinguish it from most other small towns in the country. Common trends in small towns such as a stagnant urban economy, negative growth in the economy of the rural hinterland and serious shortfalls in the provision of urban facilities and services to the most destitute members of the urban community appear to have been key features. In addition to the preceding, the community was also marred by one of the highest levels of political intolerance, friction and violence in the country. The launching of the 'Stutterheim Initiative' as an applied LED strategy, through the formation of the Stutterheim Forum in 1990, resolved the latter issues and has attempted to address the other problems experienced in the town (Nel, 1994a).

The sense of optimism which has prevailed needs to be critically examined. The fact that the LED initiative in Stutterheim sprung from within the community, which has retained control over the development endeavour and has sought to realise tangible goals which they, themselves deem appropriate, makes Stutterheim one of the best examples of locally driven LED in the country. Given the high level of credibility accorded to the initiatives of the Stutterheim Forum, the assessment thereof will help to determine whether or not the Stutterheim experience can offer meaningful lessons to policy makers and other towns.

In this chapter the methodology used is outlined, then background

details to the town and the development project are provided before proceeding to an examination of the Stutterheim initiative and assessing its achievements. Recent developments and popular responses to the programme also receive attention. The research for this chapter is based on-going monitoring of developments in Stutterheim over a three year period from 1993-1996.

8.1.1) Methodology

The administration of the core set of questions, as detailed in Chapter Three, formed the key research focus in this community (raw data is contained in Appendix One and the results are discussed below). The questions were administered in a semi-structured fashion in order to allow the respondents the freedom to raise alternate issues, to explore key facets of the projects and to allow scope to discover details not covered by the specified questions. The major focus on semi-structured interviews was supplemented and verified through various other methods. This included reviews of relevant reports, newspaper articles, site visits and PRA type interviews with project participants in the field to clarify aspects of projects detailed by community/project leaders. The core questions were posed to project and community leaders after preliminary fieldwork and contact making had been completed in March 1993. The core questions were supplemented with additional, site specific ones, namely:

- Provide details of the well publicized pre-1990 crisis in Stutterheim and why it catalysed the launching of the development initiative.
- What are the Stutterheim Development Forum, the Stutterheim Development Foundation and the Business Information Centre, why were they established and what services does they render?
- Why has there been a focus and concern for rural areas and what rural development / farmer support programmes have been engaged in ?
- Are rural areas benefiting from the initiative and are rural resources benefiting the town ?

The first round of interviews took place in three sessions in September and October 1993 and was supplemented by follow-up contacts with project leaders in the first half of 1994, to clarify details and establish what developments had taken place in projects embarked on. The key individuals interviewed then and subsequently were Chris Magwangqana, Nico Ferreira, Griffiths Noxeke, Doug Beal, Hamish Scott, David Collett, Max July, Colin Driver and Hugh Jague, an independent consultant. Follow-up interviews were conducted throughout 1994 and 1995 to establish progress with the project and various development initiatives. In May/June 1994, 1995 and 1996, major interviews, based on the standard schedule, were conducted with Forum leaders to clarify details, to determine progress and to identify changes in the projects focus and operation.

In November 1994 a small, random survey of 22 members of the black and 20 members of the white community was undertaken (a copy of the questionnaire and the summary results are contained in Appendix Five). The objective was not to provide a representative data-base, but rather, to verify and test claims made by the project leaders and to establish how effective the project was in benefiting the broader community. This exercise was undertaken with the assistance of two fieldworkers from Stutterheim and an attempt was made to get a representative range of opinions by speaking to individuals within each area.

From mid-1994, emphasis was placed on emerging periodic market structures in the district and farmer support programmes which became a focus of attention in the data collection. The final set of interviews were undertaken in June 1996. In these sessions the last set of evaluatory questions, as detailed in Chapter Three, were used as a basis for assessment of what had been achieved (raw data are contained in Appendix Three).

Results of the findings of the interviews, information gathered from reports, newspaper articles, PRA derived information such as field evidence, discussions with project participants and the

questionnaire are detailed in the general discussion below. The final assessment forms an independent section at the end of the chapter.

8.2) STUTTERHEIM - SITUATION AND BACKGROUND,

Stutterheim is situated in the approximate middle of the so-called 'Border Corridor' which separates the two former Homelands of Ciskei and Transkei (see Figure 6.1). The town lies in the foothills of the Amatola and Kologha mountains and is some 80 kilometres inland from the largest city in the region, namely East London.

Stutterheim is a service centre for the surrounding farm lands, several former 'black spots' (i.e. territorial enclaves occupied by African people within what was formally zoned as rural, 'white' South Africa) and extensive timber estates which cover the surrounding mountain ranges. In addition to the provision of tertiary sector services to the surrounding area and the town itself, the town's economy is also supported by three sawmills, timber related plants, a paint, chemicals and metal products factory and the Döhne agricultural research centre. The timber industry is clearly of great significance and has given the town greater industrial diversity which ordinarily would not be found in similar sized towns elsewhere in the country. The commercial agricultural economy, similar to that in many other parts of the country, appears to be in a phase of slow decline. Price instability in the wool industry has impacted negatively on the farming community and its consequent ability to utilize and support the town's services (Nel and Hill, 1994). Livestock farming predominates in most areas, with the growing of maize and, in irrigated areas, market gardening being secondary activities (Swart, pers. com., 1993).

8.2.1) Historical Background

The first definable settlement in the area took place in 1837

when the Berlin Missionary Society set up the Bethal mission station in the area. Shortly thereafter a small military establishment known as Döhne Post was established (Stutterheim Historical Society, 1984). The catalyst leading to the formal establishment of the town came in March 1857 when demobilised soldiers from the Third Regiment of the British German Legion were settled in the area under the command of General von Stutterheim. The village, which emerged in the vicinity of the pre-existing military post, was subsequently named after the general. The community was soon joined by Dutch and English settlers and by May 1879 had grown large enough to be declared a municipality (Stutterheim Historical Society, 1984; Bulpin, 1992).

8.2.2) Stutterheim - Population , Economy and Economic Linkages

8.2.2.1) Racial Segregation and Population:

As is typical in all South African towns, racial segregation was firmly impressed on the townscape. In addition to the 'white' town, there is one area of 'coloured' residence and four of African occupancy. These are the areas of Van Rensburg, Kubusie, Mlungisi, Cenyu and Cenyu lands respectively (see Figure 8.1). The municipal area is somewhat unique in that Cenyu lands and Kubusie are areas of African freehold farms and are not defined townships. Both of these areas were granted to the ancestors of the present occupants by Queen Victoria in recognition of the support which they had afforded Britain in her military campaigns in the 1850s (Brink, 1990).

The current population of the municipal area is calculated to be 31 000, according to following racial and areal breakdown:

- Stutterheim town (predominantly white)	- 3 500
- Van Rensburg ('Coloured')	- 1 000
- Mlungisi (African)	- 9 500
- Cenyu "	- 3 000
- Cenyu Lands "	- 6 500
- Kubusie "	- 7 500
Total :	31 000

(Ove Arup, 1993)

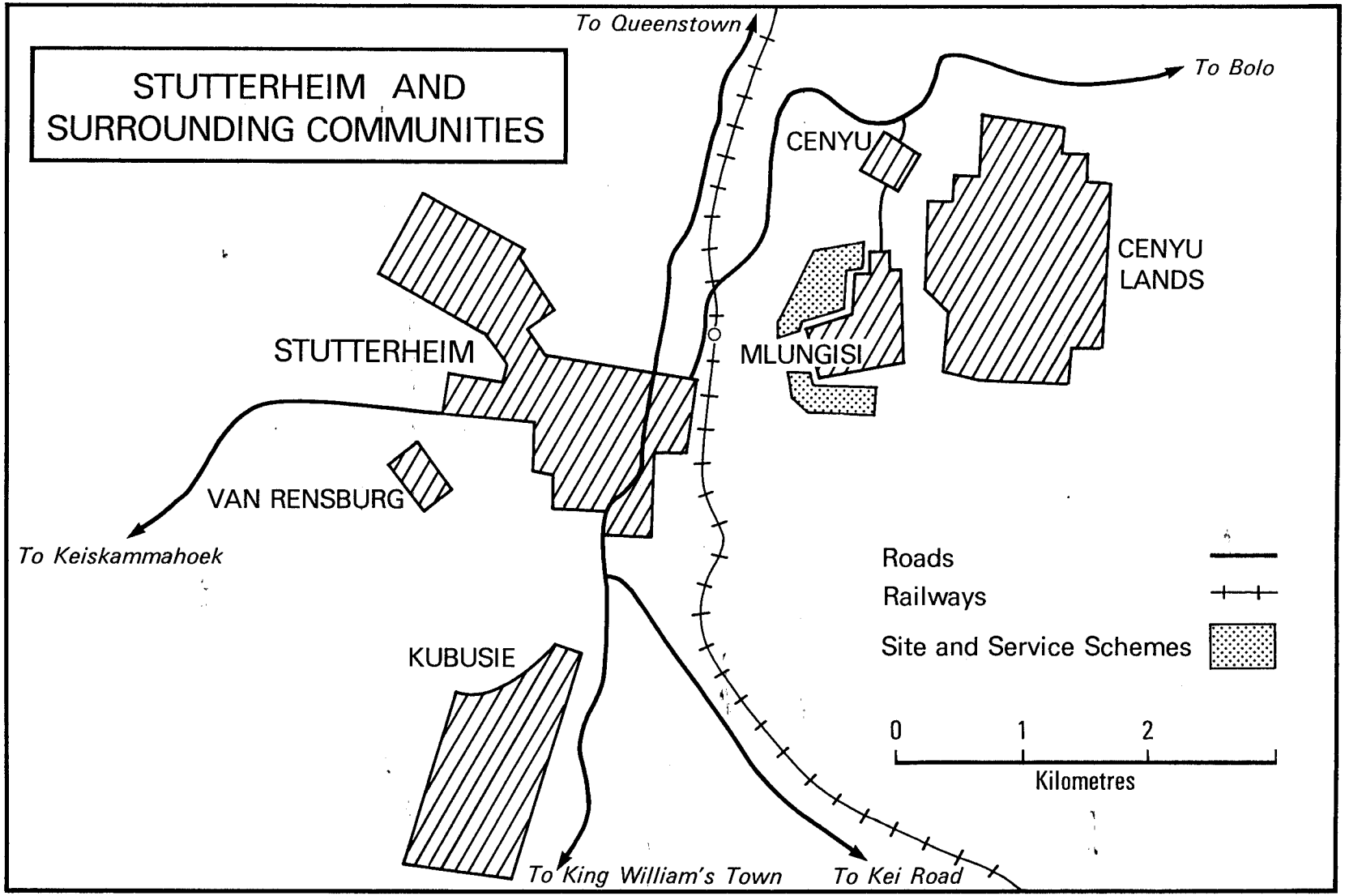


FIGURE 8.1) Stutterheim

Source: Chief Director of Surveys, 1979, 3227 CB; Stutterheim Development Foundation, 1993.

In the apartheid era, the unfulfilled intention of the state to remove all of Stutterheim's African population to Ciskei led to the serious neglect of the African areas. The failure to provide sufficient services and houses has caused seriously impaired living conditions in such areas.

8.2.2.2) Economy , Employment and Economic Linkages:

In addition to the residential component of the urban area, there are well developed tertiary and secondary sector activities. At present there are more than 28 shops and 22 business operating in Stutterheim. There are also four agricultural co-operatives, three hotels, seven garages/car repair facilities and four engineering firms.

In terms of secondary sector activities, there is a small industries park, a quarry, a dairy, a bakery, a chicken hatchery, two abattoirs, a paint/chemicals factory and no less than seven sawmills or timber products firms. The ready availability of timber in the region clearly has had a direct spin-off in the generation of employment opportunities in furniture, poles, sawmills and other timber product industries (Site survey, 1993). Employment is also derived from the presence of several government and local government departments in the town. The most important being schools, forestry, agriculture, the provincial administration, the regional services council and the municipality.

Despite the wide range of activities which exist in the town, it has been estimated that there is still 60-70% unemployment in the town's formal sector economy (Collett, pers. com., 1993; Magwangqana, pers. com., 1993). As in other towns, the informal sector operates as a survival strategy for many. The unemployment situation in the town was aggravated by the closure of the town's two wool-washes during the 1980s. The declining volume of wool produced in the area and market rationalization witnessed the centralization and consolidation of the industry in the Port Elizabeth area. The closure of the woolwashes cost many jobs and

further reflects on the declining significance of the link between the town and the area's commercial farming sector. It would appear that the town is, increasingly, serving the needs of its own population and that the significance of links with the surrounding rural areas are diminishing. With the exception of the agricultural co-operatives, it is estimated that only about 30% of sales and business in the town are derived from residents of the surrounding rural areas. Of that 30% the majority is from African farm workers or residents of the various 'black spots' in the area. The erosion of the buying power of the 'white' commercial farming sector has been a discernable trend over the last ten years (Collett, pers. com., 1993).

In terms of the area's produce, agricultural goods are sold either locally or at the East London market and Port Elizabeth woolwashes. The timber products, after processing in the town, have a wide variety of destinations within the country, although many products, such as poles are destined for regional use. The sales of the Boardmann factory i.e. paints and chemicals are also distributed nationally (Boardmann, pers. com., 1993).

8.3) THE STUTTERHEIM INITIATIVE - A DESCRIPTION

8.3.1) Introduction

In parallel with steps to foster reconciliation and political transformation at the national level in South Africa in the early 1990s, similar processes were initiated at the local level in Stutterheim. This was well in advance of most other towns in the country. Under the aegis of the Stutterheim Forum (detailed below) community reconciliation has been achieved to a large degree and developmental efforts to promote employment and growth in the town have been launched (Tandy, 1993; Nel, 1994a). The focus of this initiative has been apolitical and based on the endeavours of civic and municipal representatives rather than on that of dominant political parties (Ferreira, pers. com., 1993; Jague, pers. com., 1993). In this section, background details

to the initiative in Stutterheim are provided, the structure of the Stutterheim Forum is described and the various LED projects which have been undertaken are outlined.

8.3.2) Why the Stutterheim Initiative was Launched

The roots of the Stutterheim initiative would appear to lie in multiple causal factors. The most immediate and pressing one being the endemic political violence and tension which characterised the town in the 1980s (Magwangqana, pers. com., 1996). Clashes between the black communities and the police, riots, strike action, a consumer boycott and business closures marked the last years of the 1980s and the first months of 1990 (Grahamstown Rural Committee, 1990; July, pers. com., 1994). It was out of this negative environment that the Stutterheim Forum developed from what for all intents and purposes was the figurative ruin of the town. It would seem that the suffering and economic hardship had become so intense in all communities, both black and white, that both sides realised that the situation had to be defused or the town's entire future was in jeopardy (Tandy, 1993; Nel, 1994a). Although the reduction of state regional development expenditure did not affect the town directly, it appears to have worsened the general economy of the region and indirectly helped to catalyse change within the town (Magwangqana, pers. com., 1993).

Local residents acknowledge that the credit for the resolution of the conflict must be given to the numerous charismatic community leaders who live in the town (Collett, pers. com., 1993; Driver, pers. com., 1993; Small business operators, pers. com., 1993). The leaders' ability to look beyond short-term conflict and realise the futility of what was happening and how it was causing permanent harm the town ensured that a turning point was reached in 1990. Local leaders such as the then local ANC Chairman, Chris Magwangqana and then Mayor Nico Ferreira drew their respective communities from a position of conflict to one conducive for the resolution of difficulties (Erasmus, pers. com., 1996). According to Chris Magwangqana, the "politics of

talking were bogging us down" and the decision was taken to move from the "politics of protest to the politics of challenge" (Finance Week, 19 August 1993, 16). The ending of the consumer boycott, the easing of tensions and attempts to address some of the most pressing grievances of the black community all witnessed the dawning of a new phase of peace, reconciliation and hope (Ferreira, pers. com., 1993). The community leaders formed what has come to be known as the 'Stutterheim Forum', as a non-statutory forum consisting of two representatives of each of the six communities in the town (rural communities later joined the Forum) (Stutterheim Development Foundation, 1993). The high level of support accorded by the local municipality has been critical to the Forum's success. Representatives to the Forum were and still are elected by the community (Ferreira, pers. com., 1996). The municipality's acknowledgement, at that time, that the white community constituted only a small part of the urban population and its preparedness to assist the Forum despite having only two representatives out of the initial 12 clearly lent the Forum practical support and credibility (Ferreira, pers. com., 1996).

According to local leaders, another key success factor relates to the timing of the initiative (Magwangqana, pers. com., 1993; July, pers. com., 1994). The initiative got under way before recently unbanned political parties could exercise controls over the participation of local party members in 'one-city' negotiating fora. Related to this is the fact that no political party participates in the Forum. The 12 members represent the five civic organizations and the municipality and party political interests are not involved, nor do they appear to be regarded as of any relevance to developmental initiatives in the town (Stutterheim Development Foundation, 1993). The local sentiment is that the Forum members were able to pursue true development objectives leaving their colleagues in other towns way behind because of the reluctance of certain political parties to allow participation in local initiatives in the early 1990s (Small business operators, pers. com., 1993; Magwangqana, pers. com., 1994). It is interesting to note that the Forum acknowledged its

inability to bring about a single (racially integrated) municipality in 1990 and decided that community co-operation to achieve an improved urban environment should be the focus instead (Ferreira, pers. com., 1993). They were clearly prepared to get on with other business while waiting for facilitating mechanisms to be introduced at national level to permit the institution of one-municipality initiatives (Nel, 1994a).

In summary, key success factors would therefore appear to be the severe economic and social crisis which became so serious that immediate action was an urgent necessity. The presence of visionary leaders, the active support of the municipality and the focus on developmental as opposed to political issues all contributed.

8.3.3) Operationalizing the Forum's Ideals

The resolution of differences and the desire for a common vision was only the first step in launching a development initiative. As interviews conducted during transect walks in the field verify, the point about the presence of leaders in the community is clearly a significant one which cannot be ignored in assessing what has happened and in trying to gauge what other towns could achieve (Small business operators, pers. com., 1993; Wartburg farmers, pers. com., 1994). Political/civic leaders such as Chris Magwangqana and Max July were able to look beyond the immediate crisis to a new future. In addition, the Forum was in the unique position of having as the then Mayor, Nico Ferreira, a man skilled in small business operation who simultaneously held the post of Barlow Rand's Small Business Advisor (Erasmus, pers. com., 1993).

While the initiative sprang directly from the local community, external help played a significant and possibly indispensable role in formalizing and operationalizing the process (Ferreira, pers. com., 1995). Credit for the identification of developmental strategies and objectives is given to the Development Bank of Southern Africa and the consultant whom they appointed to oversee

the initiation of the process, namely Prof. David Dewar. The active participation and guidance of these experts enabled the community to identify its strengths, its weaknesses and the ideal courses of action to follow. Prof. Dewar assisted in drawing up of an 'Urban Development Plan' and a 'Strategic Framework' for the town (Ferreira, pers. com., 1994). With this initial support, the Forum was transformed from a loosely united group of people with a common vision into a well structured, operating organization which has been able to mobilize externally funds and co-ordinate developmental projects (Dewar, 1992; Ferreira, pers. com., 1993).

In terms of the identification of the Forum's objectives, there has been a distinct reliance on the identified needs of the respective constituent communities of the Forum. This process was verified through PRA-type field interviews with both community members (Kubusie residents, pers. com., 1994; Wartburg farmers, pers. com., 1994) and project leaders (Ferreira, pers. com., 1993, 1994; July, pers. com., 1994). The identification of the need for accommodation sites, schools, community halls and a clinic in the various communities laid the initial basis for the Forum's projects. The result has been the actualization of concrete results which the communities perceive as essential and resultantly have enhanced the level of commitment which they have to the development process (Kubusie residents, pers. com., 1994; Wartburg farmers, pers. com., 1994). Links with the community remain critical to the process and there were, until recently, an average of two community feed-back sessions per week in which the communities were able to express their sentiments and learn of recent developments in the Forum (Magwangqana, pers. com., 1993; Ferreira, pers. com., 1996).

8.3.4) The Initial Structure of the Stutterheim Forum, 1991-1995

Representatives of the six Stutterheim communities and the four rural communities from the Greater Stutterheim area (Wartburg, Mgwali, Heckel and Isedenge)(see Figure 8.2) which joined the Forum in 1993, meet as the Forum (Stutterheim Development

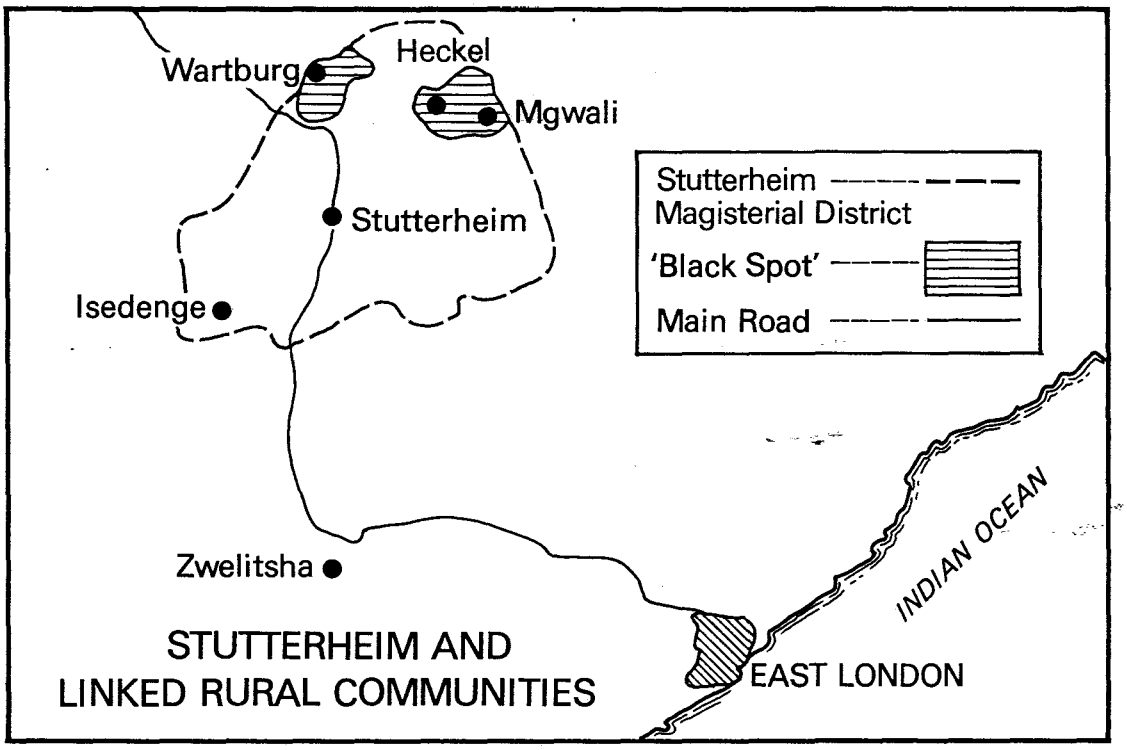


FIGURE 8.2) The Greater Stutterheim Area

Source:- Chief Director of Surveys, 1979, 3227 BC, 3227 CB, 1983, 3227 AD; Stutterheim Development Foundation, 1993.

Foundation, 1994). The inclusion of communities from beyond the municipal boundary is an interesting development and was deliberately done to formalise rural-urban linkages and to strengthen pre-existing economic ties (Magwangqana, pers. com., 1994).

The Forum had, until 1995, nine sub-committees (Stutterheim Development Foundation, 1994; July, pers. com., 1995) as detailed in the list below:

- Constitutional committee,
- Planning Committee,
- Works Committee,
- Economic Committee which oversaw the work of:
  - the Stutterheim Business Information Centre and the Marketing Association,
- Education Committee,
- Health Committee,
- Agricultural Committee,
- Recreation Committee,
- Tourism Committee.

A management committee consisting of the chairmen of each committee oversees the work of the Forum. In order to administer the various funding projects, the Stutterheim Development Foundation was set up as a section 21 company in 1992 (Stutterheim Development Foundation, 1993).

8.3.5) The Achievements of the Stutterheim Forum

It is apparent that certain of the nine aforementioned sub-committees have been more active than others and differing degrees of success been attained in the implementation of projects and the securing of funding (Ferreira, pers. com., 1995). The greatest success would appear to have been achieved by the following committees:

- Works
- Economic
- Agricultural and
- Education

All told 33 projects were initiated in the town in the period from 1990 to 1995, adding up to a total value of R 17 million (this excludes local and regional government expenditure in the town on related activities in the corresponding period) (Ferreira,

pers. com., 1995). The following sections outline some of the key programmes which have been launched. It should be noted that, in all instances, communities were directly consulted over development needs and applied strategies and have had a direct say and control over the expenditure of finance and the administration of projects (Noxeke, pers. com., 1993). In addition, wherever possible, all work has been done using local people who receive training before working in labour-intensive projects (Scott, pers. com., 1993). As a result, skills-empowerment forms a key component of the programmes as do attempts to assist entrepreneurial activities.

8.3.5.1) The Works Committee

The largest project which the Forum has embarked upon was that of providing 900 surveyed and serviced sites in Mlungisi township. A grant of R 6,7 million was secured from the Independent Development Trust (IDT) for the project (Driver, pers. com., 1993). This appears to have made a substantial contribution to the relieving of the pressing accommodation shortage in the area. Of significance is the fact that it was decided not to employ large contracting concerns and capital-intensive strategies. Instead, the project was undertaken through the use of community contractors (Magwangqana, pers. com., 1993). Ten individuals with skills from the recipient community were awarded tenders to undertake the work. Following training at the East Cape Training Centre in Port Elizabeth, they hired a total of 150 labourers and proceeded with the project using labour-intensive methods (Scott, pers. com., 1993). In addition to the immediate income which members of the recipient community derived, skills which were learnt can provide for future opportunities. It has been estimated that of the total sum of money granted, 60% was retained in the local community instead of flowing into the pockets of building concerns in the cities (Scott, pers. com., 1993).

The second largest project undertaken by the works committee was that of constructing a 22 room school at Kubusie, also through

the use of local contractors and local labourers. This project was also funded by the IDT and cost R 2,2 million (July, pers. com., 1993).

8.3.5.2) Economic Committee (and Rural Linkages)

This active committee had several key foci. The first was that of the Stutterheim Business Information Centre (now renamed the Business Advice Centre). Since 1992 the Centre has employed two staff members who offer advice and assistance to local entrepreneurs and help them to establish and/or expand their businesses. Between five-ten prospective entrepreneurs make use of the Centre every week (Callaghan, pers. com., 1993; Nomfuneko, pers. com., 1995). The Centre also offers numerous certified training courses in technical and business skills. Many prospective entrepreneurs have benefitted from the knowledge which has been imparted (Nomfuneko, pers. com., 1995).

While the Business Information Centre does not provide any financial resources, the Kei Development Trust works in conjunction with the Stutterheim Foundation to provide micro-loans to prospective small businessmen who would have no other logical source of finance. The trust is a funding/loan awarding agency based in Stutterheim which was granted R 150 000 by Barlow Rand, Mobil, Standard Bank and Swiss organizations (Ferreira, pers. com. 1993). To date some 150 individuals have been granted loans of approximately R 300 to enable them to purchase initial stock or equipment to operate as a hawker (Ferreira, pers. com., 1995).

Partial assistance and advise and/or the facilitation of Small Business Development Corporation loans have been rendered to various small manufacturers. Brick-making has become well established with some 30 people being employed by black entrepreneurs in this field. Site interviews (Small business interviews, pers. com., 1993) in the town established that various other small manufacturers, making items such as wood products, hats and steel toilet frames have received support.

Most firms are located in the Stutterheim Industrial Park, which consists of a cluster of converted buildings which once housed a sawmill (Ferreira, pers. com., 1993, 1994).

A more recent focus of the Economic Committee was that of periodic markets in the greater Stutterheim district (Noxeke, pers. com., 1994). These parallel government proposals for such activities in rural areas throughout the country (RSA, 1995c). The operating principle is that the markets operate at different locations on a set rotation according to when state pensions are paid. It is envisaged that local producers will sell their goods at the market and that retailers and hawkers will come to the market to buy the produce and sell their wares (Noxeke, pers. com., 1994). The project was proposed by the IDT who have also funded its operation and the salary of the Foundation's market co-ordinator. Although four or so markets are proposed in the district only two are operational at present. These are at the communities of Wartburg and Mgwali (July, pers. com., 1995). The market is held on the pension pay-out day of every month at the market centre and attracts some 3 000 people (Site visits, Wartburg, 1994; Mgwali, 1995). At Wartburg the centre consists of a fenced-off area which incorporates a covered structure (the market building), a workshop which includes a small grain mill (which the DBSA funded) and accommodation for a proposed women's sewing co-operative and lastly a third building which functions as a community hall. At Mgwali, the market consists of a series of covered structures and workshop facilities (Fox and Nel, 1995). The markets have become key community foci and entertainment programmes have been organized to enhance the sense of community unity and community building. The Stutterheim Forum clearly wants to strengthen its rural links and Forum leaders claim that they see the rural areas and farming as one of the most logical sources for sustainable development in Stutterheim (Ferreira, pers. com., 1995; July, pers. com., 1995).

Related to the promotion of the periodic markets has been the increasing involvement of the Forum with the 'black-spot'

communities in the Stutterheim district (Magwangqana, pers. com., 1994). The civic movement in particular, views these areas as constituent parts of Stutterheim and therefore must be involved within the broader process. The securing of funds from the IDT for the periodic market project and the rural communities has seen the selective identification by communities of specific developmental objectives which variously include the fencing of farm lands, the construction of a community hall and a crèche amongst others (Ferreira, pers. com., 1993; July, pers. com., 1993; Noxeke, pers. com., 1993).

8.3.5.3) Agricultural Committee

Closely related to the rural outreach programme described under the preceding section was the launching of an active programme to assist small-scale African farmers in the 'black spots' (Noxeke, pers. com., 1993). As part of the objective to bring about rural development which can provide income for rural areas, provide produce for markets and strengthen the town's ability to process produce from its own hinterland, the Forum established links with farmers in the Wartburg (23 farmers), Heckel (one) and Mgwali (five) areas in 1993 (Noxeke, pers. com. 1993). The Forum also succeeded in securing financial assistance from the Agricultural Credit Board in Pretoria for two years. In 1993 the first direct assistance was undertaken with the hiring of tractors to plough the lands and the ordering of fertilisers (Ferreira, pers. com., 1994). Transect walks in the field and interviews with farmers (Wartburg farmers, pers. com., 1994; 1996) indicate that the first year's crop was a successful one but, unfortunately, adverse climatic factors in 1994 and 1995 prevented a repeat of that initial success. Despite this, in the eyes of the Forum, after decades of stagnation and retarded development, the securing of finance and the resuscitation of the small-scale African farming sector from 1993 marks an important advance in the region (Noxeke, pers. com., 1994; Ferreira, pers. com., 1995).

8.3.5.4) Education Committee

Given the high levels of unemployment in the area, poor literacy and a shortage of pre-school facilities, the Forum targeted education as a priority from early in it's history (Magwangqana, pers. com., 1993). Site interviews with teachers established that seven home-based day-care centres have been established accommodating some 140 children and employing 16 women (Mulungisi teachers, pers. com., 1994). In several cases single roomed pre-schools have been built by the Forum's building teams. A pre-school feeding scheme is co-ordinated by the Education Committee which feeds 260 children (July, pers. com., 1995). The active upliftment of English instruction in schools has been initiated in some 40 school classes and 1 000 pupils in local schools participating in what is known as the Molteno Project. The European Community has also funded an additional classroom at the Kologha farm school (July, pers. com., 1993, 1994, 1995; Stutterheim Development Foundation, 1993, 1994). In conjunction with the Stutterheim Business Information Centre, courses have been offered in carpentry, leatherwork, building, sewing and brick-making (Nomfuneko, pers. com., 1995).

8.3.5.5) Other Noteworthy Achievements

Other achievements include the recent formation of the community's first 'Credit Union'. Another interesting trend has been the offering of the 'Community Development Course' to delegates from other towns such that they can learn from the town's experience and establish the key ingredients necessary for successful development in their own communities (Ferreira, pers. com. 1993, 1994; Magwangqana, pers. com., 1993, 1994).

8.3.6) The Role of External Funding

Critical to any success which has been achieved has been the securement of external support and funding. In addition to the advisory role rendered by the aforementioned organizations and individuals, the obtaining of significant amounts of external funding clearly has been of significance (Ferreira, pers. com., 1994). The chief funders of the Stutterheim initiative have

included:

- The Independent Development Trust,
- The Barlow Rand Foundation,
- The German Consulate,
- US Aid,
- Anglovaal,
- Liberty Life,
- Shell,
- Caltex,
- The European Community.

(in no particular order of precedence)
(Stutterheim Development Foundation, 1993, 1994, 1995)

It is important to note that all the funds received have been in the form of grants and no loans have been raised. To avoid continued dependence, the Forum is seeking ways in which to become self-sufficient. This is to be done through the promotion of the area's employment base, primarily in the fields of agriculture, the processing of raw materials and support for retailing and education (Ferreira, pers. com., 1994, 1995).

8.4) RECENT POLICY ADAPTATIONS, 1995

In the six years since the establishment of the Forum in Stutterheim, various internal and external forces have shaped the evolving form and nature of the Forum. One of the most important changes has been the degree to which national political change has caught up with the reconciliation initiatives in the town (July, pers. com., 1995). The unification of once racially separate local authorities within single urban areas through the initiation of Transitional Local Councils (TLCs) has at one level, in the case of Stutterheim, served to legitimise what had already happened in the town (Ferreira, pers. com., 1995). At another level, because of the overlap between local government councillors and the Forum members, the question of which body takes precedence has naturally been raised (Ferreira, pers. com., 1995). The situation was complicated when the chairman of the Development Foundation was appointed TLC chairman. One of the dilemmas faced has been that Forum members are used to managing a successful development organization which has made tangible

progress in the area of improving conditions in Stutterheim (July, pers. com., 1995). The Council, by contrast, lacks the power to enact development which Forum members are used to implementing and, as is the case in most small towns, the Council has only limited financial resources (Ferreira, pers. com., 1996).

An additional dilemma created by the launching of the TLC has been the question of the future of the Forum and the Foundation, particularly in the light of the obvious overlap between the representation and functions of the Forum and the TLC (Ferreira, pers. com., 1995). The way in which this issue has been resolved stems from the realisation that the TLC lacks the legal ability to implement a true development agenda. As such, the current objective is to retain the Foundation as the unofficial development arm of the TLC, which has powers to raise and utilize funds which are not generally available to TLCs (Ferreira, pers. com., 1996). The role of the Forum as a meeting place of the community appears to have largely been suspended. The TLC has also been granted full representation on the Forum to ensure a close overlap of interests and objectives. The view held by Forum leaders (Ferreira, pers, com., 1995, 1996; July, pers. com., 1995) is that although this represents a major alteration in terms of where the citizens of Stutterheim are able to find representation, the TLC can only gain from the practical skills and the basis for inter-racial co-operation which the Forum has provided. On the development side, in their opinion, retaining the Foundation with its established and successful LED programmes bodes well for future endeavours in the town.

Another change experienced by the Forum has been the need to seek sustainable development endeavours and not to rely exclusively on the receipt of large grants from outside of the town (Ferreira, pers. com., 1995). In pursuit of this objective, ways to strengthen rural-urban linkages and the ability of the town to process and add value to locally available raw materials are being sought. Current projects include a weaving co-operative

using locally available wool, the farmer support programmes and the potential spin-offs of the periodic markets (July, pers. com., 1995). Other programmes which are being investigated include that of manufacturing charcoal from locally available wattle, tanning of animal hides and the processing of locally available timber (Ferreira, pers. com., 1995).

The above considerations, the reality of years of peace and financial constraints have led to a rationalization of the Forum structure. Instead of having nine defined committees and various sub-committees, the Forum has been streamlined down to four committees which reflect an essentially developmental focus. The four focal committees are:

- Human Resource Development,
- Works,
- the Marketing, and
- the Business Information Centre
  (Ferreira, pers. com., 1995; July, pers. com., 1995).

The rationalisation of operations and the application to the government for status as a 'Local Business Service Centre' reflects a gradual move away from a broad-based community organization to a streamlined entrepreneurial support endeavour (Ferreira, pers. com., 1996).

8.5) ATTITUDE OF THE BROADER COMMUNITY TO THE INITIATIVE

From interviews it is apparent that all the key role players and political leaders in the town support the process which has been initiated (Erasmus, pers. com., 1993; Magwangqana, pers. com., 1993, 1994). From a political point of view the local ANC branch appears to enjoy overwhelming support in the region and is clearly supportive of the process. The deep involvement of the civics in the process lends credibility to the initiative (July, pers. com., 1993). Amongst certain members of the business community however, there appears to be some scepticism and opposition to the 'demand syndrome' which the African community is perceived as having (Collett, pers. com., 1993). This

opposition appears to be of too limited a nature to seriously impede the initiative.

In 1994 a small survey of the perceptions of white and black residents of Stutterheim and the black residents in the associated community of Wartburg regarding the Forum was undertaken. The survey questions and raw data collected is in Appendix Five. Quite clearly, although the black community appear to be less aware of the full extent and nature of the Forum (11 out of 20) than the white community is (17 out of 20), black residents appear to be more involved on an individual basis. Whites do not appear to have the same level of commitment and could not critique the Forum and its operations. Of the 11 black respondents who critiqued the initiative, it was felt that the community involvement which had been encouraged was the major gain of the endeavour (six out of 11). On the negative side there is a feeling that more houses and jobs need to be provided (four out of 11).

A similar survey (1994) was undertaken amongst ten rural residents in the Wartburg 'black spot' communities which also belongs to the Forum. Despite only one year's membership of the Forum at that time, all the respondents in Wartburg were well aware of its strengths and weaknesses of the Forum and seemed committed to the concept. Six out of the ten respondents felt that the forum was making a positive contribution in the community and eight could not identify any negative aspects. Shortage of funds was the only difficulty identified (by two respondents).

It is apparent that even though the initiative has not involved all of the approximately 45 000 residents of the town and its hinterland, it has still made a positive impact and is generally supported by the broader community. This is borne out by interviews with the broader community (Small business operators, pers. com., 1993; Kubusie residents, pers. com., 1994; Wartburg farmers, pers. com., 1994).

8.6) ASSESSMENT

In this section the results of the final, standardised assessment in Stutterheim are presented. The relatively long period of time for which the Forum has been operating made for a comprehensive and detailed listing of major findings. The results are discussed in broad categories approximating the headings used in the assessment schedule (section 3.5.2). Information presented was based on interviews with Ferreira (pers. com., 1996) and July (pers. com., 1996) and was also informed by earlier research findings, which are sourced, where relevant, in the following sections.

8.6.1) Economic

The Stutterheim initiative has been remarkable in the degree to which it has raised significant amounts of external funds. Approximately R 17 million has been secured in form of grants, with a further R 7 million promised for a state housing programme in which the Forum is participating (Stutterheim Development Foundation, 1995). The only significant local financial input has been through the activities of the local authority and its assistance in service provision (Erasmus, pers. com., 1993). Questions about the economic sustainability of the endeavour are natural. It appears that approximately 70 entrepreneurs and 24 small farmers, who had received assistance, have reached or are reaching self-sufficiency and generating economic returns on investments made. The advice rendered by the Foundation's Business Information Centre has clearly assisted with new, small business development. At a more general level, private businesses have expanded operations in the town and turnover has been revived after the 1989/1990 boycott. This appears to have come about through the sense of optimism and peace which prevails in the town. A new furniture factory has set up operations and a charcoal plant is planned (Ferreira, pers. com., 1996).

8.6.2) Employment and Training

Although a large number of people have participated in the

initiative, the majority of jobs created have been of a short-term and non-sustainable nature. Three hundred short-term positions were created in the site-and-service scheme, while 94 permanent or near-permanent jobs have been created in small-businesses or small-scale farming. The main small business activities are weaving, spinning, crafts, metal work and brick-making. All beneficiaries have received training in various occupations and business management through the Foundation. They have been able to take control over their own enterprises and derive tangible financial gains. Although unemployment stands at 70% in the town, the project is making a small but defined impress on the overall situation (Stutterheim Development Foundation, 1995; Ferreira, pers. com., 1996).

In terms of training opportunities, the broader community has open access to the business support and advice of the Foundation. Positive improvements have been made to the overall quality of English language proficiency in the town through the Molteno programme (July, pers. com., 1996).

8.6.3) Empowerment and Quality of Life

The project appears to have initially encouraged a very high degree of community involvement and ownership with hundreds of people participating in meetings and feedback sessions. As time has elapsed and particularly after the 1995, local government elections, support has waned and the Forum meets less frequently. In general terms however, the project has encouraged a local sense of ownership, albeit primarily for the main participants. The Forum operates on the principle of electing its leaders and this retains the sense of community control over the project (Magwangqana, pers. com., 1994; Ferreira, pers. com., 1996).

Important gains include the easing of racial tension, the facilitation of inter-racial contact, the general sense of peace and reconciliation which prevails and the greater confidence with which traditionally disempowered people are willing to seek advice and support. The initiative has promoted a sense of

'belonging' in the community and helped to make the town a desirable place in which to live, particularly for wealthier black people. One negative factor has been the recent increase in inter-black friction over positions of political control following the local government election (Ferreira, pers. com., 1996).

8.6.4) Services, Infrastructure and Resource Utilization

Significant improvements in overall conditions in the townships have resulted from the initiative and the external intervention which it has facilitated. Electricity, water supply, lighting and paving have improved conditions in the township. Projects embarked on have been identified by communities, they are directly involved in project implementation and in so doing this has ensured a greater sense of ownership of the products (July, pers. com., 1996).

Through the direct involvement of the Forum, nearly 1 000 site-and-service stands were provided and R 7 million for future housing has been secured. Community halls have been built in various areas, as have a school and extensions to another. Motivations to the government have accelerated the provision of a further school and clinic. Rural lands have been brought into production and old factory premises have been made available to small businesses (July, pers. com., 1995; Ferreira, pers. com., 1996).

Rural-urban linkages have been enhanced and strenuous efforts to improve the utilization of and value-adding to local raw materials and agricultural produce have been initiated. Support for small farmers and periodic markets is an attempt to enhance rural incomes and rural-urban interaction.

8.6.5) Internal Assessment

The internal assessment of the project by its leaders (Ferreira, pers. com., 1996; July, pers. com., 1996) is that it has been successful. A range of opportunities have been provided for

disadvantaged groups and the overall quality of life in the poorer areas has been improved. Tension in the town has been reduced and community-wide goals have been pursued. The initiative is seen as being a new growth track and not merely a survival strategy. The fact that 81 other towns have sought the advice of the town is indicative of its relative success.

Although government is seen as having a role to play, it suffers from being too politicised and, as a result, the continued role of NGOs in supporting LED initiatives is seen as critical. The major disadvantage which was identified was the degree of recent political infighting which exists within the black community.

8.7) DISCUSSION AND CONCLUSION

The experience of the small town that "saved itself" (Daily Dispatch, 22 March 1993) provides clear instruction and insight into the processes and problems associated with development and political change in the small towns of South Africa. The following assertion by Lipp (in Palframan, 1992, 3), a director of the Barlow Rand corporation, though overly optimistic about the experience of Stutterheim, is worthy of consideration: "This initiative can serve as a beacon of rural development in South Africa. It is highly replicable and is a credit to the spirit of the people of the Stutterheim district". There have been tangible gains in the town and even if the sustainability of the project can be questioned, there is clear community co-operation and viable long-term, innovative strategies have been implemented. There are lessons for other towns in the experience. The result, according to Palframan (1992, 5), is that the town "that was once the epitome of everything wrong in South Africa ... has developed into a model of everything that can go right when people are committed to building a life and a future together". Stutterheim's experience can be instructive for other centres. The applied strategies pursued and the successes and failings thereof can inspire and influence incipient LED endeavours

elsewhere.

Despite the optimistic words above, the town cannot be model of LED. The experience of LED in Stutterheim has not laid the basis for broad-based sustainable development in the area. It does, however, show that under certain circumstances, particularly where the right blend of resources and capacity exists, that communities can identify and initiate LED.

One of the key features of the Stutterheim initiative is the fact that because the Forum launched the first true LED strategy in contemporary South Africa, it was able to access a significant amount of national and international grants in the absence of many other logical community based project for donors to invest their money in. In any development initiative, the passage of time can have a profound impact on any endeavour. In the case of Stutterheim this has led to a rationalization and a stream-lining of the development process. At another level, initially high levels of available funding appear to be drying up which is placing severe constraints on the project and its credibility at the local level. Some of the difficulties experienced in the town have been its reliance on externally sourced grants and the impermanent nature of many of the jobs created. On the positive side, local leaders admit to the seriousness of such a situation and are now actively seeking and supporting endeavours to promote local self-sufficiency, sustainable growth and entrepreneurial endeavours. A key element in current initiatives are attempts to develop sustainable rural-urban linkages between the town and its hinterland, given the mutual interdependence between the two areas. Projects which have been developed focus on the promotion of small scale farming, agro-industry and periodic markets in an endeavour to promote sustainable economic development in both the urban and the rural areas.

The Forum clearly has achieved significant results in the local situation. An era of peace and reconciliation has been inaugurated and a practical development agenda has helped to

address the needs of the poorest community members through training and job creation projects. The Foundation operates in a business-like fashion and has successfully drawn in external support and advice. It is apparent that external advice from consultation was critical in the initial stages of the Forum's activities. Other key findings are the importance of talented local leadership, the need to search for broad consensus in activities and to build on local comparative advantages.

What has been achieved in Stutterheim has occurred precisely because local actors are the only people who can identify what their specific community requires and can best articulate its resolution. Naturally there is a role for external financing, advice and involvement. Communities will often only benefit when local level actors pursue locally specific solutions and do not wait for the formulation of what will be complex and top-heavy national policies. Such policies are unlikely to work effectively, precisely because of the sheer physical size and diversity of the country and the normal failure of 'top-down', imposed development. Dewar (1994) has asserted that if development initiatives in small towns are to succeed, they need to be self-generated and draw on community initiatives, local skills and objectives.

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CHAPTER NINE

EXTERNAL FACILITATION AND SUPPORT OF A LOCALLY INITIATED LOCAL ECONOMIC DEVELOPMENT STRATEGY: THE CASE OF SEYMOUR

9.1) INTRODUCTION

The town of Seymour is the second community based LED project to be examined. Its LED initiative shares much in common with the experience of Hertzog (see Chapter Ten). Both centres lie within the Mpofu district of the former Ciskei (see Figure 9.1) and both experienced similar histories of dispossession and retarded development under apartheid and Ciskeian administration. Significantly, both centres have locally driven and initiated LED processes and they are seeking to foster rural-urban linkages to support agriculture, small business and agro-industrial development. Seymour is also one of the five 'best-case' examples of LED in the country as identified by the National Business Initiative (1995).

Seymour provides a significant case-study of LED in South Africa. This is because, although it shares with Stutterheim and Hertzog the legacy of a community initiated and controlled development process, unlike the other two areas, the town lacked the resources and skills to implement LED endeavours on its own accord in 1992. Recognising their own weaknesses the community forum requested the support of Corplan, an independent NGO, which assisted with the development of a defined LED plan, the raising of funds and the implementation of a clear LED strategy. The actual and potential role of NGOs in South Africa has been discussed in Chapter Seven. The scenario of local resolve to improve conditions yet being hindered by inherent incapacities and requiring external facilitation, is the likely scenario which will transpire in many communities in South Africa. In the light of a legacy of disempowerment, the positive support and assistance, as opposed to domination, by a sympathetic NGO might

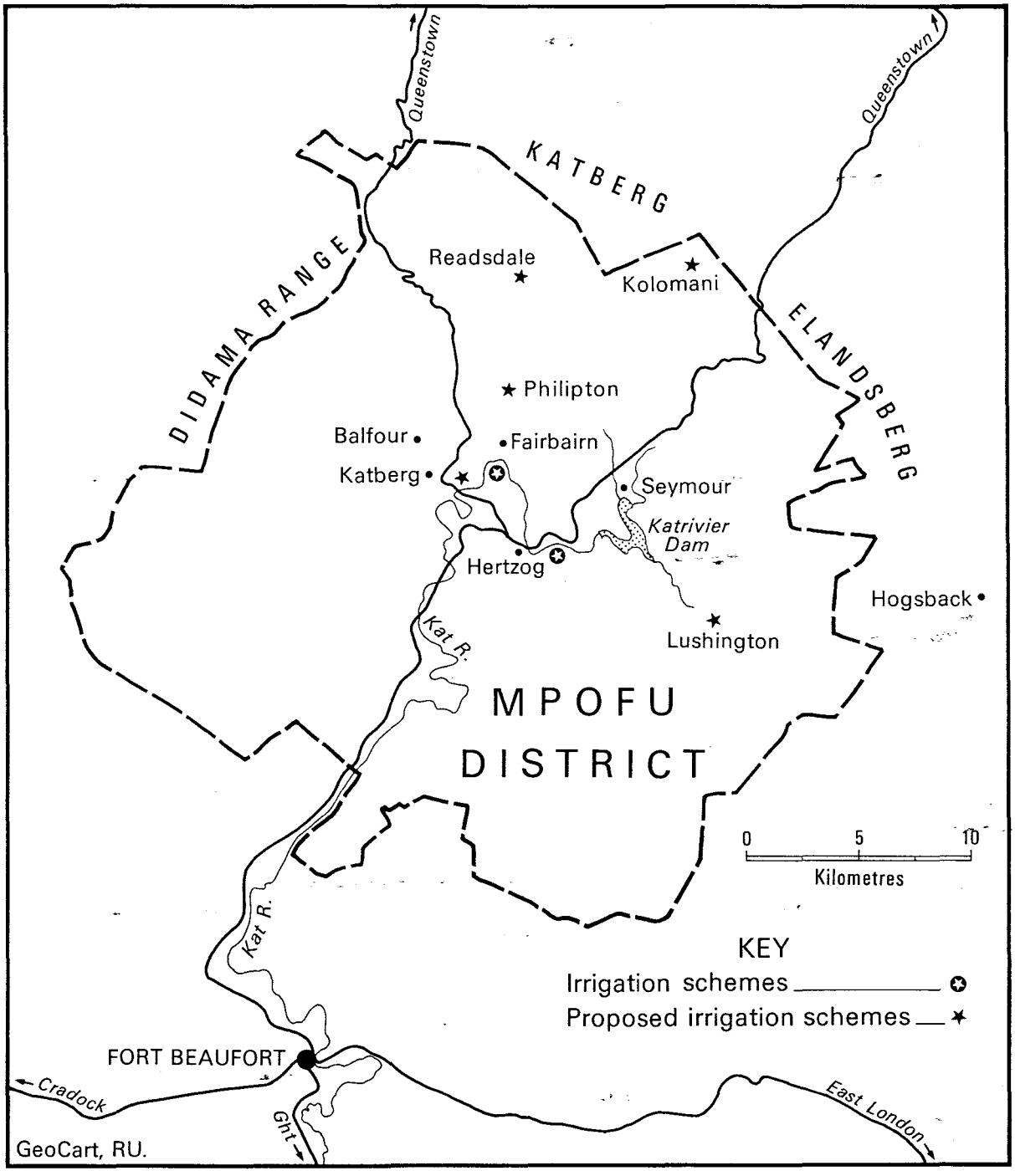


FIGURE 9.1) The Mpofu District

Source: Chief Director of Surveys, 1979, 3226 DA; 1985, 3226 DB.

be one of the most logical growth options to pursue in many communities. The notion of such support supplementing local resolve finds expression in the draft Green Paper on LED (Moloi, 1995) and the activities of various development facilitation authorities and agencies internationally (Stöhr, 1990; North Central Regional Rural Development Centre, n.d.).

In this chapter, background details to the town are provided before proceeding to an examination and assessment of the development process and the involvement of the external NGO.

9.1.1) Methodology

The methodology employed in this chapter is virtually the same as that applied in the previous chapter. The same core questions were asked in a semi-structured fashion to project leaders and the supporting NGO (raw data is contained in Appendix One). This primary source of data collection was supplemented and verified through a review of reports, site visits and PRA type interviews with project participants in the field.

The core questions were posed to project and community leaders after the preliminary fieldwork and contact making had been completed in June 1994. The core questions were supplemented with additional, site specific ones, which were posed to the community leaders and to Corplan, namely:

- What is the Seymour Development Corporation ? Why was it formed, how does it operate and what projects has it undertaken ?
- Detail and discuss the factory project, its significance in the community, the nature of funds raised and the benefits which this single project holds for the community.
- Discuss the role of Corplan as an external support agency and outline the ways in which they have supported and facilitate the developmental process in the town.

The first round of interviews took place in two sessions in May

1994 and subsequently in May-June 1995. These were supplemented by follow-up contacts with project leaders in the second half of 1995, to clarify details and establish what developments had taken place in the projects already embarked on. The key individuals interviewed from Seymour and the NGO Corplan, then and subsequently were M. Kota, P. Sono, S. Mahongo, R. Eglin, and B. Matomela.

For verification and triangulation purposes numerous site visits were undertaken and information was also derived from PRA type field discussions. In August 1995 a group interview with 20 community members was undertaken to identify the community's perception of development endeavours in their midst and to clarify what effect it was having. Questions asked were based on the core schedule and influenced by the nature of projects initiated. In November 1995 a group 'video' interview was undertaken with five community members. In this interview members were encouraged to discuss the project and its implications informally among themselves, the researcher provided prompting question to encourage responses when necessary.

In February 1996 a small questionnaire survey of the community was undertaken to establish the response of the community to the development initiative (see Appendix Four for a copy of the questionnaire and the key results). The objective of the exercise was to clarify details of the project and to test the assertions of the key individuals interviewed. An additional objective was to overcome the possible bias which might have occurred through key informants being aware that the researcher was assisting government and hence they might only have wanted to indicate the positive aspects of the projects. With the assistance of a translator, 20 questionnaires were administered to two key stratified groupings, namely project beneficiaries in the various schemes and those not yet involved. In so doing, an attempt was also made to get an even spatial distribution of responses from the various areas in the town.

The next major round of interviews was undertaken with project and community leaders in March/April/May 1996 and supplemented by contacts with informed community members before and after that round of interviews. The same basic questions posed in the first round were re-asked to identify any changes in objectives, strategies and successes attained. The final set of interviews in which the last set of evaluatory questions, as detailed in Chapter Three, were used as a basis for assessment of what had been achieved, were undertaken in June 1996 (raw data is contained in Appendix Three).

Results of the findings of the interviews and supplementary methods are detailed in the discussion below. The final assessment forms an independent section at the end of the chapter.

9.2) BACKGROUND DETAILS: A LEGACY OF DISEMPOWERMENT

Seymour is a small rural service centre lying in the northern part of the former Ciskei Homeland. The settlement of Seymour had its genesis in 1830 when a military garrison known as Eland's River post was established by the British army on a promontory above the Kat River. In 1851 the village of Seymour was established adjacent to that post, becoming the seat of the magistracy of the Stockenstroom district, now renamed Mpofu (Coetzee, 1995). Despite this auspicious beginning, the town is currently a small impoverished centre, which is suffering from a legacy of disinvestment, economic collapse, political control and endemic poverty. The town's population is approximately 20 000 people, with over 80% of those who are potentially economically active being unemployed in the formal sector (Corplan, 1995). Approximately 60% of the town's population are illiterate and only 10% have some recognisable form of skills. The only means of employment are in state services, the municipal council and the seven small, formal sector businesses in the town. Dependence on informal sector income, pensions and migrant

labour remittances is a stark reality for the majority of the town's residents (Matomela, 1995a). There is a serious shortfall in all forms of infrastructure, with nearly 90% of the town not having access to electricity and household water connections. Water-borne sewerage is effectively non-existant and the 'bucket system' is utilised (Corplan, 1995a, 1995b; Matomela, pers. com., 1995). Despite this bleak situation, these conditions have provided the context for one of the more significant LED endeavours in the country.

Till the late-1970s Seymour was the centre of a prosperous agricultural district, serving as a district supply, marketing and processing centre (Hartle, 1970s). The town's economy revolved around a major saw-milling and tobacco processing plant located in the physical centre of the town. Farm lands in the district had been farmed commercially since 1829 by white and coloured farmers with tobacco, potatoes and citrus being the main agricultural products (Webb, 1996). The reliable flow of the Kat River and fertile valley soils permitted successful, intensive irrigation farming to be pursued. The era of economic buoyancy ceased in the late 1970s, largely because the entire district was zoned as 'released land' for inclusion in the Ciskei Homeland. The expropriation of all fixed property and buildings in the district from white owners and its transferal to state control ensured the collapse of the economy of the district and the town and the migration of most whites and 'coloureds'. Seymour's industry ceased to operate after the 'buy-out' in 1984, hence destroying the chief source of employment in the town (Weekend Post, 18 August 1990; Stephen, pers. com., 1996). Transference of property to the Ciskei state, or its patronage elites, led to the marginalisation of the majority of the African population, their loss of jobs and denial of access to the means of production in the district. Former farmworkers remain on the land, but have no rights or guaranteed access to it and production from the land is virtually non-existent (the exception being in the recent case of Hertzog - see Chapter Ten). Maladministration and mismanagement under the Ciskei state led

to a curtailment in the services and employment offered by the town (Sono, pers. com., 1995). Businesses closed, and for all intents and purposes, in the words of one respondent in the questionnaire survey (1996) the town 'died'.

The above-mentioned difficulties which existed in the town prior to the launch of the Development Forum in 1992 were verified by the responses of community members in the sample questionnaire survey (1996) (individual respondents often recorded more than one responses):

- no access to land (8 respondents),
- lack of popular control of resources (4),
- poor socio-economic conditions (3),
- bureaucratic control (3),
- nepotism (3), and
- housing shortages (3).

The town is depicted on Figure 9.2 which shows the former 'white' town and the 'old' and 'new' locations.

9.3) THE DEVELOPMENT INITIATIVE AND THE INVOLVEMENT OF CORPLAN

The late-1980s and the early-1990s was marked by increasing hostility between the popularly supported civic structure in the town and the illegitimate Ciskeian state authorities and the elite groups which supported that state (Eglin, pers. com., 1994). The weakening of the repressive grip of the authorities and the allowance of greater personal freedom in the early-1990s permitted local activists to operate in a less clandestine manner than previously and permitted them to start planning for a post-apartheid and a post-Ciskeian scenario (Kota, pers. com., 1994). Changes in regional development strategies did not affect Seymour directly, although the enhanced impoverishment in the general region helped motivate local level action (Meyer, pers. com., 1996).

In 1992, the civic structures in the town established the community based Seymour Development Forum (Eglin, pers. com., 1994; Seymour Community Development Proposal, 1993). The broader

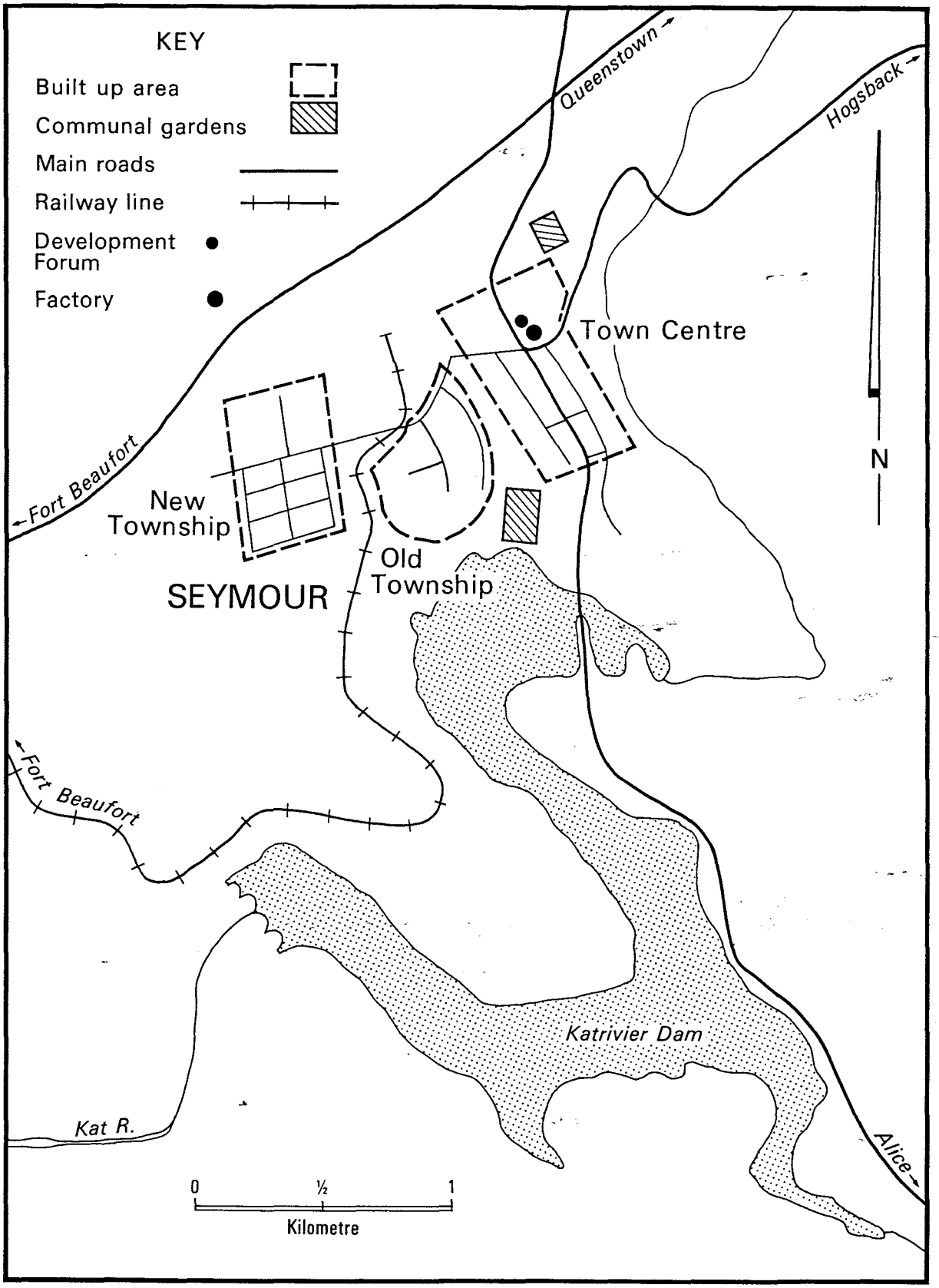


FIGURE 9.2) Seymour

Source: Chief Director of Surveys, 1985, 3226 DB; Corplan, 1995a.

community was united behind the Forum through their common opposition to the Ciskeian state and the attempt by the latter to impose the 'headman' system on them (Matomela, pers. com., 1995; Survey, 1996). These considerations and the murder of the civic head, Ms Muhango in December 1992, had the effect of entrenching support for the Forum's leaders. The collapse of Ciskei in 1994 ended all constraints on these community initiatives. The key organizations making up the Forum are the major community groups actively participating in the town, namely SANCO (the South African National Civics Organization), the ANC, the ANC Youth League, the ANC Women's League and teachers groups (Eglin, pers. com., 1994). The leaders of these constituent groups and the Forum were, and still are elected by the community on an annual basis (Meyer, pers. com., 1996). The reality of this broad base of support was endorsed by the findings of the survey (1996). The driving vision of the Forum has been, in the first instance, to restore the economic prosperity and jobs which existed prior to the establishment of the Ciskei and secondly, to initiate a broad-based development strategy which would benefit all the residents of the town (Sono, pers. com., 1995, 1996). According to one of the development Forums's staff workers "we want things like they were before 1984" (Stephen, pers. com., 1996). Local leaders and community members asserted that the prolonged economic and social crisis which had prevailed was the key catalyst motivating the adoption of applied development strategies and unifying the community behind a common agenda and vision (Mahongo, pers. com., 1995; Sono, pers. com., 1995; Video interview, 1995; Survey, 1996). These causal conditions are regarded in the literature as critical for the initiation and sustenance of a development strategy which enjoys the backing and support of the host community and which permits the resolution of internal differences in order to try and achieve an overall improvement in basic conditions (Stöhr, 1990; Nel, 1994a).

A catalytic role in launching the town's LED initiative was played by the local charismatic leaders who recognised the need for applied development and had the experience of the town's past

prosperity to serve as an inspiration (Seymour video interview, 1995). This reality is borne out by the supporting NGO (Eglin, pers. com., 1995) and the National Business Initiative (1995). In terms of the way forward, according to Mr Mike Kota, the Forum's chairman and the town's new Mayor (after the 1995 local government elections), the community recognised that the future of the town depended on its interaction with the resources of its hinterland:

> The community therefore is convinced that agriculture is the backbone of our development and the involvement of neighbouring areas is necessary. This can result in agro-industries being established in Seymour and therefore more jobs can be created. We believe that the creation of jobs depends upon using our natural resources, that is land, water and people (Kota, 1996, 44).

In order to implement a credible and sustainable process of development, the Forum agreed to operate as an apolitical body which cemented a 'social compact' between civic structures, the local authority and political/community groups (Kota, pers. com., 1995; Sono, pers. com., 1995). Parallels with Stutterheim are apparent in this action.

Despite possessing a positive vision for the future, it is to the credit of the Forum that they recognised their own capacity constraints and the need to draw on external advice, support and funds (Kota, pers. com., 1995; Sono, pers. com, 1995). In 1992, the Forum established contact with Corplan, an East London based community orientated NGO and formally requested their assistance to draft and implement an appropriate LED strategy. The expertise of Corplan has helped to address the shortfall in terms of technical and administrative capacity in the town, to access international funds and to implement applied strategies. Corplan has made available two development workers who maintain weekly contact with the community. They have provided training in administration and financial management and have helped to facilitate the local development process (Eglin, pers. com., 1994; Matomela, pers. com., 1995).

9.4) ADOPTION OF A PRACTICAL DEVELOPMENT AGENDA

With the support of Corplan, the Seymour Development Forum embarked on a locally driven process of LED. In 1992, the Masincedane Development Corporation was established in Seymour to oversee the raising and management of funds and the implementation of applied strategies (Eglin, pers. com., 1994; Kota, pers. com., 1994). As happened in Stutterheim, the Corporation was established as a section 21 company with its own board of directors. Following an on-going series of workshops, Corplan helped the community to identify concrete strategies which they could pursue and acted as intermediaries in the subsequent applications for external funds (Seymour video interview, 1995). According to one of the Corplan advisors, they "did not plan on maps, but on what the community wanted" (Eglin, pers. com., 1994). The success of the Corporation is to be found in the projects which are discussed below and in the unification brought about in a previously disempowered community. This is borne out by the survey (1996) and the video interview (1995). According to one community member interviewed in the community survey (1996), "Masincedane serves as the functional heart of the community".

Fundamental to all the strategies contemplated has been the guiding principle that "agriculture is the backbone to the economy" (Stephen, pers. com., 1996). Many of the projects discussed below take cognizance of this fact and are orientated to promote agriculturally related development. The need for this orientation was verified in the survey (1996).

9.4.1) Applied Strategies

The first development project embarked on in the town was that of establishing community gardens to supplement domestic food production. The project had first been mooted by the South African government in 1992 and funds were accordingly transferred to Ciskei (Kota, pers. com., 1994). The not unexpected disappearance of the funds and the failure of the Ciskei state

to initiate the project did not, however, witness the cessation of the desire for the project in the community (Eglin, pers. com., 1994). Following planning meetings with Corplan the community expressed the intention to continue with the project under their own initiative. With the NGO's assistance, development proposals were drafted and submitted to a range of potential donors (Eglin, pers. com., 1994). After a period of a year, the Dutch aid agency, Novib, agreed to make a grant of R 500 000 available to the Forum for purposes of establishing a development agency in the town. This was to initiate the community gardens project and to start refurbishing the abandoned factory to house small businesses (Corplan, 1995a). Shortly there-after the South African, National Economic Forum agreed to make available several tens-of-thousands of Rand as part of a job creation initiative to support the upgrading of the factory and to provide a multi-purpose hall for the community in the old factory (Mahongo, pers. com., 1995; Sono, pers. com., 1995).

Since 1993, Masincedane has also received an annual grant from the British aid agency, War-On-Want, to employ permanent office staff to oversee the development initiative. Funds secured have permitted the appointment of a development co-ordinator, an office administrator, a book-keeper and an agricultural instructor (Eglin, pers. com., 1994; Kota, pers. com., 1995). From 1995, funds permitted the establishment of an LED desk in the town, arguably one of the first in a small town in the country (Corplan, 1995a). The grant of an additional R 202 000 in 1995 has permitted the virtual completion of the factory project and support for a wide range of development endeavours. In total nearly R 1 million has been raised in grants. There is, however, little evidence of local financial contribution (Community meeting, 30 February 1995). Individual projects embarked on are discussed below.

9.4.1.1) Community Gardens

Using funds raised from Novib, two community gardens were laid out in the town, close to small streams (see Figure 9.2). A total

of 61, 150 square metre plots were demarcated. Following a broad-based community decision, plots were allocated to the poorest members of the community to permit individual small-holders to supplement their household food consumption through their access to land (Mahongo, pers. com., 1995; Stephen, pers. com., 1996). Masincedane provides technical advice and support through its agricultural advisor and also buys seedlings in bulk from nurseries in the Stutterheim district. The main crops grown are cabbages, potatoes, beetroot, onions, maize, spinach and carrots (Gardeners, pers. com., 1995). Crops are grown mainly for subsistence, although a percentage of the crops are sold to small businesses in the town, an additional 20% is given to Masincedane in return for the support rendered (Corplan, 1995c). Novib grants have enabled the agricultural adviser to attend various training courses. In terms of the overall success of the scheme, 50% of the small-holders (30) have experienced major problems in trying to farm. The main problems reported are a lack of water and damage caused to growing plants by children (Matomela, 1995a). The remaining plot-holders would appear to be deriving only limited benefits and output is minimal. It would be difficult to conclude that this is a sustainable endeavour; it is rather a marginal, survival strategy.

9.4.1.2) Small Business Support

One of the most comprehensive projects embarked on is that of small business support. In 1994 War-On-Want made available R 165 000 for the establishment of the LED desk to assist the initiative, to provide training, small business support and loans (Corplan, 1995a; Kota, pers. com., 1995). Loans of up to R 5 000 were made to 25 small businesses in the town. These were not formal loans in the conventional, commercial sense but they were designed to lay the basis for an internal revolving fund. As such they were designed to serve as a learning and empowerment experience for the community and the organizations involved (Eglin, pers. com., 1994; Matomela, pers. com., 1995). The main enterprises engaged in by the small businesses were: candle-making, producing school uniforms, juice-making, sewing, poultry,

a butchery, a musical band and clothing production (Site visit, 1994; Matomela. 1995b; Sono, pers. com., 1995).

A survey of small businesses in the town was undertaken by Corplan in 1995 (Matomela, 1995b). The Corplan survey established that only about one-third of the businesses could be regarded as successful. This figure is however disputed by War-On-Want who claimed, in a community meeting in the town in 1996, that only one business could be regarded as operating successfully (Community meeting, 1996). The main constraints which were identified by the Corplan survey were: the limited market for the products of the small businesses, high unemployment and resultantly low incomes in the town, lack of transport for the producers to sell their goods elsewhere and a general lack of training. Other problems which were noted were the poor criteria used to select applicants and the failure to specify defined loan repayment schedules (Corplan, 1995b). Masincedane holds the view that the offering of loans to individuals who did not have business training was a mistake (Sono, pers. com., 1995).

In terms of the way forward, War-On-Want has promised a vehicle to Masincedane to assist small-business owners to market their produce. The East Cape Development Agency (through the former Ciskei Small Business Corporation) has offered advice and help to establish a Local Business Service Centre in the town (Kota, pers. com., 1996). As part of a significant process of interacting with other community development forums, the advice of the Stutterheim Business Information Centre has also been requested (Corplan Report, 1995c).

9.4.1.3) Renovation of the Factory Building

The single most important project embarked on by the Development Forum has been the renovation of the abandoned factory building in Seymour (see Figure 9.2). In a very real sense this project has become the most symbolic undertaking and expression of the transformation which the Forum hopes to bring about in the town (Site visits, 1994-1996). The factory building is the single

largest structure in the town, dominating the centre of the settlement. It had been the 'economic heart' of the town and the town's major source of employment (Kota, pers. com., 1995). After years of neglect by its previous owners pending its expropriation and, thereafter, ten years of vandalism and physical deterioration, the building had become a visual expression of the economic and social collapse resulting from apartheid and Homeland creation. After years of political opposition the community 'forcefully' took over the structure in 1993 (Stephen, pers. com., 1996) a move which the government, as the owners of the property, allowed (Meyer, pers. com., 1996). The Forum's subsequent renovation of the building has shown the community in direct, material terms that the Forum was addressing the economic problems of the town and attempting to restore the town's former prosperity. As a result of their endeavours and the centrality of the structure, the former factory has become the "heart of the community" (Kota, pers. com., 1996). This positive perception was clearly endorsed by interviews with community members (Video interview, 1995; Survey, 1996).

Early attempts to refurbish the building were commenced in 1993 after the initial grant from Novib was secured. In 1994, the National Economic Forum made available R 130 000 to proceed with the project (Sono, pers. com., 1995). The Forum's objective in the undertaking was to provide facilities in which small businesses and agro-industry in particular, could be located, to provide facilities for:

- an agricultural development centre,
- a community hall,
- a permanent village market, and

to rent space to businesses in order to raise funds for community projects (Kota, pers. com., 1995). The renovation of the building was almost entirely undertaken by the local community who utilised available skills, resorting only to external advice on a few major issues, such as plumbing and wiring. A total of 80 community residents were employed on a short-term basis to undertake the reconstruction. Although only minimal salaries of R 10 - R 20 a day were paid, in a destitute community suffering

from high unemployment levels, the project has provided a degree of relief and employment experience (Kota, pers. com., 1995). By 1996, following successful applications for support to the Development Bank of Southern Africa and the government an additional R 367 000 was secured (Stephen, pers. com., 1996). By 1996 occupation of the building had commenced and, except for the provision of electricity, the project was effectively completed. By early 1996 space was being rented to a panel-beater, a doctor, an engineering firm and the Department of Health (Site visit, 1996). Impressed by the transformation which has been wrought and the availability of rentable space in an area where such facilities are not generally available, enquiries about space to rent have also been received from a furniture factory, a supermarket, a bakery and the government's school-feeding scheme (Sono, pers. com., 1996). Although renting space is appealing and will provide direct income to the Forum, the Forum wishes to retain as much space as is possible to house local, emerging small businesses and the village market (Sono, pers. com., 1996).

In direct, tangible terms the town's major building has been transformed from a ruin into the economic centre of the community. In a very real sense, the factory has become a symbol of the Forum's success and the transformation which has been brought about in the town (Survey, 1996).

9.4.1.4) Housing Construction

A chronic shortage of housing and severe dilapidation of some of the older dwelling units are some of the most apparent problems experienced by the Seymour community (Survey, 1996). In an effort to address these issues, the Forum, in collaboration with the Seymour municipality, applied to the National Housing Board, the Ministry of Public Works and the National RDP Ministry in 1995 for funds to support labour-based initiatives intended to promote housing development and renovation (Matomela, pers. com., 1995). Funds to erect 460 houses, on municipal land, at a cost of R 6,9 million were approved by the National Housing Board in 1995. Delays over the release of the funds has impeded the actual

implementation. The project will employ local labour as extensively as possible. Funds are still being sought to upgrade the existing housing stock (Sono, pers. com., 1995).

9.4.1.5) Periodic Markets

A recent development has been the active promotion of a periodic market, associated with the bi-monthly state pension payouts in the town (Corplan Report, 1995c). Awareness of the markets in the Stutterheim district and the key role played by pension pay-outs in rural areas promoted this decision. It is well known that in the rural districts of the former-Homelands that pensions are often the predominant form of income and the major cash injections into destitute communities (Land and Agricultural Policy Centre, 1995). In the case of Seymour town, the bi-monthly pension payout injects in excess of R 250 000 into the community in a few hours. This becomes the most intense period of economic activity in the town, focusing on the purchase of food, clothes, furniture and household goods and the payment of debts and school fees. As such, attempts to develop economic and social activity around this event, which is of great importance to the pensioners and their dependents, have been tried (Sono, pers. com., 1996).

After learning from the observation of the successful markets in the Stutterheim area and seeking the advice of the Amatola market society (July, pers. com., 1995), the Forum appointed a market co-ordinator in Seymour and has actively sought to promote markets in the town and the district (Sono, pers. com., 1996). The goals of the Forum in supporting the market have been to promote LED in general and to provide a market opportunity more specifically for the assisted small businesses in the town. Other goals have included the desire to create focused community-building activities in Seymour and to promote rural-urban interaction (Kota, pers. com., 1996).

By early 1996 the Seymour market was attracting in excess of 600 people (including the approximately 250 pensioners, 65 small business-persons / hawkers and c.300 shoppers). The Forum has

provided limited shelter for the hawkers and pensioners from the elements, lays on a cultural and musical programme for the duration of the market and attempts to turn the pension payouts and the market into one of the major features of the town's life (Site visit, 1996).

9.5) THE WAY AHEAD

In collaboration with Corplan, a range of additional development strategies have been identified which the Forum hopes will open up new market and employment opportunities. Of critical importance in this planning has been the acceptance by the community that they cannot develop in isolation and that they should acknowledge their situation in the Mpofu district. Within this context there has been a realisation by the leadership that they "must link future development to the natural and human resource base" (Kota, pers. com., 1995). In addition, they recognise that surrounding communities depend on the town for purchases, sales and services and that, through the fostering of agriculture in the district and agro-industry in the town, mutually reinforcing growth can be attained. With the assistance of Corplan and advisors from the Council for Scientific and Industrial Research, appropriate crop types for the district and related, labour-intensive agro-industries are being investigated which can add-value to local produce and which can enhance employment and economic conditions through agglomerative processes. Particular agro-industrial processes currently meriting attention by the Forum and Corplan include the production of jams and juices and the sorting, drying and packaging of fruit. The goal is naturally to house agro-industries in the refurbished factory and to establish dynamic and sustainable linkages with rural communities and farmers (Eglin, pers. com., 1995; Matomela, 1995a; Video interview, 1995).

One of the issues meriting considerable attention by the Forum

and Corplan is a concerted effort to promote and develop the area's rich tourism and eco-tourism potential. The presence of old military forts, battle sites, historic missions and Xhosa cultural sites give the area a rich heritage which is currently being investigated by the Forum. The presence of forests and mountains in the district, previously abandoned hiking trails and a proposal to develop a new trail linking the Hogsback and the Katberg mountains, in collaboration with the Hogsback community, could lay the basis for eco-tourism. The Forum wish to establish a tourism information centre in the old factory, to encourage group tours and hikes and to train local people as guides (Kota, pers. com., 1995, 1996). Related plans include the establishment of a botanic garden in the town which will stock plants characteristic of the area and plants with known medicinal uses for possible exploitation and sale (Kota, pers. com., 1995). Investigations into the potential of the neighbouring Kat River dam to support fish farming are being planned (Andrew, 1995).

Other plans include general infrastructure development in the town and the improvement of services and communications. In order to help address the chronic unemployment levels which prevail, there are plans to increase the scope of small business support through the offering of better designed assistance programmes. Of related significance are plans to improve and assist with training and capacity building endeavours in the town. Attempts to broaden access to desperately needed finance have included attempts to raise greater donor support and to encourage the Community Bank to establish the first commercial bank in the town (Community Bank, 1995; Matomela, 1995a).

In order to support these proposed initiatives Corplan applied for R 22 million from donor agencies in 1995. This application is pending and was designed to support endeavours to promote environment and eco-tourism centres, hiking trails, a nursery, environmental awareness training, small farming activities, to build 500 new houses, to upgrade 460, to support new small

businesses and to fund organisational support for the Forum (Corplan, 1995a). These endeavours were jointly identified by the Forum and by Corplan.

9.6) ASSESSMENT

In this section, the results of the final, standardised assessment undertaken in Seymour are presented. The results are discussed in broad categories approximating the headings used in the assessment schedule (see Section 3.5.2). Information presented was based on interviews with M. Kota (pers. com., 1996), C. Meyer (pers. com., 1996) and P. Sono (pers. com., 1996) and is also informed by earlier research findings and the perceptions of community members as expressed in the survey (1996).

9.6.1) Economic

The initiative in Seymour has been grant dependent, having drawn in nearly R 1 million to date, with no apparent financial contribution coming from the host community (Kota, pers. com., 1996). In addition to grant funding from international donors, government funds have also been secured for the factory project. To date there is little evidence of sustainability in the projects undertaken. A large number of people were employed on a short-term basis in the factory project, but that employment has largely ceased and most of the small businesses which were supported appear to have folded (Matomela, 1995b). Issues of training, finance, the small size of local markets and limited transport are some of the major constraints. On the positive side, private firms have been drawn to the town and are now hiring or about to hire premises in the factory building. This situation can bring services and retailing facilities to the town, create limited employment and generate rental income for the Forum.

9.6.2) Employment and Training

The initiative led to the employment of 80 local people, on a short-term basis in the factory project and it supported 25 people in the small business, most of whom now appear to have failed. In addition, the Corporation staff of 11 are employed through externally raised funds. The Corporation has also, indirectly, supported 61 plot-holders in the community gardens project (Kota, pers. com., 1996; Meyer, pers. com., 1996; Sono, pers. com., 1996). The only reasonably well-paid jobs which now remain are those of the Corporation staff. No permanent jobs have been created and the overall project would not be sustainable at this point if grant funds were withdrawn (Meyer, pers. com., 1996). Although people have learnt practical skills, particularly in the factory project, no independent employment opportunities have resulted to date. Income from the projects did allow for significant, but short-term benefits for the broader community (Meyer, pers. com., 1996). Training of the project management, small business operators and community gardeners was undertaken and helped to broaden the local skills base.

9.6.3) Empowerment and Quality of Life

Despite the limited nature of the employment created and the benefits derived, the LED initiative in general and the renovation of the factory in particular appear to have unified a broad cross-section of the community and created a focus of hope in the town (Survey, 1996). In addition, a variety of groups in the town have derived benefit through the support of the Forum. The main beneficiaries in programmes have been women and youth (Kota, pers. com., 1996). The initiative is controlled by the community and its leaders and the majority of the town's residents appear to identify with the general initiative and its successes (Survey, 1996). People are involved in the overall development process but few have derived tangible benefits. Overall community life has improved through the activities of the Forum and the demise of the Ciskei state. Little obvious tension remains and, even though few jobs have been created, a sense of hope for the improvement of general conditions prevails.

9.6.4) Services, Infrastructure and Resource Utilization

No improvements in services, transport and access to land have come about through the initiative. The recently approved government housing project will have important future employment prospects and other spin-offs for the Forum and the community. The factory project has created an overall improvement in the availability of potential business space which firms are starting to take advantage of. Despite plans for improving rural-urban links and using local resources no progress has been made in these areas to date (Kota, pers. com., 1996).

9.6.5) Internal Assessment

The internal assessment of the project, by its leaders (Kota, pers. com., 1996; Sono, pers. com., 1996) tends to be rather optimistic. This is largely based on the success of the factory project, the sense of common purpose which prevails in the community and the opening of businesses by firms in the town. Despite this the project is not yet sustainable and remains dependent on external grants. Through a lack of technical and entrepreneurial expertise, the small business and community gardens projects have experienced few successes (Meyer, pers. com., 1996). The project remains a survival strategy which will need considerably more investment in order to provide for the needs of a broader section of the community and to achieve sustainability. The perceived need for the government to play a greater role has been reinforced by a concern that the state must stop making 'empty promises' (Kota, pers. com., 1996).

It is significant to note that all 20 respondents in the sample survey (1996) when asked the question regarding the perceived effectiveness of the Forum and its initiatives answered in the affirmative. In the eyes of the respondents the most successful projects were: the refurbishment of the factory (four respondents), training (four), the community gardens (three), small business support (three), housing programmes (three) and job creation (two). Low scores in individual categories presumably reflect the limited number of beneficiaries in actual

categories as opposed to the over-riding perception that the Forum had made a major improvement in conditions in the town. Future projects which respondents deem necessary are: infrastructure provision (six), support for agriculture and gardens (six), electricity provision (five), satellite offices (four) and marketing support (four). In a clear vote of support for the Forum's endeavours, one respondent expressed the view that "It is encouraging to see a place which was once dead coming to life again" through the efforts of Masincedane (Survey, 1996).

The survey of small businesses in the town undertaken by Matomela (1995b) established overwhelming support for the role played by the Forum in securing funds, loans, training and monitoring.

9.7) DISCUSSION AND CONCLUSION

The case of LED in Seymour indicates that well-intentioned NGOs can support community based LED. Through their facilitation, support, training and networking with funders, Corplan must take credit, in a large measure, for what has been achieved in the town. It is significant that their role has been a 'behind the scenes' one which has allowed the community leaders to retain control over the process and decision-making. Of related significance is the calibre of the local leaders who saw the need to call on external support, who have been able to forge a unifying vision and have established a forum in the community. The Forum's policies are instructive for other centres. The Forum's view is that they are not looking for handouts but rather they seek support to help attain their development endeavours, "they call on the new government not to provide but to support them" (Eglin, pers. com., 1994). The initiative clearly shows that broad-based community attempts at LED can transform conditions in small, rural towns.

On the down-side, financial and capacity constraints are serious drawbacks and the project is clearly grant dependent. Shortage

of funds, non-repayment of small business loans, the inability of the community and the local authority to fund the process and the total dependence on external funds are serious issues. Other constraints include low skill levels and poor infrastructure. These issues have to be addressed otherwise the project will not become sustainable and it will probably collapse if external funds are withdrawn. Despite these drawbacks, the overall process of development which has been implemented is inspirational and it provides important lessons for other communities and the practice of LED in the country. This is particularly in terms of issues of leadership, applied projects and the role of NGOs.

Development was clearly facilitated by overdue political change which allowed capable community leaders to take control and to form appropriate, developmentally orientated alliances with politicians, the municipality, civics and NGOs. According to the Forum chairman, one of the key ingredients for their success and general credibility is the fact that "community involvement is important to development" and that "development is teamwork, its like a rugby team" (Kota, pers. com., 1995).

The National Business Initiative document (1995) endorses the principle that people need to develop a new mindset towards development and their own capacity to achieve it if they are to have any chance of success in a world geared towards reduced state control and increasing local independence and initiative. These sentiments find expression amongst the Forum's leadership core. According to Kota (1996, 45)

> There has been a high expectation of development in Seymour. The people believed that someone from elsewhere will come here and provide jobs, houses etc. for the community. This was the impression that was created by the apartheid system, that the community on its own is not able to create development. However, the leaders of our community have realised that they, themselves, have to motivate the community to initiate new projects to stimulate economic investments in the area, and not to rely

on help or assistance from elsewhere.

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CHAPTER TEN

COMMUNITY INITIATED LOCAL ECONOMIC DEVELOPMENT IN THE RURAL DISTRICT OF HERTZOG

10.1) INTRODUCTION

One of the key principles of successful community development and LED is the notion that control of the process of development should be vested in the host community, from which, ideally, the development initiative has its genesis. In situations such as these, communities tend to assume greater ownership over the process of development and they are more inclined to try and ensure the success of initiatives (Burkey, 1993). In addition, they benefit directly from its gains and attain higher degrees of self-actualization than through traditional development approaches which often marginalise the target communities (Burkey, 1993). These optimistic views need to be tempered by the fact that few communities, particularly in rural areas, possess the resources, skills, initiative and responsibility to independently initiate and manage the process of development in their locality. In this chapter, what appears to be a virtually unique case of community initiated and driven LED in a rural community in South Africa is examined. This is the third and last community based LED scheme to be investigated. The community in question is that of Hertzog, a small rural community occupying what was white-owned farmland within the borders of the former Ciskei Homeland. Independent of external intervention and stemming from the community's realisation that if development was to take place, they would have to launch the process themselves, one of South Africa's most significant cases of LED has been unfolding. In this chapter, the methodology employed is examined before proceeding to a study of the location and history of Hertzog and its development initiative. Thereafter there is an examination and assessment of the development initiative which has been pursued.

10.1.1) Methodology

The core set of questions, as detailed in Chapter Three, formed the basis of the research enquiry in this community (raw data can be found in Appendix One). This method of data acquisition was supplemented with a review of relevant documents, site visits and PRA type interviews with project participants in the field to clarify aspects of projects detailed by community/project leaders. The core questions were posed to project and community leaders, in a semi-structured fashion, after the preliminary fieldwork and contact making had been completed in September 1995. The core questions were supplemented with additional, site specific ones, namely:

- What is the history of the area and the history of the initiative ? What were the antecedent conditions ?
- How was the co-operative formed, how is it controlled, how does it operate, how are leaders elected ?
- What is the community's response to the project and the gains derived ?
- How was access / control of the land acquired ?
- What support has the government given ?
- What abandoned equipment / infrastructure was available to the community to use ?
- What crops are grown and what rotation system is used ?
- How are ploughing, seeding, harvesting and other key activities undertaken ?
- How is produce harvested and sold ? To whom is it sold ?
- What future plans are there for the co-operative in terms of other crops, marketing, linkages and other key issues ?

The first round of interviews took place in four sessions in September, October and November 1995. These were supplemented by field visits and follow-up contacts with the project leaders in the last part of 1995 and early 1996 to clarify details and establish what developments had taken place in projects implemented. The key individuals interviewed then and subsequently were C. Meyer, E. Nykae and E. Vuyani and numerous

community members / farmers.

Although the interviews constituted the key form of data collection, PRA-type methods helped to verify conclusions and broaden the data base. In addition to transect walks in the field and discussions with project participants, a group 'video' interview, with ten community members was undertaken in November 1995. In the interview members were encouraged to discuss the project and its implications, informally, between themselves. The researcher provided prompting question to encourage responses when necessary. In February 1996 a small questionnaire survey was undertaken in the community. As was stated in Chapter Three, it was decided to use a questionnaire (a copy of the questionnaire and summary results are to be found in Appendix Four) to ensure that answers obtained from community leaders were valid and to broaden the data-base. This was because of the need to avoid the possible bias which might have affected the responses of the leaders who might believe that the researcher was informing government of his findings. Questionnaires were administered to a representative proportion of participating families (approximately 25%) in the valley, with the assistance of a local translator.

The next major round of interviews was undertaken with project and community leaders in March/April/May 1996 and supplemented with contacts with informed community members before and after that round of interviews. The same basic questions posed in the first round were re-asked in order to identify any changes in objectives, strategies and successes. The final set of interviews in which the last set of evaluatory questions, as detailed in Chapter Three, were used as a basis for assessing of what had been achieved, was undertaken in June 1996 (raw data can be found in Appendix Three).

Results of the findings of the interviews, as well as from information gathered from reports, PRA derived information such as field evidence, discussions with project participants and the

questionnaire are detailed in the general discussion below. The final assessment forms an independent section at the end of the chapter.

10.2) THE STUDY AREA

Hertzog is a rural village lying within the Mpofu district of the former Ciskei Homeland (see Figure 9.1). The area of operation of the agricultural co-operative described below stretches from and includes Hertzog and the lands at Fairbain. References to Hertzog below are used in a generalised fashion to include the Fairbain area. The area has a population of approximately 1 500 persons and is made up of nearly 330 households. As with many districts in the Eastern Cape, poverty levels are high and unemployment stood in excess of 84% of the potential economically active population (based on survey results, 1996) prior to the launching of the initiative. Male absenteeism exceeded 24% (DBSA, 1991a). The survey (1996) revealed that a high degree of dependency exists in the area, with 35% of the population nominally having to support the rest.

The village lies in the foothills of the Katberg mountains and in the upper-catchment region of the Kat River. It consequently receives relatively high rainfall (approximately 600 millimetres per annum). The river provides a reasonably reliable water supply throughout the year and the valley soils are fertile (Department of Water Affairs, 1986).

The area was settled by white farmers in the 19th century. They practised a combination of intensive, irrigated farming in the Kat River valley and large-scale rangeland farming on the surrounding plains and hills. The area gained the reputation for being one of the primary tobacco and citrus producing regions in the country. In the late 1970s this land was expropriated and transferred to the Ciskeian state in 1984. Thereafter, with the exception of a few state farms, all production ceased and the

area acquired the reputation of being the "East Cape valley that died" (Hartle, 1990, 8).

Although the white farm-owners left the area, following the expropriation, their workers remained on the land. In the absence of clear government policy these workers remained in the valley but were denied access to the land for purposes of farming. Ownership of the land was vested in the state which failed to utilise it to the benefit of the local community (Hartle, 1990). By 1990 it was noted that "the citrus trees have died, as has the lucerne. No one has bothered to irrigate the fields, which now lie fallow" (Hartle, 1990, 9). Community members interviewed in the sample survey (1996) identified that the key problems which existed prior to the initiation of the development initiative were: lack of access to land (nine respondents), no electricity (eight), water (six), unemployment (five) and housing issues (four).

In the late-1980s there was a failed attempt by the Ciskei Department of Agriculture to re-establish tobacco farming in the valley. For a brief period in the early 1990s, a private agricultural concern farmed the land. The failure of both schemes to fully involve the local community contributed to their down-fall (Meyer, pers. com., 1995). As a consequence, by late 1993, the major portion of the land, in the valley, had not been farmed to its full potential for close on thirteen years. This resulted in the total absence of local employment opportunities which aggravated poverty levels and encouraged male-absenteeism. Despite this negative picture, the valley possessed certain advantages, including the farming skills and experience possessed by several hundred ex-farm workers and the presence of abandoned agricultural infrastructure. These positive aspects helped to make Hertzog virtually unique when compared with other former Homeland areas and has provided a strong potential base for community-driven development.

10.3) THE DEVELOPMENT INITIATIVE

Initial attempts by a religious organization in 1992 to launch a local self-help scheme suffered credibility problems in the local community and did not receive support from local civic and political groups. Its failure to fully involve all members of the Hertzog community meant that only a handful of people benefitted (Andrew, pers. com., 1995; Meyer, pers. com., 1995). National political change, mounting unemployment and poverty and the awareness that some village members had attempted a development endeavour through the church prompted the broader Hertzog community to take the initiative (Nykae, pers. com., 1995). This led to a series of community workshops run by the local civic which resulted in the identification of possible development options for the area. The ending of state repression by 1994 allowed local leaders to be identified, to assert their position and to take control of local affairs (Meyer, pers. com., 1995). These leaders had acquired business and negotiating skills in previous employment and were selected, by the community, to represent them (Farmers, pers. com., 1995).

The development initiative in Hertzog was propelled by desperately high levels of poverty and unemployment, the desire for change and the ending of apartheid and Ciskeian controls (Farmers, pers. com., 1995; Meyer, pers. com., 1995). These factors allowed local leaders to come to the fore and the community to explore options for their future. The Hertzog community came to the realization that their strengths lay in the agriculture sector given their farming skills and the presence of abandoned farm land and implements in the valley (Nykae, pers. com., 1995). Consensus was reached that this was the logical route to follow as there were no other viable options and the question of community access to state land appeared as if it was about to be addressed at national level (Nykae, pers. com., 1995). Through the process of internal planning a leadership core developed which successfully negotiated with the Department of Agriculture, a commercial bank and outside businesses on the

community's behalf. The Department of Agriculture, through the former Ciskei para-statal, Ulimicor, granted permission, to the community, to farm land in the valley on a temporary basis pending the settlement of the land question. Simultaneously, they were allowed access to the abandoned water pumps and irrigation piping and sprinklers which had been left in the valley by previous agricultural endeavours (Meyer, pers. com., 1995).

10.4) THE ESTABLISHMENT AND OPERATION OF THE CO-OPERATIVE

To facilitate the development process the community agreed to establish a local farming co-operative, called HACOP (the Hertzog Agricultural Co-operative) which was set up as a section 21 company in August 1994. According to the co-operative's constitution (HACOP, 1994) its aims are:

- to educate and empower members of the community who have an interest in agriculture to operate a self sustainable and economically viable gardening project on one hectare of land,
- to produce fresh vegetables for the local market and neighbouring towns throughout the year,
- to put to optimum use the available agricultural land,
- to cultivate an agricultural culture,
- to generate a livable income to each of its members.

Members of the community were able to join the Co-operative if they purchased 100 shares at a cost of R 1 each. This provided the company with its initial operating capital. In 1994, the first 23 volunteer members were each allocated a one hectare plot of land and sufficient piping to irrigate their land (see Figure 10.1) (Farmers, pers. com., 1995; Nykae, pers. com., 1995; Video interview, 1995). The Co-operative's leaders are themselves share-holders and are able to make and implement informed decisions with the members, based on their shared experience as farmers. This situation was verified during transect walks and discussions with farmers (Farmers, pers. com., 1995) in the

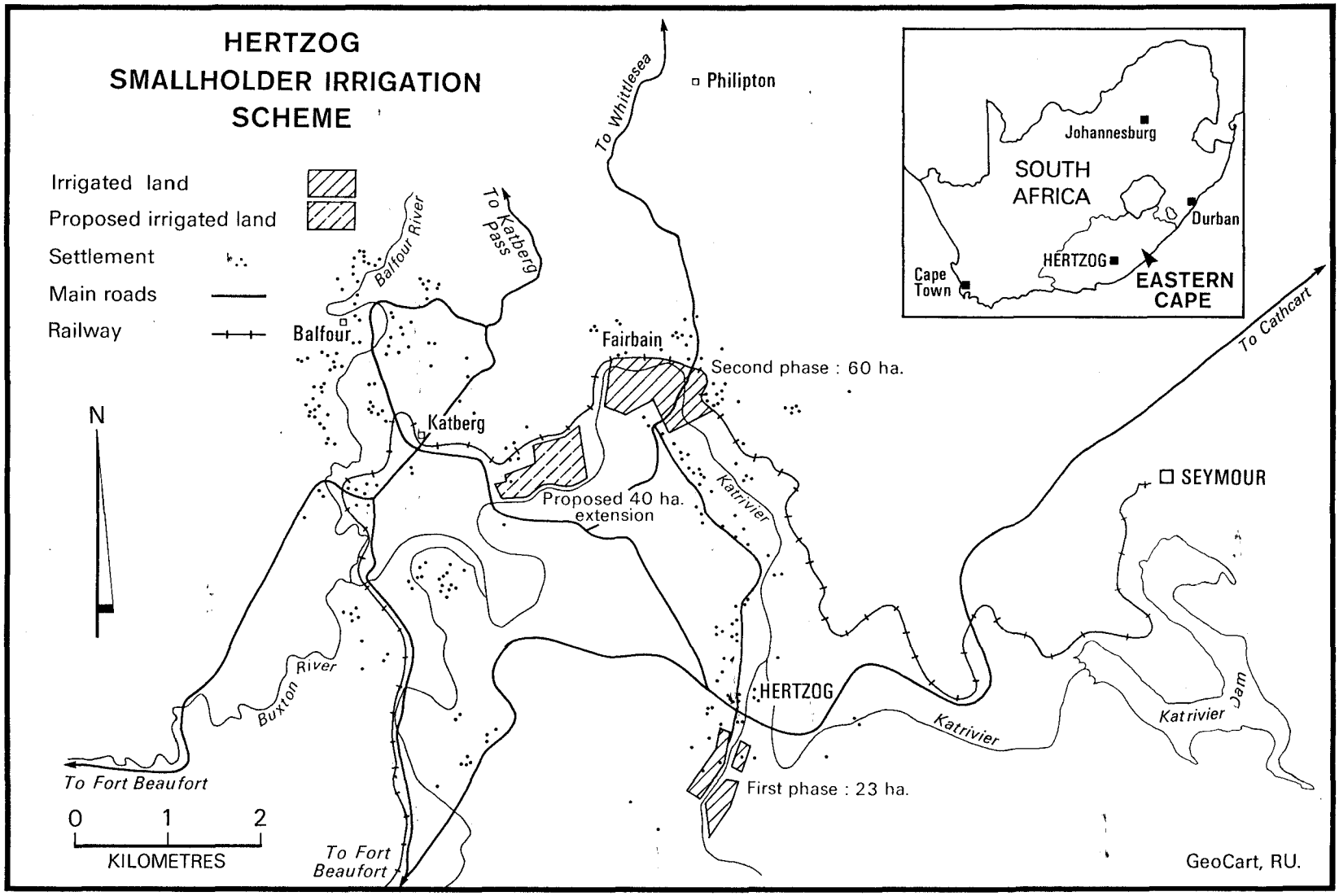


FIGURE 10.1) Hertzog and the Irrigation Scheme

Source: Chief Director of Surveys, 1979, 3226 DA; Meyer, pers. com., 1995.

farmlands and in the video interview (1995). A commercial loan to undertake the project was secured from the Ciskei Agricultural Bank (now renamed the Agribank) in 1994 (Meyer, pers. com., 1995). The Co-operative was spurred on by the realization that the launching of a self-initiated development strategy was the only viable option open to them, since, as the chairman of the Co-operative, Mr Ebenezer Nykae pointed out, the community realised that they, "couldn't wait for the government because the people are hungry" (Nykae, pers. com., 1995).

Before cropping could commence, land clearing and ploughing was jointly undertaken by Co-operative members. Transect walks (1995), field visits and observation (1995, 1996) and the video interview (1995) indicate that a spirit of joint effort has prevailed with farmers helping each other in major activities such as weeding, sowing, spraying and harvesting. The success of the scheme can be partially attributed to the sense of mutual self-reliance and co-operation which prevails and which the co-operative members endorse. Market gardening was pursued and is ideally suited to the labour-intensive and irrigation dependent nature of peasant farming on small plots. Production has been primarily for sale to local and regional markets and has also provided for household subsistence requirements (Video interview, 1995; Vuyani, pers. com., 1996).

Significant income has been generated through sales of produce to itinerant traders from surrounding towns. The attainment of profits of up to R 3 000 per quarter hectare per growing season had a major impact on the farmers (Meyer, pers. com., 1995; Survey, 1996). The income from agricultural sales dramatically improved the earnings of participating families which previously relied exclusively on either pensions or the occasional remittances of a migrant worker (Video interview, 1995).

The demonstration effect and success of this first phase had a dramatic impact upon the community in general, resulting in virtually all of the families in the valley wishing to

participate in the scheme. Discussions held during transect walks (1995, 1996), the video interview (1995) and interviews with the project leaders (Meyer, pers. com., 1995; Nykae, pers. com., 1995) verify this conclusion. As a consequence, a further 60 hectares of land, which could be brought back into production, was identified in the Fairbain area (see Figure 10.1). A further commercial bank loan was obtained in 1995 by the Co-operative to develop this land. This land is now back in production and is producing yields sufficient to meet the repayment deadlines (Meyer, pers. com., 1995). The process is clearly market driven, thus avoiding the pitfalls often encountered when communities become dependent on grant aid for their survival, a situation which community members clearly appreciate (Video interview, 1995).

Although the 83 plots allocated seems small in number, it would appear that many of the families in the valley who want to participate, now have access to land and hence a means of income. HACOP jointly owns and administers ploughing and harvesting services and maintains the irrigation pumps and piping. Water is extracted from the Kat River using diesel pumps and it is then distributed through the network of pipes and sprinklers which had been abandoned by previous farming enterprises (Meyer, pers. com., 1995). Inadequate piping necessitates the frequent relaying of the irrigation system to ensure maximum benefit to the shareholders. The nature of farming is labour-intensive and other than the diesel pumps, the only form of mechanization consists of three tractors which are predominantly used for ploughing. Intensive market-gardening produces cabbages, potatoes, tomatoes, spinach and pumpkins, while some fruit trees have been planted along the plot boundaries (Field visits, 1995, 1996). From the results obtained by the survey (1996), 90% of farmers grow cabbages, 20% beetroot, 55% potatoes and 10% pumpkins. The percentage scores of remaining crop types are significantly smaller. Effectively half of all the crops produced are sold, primarily to itinerant hawkers from neighbouring communities and wholesalers from more distant towns (Meyer, pers. com., 1996;

Survey, 1996). In 1996, owing to a price collapse on the regional market, the Co-operative commenced sales to neighbouring villages. This approach ensures greater revenue for the farmers and allows neighbouring villagers to purchase food cheaper than they would from distant shops (Vůyani, pers. com., 1996).

The day to day running of this intensive, market orientated farming system requires a high level of skills and technology which individual share-holders lack but which are generally available in the Co-operative (Video interview, 1995). These include the use of three tractors, which are operated and maintained by Co-operative members, to provide for the ploughing, seeding and harvesting needs of the shareholders. Furthermore, the Co-operative undertakes the bulk-buying, storage and distribution of pesticides, herbicides and fertilizers on behalf of its members and maintains irrigation pumps and pipes (Meyer, pers. com., 1995). A set of old barns is used to store farming equipment, inputs and produce until such time as required. Planning takes place in weekly Co-operative meetings where decisions regarding day to day farming needs and requirements are determined on a negotiated basis (Nykae, pers. com., 1995). In terms of its constitution (HACOP, 1994), the Co-operative co-ordinates and is responsible for sales. Half of the proceeds of sales are paid directly to the farmers (proportional to their actual sales), one quarter are paid to them over a four month period as salaries and one quarter is retained in reserve for training and as a cash reserve in the event of crop failure.

The success which has been attained and the desire to prosper, have alleviated friction, ensured a business-like approach to the management of the development and endorsed the leadership as interviews in the field verify (Farmers, pers. com., 1995). According to the survey (1996) profits ranging from R 1 000 to R 7 000 per growing season per farmer have been realised and all project participants interviewed regarded the endeavour as being successful. The success of the endeavour has been recognised by the Department of Agriculture which made an extension officer

available from 1995 to advise and assist the Co-operative, as and when required (Meyer, pers. com., 1996). Important in the operation of the scheme have been the formation of business partnerships with external suppliers in terms of the supply of seeds and various inputs and the sale of produce. This has been done in order to capitalise on the advantages of bulk supply and sale (Meyer, pers. com., 1996).

Although accurate statistics are difficult to obtain, indications of the level of success can be gauged from output on an individual and a community basis. Field visits (1995, 1996) and interviews with farmers (pers. com., 1995) and project leaders (Meyer, pers. com., 1996) indicate that single plot holders are able to produce up to 8 000 cabbages per growing season, while the community's surplus potato crop in the February-March season of 1996 came to 6 000 ten-kilogramme bags. Unfortunately, the absence of a community-owned truck to transport surplus produce to distant markets reduces the potential profits accruing to the community and enforces a dependence on urban-based wholesalers or local sales (Nykae, pers. com., 1996).

The scheme has had a tremendous impact on the community. In terms of remuneration received, the economy of the valley has been transformed. According to the survey (1996), as was mentioned above, individual farmers are making profits of between R 1 000 - R 7 000 per growing season. Although this might seem low, for families which were often dependent on a single state pension, this has increased available income by up to a factor of five and has significantly improved the overall quality of life (Meyer, pers. com., 1995). When compared to a previous unemployment rate of in excess of 85% and a dependence on state-welfare, this does represent a major improvement in overall conditions (Survey, 1996). Observed improvements in the valley include the upgrading of homes and clothing and furniture purchases (Field visits, 1996). Interviews with farmers (pers. com., 1995) and the survey (1996) indicate that the attainment of a reliable source of income has improved family nutrition and education. Families are

now able to allocate increased amounts of money to purchases or activities which they found difficult or impossible to do previously. New or increased purchases and expenditure include: clothes (75% of respondents), seeds (55%), family support (50%), food (50%), fertilizers (45%), schooling (40%) and furniture (5%) (Survey, 1996). The success of the venture has generated an observable sense of pride and self-achievement in the community and in their work (Meyer, pers. com., 1995).

It is significant that the majority of farmers in the scheme are women. The main reason for this is because subsistence farming was traditionally a female responsibility, given the long-established trend of male migrancy which was accelerated by apartheid policies (Maleleni, pers. com., 1995; Nykae, pers. com., 1995). To date, some of the most successful producers have been these woman farmers. Recent economic success has helped to ameliorate the traditionally marginalised position of women and has further enhanced general household security. The community's sole ownership of the endeavour, the resultant responsibility this imposes and the need to market produce to meet repayment deadlines has generated a dynamic entrepreneurial spirit which is evident in field visits (1995, 1996). A sense of self-achievement and self-actualization has developed through this process as intimated by the Co-operative chairman, "everybody is just happy in this valley ... everybody has something to do, we are all motivated and so encouraged by output ... success breeds success" (Nykae, pers. com., 1995). The achievements, tangible gains and recognized improvements in their quality of life has inculcated a feeling of community pride and a passion to ensure that the process succeeds. This has reaffirmed people's commitment to the Co-operative (Survey, 1996).

10.5) HERTZOG'S VISION FOR THE FUTURE

In terms of the way forward, the Co-operative does not perceive the *status quo* and current production and marketing as an end in

itself. Rather, they are attempting to improve upon their situation through a range of strategies (Meyer, pers. com., 1995, 1996). In order to improve and diversify farming, the planting of seedlings and orchards are planned. The need to privatise the tractor services has also been recognised. It is felt that equipment will be better maintained and a higher quality of service provided if the tractors are run as a business venture, preferably by a community member, and not merely as an extension of Co-operative activities (Meyer, pers. com., 1996). In collaboration with the Development Forum in the nearby town of Seymour, an agricultural advice centre is envisaged. This centre, which will be located in Seymour, will provide technical support and guidance to local, aspirant farmers (Kota, pers. com., 1995).

Through negotiations with foreign multi-national corporations, the Co-operative is exploring the possible production of high value crops for the international market. Some of the alternative options include the growing of herbs, which can be processed locally for the extraction of essential oils for the European market. Two other options which have been explored are charcoal production and turkey feed for the local and regional market on behalf of Italian and American corporations respectively (Meyer, pers. com., 1995). Current plans include the return to tobacco production of 40 hectares of land adjacent to the Fairbain plots. This is being planned by the community in conjunction with the government. There are, potentially, 1 000 hectares in the district which can be utilised for intensive peasant farming similar to that already in practice (Meyer, pers. com., 1996).

A need clearly exists to expand the Co-operative and the lands which it has under cultivation. Forty-five percent of the farmers sampled (1996) see the expansion of the Co-operative's lands as the major future requirement in the area. If the Co-operative is to expand in scale, the farmers (90% of the sample) believe that without more tractors and irrigation pumps, the Co-operative cannot reach its full potential. Dependence on commercial loans will probably continue, with the onus resting on the community

to prove their credit-worthiness and ability to service debts (Meyer, pers. com., 1996).

The success of the Co-operative and the tangible results obtained have inspired neighbouring communities. The Hertzog Co-operative is prepared to assist with the establishment of similar ventures (Meyer, pers. com., 1995; Nykae, pers. com., 1995). They have however, expressed concern with regards to a possible leadership vacuum in these areas which they feel could jeopardise parallel developments. Future expansion will also be impeded by various constraints as detailed in the assessment section below and the fact that a large number of the Co-operative's farmers were unable to repay their last loans because of market constraints and drought (Meyer, pers. com., 1996).

This initiative has clearly achieved the objectives set out by the Co-operative without external state support. However, in order to provide for broader socio-economic improvement, the community recognizes the need for outside assistance. The Reconstruction and Development Programme (RDP) is seen as the vehicle through which this improvement could be attained (Nykae, pers. com., 1995). Having proven their ability to identify, initiate and manage a successful development programme, the community feels that they are well placed to receive and implement RDP projects.

10.6) ASSESSMENT

In this section, the results of the final, standardised assessment undertaken in Hertzog are presented. The results are discussed in broad categories approximating the headings used in the assessment schedule (section 3.5.2). Information presented was based on interviews with M. Meyer (pers. com., 1996) and E. Nykae (pers. com., 1996) and was also informed by earlier research findings as detailed above.

10.6.1) Economic

Compared to the other initiatives described in this thesis, Hertzog is unique in that no grant funds have been received. No government funds have been secured to date and the only financial commitment from the state has been the secondment of an agricultural officer to assist the farmers. The only source of funds have been commercial loans (in excess of R 1 million). In the first two years of the scheme all the loans raised were repaid through profits made on the land. In the third year half of the farmers defaulted, because of market constraints and drought. The initiative has clearly promoted self-sufficiency in the community and visibly improved the income of participating families (Meyer, pers. com., 1995, 1996; Nykae, pers. com., 1995). Although there has been no private sector investment in the area, farming has been a major economic success which has benefited the community and local retail outlets. Over the three years the major problems which have been encountered have been the non-repayment by some of the loans raised in the third year, marketing and transportation constraints and a shortage of irrigation equipment.

10.6.2) Employment and Training

The initiative has led to the establishment of 83 small-scale farmers, none of whom had a stable income prior to the launch of the scheme. The jobs are clearly sustainable and potentially of a long-term nature. In many cases the farmer is assisted by family members and some of the 83 plots are shared between farmers and this broadens the employment base in the area. Skills have been gained by Co-operative members primarily in terms of improved farming capability. Training was done by resident community members and the government's extension officer. On the down-side, despite the initiative, unemployment still stands at approximately 60% in the valley (Community survey, 1996).

10.6.3) Empowerment and Quality of Life

The project appears to have encouraged community involvement and ownership in the valley for the participating one-third of the

valley's residents. The project is locally controlled and communal decision-making and the election of committee members are key components of its successful operations. Major decisions are only taken after consultation with all Co-operative members (Farmers, pers. com., 1996). The strength and collective bargaining power of the Co-operative have been recognised by external seed and fertiliser suppliers who have made Hertzog a place they are prepared to go out of their way to visit and supply their inputs to (Meyer, pers. com., 1996).

Improved food and income appear to have united the community and promoted a sense of hope and pride in a previously disempowered community. Although it is only the Co-operative members who are the direct beneficiaries, the rest of the community has gained through cheap and spoiled produce which is either sold or given to them, often in return for help with sorting and packaging.

One of the major draw-backs is inter-racial tension over land access between 'coloured' people in the neighbouring area of Tamboekiesvlei and the Co-operative in which Africans are the main members. This situation was caused by the fact that some of HACOP's lands include areas expropriated from 'coloured' farmers by the state in 1984 (Meyer, pers. com., 1995).

10.6.4) Services, Infrastructure and Resource Utilization

No improvements in services and transport have come about through the initiative. The exception is a community hall in the area which was built using funds secured from the Independent Development Trust. The project is making good use of available resources and land has been brought back into production. Rural-urban and rural-rural linkages have been fostered which have provided cheap food to urban areas and neighbouring communities. These linkages have also led to a significant capital inflow into Hertzog (Survey, 1996).

10.6.5) Internal Assessment

The internal assessment of the project by its leaders (Meyer,

pers. com., 1996; Nykae, pers. com., 1996) is that it has been very successful and is a sustainable initiative which is not dependent on external intervention or grants. The major, perceived gains are the profits which have been made, the repayment of loans secured and the sense of 'self-worth' and enrichment which ownership and success have brought. Negative aspects include the shortage of mechanical and administrative skills, non-repayment of some loans and transport and marketing constraints. Although the initiative started as a survival strategy, it has become a defined and sustainable growth path. To take the project forward, government support to address broader issues such as training and service provision, is clearly needed. Government incapacity and a lack of defined responsibility and commitment to grassroots structures are regarded as other possible constraints (Meyer, pers. com., 1996; Nykae, pers. com., 1996).

The positive results which have been attained are verified by the community (Survey, 1996). They assert that the host community has benefitted directly and profits have remained in the community. Given the high degree of dependence and unemployment which previously prevailed, the attainment of a situation whereby a sizable proportion of families in the valley have at least one member actively engaged in farming, represents a dramatic transformation and overall improvement in the quality of life. Seventy-five percent of respondents to the sample survey (1996) indicated that the attainment of personal income was the most dramatic transformation which had occurred. Only 10% of respondents indicated that the growing of crops was an asset for the family's food-budget. This suggests that farming is seen as a commercial venture and not merely as a form of nutritional supplementation.

The co-operative scheme has provided the first major productive employment in the valley in more than a decade and a half. It has led to self-actualization, a sense of self-achievement and pride in what they have been able to do (Nykae, pers. com., 1995). A

100% of survey (1996) respondents expressed the opinion that the Co-operative and the LED endeavour was a successful one which was meeting the goals it had set for itself. A clear factor in the success of this endeavour has been the presence, charisma and vision of the elected leaders.

10.7) DISCUSSION AND CONCLUSION

The experience of the Hertzog Agricultural Co-operative is an encouraging one. While recognising the uniqueness of the situation in Hertzog, there are many key strategies which could be adapted and applied to other LED strategies.

The community-owned and driven initiative in Hertzog exemplifies the potential which exists when communities identify a problem and take up the development challenge themselves. The success of what has happened in Hertzog illustrates the viability of the concept of 'development from below' or community-based development, and the significance of mobilising local knowledge and skills. It appears that the essence of this success stemmed from a strong, elected leadership and a commitment to transparency in all activities. More importantly, the community evidently feels a strong sense of ownership and has achieved empowerment through the development process. As Mr Nykae commented when interviewed, "the project is for the people not the leaders - you must have regular meetings and be transparent in everything that you do" (Nykae, pers. com., 1996).

This self-reliant development, in a poverty-stricken rural area, is indicative of what a community can achieve when its members work together towards the sustainable use of natural and human resources for the benefit of their society. The research provokes two important questions. Firstly, what is the most appropriate role, if any, for government in such development initiatives ? Secondly are projects such as this replicable ? Even though HACOP achieved its success in the absence of government support, there

will naturally still be a role for the state to play in communities which lack comparable human and physical resources. Care should be taken, however, to avoid excessive bureaucracy which might stifle the initiative and commitment that local people can have to improving their well-being. Government needs to facilitate, not dominate, the development process and offer advice and limited support where appropriate. The South African government's commitment to community development in its RDP is to be welcomed, but caution is needed to ensure that local initiatives are encouraged and receive carefully targeted assistance.

In terms of the second question, unique factors in Hertzog relate primarily to environmental and positive antecedent conditions. The general fertility of the valley, the moderately high rainfall and the reliability of flow in the Kat River made the environment conducive to small-scale, intensive peasant farming. Antecedent conditions include the presence of a skilled labour force familiar with local conditions, the presence of abandoned farmland and equipment and a cadre of respected and capable local leaders. Other factors include a reasonably low population density compared with most former Homeland areas and the fact that people were not relocated to Hertzog as a result of apartheid planning. Although these unique variables have been critical in the success of what happened at Hertzog there are lessons for other areas. The overall process of community initiated and driven LED is not wholly dependent on locational variables, nor should it be seen as site-specific. Factors such as community reconciliation, co-operation and the identification of a joint vision are replicable.

As the experiences of Stutterheim (Nel, 1994a) and Hertzog reveal, community vision, reconciliation, strong leadership and joint endeavours to plan for a common future, are imperative for successful LED. It is highly unlikely that all attempts at LED can be totally local driven and instead, varying degrees of external support, advice and funding will be required to meet

shortfalls in local capacity.

The experience of Hertzog is an inspirational one. According to the chairman of the Co-operative, "we have got to help ourselves that is the whole thing ... we can't be looking to government ... we must work" (Nykae, pers. com., 1995). The process of development in Hertzog conforms with the principles of successful community based LED. The positive experience of this community vividly illustrates the potential which LED has to unify and transform the economic and social well-being of communities.

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CHAPTER ELEVEN

EXTERNALLY SUPPORTED AND INITIATED LOCAL ECONOMIC DEVELOPMENT IN KEI ROAD

11.1) INTRODUCTION

In this chapter the attention shifts from the examination of community based LED examples, as detailed in the last three chapters, to a focus on three authority based LED cases, namely Kei Road, the IDT project and East London. The rural village of Kei Road is one of the many centres which, in the apartheid era, became a focal point of international media attention and condemnation (Oxfam, c.1993). In this particular case, the eviction of several hundred African farm workers from farms in the Kei Road district and their flight to the town, was the catalyst which induced a localised development initiative (Daily Dispatch, 26 June 1990). The callous treatment of the workers by the farmers and the authorities provoked international criticism and laid a basis for subsequent support and intervention on behalf of the refugees, from Oxfam and more importantly, from the Anglican Church's Eyethu Rural Development Mission.

Within the context of LED, the study of the intervention of the Church and their attempts to promote local development and job creation initiatives is an example of the role which supportive NGOs can play in the process of facilitating LED. Of significance is the fact that the initiative was not catalysed within the community, rather the NGO (i.e. the Church), acted to bring about relief in a situation of desperate poverty and hopelessness (Toomey, pers. com., 1994). As such, the development endeavour, though striving for well-intentioned goals did not spring from a unified community which had developed a vision for its future as was the case in communities like Hertzog, Stutterheim and Seymour. Instead, development was crisis-driven and dominated by the Church in the absence of obvious local leadership and vision. Although short term relief and support were provided, the

community appears to be a divided one lacking a clear, united vision for its future and it has become dependent on external support. This case-study illustrates a further scenario which might well eventuate in many South African communities, namely a community which is too disempowered to launch a development initiative independently and one which becomes dependent on external support.

In Kei Road, internal disagreements over the development process, which goals to pursue and a rival strategy have all retarded the development initiative. Despite these issues, it should be borne in mind that there are important lessons for communities in a similar position elsewhere in the country. One of the key success factors in the Kei Road experience, which will be discussed below, has been the successful linkages forged between community and big business through the presence of a neutral brokering agency, i.e. the Church.

In this chapter the methodology employed and background details to the crisis in the Kei Road township are briefly outlined before proceeding to a more detailed examination and assessment of the intervention of the Church and the strategies which were pursued.

11.1.1) Methodology

As in the preceding chapters, the core set of questions, as detailed in Chapter Three, formed the key basis of the research enquiry in this community (raw data is contained in Appendix One). This main method of data acquisition was supplemented with a review of relevant reports, newspaper articles, site visits and PRA type interviews with project participants in the field to clarify aspects of projects detailed by community/project leaders. The core questions were posed to project and community leaders after the preliminary fieldwork and contact making had been completed in May 1994. The questions were administered in a semi-structured fashion. The core questions were supplemented with additional, site specific ones, namely:

- What is the role of the Church and why did it become involved in the community ?
- What is the Eyethu rural mission, why was it established and what are its objectives and strategies ?
- Has external intervention been of critical importance in this project ?
- How acceptable is the initiative in the community / local area ?
- What alternate projects exist and are there a conflict of interests with them ?

The first round of interviews took place in two sessions in June -July 1994. These were supplemented by follow-up contacts with project leaders in the second half of 1994 and early 1995 in order to clarify details and establish what developments had taken place in projects which had been implemented. The key individuals interviewed then and subsequently were Rev. Toomey, Rev. Ntshingwa; the fieldworkers, Mr Gidi and Mr Dinga and the community leaders, Mr Mpunzi and Mrs Mkonke. In November 1994 a small random survey of ten members of the black and ten members of the white community was undertaken (a copy of the questionnaire and a summary of the results is contained in Appendix Five). The objective was not to provide a representative data-base, but rather to verify and test claims made by the project leaders and to establish how effective the project was being in benefiting the broader community. This exercise was undertaken with the assistance of two fieldworkers from Stutterheim and an attempt was made to get a representative range of opinions by speaking to individuals within each area.

In the same month a group interview, with 40 community members and a key community leader, Mrs P. Tshwete, was undertaken to identify the community's perception of development endeavours in their midst and to clarify what effects they were having. As Mrs Tshwete does not participate in Eyethu's activities, yet is a key local leader, this helped to provide independent but local views on developments. Her key role in a parallel, but unrelated

initiative in the town made her input a valuable additional source of information.

The next major round of interviews was undertaken with project and community leaders in August-September 1995 and supplemented by contacts with community members before and after that round of interviews. The same basic questions posed in the first round were re-asked to identify any changes in objectives, strategies and successes. The final set of interviews was held in June 1996. In that session the last set of evaluatory questions, as detailed in Chapter Three, were used as a basis for assessing the project and what it had achieved (the raw data are contained in Appendix Three).

It is important to point out that internal insecurity within the community prevented the application of a proposed PRA related video interview in the community as was undertaken in Seymour and Hertzog. This situation reflects the divided priorities and the lack of unified, community-based leadership which exists in the community. In addition, given the weak nature of leadership in the community and the dominance of the development initiative by Eyethu, most the information detailed in this chapter was derived from interviews with NGO staff.

Results of the findings of the interviews, as well as from information gathered from reports, newspaper articles, PRA derived information such as field evidence, discussions with project participants and the questionnaire are detailed in the general discussion below. The final assessment forms an independent section at the end of the chapter.

11.2) BACKGROUND DETAILS AND THE CRISIS IN KEI ROAD

Kei Road is a small rural service centre near Bisho in the Eastern Cape. Its economy revolves round three general dealers, a hotel, a small stockyard and a railway station. Despite these

minimal functions the township is home to nearly 2 500 people, the majority of whom are absolutely destitute and have no independent source of livelihood. Unemployment levels have been estimated to stand at approximately 85%, with salaries for African workers in the district averaging a mere R 98 per month in 1991 (Daily Dispatch, 27 February 1991; Mpunzi, pers. com., 1994). Until very recently there were effectively no municipal services in the town, neither was there adequate health care (Nel and Hill, 1994). Clear apartheid spatial divisions persist, as are shown in Figure 11.1.

Prevailing levels of destitution were significantly aggravated in 1990 when 175 surplus farm workers and their families were evicted by the farmers from surrounding farms and forced to become refugees in Kei Road township (Daily Dispatch, 28 June 1990). The fact that the event was well publicized and received extensive coverage in the British media and television at the time, led to international condemnation and a focusing on the crisis in the country (Daily Dispatch, 27 February 1991). The displacement took place between February and June 1990 and raised to the fore the issue of the lack of legal protection for farm-workers in rural areas. The initial response of the authorities, in the form of the Cape Provincial Administration (CPA) who administered the township, was sluggish. The CPA were accused of making "no genuine attempt to address their situation" (Daily Dispatch, 28 June 1990). In June 1990, the CPA and the South African Council of Churches finally intervened, providing tents to accommodate the 100 displaced persons who had found no shelter in the township. Thereafter followed a dramatic phase of intervention by the Anglican Church, with Archbishop Tutu appealing on behalf of the squatters at the highest levels of government. Bishop Russell from Grahamstown tried, unsuccessfully, to resolve the escalating animosity between farmworkers and farmers in the district. In addition, he diverted Church resources, through the Anglican Church's Department of Social Responsibility to support relief endeavours in the town

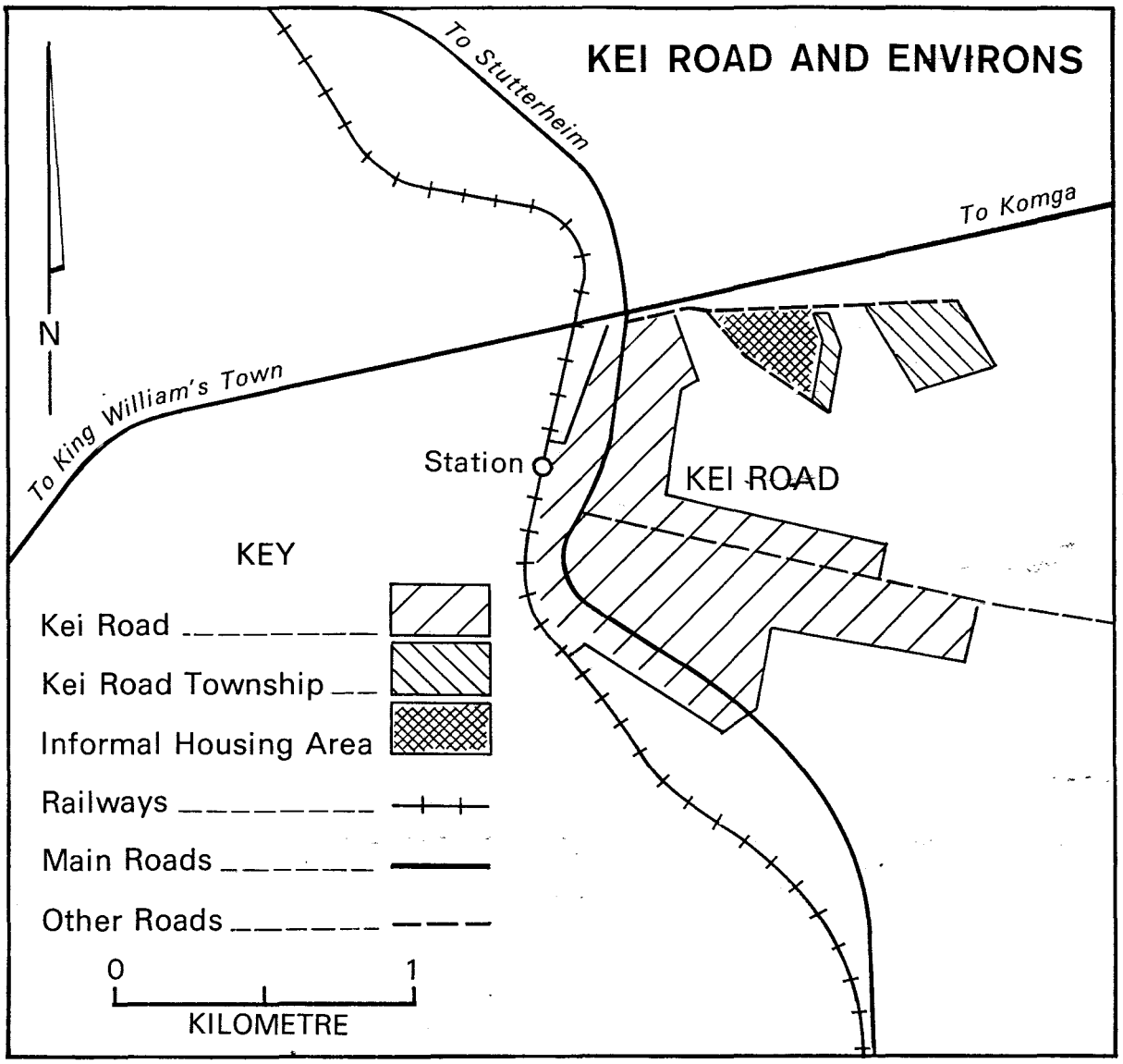


FIGURE 11.1) Kei Road

Source: Chief Director of Surveys, 1979, 3227 DA; Russell, 1994.

(Daily Dispatch, 9 March 1991; 3 April 1991; 9 April 1991). In April 1991, central government intervened and agreed to provide serviced housing stands for the refugees adjacent to the existing township. It would appear that the Church's appeals had helped to ensure a prompter response from the state than would normally have been anticipated (Daily Dispatch, 3 April 1991).

Aside from continued short-term emergency relief from the Church, mainly in the form of food packages, the refugee community were effectively abandoned. In 1993, attention refocussed on Kei Road when refugee numbers were temporarily swelled by people fleeing from a faction fight in the neighbouring village of Kwarini. The temporary residence of an additional 250 refugees in Kei Road township stretched the capacity of relief workers and the Church to the limit (Daily Dispatch, 29 June 1993). It appears that this crisis was the immediate event provoking more sustained intervention by the Church in an attempt to provide a measure of local relief and to support employment generating endeavours. The notion of a crisis event provoking a local development response and intervention is certainly in keeping with published literature on the factors which can help catalyst LED (Stöhr, 1990; Nel, 1994a). The fact that the LED endeavour was not the result of a community-driven initiative, but was rather as a result of targeted intervention by an external, yet supportive NGO (i.e. the Church), makes the initiative different from others examined in this thesis. The initiative developed out of an internal crisis situation which was essentially induced by apartheid practices and not the opportunities provided by an era of freedom, as was the case in the other initiatives studied. In addition, it was a part response to the limited state response and the Church's willingness to step in and assist.

11.3) THE INTERVENTION OF THE CHURCH AND THE INITIATION OF DEVELOPMENT STRATEGIES

In 1993, in response to the above crisis the Anglican Church

identified the need to promote job creation and local development in the broader community. Through its Department of Social Responsibility (DSR) the Church established the Eyethu (meaning 'ours' in Xhosa) Rural Development Mission in Kei Road. This was done in order to assist with the spiritual, material, developmental and legal needs of the displaced and the resident communities. Kei Road had been deliberately chosen for special support because of the Church's desire to work in marginal 'neglected' communities. Archbishop Tutu became personally involved in the establishment of the centre and invited an American priest, Rev. David Toomey, who had considerable experience with development initiatives in poor congregations, to head the project (Dinga, pers. com., 1994; Ntshingwa, 1995; Toomey, pers. com., 1994, 1995). The stated, three-fold objective of Eyethu is that it should be:

> a centre for training and human development, a tangible source of reconciliation in the community and region and, a place of faith building for all who work in and use the centre (Russell, 1994, 1).

The over-riding philosophy adopted by Eyethu and the DSR has been that of 'helping people to fish', i.e. to teach self-reliance and to develop marketable skills (Ntshingwa, 1995). Eyethu has striven for 'People-Participatory Action' in its projects. It also tries to work with people, to identify their needs and to seek their commitment and approval. Community-based management committees have been established to oversee individual projects and to support appropriate development initiatives. These management committees are elected by a broad section of the community which supports Eyethu. As interviews with community members verify, this serves to ensure community participation and representation in the process (Community interviews, 1994; Mkonke, pers. com., 1994). In total, the project has invested nearly R 500 000 from Church and Oxfam sources in the absence of any local financial contribution (Gidi, pers. com., 1996).

Specific projects were identified by Eyethu in conjunction with

community members, they include:

11.3.1) Para-legal support

Due to the legal needs of the evicted farm-workers, Eyethu decided to establish a para-legal advice office in 1993, with a full time employee to render support to the disempowered community and ex-farmworkers in particular. The office has also provided advice to emerging enterprises, leadership training and has undertaken voter-education campaigns (Mpunzi, pers. com., 1994; Gidi, pers. com., 1995; Ntshingwa, 1995).

11.3.2) The Siyazama Brick Making Project

One of the key projects focused on has been that of encouraging the manufacture and supply of bricks to build the houses required for displaced people. The project, called the Siyazama project, was identified by Eyethu and community members as a response to the pressing housing shortage caused by the arrival of refugees. Additional objectives have been to provide support for emerging small businesses and to create employment opportunities. The project was, initially, jointly funded by the Anglican and the Catholic churches (Ntshingwa, 1995). The undertaking started in 1994 with the securement of a site from the local authority, the purchase of a brick making machine and the training of ten members of the community. Initial enthusiasm from the participants (Brick-makers, pers. com., 1995), led to over-production, saturation of the limited market and subsequent despondency and internal conflicts among the workers (Mpunzi, pers. com., 1995). Failure to consult properly with the broader community over the project and the lack of commitment of workers to a project which they did not control, were also identified by Eyethu as problems (Site visit, 1995; Toomey, pers. com., 1995). The collapse of the scheme in early 1995 led to a vacuum and uncertainty in Eyethu regarding the project and how to proceed. By mid-1995, the situation suddenly transformed when the plant was taken over by some of the original workers who wished to run the business as a small, independent, streamlined operation. Eyethu has effectively relinquished control to them but continues

to assist through accessing formal training for the workers and helping to ensure that bricks are of an acceptable standard. Eyethu was able to draw in the help of a local engineer and the workers are now making soil-crete bricks (Toomey, pers. com., 1995; Toomey, 1996). A joint venture was also brokered by Eyethu between Siyazama and an independent company, Kondleka bricks, which agreed to run Siyazama and train the staff for three months in late 1995. In return the former company acquired a market share for its products in the Kei Road development initiative. The result has been the production and sale of bricks of an acceptable quality (Toomey, 1996).

One of the key factors promoting the expansion of this undertaking was the formal request by the community and the local authority that Eyethu and Siyazama take over the development of the RDP housing project in the town as developer and brick supplier respectively. This action was regarded by Eyethu as a significant vote of confidence in their ability to manage projects, their perceived acceptability to both the white and the black communities and the acceptance of the products of the brickworks. In total, 63 houses are to be built by Eyethu in collaboration with an engineering firm, using local labour (Gidi, pers. com., 1995; Toomey, pers. com., 1995; Toomey, 1996).

The experience of this particular project served to illustrate to Eyethu the need always to consult with the community, yet also the degree to which local enterprise could be facilitated if supported in an appropriate fashion (Gidi, pers. com., 1996; Toomey, pers. com., 1996). The success of the joint venture and the recognition by the community that Eyethu and Siyazama could undertake the RDP housing project, are all to Eyethu's credit and are testimony to the acceptance and recognition which the Church projects have acquired. Despite some initial difficulties, the role of the Church in drawing in funds and advice, and in brokering a business relationship with another company, are indicative of the important role which external support and facilitation can play in destitute communities.

11.3.3) The Inkqubela Sewing Project

One of the more important projects initiated by Eyethu has been a women's sewing project. Its significance lies in the fact that its operations have gone beyond supplying the needs of the local markets and large contracts have been secured with major para-statals in the country, namely Transnet and Eskom (Ntshingwa, 1995). This fact is very significant in that it shows community and big business can forge mutually beneficial linkages under certain circumstances.

The project was initiated by Eyethu as a strategy designed to offer employment to local women and one which could provide clothing to the community at a reasonable cost. The project started with ten women using second-hand, domestic sewing machines to make clothing and school uniforms (Ntshingwa, 1995). Complaints which followed about the quality of the garments produced would, elsewhere, probably have destroyed the capacity of the project. In this case, Eyethu, through the contacts and skills which it possessed, was able to access funds to send the women on a formal training course with the Border Training Centre. A dramatic improvement in the quality of the goods established a small but vibrant market for their output (Interviews with sewing circle, 1994). Based on the improvement in quality, Eyethu was then able to begin a search for larger contracts. As a result, they were able to broker a business relationship between two, semi-privatised para-statals, namely Transnet and Eskom. Transnet has loaned Eyethu nine industrial sewing machines and funded a week long training course for the women to improve the quality of their work such that it conformed with South African Bureau of Standards' norms. Thereafter, Transnet awarded the group a contract to supply the organization with 22 000 cleaning cloths. A few months later, following contact with Eskom, an order for 8 000 dust-coats was secured (Toomey, pers. com., 1995; Toomey, 1996).

According to Eyethu (Toomey, pers. com., 1995) the experience of the sewing venture is particularly instructive regarding the

potential which exists to link community projects with business initiatives. The key in these endeavours was the perception of Eyethu as a neutral NGO which could broker the relationships. The women possessed the desire to work (Interview with sewing circle, 1995), but had limited skills and did not have the experience nor the credibility to market their potential outside of their community. Parallel to this are large businesses and para-statals which, through political pressure and reformulated objectives, are keen to support community-based projects but lack access to communities and are seldom able to form business linkages with them (Toomey, pers. com., 1995). In the case of Kei Road, Eyethu with its practical, business orientated approach, its networks and obvious neutrality was able to secure the trust of both parties. The project has now drawn in a significant amount of money to the town and laid the basis for a successful small business venture (Toomey, pers. com., 1996).

11.3.4) The Masondle Makhosikazi Project (Women's Economic Development Project)

One of the oldest projects supported by Eyethu is that of a women's bulk-buying co-operative designed to reduce costs to households in the community (Mpunzi, pers. com., 1994; Gidi, pers. com., 1995). As interviews with community members (Community interviews, 1994; Mkonke, pers. com., 1994) indicate the project has focused on women and hence encouraged gender empowerment and improved the status of women in the commercial life of the community. Goods are purchased in bulk in King Williams's Town and distributed to contributing members. As a result, goods are far more easily available to the community in terms of physical access and cost and it has forced local stores to lower their prices. It is estimated that a 20-30% cost saving was achieved on certain items (Ntshingwa, 1995; Toomey, pers. com., 1995). Problems experienced include the lack of storage facilities, poor financial skills possessed by the community and the fact that local stores have now tried to become competitive by lowering prices and thus threatening the market of the co-operative. Indirectly, the latter consideration is naturally a

success factor in its own right (Gidi, pers. com., 1995; Ntshingwa, 1995). One of the results has been that the range of products supplied has now been reduced and cement (for the new housing) and paraffin are the major items purchased. In this instance the catalytic role of the Church in providing the necessary support, advice and for organizing transport is indicative of the role which such organizations can play in brokering and supporting economically viable projects in destitute and disempowered communities (Gidi, pers. com., 1996).

11.3.5) The Community Garden / Demonstration Project

In an attempt to promote household self-sufficiency and small-scale farming, a community-gardens project was launched by Eyethu (Site visit, 1994, 1995). This particular project appears to have met with mixed results. A demonstration garden was established where several young men were trained and from where seedlings were distributed to community members to start their own gardens (Interview with gardeners, 1994; Mpunzi, pers. com., 1994; Toomey, pers. com., 1995). Eyethu regards the main problems experienced as being the limited farming skills possessed by community members, the poor resource base, the limited local market for crops which are produced, low rainfall and the existence of a rival venture as described below (Toomey, pers. com., 1995).

11.3.6) Other Projects

Eyethu has provided valuable support to the community in terms of a range of issues. These include financial support and advice on the building of a temporary crèche and subsequent, successful lobbying with the Kei Road Residents' Association to the government to establish a permanent crèche, a clinic and to expand the present school. Support for the on-going school-feeding project has also been rendered (Mkonke, pers. com., 1994, 1995).

11.3.7) Future Projects

Future projects contemplated by Eyethu include: the promotion of

small businesses in the town, the possible establishment of a community bank, literacy campaigns, small-scale farming and links with an oil company to bulk-buy paraffin for the community (Ntshingwa, 1995; Gidi, pers. com., 1996).

11.4) THE COMMUNITY RESPONSE TO EYETHU AND A RIVAL INITIATIVE

When trying to assess the response of the community to Eyethu, it is important to first gain an awareness of the nature of the broader community and the divisions which exist within it. One of the most obvious features of the Kei Road community has been the open hostility between the black and the white communities. This led to the past physical neglect of the township, racial animosity and tension, particularly when the refugees became the focus of media attention (Toomey, pers. com., 1994; Gidi, pers. com., 1996). This tension flared into open aggression when, in 1993, the black residents marched on the Kei Road municipal office (i.e. in the white town) and demanded the resignation of the Town Clerk on the grounds that "she refuses to listen to the residents and ignores their appeals". Demands for electricty, roads and school facilities were also made (Daily Dispatch, 15 July 1993).

Over and above black-white tension, there appear to be deep divisions within the black community itself. One of the most striking differences is that between the long-term residents of the township and the refugees over access to resources, perceived status and claims on the benefits of development (Ntshingwa, 1995). In terms of their own projects, Eyethu reports that popular support can fluctuate from 0-100% dependent on the issue under consideration and whether or not it advances the interests of all the residents. In addition, the DSR estimates that only about 50% of township residents fully support and back the development endeavours launched by Eyethu (Gidi, pers. com., 1995; Toomey, pers. com., 1995). Such fluctuations and variable community support limits the overall sense of community ownership

of the development process which should exist. This is in contrast to Seymour where the LED process is community driven and owned and is able to call on outside support where and when required (see Chapter Nine).

One of the direct crises which Eyethu faced to its credibility occurred in 1995 when the headmistress of the school and the parents' committee rejected the school uniforms already made by the sewing co-operative. Eyethu's failure to properly consult with the school and community over the sewing project and the style for the uniforms was blamed for the impasse. It was only after extensive negotiations and a formal apology from Eyethu that the crisis was resolved and the uniforms were accepted (Toomey, pers. com., 1995).

Far more serious has been the existence of a 'rival' initiative in the township which focuses on public health issues and the development of a parallel community gardens initiative (Tshwete, pers. com., 1994). This endeavour is led by a Mrs Pam Tswete and her team of six health workers. Although not politically aligned, their project has raised national relief funds and IDT funds to support community development (primarily child-care and school feeding) and the establishment of a demonstration community garden (IDT, 1994a, 1995a). This initiative does not have the business-orientated and housing focus of Eyethu, but nonetheless, appears to be a popular one. This was evidenced by the presence of 40 community leaders and members in a workshop organized by the author in 1994 in the township to discuss support for this particular development initiative. Considerable praise for this undertaking was expressed by community members (Community interviews, 1994; Mkonke, pers. com., 1994, 1995; Ngete, pers. com, 1994). It was interesting to note that the people present at that meeting expressed a general lack of awareness about the Eyethu projects despite the fact that certain individuals had previously been observed working in Eyethu projects.

Localised political rivalry has clearly produced divided

loyalties within the community. Mrs Tshwete (pers. com., 1994) expressed the view that the Eyethu programme was biased in favour of certain groups. In addition it was felt that they lacked transparency and animosity existed in the township because the residents felt that Eyethu needed to approach the residents' committee when it wanted to undertake its various initiatives (Community interviews, 1994). While this view may well, in itself, be a biased one designed to promote the interests of the rival organization, the fact that there is division in the community is, in itself, a cause for concern regarding the sustainability of Eyethu's projects. The fact that neither group is politically aligned has localised the antipathy however.

The survey, detailed in Section 11.1.1, revealed the apparent lack of inclusivity of the broader township community in Eyethu's development process. The results indicate that the existence of Eyethu's development initiative was unknown to many of the township's residents questioned (four out of ten). This is a surprising finding and is a clear comment on the effectiveness of that scheme at the time of the survey (1994). The results could however, be a reflection of either a failure to question a representative sample, unfortunate skewness in the results, secretiveness because of the existence of a rival organization or the comparative newness of the initiative. Eyethu's support for development was regarded as a key result of the process. Only one black respondent identified rivalry in Kei Road as an constraint and no black respondents were able to offer suggestions for future action.

A marginal majority of the whites questioned in the survey (1994) were aware of the initiative (six out of ten) but, presumably through lack of involvement, were not able to offer in-depth analysis of what had been achieved. The one white respondent who seemed reasonably aware of the endeavour felt that it was not designed to cater for the needs of the broader community and was focused only on the township. This apparent lack of common vision and purpose are elements which, traditionally, are regarded as

critical to the success of broad-based LED endeavours, but which, for all intents and purposes are not present in Kei Road. This is in contrast to the initiatives discussed in the preceding three chapters, particularly Stutterheim.

11.5) ASSESSMENT

In this section, the results of the final, standardised assessment in Kei Road are presented. These results are discussed in broad categories approximating the headings used in the assessment schedule (section 3.5.2). Information presented was based on interviews with S. Gidi (pers. com., 1996) and D. Toomey (pers. com., 1996) and was also informed by earlier research findings.

11.5.1) Economic

The Kei Road project has clearly been driven by externally raised funds. Nearly R 500 000 has been received in donations and no significant amounts have been raised locally (Gidi, pers. com., 1996). There is no evidence of private firms benefiting or investing as a result of the initiative, with the exception of Transnet's contributions to the sewing co-operative. Government support has been limited, with the exception of the recent housing project, which will use locally produced bricks. On the positive side, the initiative has fostered and supported new, local enterprises, the most prominent being the brick making and sewing enterprises (Toomey, pers. com., 1996). These two undertakings have the potential to operate as fully independent undertakings to the benefit of their employees. According to Gidi (pers. com., 1996), these projects have significantly improved the quality of life of those involved, but the endeavour has been hindered by limited market opportunities. Economic benefits for the broader community are not, however, apparent.

11.5.2) Employment and Training

The initiative has led to the creation of 25 new employment

opportunities, all of which were established through the activities of Eyethu (Gidi, pers. com., 1996). The jobs are still regarded as being of a short-term nature because sustainability of the enterprises has not yet been assured. The jobs created are in the brick making and sewing undertakings, several men are employed as builders and Eyethu employs three office workers. The endeavour appears to be making a limited contribution to a community where unemployment levels exceed 85% (Gidi, pers. com., 1996). Local people have exercised a degree of control over the process through the management committees (Community interviews, 1994). Training, particularly of the sewing circle, has led to a general improvement in available skills and market potential (Toomey, pers. com., 1996).

11.5.3) Empowerment and Quality of Life

The project appears to have encouraged a degree of community involvement and ownership. The main beneficiaries however, only appear to be the project participants (Interviews with sewing circle, 1994; Gidi, pers. com., 1996). The project is led by Eyethu rather than by the community itself, which affects overall ownership (Toomey, pers. com., 1996). The broader community participates indirectly, i.e. through having access to locally produced bricks, bulk purchases, clothing and legal advice. Community control exists, but the number of active participants varies according to project. As such, the undertaking has the appearance of being project driven and has not become a key focal point for the entire community (Toomey, pers. com., 1996). On the positive side, available support through Eyethu, assistance to women in particular, the gradual breaking down of old apartheid divisions in the town and the sense that people are developing a stake in the community, are all key gains (Gidi, pers. com., 1996). The quality of life has improved to a limited degree, but crime and unemployment remain the key challenges.

11.5.4) Services, Infrastructure and Resource Utilization

No improvements in services, transport and access to land have come about through the initiative. Independently, the government

did provide serviced housing stands in 1991 and approved the construction of 63 houses in 1995 (Toomey, pers. com., 1996). The physical form of the township has not altered as a direct result of the endeavours of Eyethu but they are taking a leading role in constructing new houses on behalf of the state. Eyethu did however provide moral support to the community in their successful appeal to the government to build a new crèche, a clinic and a school (Community interviews, 1994). Links with rural areas have not yet been introduced and local resources (other than the raw materials for the bricks) are not being utilised (Gidi, pers. com., 1996).

11.5.5) Internal Assessment

The internal assessment of the project by its leaders is that it has been successful, although they acknowledge that it has yet to become sustainable. This and the marketing of local products are key challenges which they are trying to address. In terms of the way forward, the important role of NGOs is identified, particular in the light of the problems of non-delivery and accountability experienced by the local and central government (Gidi, pers. com., 1996; Toomey, pers. com., 1995).

11.6) DISCUSSION AND CONCLUSION

In the absence of a unified, community-driven response to the crisis in the town, the development needs of the town have had to be addressed by an external NGO. Whilst this intervention is praiseworthy, the fact that the community does not control the total process has limited the overall sense of community ownership and joint action which characterises the LED endeavours in Seymour and Hertzog. In addition; weak local leadership, poverty and internal tension has impeded the development process in Kei Road and enforced dependence on external agents and grants. This situation has also prevented the establishment of a broad-based, well co-ordinated, coherent LED strategy which can benefit all members of the community.

Eyethu has clearly played a critical role in the initiation and support of LED in the town. They have supplied the leadership and skills capacity which was apparently lacking in the community. Through their endeavours, limited job creation has been undertaken and useful services such as para-legal support, sewing and brick-making have been made available to the broader community. Although the project suffers from being totally grant dependent and it relies heavily on the skills, leadership and networking capacity of Eyethu, one cannot deny that gains have been made by an extremely deprived and disempowered community. It is not unrealistic to surmise that, given the deeply divided nature of many communities in South Africa, the general politicization of development and the serious shortage of skills which exists, that the situation in Kei Road is typical of many communities in the country. In line with the draft Green Paper on LED and its advocacy of LED facilitation by NGOs, the state or the private sector (Moloi, 1995), the role of Eyethu is instructive as to the positive role which NGOs can play. Dependence on externally supported, authority based development initiatives might well reflect the development future of many communities and centres in the country. The fact that only 41 known cases of LED exist in a country as large as South Africa is indicative of the lack of capacity which exists in communities to initiate development independently (NBI, 1995). Of that 41, only five (including Stutterheim, Hertzog and Seymour) can be identified as being community-driven and led. The rest have needed external support and intervention.

Kei Road is particularly instructive with regards to the role which independent, neutral NGOs can play in fostering and brokering economic relationships with external business agencies in such a situation. The trust placed by business and the community in a neutral agency and their preparedness to work with Eyethu, is a key lesson. Making available skills, funds and resources in a severely disempowered community has clearly helped to address local needs.

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CHAPTER TWELVE

EXTERNAL ATTEMPTS TO INDUCE LOCAL ECONOMIC DEVELOPMENT AND JOB CREATION PROGRAMMES IN RURAL COMMUNITIES IN THE BORDER CORRIDOR

12.1 INTRODUCTION

At present there are few examples of authority based development in South Africa where an external agency tries to initiate and facilitate local level development. Such approaches merit considerable attention internationally, with numerous development agencies seeking to encourage and foster local initiatives through minimal intervention, support and seed-funding (Stöhr, 1981; Glasson, 1992). At a nominal level, the current South African government's policy of support for community development and public works programmes in its Reconstruction and Development Programme (RDP) (ANC, 1994), has parallels with this envisaged combination of strategies. The RDP has the potential to impact significantly on local level development and emerging LED in the country. At the time of writing however, few tangible results had been achieved by the RDP in the Eastern Cape Province. Projects which had been initiated were generally still in the planning or early phases of implementation (Pakadi, pers. com., 1996). Despite this, considerable effort has been devoted to promoting development through public works programmes by the state-supported non-governmental organization (NGO), the Independent Development Trust (IDT). The IDT's strategies have close parallels with the aims and the objectives of the RDP.

In this chapter an authority based job-creation / public works programme is the focus. This programme was launched by the state to try and provide relief in destitute rural communities in the Eastern Cape and to induce local development, in consultation with those communities. This programme combined 'top-down' support and encouragement with the objective of inducing and facilitating 'bottom-up' development. The IDT was contracted to

implement this programme on behalf of the state in the period from 1994 to 1995. Based partially on the perceived success of initial endeavours such as these, the IDT has now been tasked to act as the implementing agent of the Public Works programme in the Eastern Cape (Pakadi, pers. com., 1995, 1996).

The focus in this chapter is on the IDT's programme of job creation and associated attempts to facilitate development which they undertook on behalf of the central government's Department of Agriculture. The targeted communities mostly occupied districts in what was perceived, by the state, to be in 'white' South Africa. They had received minimal, if any, state support for decades, pending their anticipated relocation to the Homelands. In order to improve conditions through the use of government funds, the IDT sought to empower communities and to allow them control over development funds made available to them, within certain defined parameters. Although this programme did not have its genesis directly in the RDP, parallels are apparent. An investigation of this undertaking permits an assessment to be made of RDP-type strategies and their general potential in terms of LED. The draft Green Paper on LED (Moloi, 1995) espouses the notion of LED encouraged, initiated and facilitated in local communities by external, usually government facilitators (see Chapter Seven). Such a policy has merit, particular in resource and capacity poor areas. It does however, create the problem of dependence on external support and advice and raises questions over the sustainability of such endeavours.

In this chapter the methodology is outlined before examining and assessing the actual scheme. The programme was implemented in 16 communities. The research for this chapter focused on an overview and assessment of development in a sample of seven communities. In addition, a more detailed study was undertaken in one of these areas, known as 'RA 60' (or 'Released Area' no. 60). In addition to providing an illustration of the processes occurring in all communities, RA 60 merits particular attention because it is an area which, although it was allocated for inclusion in the Ciskei

Homeland, never had people formerly relocated to it. Instead, it has been the target zone of an extensive land invasion by people from overcrowded and/or degraded areas who are desperate to create an existence in this former farming area.

12.1.1) Methodology

The researcher decided to narrow down the research focus to a set number of communities, owing to the number of centres and associated distance and cost constraints. Seven out a total 16 communities participating in the programme were selected for study. In order to gain a representative picture of the different sites, selection of the sites to research was done in consultation with the IDT. Key considerations included their physical size, known conflict, perceived success or failure (by the IDT), proximity or isolation from major centres and the actual projects implemented. Although sites were selected for detailed study, general reports for all participating communities were reviewed to gain a picture of the broader process. It is important to note that, although six of the seven communities were visited while the project was still operative, one was visited after its termination and three (those at RA 60, the area selected for more detailed study) were re-visited after the project's termination in order to try and identify whether the projects could become sustainable.

The core set of questions, as detailed in Chapter Three, formed the basis of the research enquiry in these communities (raw data is contained in Appendix One). This method of data acquisition was supplemented with a review of relevant reports, site visits, group interviews with community members in each centre and PRA type interviews with project participants in the field to clarify aspects of projects detailed by community/project leaders. The core questions were posed to project and community leaders after the preliminary fieldwork and contact making had been completed, in October 1994. The core questions were supplemented with additional, site specific ones, namely:

- Describe the community, its village/s, the employment situation, farming and employment conditions.
- What projects were embarked on ? (detailed description)
- Has the community had a significant say over the initiative and its control ? What structures were created in the community to oversee / manage the project ?
- Was the initiative perceived as desirable ?
- Has the initiative unified or split the community and why ?
- Is the project sustainable ? What will happen after the termination of project funds ?
- Has the role of the external project agent and the IDT been positive or negative ?

The first round of interviews took place in seven sessions in October-December 1994. This was supplemented by follow-up contacts with project leaders in the first half of 1995 to clarify details and establish what developments had taken place in the projects implemented. The key individuals interviewed then and subsequently included some 200 community members and their leaders. In total, approximately 20% of participating individuals in the seven villages were consulted, either in a group situation or on an individual basis in order to try and obtain a 'community based' appraisal of the programme, its relative success and its potential sustainability.

Information was also gathered through an investigation of relevant documentation, including IDT reports and records of each community and the meetings held over an 18 month period. Records of IDT community facilitators and the independent project agent who was recruited to provide technical advice, were also reviewed. Structured interviews were also conducted with IDT officials, implementing agents, representatives of the Department of Agriculture and NGOs operative in the same areas.

Results of the findings of the interviews, as well as information gathered from reports, PRA derived information such as field evidence and discussions with project participants, are detailed

below. No questionnaire was administered because of the short-term nature of the project, the large, dispersed population and the large number of people interviewed on a group or individual basis over a two month period which yielded a significant body of data. As the project was terminated in 1995 and no evidence of on-going activity resulting directly from the project could be found, the final evaluation conducted in June 1996 yielded few concrete results (raw data are contained in Appendix Three).

12.2) THE STUDY AREA

The study sites selected form either part of the so-called 'black spot' communities of the 'Border Corridor' or are on released land neighbouring the former Ciskei Homeland or, in two cases, within Ciskei itself. The 'Border Corridor' is the strip of 'white' South Africa lying between the two former Homelands of Ciskei and Transkei (see Figure 12.1). 'Black spot' areas are rural areas of African occupancy lying in the parts of South Africa which were previously allocated for the exclusive ownership and residence of white people. As such, they were areas scheduled for disestablishment and the removal of their residents to the closest Homeland. In many instances, such as in the 'Border Corridor', removal never took place, usually because of the legal complication of residents having free-hold, as opposed to the less protective traditional or trust tenure and the fact that these areas generally belonged to religious mission stations. This situation helped to ensure that communities were not subjected to removal. However, it also meant that the state tried to destabilise the areas politically in order to encourage their abandonment. Conditions were aggravated by the fact that, for many years, essential services were not provided, pending the government's proposed removal of those communities (Border Rural Committee, 1994). The result has been a desperate legacy of discrimination, disempowerment, marginalisation and victimisation. It should be noted that farming effectively ceased to be practised in these districts years ago because of over-

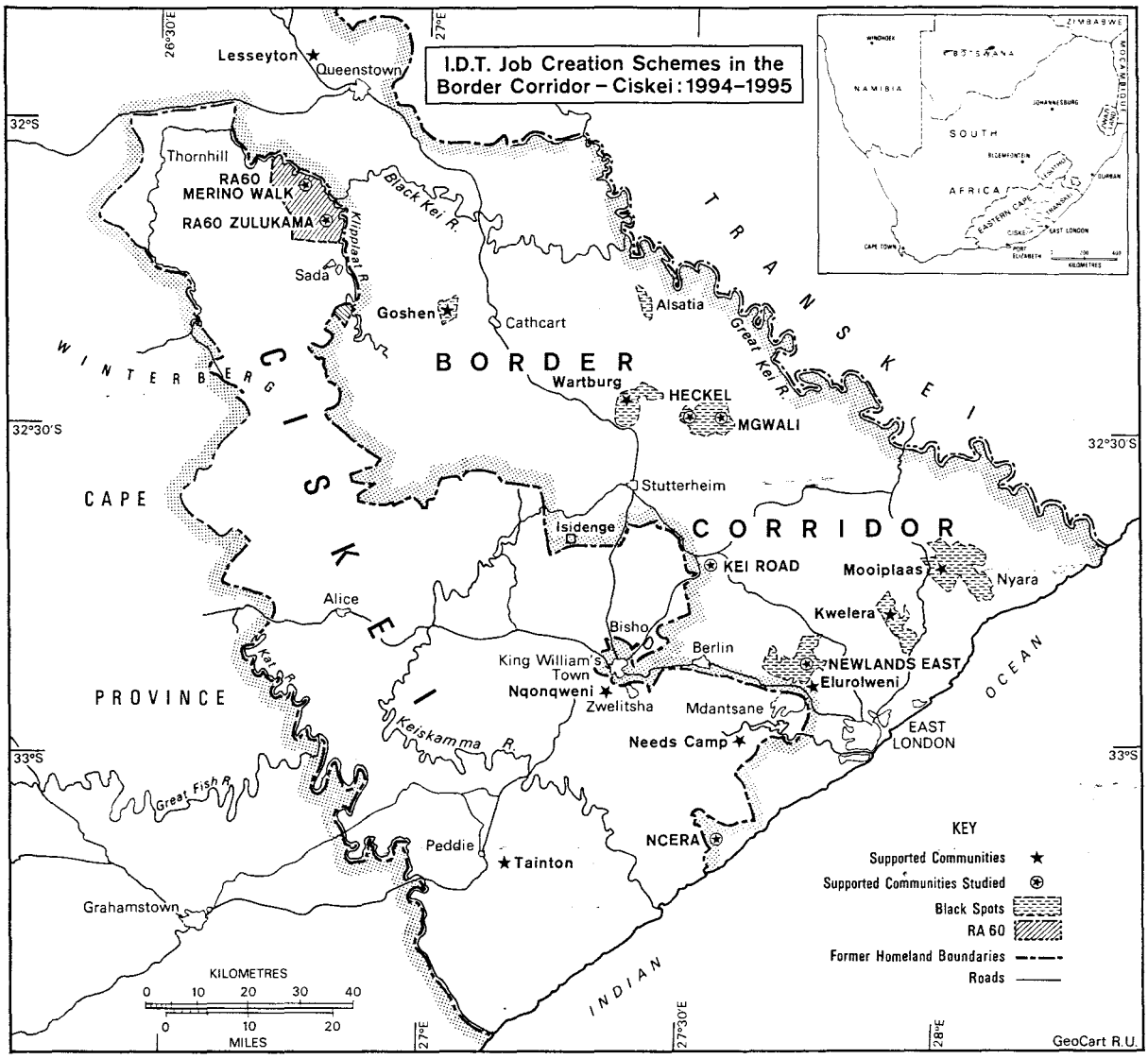


FIGURE 12.1) The Border Corridor and the IDT Assisted Communities

Source: IDT, 1994a.

crowding and lack of support from government and sheer capital scarcity.

A 'Released Area' is an area of former white farmland purchased by the state for inclusion or 'consolidation' in a Homeland. Its designation in terms of the 1913 or 1936 Land Acts was done on the basis of the fact that it bordered a Homeland and would thus provide for physical expansion of a limited number of core areas in which Africans from isolated communities could be resettled.

The area of RA 60 lies in the semi-arid interior of the Eastern Cape, approximately 30 kilometres south-west of Queenstown. It consists of five, formerly white owned farms, Spes Bona, Merino Walk, MacBride, Brak-Kloof and Drummond (now called Tamboville) which were bought by the South African Development Trust, and consolidated as an area known as 'Released Area 60' (RA 60) in 1977 for transfer to the then Ciskei Homeland (see Figure 12.2) (de Beer, pers. com., 1995).

Following purchase, the land was not used for resettlement but was, instead, managed on an agency basis by the Department of Agriculture (de Beer, pers. com., 1995). In 1990, the area known as Merino Walk was occupied by people from the infamous dumping ground of Thornhill. Their stay was short one, ending with eviction by the then Ciskeian military authorities (Ndhlovu, 1991; Community interviews, 1994). Political change in the country and the impending demise of the Homelands overtook and influenced local events however. In the period from 1991 to 1993 Merino Walk was once again settled by people from Thornhill, while the three farms of MacBride, Brak-Kloof and Drummond (Tamboville), collectively referred to as Zulukama, were occupied by landless people from Ciskei, Transkei, the 'Border Corridor' and even distant cities (Community interviews, 1994; Tyilo, pers. com. 1994). The fifth farm of Spes Bona remained as a Department of Agriculture farm. The availability of un- and under-utilized government land, as elsewhere in the country, was a drawcard to the dispossessed and the land-hungry, with thousands of people

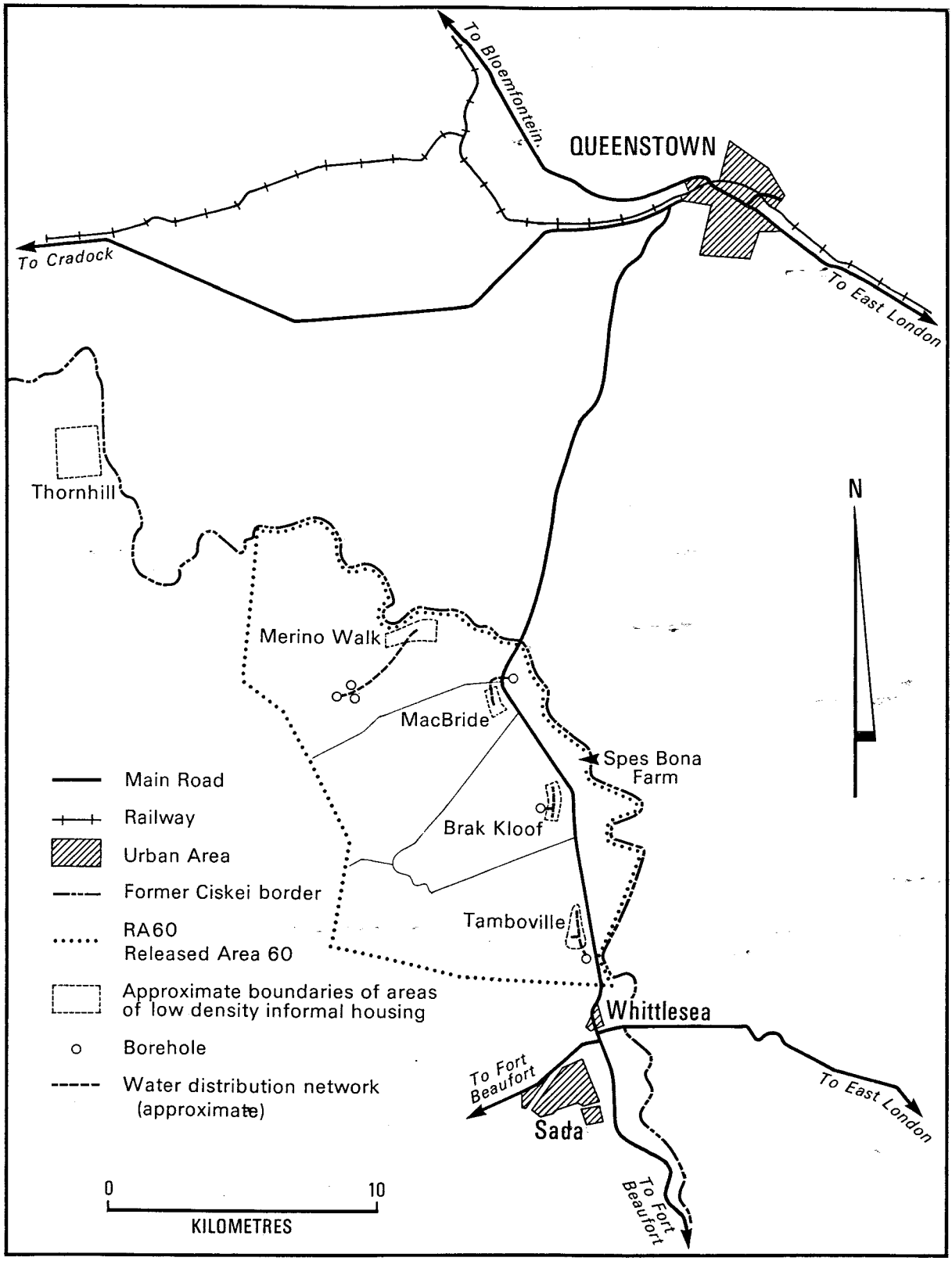


FIGURE 12.2) Released Area 60 (RA 60)

Source: Chief Director of Surveys, 1980, 3226 BB; 1981, 3226 BA; de Beer, pers. com., 1995.

settling as rural squatters in a matter of months. The government tacitly condoned the land seizure given the fact that this was land reserved for resettlement in any case. This led to the four distinct communities which developed (one per farm) consolidating their position, erecting permanent dwellings and forming civic structures. Although there are no precise estimates, it appears that at least 7 500 people are currently occupying RA 60 (Mshudulu, pers. com., 1995).

The simultaneous application of targeted public works programmes and the situation of land resettlement in RA 60, all make the site a case-study of the success or otherwise of programmes which, at the moment, appear to be critical to the new government in South Africa and its Reconstruction and Development Programme (ANC, 1994). The area under consideration forms part of the Department of Land Affairs' recently announced focus area in the Eastern Cape province for its rural development and resettlement programme (Department of Lands Affairs, 1995).

12.3) THE IMPLEMENTATION OF THE IDT PROGRAMME

12.3.1) Background to the IDT Programme:

Although development intervention was prompted by localised crises, the strategies applied were externally imposed. The intervention was not caused by the greater freedom available to people in the post-apartheid era, but rather resulted from new state and para-statal priorities associated with political change. This programme was launched in 1994 by the IDT, on behalf of the government, in order to initiate a job creation and development programme in the 16 identified, destitute communities in the 'Border Corridor' and adjacent areas. A sum of R 1 500 400 was made available by the Department of Agriculture for this programme as part of a 'drought relief' drive to counter the negative effects of years of drought in numerous rural areas. The IDT contributed an additional R 75 020 of its own and facilitated the virtually unique process of providing direct funding to

target communities and allowing them a say in its utilisation (IDT, 1994a). It was decided to focus on programmes which could lay a basis for enhancing the region's agricultural potential. This was decided on as a consequence of the rural nature of the communities which made agriculture a logical growth option to pursue, the fact that many areas were no longer practising farming and the particular interests of the funding government department.

From the start of the programme, it was apparent that the IDT wished to use it as a 'test-case' (IDT, 1994a). This was because of the considerable attention which was being devoted to public works / job creation type programmes in South Africa in terms of the Reconstruction and Development Programme and the National Public Works Programme (ANC, 1994). The programme was initiated through close interaction between the IDT and the government over the former's recognition of the desperate situation which prevailed in the various 'Border Corridor' communities. In a joint agreement between the Department of Agriculture and the IDT it was agreed that the programme would be launched by the IDT using its own funds and debts incurred would later be refunded by the Department. Given "personnel and logistic problems", the Department agreed that the IDT should be commissioned to actually implement and control the programme. According to the Department, the IDT had the responsibility of: organising communities, guiding them in the identification of job creation priorities, assisting through training in various aspects of management and financial control and checking the books (Letter from the Director, Döhne Agricultural Development Institute, 25 January 1994, in IDT, 1994a). The project was overseen by an IDT project-manager based in Bisho, the provincial capital, who was in charge of the activities of three IDT community facilitators and the independent project agent who was hired. While the latter offered technical advice and training, the former helped to establish development committees, train their members and ensure the smooth operation of the programme (Jague, pers. com., 1994, 1995; Pakadi, pers. com., 1994, 1995).

It is significant that the IDT's request that communities should be allowed to control their own finances was approved. As a result, the programme, with its key elements of job creation strategies orientated towards agricultural activities and community control of available finance, provides an interesting study of the potential viability and practicality of such strategies and aspects of community based LED in general (IDT, 1994a).

The 16 'black spot' communities targeted were:
- Lesseyton
- Goshen
- Wartburg
- Heckel *
- Mgwali *
- Newlands East *
- Ncera *
- Kwelera
- Mooiplaas
- Tainton
- Kei Road *
- RA 60 Zulukama * (includes 3 separate communities)
- RA 60 Merino Walk *
- Needs Camp
- Eluxolweni
- Nqonqweni

(IDT, 1994a, 1994b, 1995a).

* = indicates a community in which research was undertaken.

12.3.2) Implementation Strategies

The programme was launched after staff of the IDT established contact with the affected communities in early 1994 and informed them about the programme, what it offered and its requirements. All targeted communities accepted the offer of support. The next stage was the election of development committees in each community, which established the base from which to launch the project and to interact with IDT (Jague, pers. com., 1994).

Contracts entered into with the individual communities stressed that the aim of the labour-intensive projects to be supported was to "create job opportunities in the short term for the neediest of the needy in the community, on developmental and sustainable

projects" (Letter from the Department of Agriculture to the IDT, IDT Drought Relief Programme, January 1994, in IDT, 1994a). Projects launched and supported had to focus on improving agricultural conditions and infrastructure in the area and had to create employment opportunities in the process with an initial hope of encouraging sustainable, community-led development. Selection of individual project foci was left to the discretion of the individual communities, subject to the advice of the IDT, a situation borne out by interviews in communities (1994).

Committee members received leadership and financial management training so that they were able to manage the pay sheets, cheque books and claim forms provided by IDT. They also received technical advise on practical issues so as to assist them with project selection. IDT staff and the independent project agent, whom the IDT hired, assisted with accessing funds, advising on their use and helping to identify suitable, agriculturally based job creation strategies (Community interviews, 1994, 1995; Pakadi, pers. com., 1994, 1995; Tylio, pers. com., 1994). Actual projects embarked on are detailed in the next section.

Following the identification of set programmes, the work was organised by the committees with the assistance of the IDT. Wages (R 7 per day) were paid to those selected for the programme and the people employed were rotated to ensure maximum benefit to as many as possible (IDT, 1994b, 1995b; Community interviews, 1994). Support from the Department of Agriculture; in the form of advice, ploughing, soil testing and provision of fencing material was also secured. Possibly more important was the Department's facilitation of the Border Rural Development Forum East. This forum assisted with interaction between communities, shared learning experiences and encouraged the establishment of Farmers' Associations in the target areas (Engels, pers. com., 1994; IDT, 1994a, 1995a; Pakadi, pers. com, 1994). Transect walks and discussion with farmers in the field verified the existence of these programmes (Community interviews, 1994).

As part of the process of concluding their involvement in the project in 1995, the IDT conducted workshops in the affected communities which sought to capitalise on the administrative and negotiating skills already learnt. Communities were assisted in the process of applying to government to access further funds which, it was anticipated, would be made available for public works programmes at national and provincial levels (IDT, 1994a; Pakadi, pers. com., 1994). Despite this training no additional funds had been accessed by 1996 (Pakadi, pers. com., 1996).

12.3.3) Programmes Embarked On

In total 1 364 people were employed in the 16 villages for an average period of 18 months (IDT, 1994b, 1995b). Details of the numbers of people employed and the allocation of funds are detailed in Table 12.1. The most common programmes selected by the targeted communities were: weed and erosion control, fencing of camps and fields, eradication of wattle trees, establishment of community gardens and tree planting. Less common programmes included, the cutting of encroaching bush, the establishment of seed-beds, the renovation of stock dams and canals and the construction of a dip tank (full details of projects selected are contained in Table 12.2). Community interviews (1994) verify that in all cases the programmes were identified by the communities with a view to improving local conditions and providing a basis for future income generation. Local people were employed to undertake the work and the selected programmes were budgeted and planned for within the guidelines and allocated funds provided by the IDT. The IDT's project agent gave technical support and advice on administrative procedures whenever required to. The community committees were allowed access to allocated funds on an instalment basis which they then used to pay expenses, salaries and the fee of the project agent. All expenditure had be recorded, an exercise which was accomplished with reasonable success (IDT, 1994b and 1995b; Community Financial Records, 1994; 1995).

The levels of funding made available to the target communities

TABLE 12.1) IDT Project: Assisted Communities, Their Population, Number of People Employed and Financial Allocations

Community	Population	Employment Provided	Financial Allocations
Lesseyton	5 000	39	R 42 900
Goshen	2 000	25	R 27 500
Wartburg	6 000	47	R 51 700
Heckel	300	25	R 27 500
Mgwali	10 000	78	R 85 500
Newlands East	30 000	224	R 246 400
Ncera	14 400	113	R 124 300
Kwelera	20 000	157	R 172 700
Mooiplaas	60 000	407	R 447 700
Tainton	1 000	25	R 27 500
Kei Road	3 600	28	R 30 800
RA60 Zulukama	1 750	25	R 27 500
RA60 Merino Walk	1 750	25	R 27 500
Needs Camp	14 000	110	R 121 000
Eluxolweni	2 520	25	R 27 500
Nqonqweni	1 440	11	R 12 100
Total	173 760	1 364	R 1 500 400

Source: IDT, 1994a.

TABLE 12.2) IDT Project: Community Projects Selected

Community	Projects Undertaken
Lesseyton	Weed eradication, soil erosion control, fencing
Goshen	Weed eradication, soil erosion control, fencing
Wartburg	Weed and wattle eradication, erosion control, fencing
Heckel	Wattle eradication, fencing, community garden
Mgwali	Weed eradication, fencing, tree planting, soil conservation
Newlands East	Weed eradication, soil erosion control, road repairs, fencing
Ncera	Weed eradication, bush reduction, fencing
Kwelera	Weed eradication, fencing
Mooiplaas	Weed eradication, bush reduction, fencing
Tainton	Weed eradication, bush reduction, fencing
Kei Road	Bush reduction, community garden
RA60 Zulukama	Weed eradication, soil erosion control, repairs to canals
RA60 Merino Walk	Community garden, canal repairs
Needs Camp	Weed eradication, soil erosion control, community garden, dip tank
Eluxolweni	Weed eradication, bush reduction
Nqonqweni	Weed eradication, soil erosion control, community garden

Source: IDT, 1994a.

and the projects selected and implemented by each community are detailed in the attached tables (see Tables 12.1 and 12.2). Despite their potential and the enthusiasm with which the projects were embarked on, the level of support and its short duration did not lay an adequate basis for continued activity and for farming activity. With the exception of certain skills learnt and the limited demonstration effect of community gardens for household vegetable growing, the 16 projects ceased with the termination of funds in early 1995 (Community interviews, 1995; Pakadi, pers. com., 1996). According to the IDT community facilitator (Pakadi, pers. com., 1996) the programme was of too short-term a nature to lay a basis for effective farming. The termination of funds and the failure of communities to access further independent or government funds caused all activity engaged in to come to an effective halt.

12.3.4) RA 60: A Case-Study

As detailed above, this programme was applied in 16 communities in the general region and focused on local development and public works programmes geared to develop the agricultural capacity and potential of the area (Department of Agriculture, 1994). In the case of RA 60, R 55 000 was allocated to the area to be shared equally between the community at Merino Walk and the combined three smaller ones (collectively referred to as Zulukama) (Community interviews, 1994; IDT, 1994a). Community development committees (one in Zulukama and one in Merino Walk) were elected and they received training in financial management from the IDT. According to the communities (1994) the Department of Agriculture gave valuable advice and extension support, provided fencing material to the communities and assisted in the formation of Farmer's Associations. In all projects labour-intensive construction methods were used, employing members of the communities in projects for the general good of the host community. The projects all had a general agricultural orientation. In the case of Merino Walk, the relevant committee decided to establish a large community garden, to fence it off and provide for adequate supplies of irrigation water (Site

visit, 1994; Transect walk, 1994). In the case of the Zulukama communities the projects identified included weed control, soil erosion control and repair, the renovation of a stock dam and irrigation ditches (Community interviews, 1994, 1995; IDT, 1994a; Pakadi, pers. com., 1994; Tyilo, pers. com., 1994).

Results achieved in RA 60 parallel those of the project in general. The initiatives begun were welcomed by the communities which could find no fault with the programme nor the way in which it was implemented by the IDT, beyond criticism that the daily wages paid to workers were too low (derived from interviews with 42 community members, 1994). An average of 50 workers were employed at any one time for a wage of R 7 per day (Community interviews, 1994). The persons involved were regularly rotated to ensure that as many people as possible were employed. On the positive side, interviews conducted (1996) indicated that an enthusiasm to embark on farming activities had been created, particularly among younger members of the Merino Walk community. Valuable gains for the two development committees included: practical skills learnt, local control of projects and finances and knowledge of how to apply for future funding. According to the IDT (1994b) and as verified by the community (Interviews, 1994), no serious problems were encountered with the implementation of the project, funds were used responsibly and correct management and accounting procedures were followed. On the negative side, the projects and the funds were too short term and limited in nature to provide for long term sustainable agricultural development. In addition, available funds seem to have induced a culture of dependence with communities only being prepared to participate if they were paid (Community interviews, 1994, 1995; Pakadi, pers. com., 1994, 1995; Tyilo, pers. com., 1994). Interviews (1996) indicate that the funding aspects of the programme were not clearly understood by all community members employed in the project, which is in line with common community development problems outlined by Alcock and Lea (1986). Despite this comment, it is clear that the programme did inject funds into destitute communities in a low cost manner and that this

permitted limited skill acquisition and the enhancement of community capacity.

12.3.5) Community Reaction to the Programme

Detailed interviews (1994, 1995) with the approximately 200 individuals in the seven selected communities revealed a diversity of reactions to the programmes implemented. The two over-riding concerns raised in all communities consulted were the limited nature of available funding and the short-term nature of the project. Most people interviewed could see no future for the project and felt that many of the gains made would be lost. The most common responses are detailed below:

Perceived Gains of the Programme:

- short term employment and a measure of poverty relief was identified in most areas,
- the targeted areas gained from aspects such as fencing, road repairs, tree clearance, erosion control, the establishment of community gardens and greater input from the Department of Agriculture,
- skills had been learnt, for example fencing, weed control, leadership skills and financial skills (though this varied between communities and individuals),
- community members had been exposed to farming skills in certain villages and the desire to farm was expressed by many individuals,
- the encouragement of farming activities through the support of the Border Rural Development Forum East was seen as a significant gain,
- the co-operation and support of the IDT and the project agent were praised in all communities,
- projects, in certain instances, unified communities and gave them a purpose for working together (such as Heckel and Merino Walk).

One of the notable gains was the fact that in certain communities, such as Merino Walk, Kei Road and Heckel, young

people clearly had been exposed to farming practices, something which was unlikely to have happened previously. Their involvement with community gardening projects was noteworthy, as was an apparent interest in becoming commercial farmers one day. It was interesting to see that the three communities in which younger people were clearly participating appeared to be the most optimistic about the potential of agriculture. Seven young farmers interviewed whilst undertaking transect walks through lands in Merino Walk and Heckel showed the greatest desire to farm commercially, provided that IDT support continued. The same level of enthusiasm and desire to experiment with agriculture was not as clearly evident in communities in which older people dominated the project activities (for example in Ncera and Newlands where older men, ten and 30 respondents respectively, tended to dominate the project and did not regard farming as a particularly viable option).

Perceived Negative Aspects of the Programme:

- the low wages paid (R 7) were criticised in all communities and a desire for higher payment was expressed,
- shortages of water, land and credit were common problems,
- promises of fencing from the Department of Agriculture were slow in materialising and in many areas this was delayed until 1995,
- support / advice from this Department was welcomed, but greater and more long-term support was seen as a necessity,
- although the desire to farm was expressed by many, a sense of dependency prevailed with most communities seeing continued state support as the only viable option for the future. General levels of poverty, the failure to actually commence farming and the termination of government ploughing services in certain areas were seen as the death-knell for the project. It was widely felt that these obstacles could only be surmounted by continued external support.

One of the key drawbacks, albeit in a limited number of communities, is the fact that the arrival of outside funding

appears to have provoked strife and community tension (such as in Mgwali and Eluxolweni), exposing long-standing divisions in the community (Tyilo, pers. com., 1994; IDT, 1995b). Although some form of community tension occurred in many areas, it was only in the minority of cases that it actually appeared to have affected the implementation of the programme or exacerbated tensions significantly,

Future Requirements / Requests of the communities:

- higher wages (up to R 30 per day), were requested by all communities,
- a wide range of social facilities such as schools, clinics roads and telephones were noted as being required in communities,
- a wide range of farming requirements were identified by communities; including the need for land, water, dipping tanks, tractors to plough with and extension services,
- the need for greater external support by the IDT, government, and other external agencies to realise these goals. (Community interviews, 1994, 1995).

12.4) ASSESSMENT

Despite the reasonably positive assessment made by the communities, the fact that the project was not sustainable or of a long-term nature cannot be ignored. In this section, the results of the final, standardised assessment of the IDT projects are presented. The termination of the scheme and its apparent failure have left little in the way of tangible results upon which to make comment. Detailed interviews with M. Pakadi (pers. com., 1996), the IDT community facilitator, informed this discussion. The results are detailed in broad categories approximating the headings used in the assessment schedule.

12.4.1) Economic

Although a significant amount of money was injected into the

various communities in 1994-5, no additional grants were made thereafter and no funds were raised locally. The lack of funds, a low skills base and the sense of dependence and disempowerment which prevails has not permitted the development of a permanent, sustainable agricultural base. No additional support or investment has been forthcoming to the areas, with the exception of some government water schemes (see Figure 12.2).

12.4.2) Employment and Training

Although a large number of people participated in the initiative at the time, all of the 1 364 jobs created were of a short-term and non-sustainable nature. Jobs existed for the committee members and the individuals working in the public works projects chosen by the committees. The initiative cannot be said to have made people more employable. Skills training was limited to specific committee work, how to apply for grants and limited labour-based skills training.

12.4.3) Empowerment and Quality of Life

The project appears to have encouraged a high degree of initial community involvement and ownership when hundreds of people participated in the planning meetings and project implementation. A sense of ownership of the project was instilled, despite the tight guidelines laid down by the IDT and the friction which occurred in certain places (such as in Eluxolweni). The termination of the project prior to it laying a sustainable base on which to proceed, dealt a blow to people's confidence and there is no evidence of continued activity resulting from the project. At the time, limited income was secured and community life enhanced through the shared work. No evidence of such sentiment appears to remain.

12.4.4) Services, Infrastructure and Resource Utilization

No improvements in service provision, transport and infrastructure were made. The exceptions were small improvements in the local environment, such as erosion control, fencing, and limited road repairs. Although the goal was to promote a base for

sustainable farming, this was not achieved and more funds, training and resources would be required to achieve this ideal.

12.4.5) Internal Assessment

The internal assessment of the project by the IDT community facilitator was that it did bring about some temporary relief and exposed people to the principles of farming. The projects were, however, of too short-term a nature to become sustainable. The projects are regarded as a "complete failure" as a result and were seen as a temporary survival strategy (Pakadi, pers. com., 1996). Greater levels of intervention by government and support agencies and more funds and training are seen as critical if such projects are to succeed.

12.5) DISCUSSION AND CONCLUSION

Quite clearly, the IDT project provides valuable insight into what effectively amounts to the current government's approach to applied community development. Despite the good intentions of the IDT and its desire to work with and assist communities, it suffers from many obvious drawbacks. Probably the most obvious is the fact that community-development is more than imposed objectives and projects which attempt to fit the community into a defined role. The short-term nature of the project, the shortage of funds and the emotionally destabilising effects on communities faced with project termination, prior to the achievement of concrete goals, leave much to be desired. A permanent and sustainable base has not been left and whilst projects were running a high degree of dependence prevailed.

Although the project was clearly well intentioned and the IDT was trying to promote local level development, its notions of community facilitation and support need to be thoroughly reappraised. Development is ultimately a process and it would be a great pity if the foundation which was laid, is not extended in future in order to achieve maximum effect and benefit. The

experience of the IDT scheme and that of RA 60 more specifically, indicate the challenges and constraints facing applied community development in the rural, environmentally marginal areas of South Africa. High levels of poverty, destitution and dependence, as discussed in Chapter Four, prevail in these areas. The development strategies initiated represent a concerted effort by the state and a NGO to assist destitute communities, to inject wealth into them, to impart skills, to create short term jobs and to lay a basis for sustainable development in the future. Given the projects' essential focus on facilitating and encouraging community-led involvement, the strategies have much in common with current government plans to support and encourage development in communities around the country. The experience of these areas suggests that, where local leadership potential and resources are limited and a dependence on external support is induced, the prospects of sustainable development are impaired. As the poorer areas might always need a measure of support, it is imperative that the government and NGOs in general, should not perceive their involvement as being of a short-term nature. It is unlikely that sustainable, largely agricultural based development endeavours can be created without long-term investment of resources, money and skills. The limited success, in addition to the enthusiasm engendered in RA 60 and in the other communities suggests that people are willing and prepared to participate in supported, community-driven programmes. Local capacity and resource constraints necessitate a dependence on long-term support and intervention in terms of the provision of advice and training.

Most of the case-studies in this thesis have examined 'ideal-type' scenarios in which a limited number of communities have successful launched independent LED programmes. The evidence examined here outlines what might be the reality in most other communities, namely that communities are willing to participate in development programmes, but they will often require external support, advice and encouragement owing to local resource and capacity deficit. The government's envisaged programme of

facilitating LED and encouraging public works type programmes is praiseworthy. However, if the experience of this area is anything to go by, significant and sustained support, advice and training will be required for a considerable period if a permanent and sustainable development base is to be laid. In addition, strategies should assist, not prescribe to communities and scope needs to be allowed for local variation, resources and talents.

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CHAPTER THIRTEEN

LOCAL ECONOMIC DEVELOPMENT IN THE CITY OF EAST LONDON: 1992-1996

13.1) INTRODUCTION

The experience of LED in East London provides insight into the potential, scope and focus of LED within one of South Africa's large cities (i.e. with a population of over one million people in the metropolitan area). This chapter is the last case-study in the thesis and the last authority based scheme in the group of three to be investigated. In common with other South African cities, distinctively 'boosterist' LED strategies of place-marketing and the development of infrastructure and physical space have been pursued (Rogerson, 1995a; Nel, 1995). Cities have, traditionally, employed LED strategies in which consultation usually only involves the key stakeholders i.e. municipal officials and business leaders. Although strategies employed in a local area are, by definition, LED, the way in which they are normally applied by the local state in cities is essentially of a 'top-down' nature. In this chapter the authority based strategies pursued by the local authority in East London from 1992-1995, which conform to the above mould and the results achieved are detailed. Increased attempts at intervention by the local authority followed the significant reduction in regional development assistance in 1991 and the earnest desire of the local authority and business to capitalise on a perceived post-apartheid economic boom.

The policies pursued by the city have diverged from those of other, similar centres since 1995 and have taken on the preliminary stages of a community based development initiative similar to those which one would more commonly expect in smaller centres. This initiative has sought to involve all stakeholders in the city and the traditionally disempowered communities in particular in the process of identifying and implementing

appropriate development strategies (Kent, pers. com., 1995; Nel, 1995; Kent, 1996). The physical size of cities usually limits the general sense of community focused development, accountability and the sense of common purpose which is often far easier to inculcate in smaller centres where personal contact and involvement occurs more readily. Despite this fact, the initiative represents a determined attempt which has been embarked upon by the city planner's department to promote community development in the city and to develop LED strategies according to principles agreed to by all key stakeholders (Woest, pers. com., 1996). Although this initiative is still in its infancy, it is unique in a centre of this size in South Africa and has the potential to serve as a useful guide to other cities. The study of this city complements the details provided of LED in smaller centres and allows a examination to be made of differing development strategies which large urban centres can and are pursuing.

In this chapter the methodology employed is detailed before examining the boosterist strategies which were pursued by the city authorities from 1992, following the significant reduction in state regional development in 1991 (Nel, 1993b; Nel, 1996). Thereafter, the initial steps in a bold new attempt to draw in all affected communities and stakeholders into a representative process of LED are examined. Section 13.2 provides a link with the previous period of municipal intervention in the local economy as detailed in Chapter Five.

13.1.1) Methodology

In Chapter Three the unique focus of this chapter, compared to the other case-studies was discussed. Up to 1995, East London pursued an essentially 'top-down', municipal led development strategy. Research methods used to investigate this period focused on analysis of municipal records and newspaper articles and interviews with key municipal and business officials, commencing in 1992. Continuous monitoring was followed until 1996. This approach was similar to the methods employed in

Chapter Four, Five and Six of this thesis. In 1995 the above-mentioned community based LED forum was established. Owing to the newness of this development, the fact that the process has not been properly formalised and concrete projects have not yet been implemented, the same research techniques were utilised as in the pre-1995 period. For the same reasons, the assessment schedule used in the last five chapters was not applied.

13.2) BACKGROUND DETAILS TO THE CITY OF EAST LONDON AND ECONOMIC DEVELOPMENT POLICIES PURSUED IN THE PERIOD 1950-1992

East London and its associated former 'Homeland-City' of Mdantsane constitute a metropolitan area having a population in excess of a million people (see Figure 13.1). It is the primary economic and commercial core of the Border-Kei / Border-Ciskei-Transkei region. In its recent history, East London was one of the primary foci of attention of apartheid planners and Dr Verwoerd ,in particular, who personally authorised the attempted removal of the entire African population of the city to the newly created settlement of Mdantsane (Nel, 1990a; 1990b). The same era saw the designation of East London as a 'Border Areas' growth point and subsequently an industrial development point. This qualified it to receive specially targeted state support for new and expanding industries as part of a broader policy of Homeland development (see Chapter Six)(Nel, 1996). The establishment of Berlin as an industrial centre and the transference of the area to the municipality of East London, even though it lay some 40 kilometres from the city, intimately involved the local authority in the era of state regional development and economic assistance. The city of East London appears to have prospered in this era through the significant range of support measures which were provided to qualifying industrialists. In line with the demise of apartheid and its associated economic support mechanisms, considerable uncertainty over the economic future of the city ensued in the early 1990s (Nel and Temple, 1991, 1992).

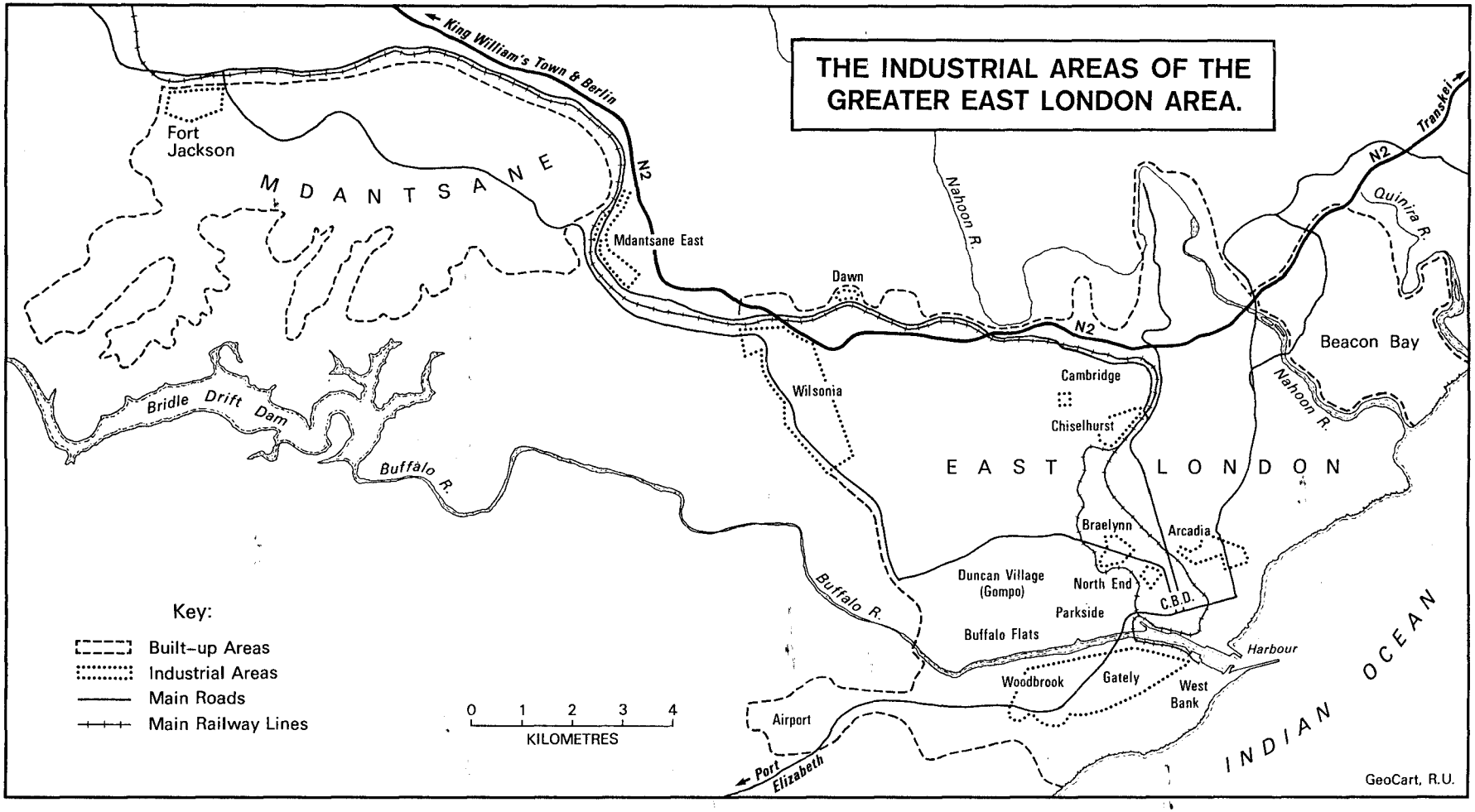


FIGURE 13.1) The Industrial Areas and the Greater East London Area

Source: Chief Director of Surveys, 1993, 3327 BB; 1995, 3227 DD.

The era from 1950 (details prior to this date are outlined in Chapter Five) to the early 1990s was one characterised by limited local state involvement in its economy and industrial promotion. A review of all pertinent archival documentation on the city's economy, kept in the municipality's records department and the Cape Archives Depot, revealed that in terms of municipal endeavours, industrial promotion and economic development were limited to an almost exclusive focus on the infrastructural development of the Wilsonia and the Berlin industrial areas (1). These two areas were developed in collaboration with the central state which made regional development assistance available to establishing firms within them. It appears as though the city was content to allow central government to oversee the attraction and settlement of new firms. No evidence of aggressive place-marketing, except for a brief period in 1960 (2), on the part of the local authority is discernable. Correspondence files in the archival stores indicate that state support was treated as a natural right by the city which appeared content to encourage and rely on what is now regarded as a misconceived government industrial strategy (3).

In 1960 Mayor Orsmond accused his city authorities of having a 'Cinderella' atmosphere and being short-sighted in their neglect of the city's economic development. He however retreated to the customary reliance on the central state when he urged "the government to expedite the implementation of its expressed policy to encourage the industrial development of areas situated on the fringes of native reserves" (4). Only limited economic and industrial growth had been achieved by 1979 which, interestingly enough, caused the city authorities to accuse the state of "blundering" and neglecting the city's development (Daily Dispatch, 23 March 1979). The result, according to Mayor Card was that "East London is not dying ... it is already dead" (Evening Post, 23 June 1979). This reality prompted the Council to send a delegation to central government to seek a solution to the perceived crisis (5). Increased state support for industrial firms establishing in the city after 1981, appears to have

benefited the city generally, with the exception of the Berlin area, which was regarded as having failed to have lived up to expectations (6).

The central state therefore, tended to dominate economic planning and support for nearly three decades and the local state confined itself to limited place-marketing ventures and infrastructural development. For nearly ten years prior to 1992, the city had no official acting in the portfolio of industrial development officer (Daniels, pers. com., 1992), choosing instead to leave such activities to the local chamber of industry. In 1991 this scenario changed when the state announced a radical reduction in available assistance to new firms and the cessation of it growth point / industrial development point strategy.

13.3) THE PURSUIT OF TRADITIONAL FORMS OF LOCAL STATE INTERVENTION AND LOCAL ECONOMIC DEVELOPMENT: 1992-1995

The change in state policies in 1991 and the existence of a debt of R 6,2 million spent by the City Council on infrastructural development in the Berlin area placed pressure on the City Council to step into the development void which existed and to identify and implement defined development strategies which could promote the economic well-being of the city (Daily Dispatch, 5 February 1992). In February 1992 the City Council declared its intention to "adopt an aggressive marketing campaign to expose East London's potential to national as well as international investment" (Daily Dispatch, 12 February 1992). Thereafter began a short period of intense promotional activity. In response to changed economic realities and national policies the city re-established the position of Industrial Development Officer in 1992. Initial efforts to develop the city resorted to conventional, planning led efforts which focused exclusively on large-scale industrial development. The initiatives were developed on a one-sided basis within a single department of the municipality and no effort was made to promote economic

activities outside of the manufacturing sector. This is in contrast to the new policy approach in 1995 which recognises the need to develop a broad range of sectors.

This change in approach on the part of the local authority to economic development in 1992, encouraged it to enter into consultation with key economic interests in the region. This was undertaken in order to establish how the area could be developed to the mutual benefit of all key parties and to establish what role the municipality could play in supporting such endeavours (Daily Dispatch, 9 March 1994). Information thus gathered led to the drafting of guidelines to promote and revitalise the city's economy and to develop a "comprehensive blueprint for a vibrant, growing metropole" (Daily Dispatch, 9 March 1994). Development initiatives in the period from 1992-95 focused on four key LED interventions, namely, place-marketing, the development of infrastructure and industrial land, attempts to promote the development of Berlin and support for a proposed Export Processing Zone in the city.

13.3.1) Place Marketing

In 1992 the municipality prepared a marketing package consisting of two brochures and a video for distribution to interested parties. Two advertising slogans were chosen for the material, namely "East London - Combining Industrial Prosperity with Quality of Living" and "City of East London South Africa - Gateway to the Future". The one brochure proclaimed "There are few other cities in the world that offer such outstanding recreational, sporting, educational, residential and environmental benefits" (7). The material was made available for distribution within the country and overseas through embassies, which also placed a limited number of advertisements, on behalf of the city, in foreign magazines. According to the city's mayor, the motivation for this new promotional drive stemmed from the fact that "we have lagged too far behind in the past and if we want to compete we have to do so now. There is a lot of overseas interest in South Africa at the moment, and when the industrial

boom breaks we'll be here with serviced land ready" (Daily Dispatch, 18 May 1992).

The most important single advertising drive was the placement of a R 64 000 advertisement in the Financial Times of London (Financial Times, 5 June 1992) (see Figure 13.2). The advertisement was deliberately geared to the British market and offered potential investors land at £ 80 / acre. This 'bargain' land deal was part of targeted drive to promote the sale of industrial land in the Berlin industrial area as discussed in greater detail below. The standard government incentives of the time, namely the reduced incentives available in terms of the 1991 Regional Industrial Development Programme and the General Export Incentive Scheme were also offered to investors. Despite this impressively high profile drive, results definitely did not come up to expectation. Although several dozen enquiries resulted from the various advertising campaigns and trade delegations visited the city, only five industrial firms established themselves in the city in the period from 1992-94. Of these, only one was in the high-profile Berlin site (8) (Daily Dispatch, 23 June 1994; 29 August 1996). The city's Industrial Development Officer attributed this limited interest to general international investor uncertainty over the security of investments in the country (Mjinster, pers. com., 1995).

Although only limited industrial expansion has occurred, the city is clearly attracting an increasing number of trade delegations (Daily Dispatch, 29 August 1996).

13.3.2) Infrastructural and Land Development

In 1992 it was decided to develop a vacant tract of 540 hectares of land to the west of the city for the purpose of a new site for large industries. Preliminary plans to provide services on 70 hectares were made and the possibility of establishing an Export Processing Zone (EPZ) in the area was also mooted. Despite this enthusiasm, limited industrial interest, the indefinite delay in enabling legislation for EPZs and the development of an extensive

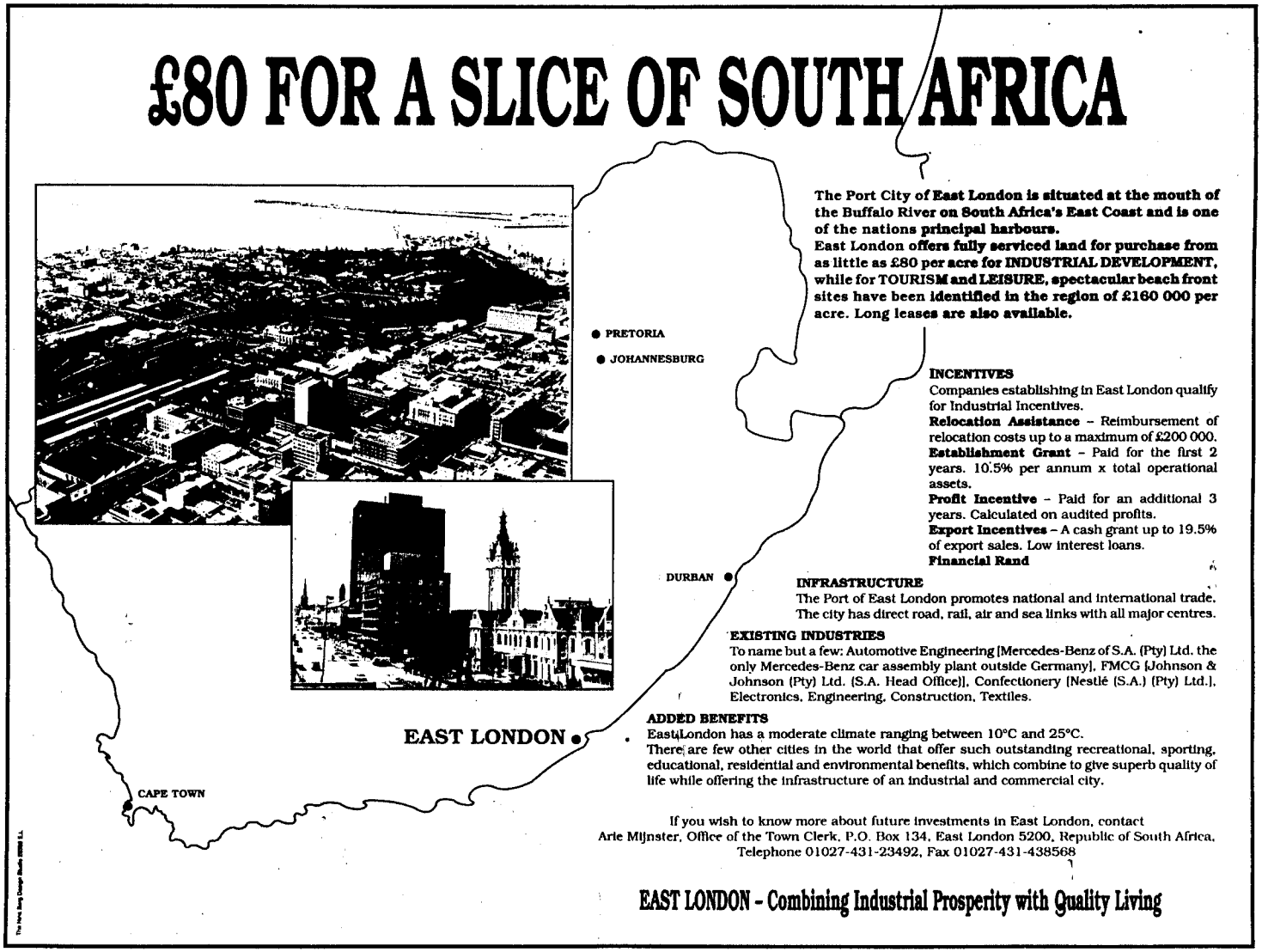


FIGURE 13.2) Industrial Promotion, East London, 1992

Source: Financial Times, 5 June 1992.

informal-housing complex in the vicinity of the proposed industrial site led to the postponement of the initiative until 1996 (Mjinster, pers. com., 1996).

In an attempt to increase development in the city beyond the normal focus on industrial development, the City Council in a joint venture with Portnet, the harbour authority, installed a marine pipe-line to facilitate the refuelling of ships with the hope of increasing trade to the city (Daily Dispatch, 5 October 1995).

13.3.3) The Berlin Industrial Area

Following the reduction in state assistance and the Council's continuing concern over the debt accumulated in developing the Berlin site and its desire to utilise spare land in that area, an aggressive drive to market the area was launched. Control over Berlin, which lies some 40 kilometres west of the city (see Figure 13.3), was given to East London in 1970 as it was deemed to be the only local authority in the area which the government believed could develop, administer and service the envisaged major industrial area (9). To counter the subsequent perception that the Berlin industrial area was a 'white elephant' (Daily Dispatch, 5 February 1992), a bold, new, innovative strategy, as detailed in 13.3.1, was adopted in an attempt to sell the 500 industrial sites in the area (Mjinster, pers. com., 29 June 1992) (the Berlin industrial area is shown on Figure 13.4). In February 1992, the price of land in the area was dropped from its previous price of R 14 000 / hectare down to R 1 000 / hectare. This enabled the Council to adopt the marketing slogan of land for "Ten cents a square metre" (Daily Dispatch, 12 February 1992). This action provoked immediate attention from a range of industrial concerns around the country. Within a matter of days interest in the development of over 30 ha. of land in Berlin had been secured (Mjinster, pers. com., 1992).

In an effort to enhance the attraction of the site, the Council also proposed new rates and services charges for the area in May

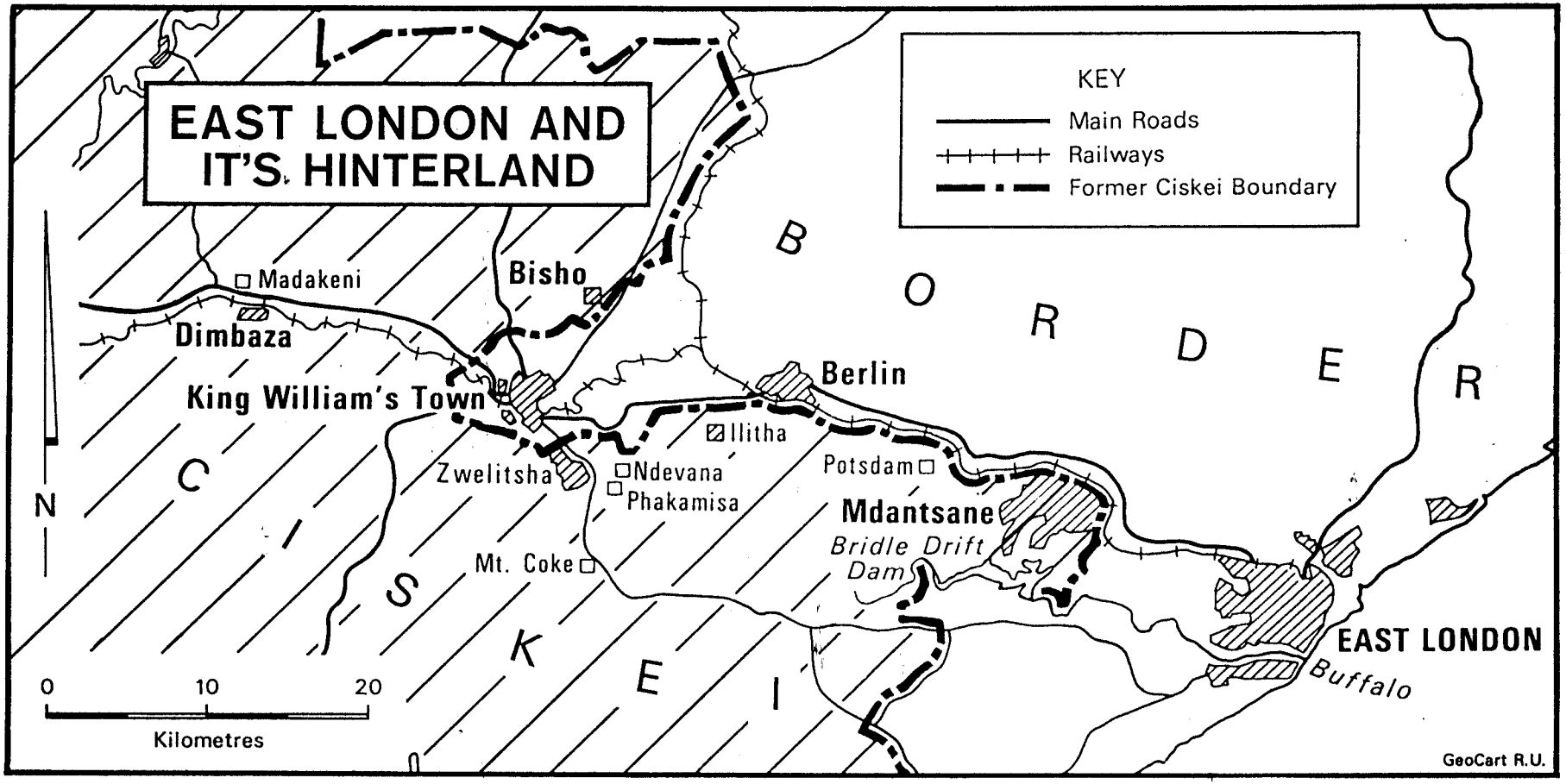


FIGURE 13.3) **East London and Its Hinterland**

Source: Chief Director of Surveys, 1993, 3327 BB; 1994, 3227 DC; 1995, 3227 DD.

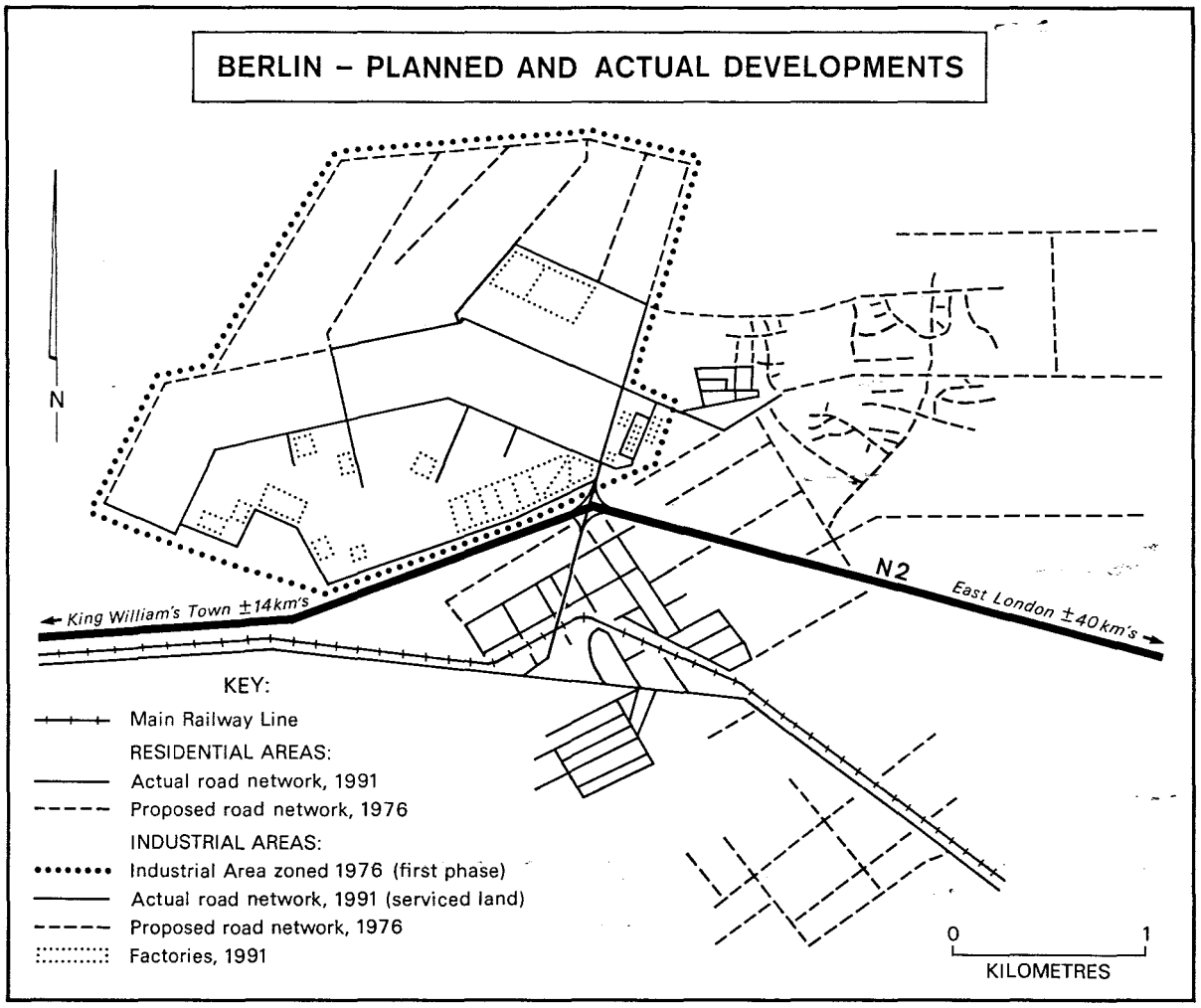


FIGURE 13.4) Berlin

Source: Chief Director of Surveys, 1993, 3327 BB; East London Municipal Records Department, 16/28, 1978-1989.

1992. The Action Committee and the City Council approved a recommendation that water, electricity, sewage and refuse services should be made available to industrialists at reduced tariffs for a five year period on a sliding scale starting at 20% of the actual tariff (10). Simultaneously, an investigation to promote the development of the area as an Export Processing Zone (EPZ) was launched. The Council's actions and innovative approaches were motivated by the belief that, "an aggressive marketing campaign to place East London on the national and international map" was needed to expose Berlin to potential investors (Daily Dispatch, 7 May 1992). The enthusiasm and optimism which the Council exuded was evidenced by the fact that they decided to turn away investors whom they regraded as being too small for the site (Daily Dispatch, 8 May 1992).

In total, the promotional drives to encourage development in Berlin drew in enquiries from 38 South African firms and 13 from Britain and Hong Kong. Despite the fact that numerous firms took out options on sites, effectively no development took place and by 1995 only two sites had actually been sold, one to a brewery and one for the future building of factory-flats (Mjinster, pers. com., 1995). The inherent disadvantages of the site, its isolation and the generally poor investment climate of the province were obvious disincentives to investors. The costly and bold Council plans and promotional drive for the site clearly did not achieve their envisaged potential and this suggests that new, creative ways to enhance economic development in the city were required.

13.3.4) Export Processing Zones (EPZS)

As part of South Africa's return to the international arena, various economic strategies were attempted to promote export orientated production and to access newly available markets in the early 1990s. One which occasioned considerable attention in the period 1991-93 was that of Export Processing Zones (EPZs). Despite the negative findings of the McCarthy commission on the topic in 1988, a sense of optimism prevailed in the business and

planning community in the country over this possible strategy (Nel, 1994c). Various cities and their associated planning fora, including Cape Town, Port Elizabeth, East London, Durban and Richards Bay conducted feasibility studies into the potential of the concept. Optimistic conclusions from these studies won the support of local business communities and the then exclusively 'white' town councils who wished to tap into new developmental options. The release of the Industrial Development Corporation's policy document on the topic and the government's draft policy document on EPZs in 1993 served to heighten interest in the concept (Industrial Development Corporation, 1992; Department of Trade and Industry, 1993).

In East London, the local chamber of business, in collaboration with the Council, was keenly aware of the potential of the city in this area, given its coastal location and the generally bleak economic climate. As a result the chamber commissioned a major study into the feasibility of EPZs in 1991 (Davies, 1990; Borman, pers. com., 1992). The findings of the study were generally positive and served to enhance moves to promote the application of EPZs in the city. In 1993, the erstwhile Border-Kei Development Forum released its own report which also supported the development of zones in the region (Nel, 1993a).

The response of the Council to this 'new' spatial planning strategy was very positive. The Mayor, Carl Burger, declared that the potential application of EPZs permitted a "dramatic change in outlook for East London" and that the Council was seeking the advice of external consultants to offer guidance in the application of the strategy (Daily Dispatch, 18 June 1992). In 1993 the Council identified three potential sites for an EPZ in the city, namely one adjacent to the airport and two in Berlin (11)(Daily Dispatch, 12 August 1993). In the same year, the Council hired the services of international consultants, who were working in conjunction with a Cape Town based business consortium known as Gateway Park, to investigate the city's potential as a base for an EPZ. The expenditure of several tens

of thousands of Rand on the venture provided very inconclusive results. It soon became obvious that, if and when enabling legislation was approved in South Africa, business interests in Cape Town were determined to seize the initiative and monopolise the market (South African Special Economic Zones Association, 1993).

Despite this initial rush of enthusiasm locally and nationally, the EPZ endeavour soon floundered on rocky ground. Strong opposition from trade unions, who feared it would promote labour exploitation, led to conflict over the issue in the national economic consultation body, the National Economic Forum (later called NEDLAC - the National Economic Development and Labour Council). This ensured that the process was frozen (Daily Dispatch, 19 June 1992; Nel, 1994c). The effective deadlock at national level did not appear to be appreciated at the local level where strong support for the development of EPZs in the East London area came from the former Ciskei Peoples Development Bank in late 1993 (Border-Kei Development Forum, 1994).

Following the appointment of the new Eastern Cape provincial government in 1994, the issue was revived when the new Ministry of Economic Affairs decided that the approach should not be neglected because it was a potential way forward for the area (Ministry of Economic Affairs, 1994). This and the surprising offer of help with the establishment of EPZs by Chinese firms (Daily Dispatch, 27 September 1994) won favourable attention in East London. Despite the fact that the issue was deadlocked at national level and the apparent opposition of trade unions in the Eastern Cape, the Council revived the issue in 1995 when it decided to call a workshop on the issue and to make a special appeal for EPZs to be authorised in the city (Daily Dispatch, 7 February 1995). This was undertaken despite their failure to achieve local consensus on the issue, trade union opposition and the refusal of the national Minister of Trade and Industry to sanction special support for the area (12) (Daily Dispatch, 5 May 1995; 9 May 1995; 18 June 1995; 28 June 1995). The fact that the

Eastern Cape government once again expressed interest in the concept in April 1996 (Daily Dispatch, 2 April 1996) suggests that the topic has not yet been laid to rest and that the city will probably still seek to pursue a development strategy which has met with mixed results internationally (Nel, 1994c).

13.3.5) The Status Quo in 1995

Results achieved in the period from 1992-95 appear to have been minimal. The concerted Council efforts to promote LED though well intentioned and obviously very expensive programmes, did not live up to expectations. Few concrete results were achieved and local conflict, particularly with the unions over the EPZ issue resulted. In addition, the one-sided application of development in an era of democratisation in South Africa was not in line with trends developing in the smaller centres of the city's hinterland.

13.4) A NEW APPROACH TO LOCAL ECONOMIC DEVELOPMENT: 1995-1996

The limited success achieved by traditional boosterist LED strategies, the political necessity of promoting development strategies in support of marginalised communities and the presence in the city of new development planners all catalysed a re-appraisal of development thinking in the city. The requirements of the RDP, the formation of a single-city and the induction of the new multi-racial City Council necessitated a transformation in economic planning approaches. The desire for change was catalysed by the fortunate presence in the city of three key individuals who were aware of recent international developments in the area of LED. They sought to promote innovative, appropriate LED approaches in the city which went beyond the city's traditional focus on large industry and sought to benefit and assist a far broader section of the city's society. The three individuals in question were two seconded officials from Canada and the United Kingdom and a newly appointed town planner.

13.4.1) The Initiation of the Process of Consultation over Community-Based Local Economic Development

Following a thorough process of consultation between the new, multi-racial Transitional Local Council in the city and the planners mentioned above, the decision was taken that new development initiatives should not be imposed from 'above', but instead, development should be conceptualised, owned and driven by the stakeholders from the 'bottom'. In order to facilitate such an initiative, which could guide Council strategies and those of the city in general, it was decided to commence with an extensive process of community consultation (13). The Council as such, was prepared to enter into the development process as a facilitator and partner in a strategy which would be jointly identified and ratified between all key interest groups in the city.

In order to initiate the process, the Council's Economic Development Committee called a workshop of all stakeholders on 1 July 1995 (14) (Kent, pers. com., 1995) for the purpose of assisting the Council in "developing a vision in regard to economic development, as part of a partnership with business, labour, other levels of government and communities" (15).

The discussion document circulated to all potential stakeholders prior to the meeting detailed key features and constraints in the regional and the local economy and presented a range of potential areas in which economic development could be encouraged. The document's release was premised on the assertion that:

> One cannot plan economic development *per se*, but one can plan and set in place an opportunity creating environment that will provide clear development options ... in which business, civics, unions and local authorities are all involved (16).

The document called on the city and its interest groups to develop a clear economic vision, to build on their strengths and to address their weaknesses. In terms of a way forward, the document proposed the formation of an Economic Development Forum,

representing all interest groups and seeking to prioritise and address development issues and problems. It is interesting to note that the authors of the document stated that the approach adopted was influenced by the Urban Foundation's paper on LED. This clearly indicates that new approaches to development are emerging in the country and that policy documents on LED are influencing that trend.

13.4.2) The First Workshop

The workshop held on 1 July 1995 focused, in the first instance, on a series of presentations about economic development in the city in general, made by the Council, provincial government, business and other key parties. In the second instance, working groups sought to identify the way forward for the city. The Council clearly set out its position at the workshop, with the Deputy Mayor declaring that the Council wished to develop a "vision" for the city and that "successful economic development must involve us all, working in partnership" (Card, 1995). In the workshop sessions a strong appeal was made to address the issue of the distribution of income so that the majority of the city's citizens could benefit from the development process.

The workshop concluded that, "the Transitional Local Council has a very important role to play in regard to economic development" (Sewell, 1995). It was agreed that key areas which needed to be addressed were those of tourism, land development, marketing, relevant research, the promotion of urban agriculture, large and small business development, community based businesses and micro-lending. The workshop facilitator declared at the conclusion of the workshop that a "powerful start to the question of economic development had been made" (Sewell, 1995).

13.4.3) The Council's Endorsement of the Process of Local Economic Development

Based on the recommendations of the workshop, the city planner's department drew up a framework document for the implementation of LED in the city which defined a role for the Council and

emphasised community participation. These proposals were subsequently adopted by the Council in October 1995 and LED was accepted as a defined strategy for the city to pursue (Kent, pers. com., 1995). A vision for East London, derived from workshop discussions and decisions, was accepted. It stated:

> The vision for economic development in the East London TLC (Transitional Local Council) area is to improve the quality of life for all citizens by promoting their economic and social empowerment by developing an integrated economic development strategy that promotes business opportunities, job creation and the economic integration of previously marginalised and disadvantaged communities (17).

The role of the Council was defined as that of providing leadership and increasing awareness of LED through the building of partnerships and constructive relationships in co-operation with all key sections in society.

The broad sectors which were advocated for attention were:

- SMMEs (small, medium and micro-enterprises), including support for sub-contracting, informal trading and the urban-agricultural sector,
- business and industrial development, focusing on the development of infrastructure and the expansion of business activities,
- tourism, focusing on the provision of tourism facilities and accommodation,

It was proposed that working groups comprising representatives of all key stakeholders be formed around each topic and that the consultation and development process initiated at the July workshop should be pursued through the three independent groups (18).

13.4.4) The Formalisation of the Process

In September and October 1995 the three working groups began their operations with the facilitation of the city planner's department. Initial workshops in 1995 and 1996 focused on the identification of the key sectoral strategies and development

options which would reap the maximum benefit (19). The major difficulty experienced was the absence of Council or other funds with which to implement projects (Kent, 1996). Concrete progress has been made with the SMME and tourism workshops, but the business one has been plagued by non-attendance by major business firms and their apparent lack of commitment to the LED process. This is despite the defined stand taken to the contrary by the Border Chamber of Business (Miles, 1996).

Plans developed by the working groups include support for small business incubators and local business service centres in the Duncan Village location and Mdantsane, informal trading support and site provision and the establishment of an eco-tourism and education centre (Kent, pers. com., 1995). Other key strategies identified were the need to enhance the capacity of participating organizations, the undertaking of research to support the key sectors and an examination of municipal functioning to reorientate its activities to support SMMEs and informal traders (Kent, 1996)

In October 1995 the Council approved, in principle, the establishment of an LED Unit as a dedicated unit in its Development Planning Directorate. It was proposed that the unit would have three sub-divisions which would parallel the community-endorsed foci, namely SMME support, Business promotion and Tourism promotion (Kent, pers. com., 1995).

In May 1996 a Mayor's Advisory Committee on LED was appointed to assist the mayor to take the process of LED forward (Woest, pers. com., 1996). In the same month, the City Council approved a R 500 000 budget to establish the LED Unit and to finance its initial projects. Simultaneously, it was decided to accept a joint offer to the city from USAID (the United States Agency for International Development) and the IDT to jointly fund an independent project to draw up guidelines for the establishment and operation of an LED unit in the city based on local needs and international experience (20)(Johnston, pers. com., 1996). The

stage thus appears to be set for the establishment and operation of South Africa's first dedicated LED unit in a city. The fact that it has and will be guided in its operation by the desires of the broader community suggests that it has the potential to address grievances experienced by the majority of the city's population. In many ways the process of community consultation and the structure and focus of the proposed LED unit could serve as a possible model for other cities in the country.

13.4.5) Assessment of What Has Been Achieved

Council attempts to implement traditional local authority economic intervention in the city between 1992 and 1995 adopted conventional practises. The region's inherently weak economy, limited international interest in the country and the failure to address broader development issues, resulted in little being achieved. Although traditional local state intervention has a role to play and has proven successful in other parts of the world (Stöhr, 1990), in the South African setting there is a political and moral need to adopt more comprehensive strategies which cater for the needs of disadvantaged communities.

The initiation of a new LED strategy in 1995 appeared to emerge from a desire, on the part of the City Council, to initiate appropriate local development intervention. The process which followed occurred without a detailed plan of what would happen. It has however laid a basis for achieving a joint vision and a basic development strategy for the city, arrived at in consultation with all key stakeholders who can now jointly own and control the development process. LED is a new concept and the Council is uncertain as to how to proceed with this strategy. Despite this, they are keen to pursue it as it is seen as a socially-responsible way in which to seek to address the city's very real economic difficulties and to pursue the ideals of the RDP (Woest, pers. com., 1996). It also apparent that there is recognition, if not yet commitment, from the large business sector for the endeavour (Spring, pers. com., 1996). The involvement of this sector is obviously critical if LED is to

succeed in the city in the future.

Although tangible results have yet to be achieved, a community based process has been initiated and is being translated into defined municipal actions and structures. If the process of liaison with key-stakeholders can be maintained and their participation assured, this unique undertaking in South Africa will be continued.

13.5) CONCLUSION

In the 1990s the city of East London has experimented with a range of LED strategies. The reduction of previous state support for the city's economy placed the onus for development firmly on the Council's doorstep. The initial response was to resort to authority based, traditional 'boosterist' type strategies with an exclusive focus on trying to draw in large-scale industrial development. An aggressive national and international marketing campaign, an innovative land-sale campaign in Berlin, infrastructural development and the planning of an EPZs were key features of the period from 1992-1995. The city clearly tried to assert itself in the economic arena, a role it had last played in the 1940s (see Chapter Five). Strategies pursued were clearly of a limited scope when compared with the list of potential interventions detailed in section 2.6. In addition, they focused exclusively on the promotion of large industries and did not seek broader economic development. The limited success achieved by these costly campaigns paralleled an increasing realisation of the need to promote the interests of marginalised communities and to support a process of community based LED.

Although it is still early days for this new form of LED in the city, the stage appears set to test the relevance, appropriateness and applicability of what is the country's first community based LED initiative in a city. The early boosterist LED strategies have not been abandoned. Instead, they appear to

have been scaled down. This is because of their limited success and the difficulties which exist in attempting to focus solely on the large business sector which appears unwilling to invest in the city. Although it would be a mistake to abandon this focus, it appears that for the foreseeable future, economic realities and the priorities of the new Council will ensure the dominance of planning and support for community based LED. Given the constraints and the limited vision of development which exists within most local authorities in the country, the city can in many ways become a 'test-case' for community based LED in a city. One of the key conclusions which can be drawn is that "it is important to note that East London has appreciated the need for LED and has begun to support the process" (Kent, 1996, 46).

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ENDNOTE:

(1) East London Municipal Records Department [ELM], 16/27, 1977-987; 16/28, 1978-1989, 77/5/4, 1949-1964; 77/5/20/1, 1960; 77/5/89, 1967-1972; 665/28, 1959-160.

(2) ELM, 77/5/4, Industrial Development Action Committee Minutes, 1960.

(3) ELM, 665/28, Industrial Development, Letter from the Town Clerk to the Secretary of the Department of Commerce and Industry, 28 August 1958.

(4) ELM, 77/5/20/1, Minutes, Council meeting, 3 March 1960.

(5) ELM, 16/27, Action Committee Report, 16 July 1979.

(6) ELM, 16/28, Industrial Development, 1978.

(7) ELM, 1992a, City of East London, South Africa - Gateway to a Future, 1.

(8) ELM, Mayor's Minutes, 1993, 1994.

(9) ELM, 77/5/89, Letter AA 28/59 from the Director of Local Government, Pretoria to the Town Clerk of East London, 18 May 1967.

(10) ELM, Action Committee, 1992b, Minute 29637, 4 May 1992.

(11) ELM, Mayor's Minute, 1993.

(12) ELM, 1995a: Standing Committee Report, 176(A), 8 May 1995.

(13) ELM, 1995b: Mayors's Letter, 9 June 1995..

(14) ELM, 1995c: Discussion Document: Planning for East London's Economic Development, 1 June 1995.

(15) ELM, 1995b; Mayor's letter, 9 June 1995.

(16) ELM, 1995c, Discussion Document: Planning for East London's Economic Development, 1 June 1995. 1.

(17) ELM, 1995d: Economic Development Standing Committee, Report on LED, 4 September 1995.

(18) ELM, 1995e: Economic Development Standing Committee, Report on LED, 4 September 1995.

(19) ELM, 1996a: Mayor's Letter, 13 March 1996.

(20) ELM, 1996b: Letter from the Acting Director of Development Planning, 3281/TP, 29 April 1996.

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CHAPTER FOURTEEN

GENERAL ASSESSMENT OF THE CASE-STUDIES AND A COMPARISON WITH INTERNATIONAL EXPERIENCE

14.1) INTRODUCTION

The preceding chapters have detailed and assessed a range of LED initiatives on a case by case basis, attention now shifts to a generalised comparison and evaluation of those studies. This is undertaken in order to identify key conclusions and the relative success of and comparability between the various development endeavours. The key findings are also compared with international studies in order to contextualise the experience of the study area within a broader picture.

14.2) KEY EMPIRICAL FINDINGS IN THE CASE-STUDIES

The research findings detailed in the preceding chapters reveal several important findings in terms of the original objectives of the thesis. These include the following:

14.2.1) Developments before 1990

Development endeavours in this period can be divided broadly into the early, pre-World War II phase of local authority led LED and the subsequent phase of state regional planning and support for industrial decentralisation.

In terms of the first phase, Chapter Five clearly indicates that LED was a feature of the pre-World War II era in the study area. Information gleaned from archival records indicates that several centres pursued what can be termed authority based LED strategies which paralleled international trends in the same era. In this phase the key leadership role was assumed by the local authority and projects tended to focus on boosterist activities to draw in external investment. The larger centres experienced the greatest

degrees of success.

The period after World War II, but particularly from 1960 to 1991, was one characterised by a high degree of central state intervention in the province's space economy. Defined regional development and Homeland strategies, which were motivated more by political and racial objectives than by economic rationale, led to significant investment and job creation in the area. Post-1991 policy rationalisation has clearly wreaked havoc on what has proven to be a poorly established industrial base in many centres. With the exception of the larger centres, most previously assisted growth points are currently experiencing economic decline. A permanent and sustainable industrial base was not created and the policy failed to achieve its objectives. Although a direct causal link between the failure of regional development and the emergence of LED cannot be drawn (with the possible exception of East London), as findings from Stutterheim and Hertzog suggest, the scaling down or withdrawal of regional development support for the region in general and a lack of confidence in government initiatives has been a catalyst in encouraging communities to initiate LED.

14.2.2) The Case-Studies of Contemporary Examples of Local Economic Development

The six case-studies of LED show widely differing development experiences and successes. The examples differ in terms of the essential nature of the LED approaches applied, i.e. whether it was authority or community based, the strategies pursued, the nature of funding secured and the results achieved. The assessment schedule which was employed generated a considerable wealth of data, not all of which was directly usable, an issue which will merit further attention in Chapter Fifteen. Despite this, certain key findings and scores can be identified and analysed (see Table 14.1 and the raw data in Appendix One and Three).

Information contained in Table 14.1 clearly reveals starkly

TABLE 14.1) Key Empirical Findings in the Case-Studies

Key Indicators	Stutterheim	Seymour	Hertzog	Kei Road	IDT Project	East London
LED Category	Community Based	Community Based	Community Based	Authority Based	Authority Based	Authority / Community
Implementing Agency	CBO	CBO + external NGO	CBO	External NGO	External NGO (for the state)	Local Authority / Community
Grants Secured	R 17 m.	R 1 m.	-	R 0,5 m.	R 1,6 m.	-
Loans Secured	-	-	R 1 m.	-	-	-
Permanent Jobs	94	-	83 *	-	-	-
Short-term Jobs (past)	300	104	-	-	1 364	-
Short-term Jobs (current)	-	12 + 61 plot-holders	-	25	-	-
Training (foci)	Farming, small business and schools	Small businesses and plot holders	Farmers	Brick makers, sewers	Development Committees	-
Infrastructure & Housing	Services upgraded, 1 000 residential sites	Housing planned	Rehabilitation of agricultural infrastructure	63 houses being built	Limited improvements to roads etc.	Industrial infrastructure and land

Notes: CBO = Community Based Organization; NGO = Non-Governmental Organization; m. = million; IDT = Independent Development Trust
* = family members and friends also derive income from the plots of the co-operative members.

differing levels of success attained in the case-studies. These range from the failed IDT scheme through to the effectively self-supporting scheme at Hertzog. With the exception of the latter, it is apparent that all of the centres are dependent on grants, even in the comparatively successful case of Stutterheim. Although it is naturally dangerous to read too much from results established in a handful of case-studies, it is apparent that the community based LED schemes have enjoyed far greater success than the authority based ones to which attention now turns. East London's experiment with authority based development cannot be said to have generated any tangible gains. It was, instead, a very costly experiment which was probably politically and economically inappropriate at that time. In the case of Kei Road a limited number of jobs have been generated and the business partnerships are a valuable gain. The scheme however suffers from grant dependence and low levels of community involvement. The other authority based scheme, that of the IDT, clearly suffered from funding constraints, grant dependence and the short-term nature of the project. Both the IDT and Kei Road schemes relied/rely heavily on external advice and direction which weakens the degree of local ownership and control. Despite this seeming drawback, the fact that many communities, throughout the country, might require external support is acknowledged. The most appropriate forms of intervention and facilitation clearly need to be identified (see Chapter Fifteen)

The experiences of the community based LED schemes, though being more optimistic, are not without their problems. Seymour has not escaped grant dependency and relies on external advice. In addition, hardly any sustainable projects and permanent jobs have been created. In the case of Stutterheim, significant employment gains have been made, but only after considerable investment in the town. Stutterheim has created numerous sustainable jobs (94), rural-urban linkages are being developed and the overall quality of life and infrastructure in the town has improved, albeit at the expense of becoming grant dependent. Hertzog has, comparatively, been the most successful case because sustainable

jobs have been created, viable projects are being implemented and there is no reliance on grants. In economic terms the only successful endeavours are those of Hertzog and some of the small entrepreneurs and farmers associated with the Stutterheim initiative. Naturally other measures of success, as discussed below, also need to be considered.

Clear disparities exist between the cases in terms of project control and the resultant degree of local ownership which prevails. They range from Stutterheim and Hertzog where the development initiative was generated internally and sufficient talent existed within the community to catalyse and manage the development process. Next would be Seymour which has the leaders and vision but which needed to call on external advice. Thereafter would follow Kei Road and the IDT sites where development was effectively 'imposed', the development vision was not locally generated, local leadership was weak and a dependence on external support was and is critical. Lastly, in the case of East London, expertise and resources were clearly present, but no tangible results have been forthcoming and the broad community was excluded, until recently. Most projects have had a training dimension, with those in Stutterheim and Kei Road appearing to be the most comprehensive and successful.

14.3) EVALUATION OF THE CASE-STUDIES

In the assessment sections of the various case-study chapters the successes and failings of the various projects received attention. From those findings and details contained in Table 14.1 and section 14.2 ,it is apparent that the various projects all attained markedly different levels of success. As was however pointed out earlier, success in LED cannot only be quantified in economic terms but must also consider issues of social development and empowerment, local control and self-actualization (Stöhr, 1990). In Seymour for example, low levels of job creation

and grant dependence are however matched by high degrees of motivation and commitment in the community which supports development endeavours and is receptive to any form of positive support. Despite these considerations, in situations of grant dependence, projects need to go beyond issues of community empowerment and achieve measures of economic sustainability if the community is to reap continued rewards. This is all the more important in a country with high levels of unemployment and deprivation and one in which state welfare support is limited to the provision of old-age pensions (Land and Agricultural Policy Centre, 1995).

14.3.1) The Communities' Assessment

Based on the standardised assessments conducted in each of the communities investigated and the key evaluation criteria detailed in Chapter Three certain key conclusions can be established (some of the evaluatory categories have been combined for purposes of clarity):

1) Economic:

With the possible exception of Stutterheim, and commercial loans in Hertzog, there has been no direct or indirect private sector investment in any of the schemes and projects are heavily dependent on external grants, except in the case of Hertzog. Income levels have generally only improved for project participants or assisted entrepreneurs. In some places, wide-spread benefits have resulted, such as in Hertzog, while in Stutterheim and Seymour only core groups have benefited and larger numbers were only employed for short periods of time. It is noteworthy that practical, business orientated strategies have been pursued in centres such as Stutterheim, Seymour and Hertzog and conscious efforts to achieve sustainability are being made.

Other points are:

- new and emerging enterprises have been supported in most of the cases, the most successful being in Hertzog, Stutterheim and Kei Road. The major constraints experienced relate to

capital and skills shortages and marketing constraints,
- government involvement has been limited to housing provision and the financing of the IDT projects. Only limited benefits appeared to have accrued from these actions,
- business suffer shortages of skills and market and transport constraints,
- the ability to access external funds has been noteworthy, although it does seem to lead to dependence,
- funding constraints are a serious impediment in most schemes.

2) Employment:
Although employment has resulted from the endeavours of all the development initiatives, in most cases jobs have been of a short-term nature. The exceptions are in Hertzog and the minority of jobs in Stutterheim. Overall conditions of employment and skills levels have only improved for those who secured jobs.

3) Training:
Skills and business training have been a key ingredient in the Stutterheim initiative and, to lesser degrees, in all other projects, except in East London. Broader community development and training has only really been pursued in Stutterheim (where issues such as education, nutrition and child-care have been addressed).

4) Empowerment and Quality of Life:
In all cases communities were/are directly involved in projects and their planning. Community ownership and local control is implicit in all the surviving projects. Community interaction has been promoted and, except in Kei Road, the projects have united communities. In all cases, with the probable exception of the IDT scheme, community life has improved and past divisions have been addressed. In centres such as Stutterheim, addressing community needs is clear a key priority.

5) Services and Infrastructure:
The only places in which services were improved were in the

townships of Stutterheim and in the industrial areas of East London. Housing stock was improved in Stutterheim and is being improved in Seymour and Kei Road by the authorities and in Hertzog by community members themselves. Social facilities have been provided in the form of community halls, schools and clinics in Stutterheim. Encouragement of government to provide social and education facilities took place. Halls have been provided in Hertzog and Seymour. In addition, in Stutterheim, Seymour and Hertzog, previously unused land and buildings have been brought back into use.

6) Assessment:
The most positive gains include community building and unification, sustainable employment in some instances and positive endeavours to promote the interests of the host communities. A clear role for government and/or outside agencies (and NGOs in particular) to participate is identified. Major drawbacks include grant dependence, market, skills and capital constraints, reliance on external support and the absence of effective government assistance. This has forced many projects to become survival strategies.

14.3.2) General Comments

Although all projects, except for those of the IDT, have created reasonably permanent institutional structures which have empowered communities and involved them, tangible gains are limited. In terms of benefits accruing to the host communities, all the schemes appear to have encouraged empowerment, they operate with popular support and have striven to unify communities behind a common vision and leadership. With the exception of the division in Kei Road and hostility from a neighbouring area at Hertzog, all the projects appear to have encouraged mass participation and reconciliation, often between previously antagonistic groupings within single communities. In most communities these considerations and the general sense of optimism which now prevails, represents a positive gain in terms of promoting peace and unity. In terms of direct benefits to

individual members, evidence of wide-spread improvement in conditions is hard to find, with the possible exception of the service, housing and infrastructural improvements undertaken in Stutterheim. A small percentage of people have and will benefit in Kei Road and Seymour from housing projects which have been approved. The expansion of industrial infrastructure in East London represents a gain for the city as opposed to any immediate or direct gain for its residents. Only limited numbers of people have secured permanent employment, primarily in Hertzog (83 plus numerous family members and friends who also work on individual plots) and Stutterheim (94). In many cases jobs have been of a short-term nature and most have been lost, i.e. in the IDT project, Stutterheim and Seymour. Skills training was undertaken in all the initiatives, with the exception of East London. This however, appears to have only benefited a limited number of small business persons in Stutterheim, farmers in Hertzog and a select group in Kei Road. There is scant evidence of skills learnt being utilised in Seymour or the IDT sites where small businesses appear to have failed and development committees no longer operate.

Despite the issues raised above, the internal assessment of the projects by the host communities are all generally positive (with the exception of that of the IDT). In all cases it was felt that progress, however small, had been made and that this represented a significant advance when compared to the desperate situation of the stagnation and disempowerment which had prevailed in the apartheid era. Tension in communities such as Stutterheim has clearly subsided, communities are united and a positive attitude towards the future is evident.

Key problems experienced include the shortage of skills, limited marketing opportunities, the grant dependence which prevails, the absence of significant private sector investment and participation (except in Kei Road and in an indirect fashion in Stutterheim and Hertzog). Many of the projects are clearly not sustainable as the IDT experiment clearly reveals. Positive

attempts to develop rural-urban linkages and undertake value-adding to rural produce are however, noteworthy advances, particularly in Stutterheim and Hertzog.

A note of caution over the apparent grant dependence in most of the projects has already been sounded. If one, however, examines the issue in a broader context it is apparent that even in Northern countries, grants are regarded as an essential and unavoidable element in project initiation and operation for the first few years of a scheme (Stöhr, 1990; Murray, pers. com., 1996). In the light of this reality, criticism of a reliance on grants needs to be tempered. The important role which grants can play in the short and medium term, particularly in destitute communities, needs to be recognised. The key issue appears to be the requirement to reduce reliance on grants in the medium-term and to strive for sustainability which also allows the benefits of development to reach the greatest number of participants possible.

External support from the private and donor sectors has been a noteworthy feature in most projects. The positive role played by external, supportive NGOs in cases where local capacity was weak (as in Seymour and Kei Road) is clearly significant and is appropriate in many communities.

It would be wrong to assert that Hertzog and perhaps Stutterheim are the only successful projects. It would be simultaneously wrong to claim that the IDT projects are the only outright failures. This is because there are beneficial aspects in all the projects which may often only be realised in the long term. In addition, as McCarthy (1995b) asserts, destitute communities cannot simply be abandoned to the market. This is also in line with Stöhr's (1990) claim that in destitute communities, even the reversal of a downward trend can be regarded as a positive gain. Key features such as the community-private partnerships in Kei Road, prevent outright condemnation of such experiences. Limited welfare support and training will always need to be provided in

such cases. This study, despite the fact that it has focused on what can be regarded as more advantaged communities in a generally impoverished region, illustrates that low cost, community-empowering strategies have a place. Quite clearly, the major gains in communities have been in terms of socio-political change. Few areas have derived long-term economic gain at this juncture.

14.3.3) A Development Continuum

In an attempt to better conceptualise the range of development endeavours described, the following continuum has been developed to summarise the experiences of the various case-studies. The cases are ranked according to perceived economic success:

1) Sustainable economic strategy / financial independence / community empowerment / locally initiated / internally driven:
   - Hertzog.

2) Limited sustainability / grant dependence / community empowerment / locally initiated / internally driven:
   - Stutterheim.

3) Limited sustainability / grant dependence / community empowerment / locally initiated / dependent on external advice and support:
   - Seymour.

4) Limited sustainability / grant dependence / limited community empowerment / externally initiated / dependent on external advice and support:
   - Kei Road.

5) Unsustainable / grant dependent / limited community empowerment / externally initiated / externally controlled / terminated scheme:
   - IDT project.

Within this schema, East London is an outrider. Its initial authority based LED strategy was locally driven and initiated but it did not yield any significant, positive results. East London's recent attempts at community based LED are too early to evaluate, other than to comment that, given the resources and skills present in a city, it has the potential to achieve a high degree of success. Key conclusions which can be drawn from the

experience of these centres are detailed in section 14.4 and in the policy recommendations section in Chapter Fifteen.

14.4) KEY FINDINGS DERIVED FROM THE EXPERIENCE OF THE CASE-STUDIES

The experience of the case-studies provides an insight into certain fundamental issues regarding the manifestation and operation of LED in the Eastern Cape specifically and more generally, at the national level.

LED clearly is a reality in the study area both in terms of authority based and community based initiatives. While community based initiatives appear to enjoy wider local level support, this does not guarantee their success as the experience of Seymour vividly illustrates. Authority based LED, as it was applied in East London, parallels standard international practice, which often has low levels of community involvement. It has however, not attained the success which many international cities have achieved. In the two other examples of authority based development, attempts to induce LED have either encountered difficulties, such as in the case of Kei Road, or have experienced outright failure in the case of the IDT project. Issues relating to the appropriate degree of intervention are key considerations in terms of overall policy application which merit attention in Chapter Fifteen.

In terms of key causal or pre-requisite considerations, the following can be identified:

- LED is frequently initiated in response to a defined crisis which can either be of an immediate nature, as in Stutterheim or Kei Road, or it can be a response to persistent unemployment and/or depravation (e.g. Seymour and Hertzog),
- LED clearly depends on the need for shared vision, high degrees of unity in the community, dynamic and respected local

leaders and local or external expertise. Failure to have these elements in place can jeopardise projects (such as in Kei Road and the IDT projects). The positive attributes of strong leadership are borne out by the experience of Stutterheim and Hertzog,

- comparative advantages, particularly in terms of locally available resources and skills are clearly key considerations in accounting for the success or failure of schemes (for example, Hertzog compared to the IDT scheme). In Hertzog, the most successful case, skills resident in the area, abandoned lands and infrastructure and the high potential resource base clearly contributed to the success of the endeavour. The obvious importance of having a good skills and resource base cannot be ignored in LED endeavours. It also apparent that these issues need to be in place if projects are to become sustainable.
- capital scarcity and limited or no private sector investment is clearly a problem in all the cases investigated. The use of external grants appears to have been critical in all the projects, with the exception of Hertzog and East London. In general terms this can naturally can be perceived in a negative light. This is particularly true in the countries of the South where capital scarcity necessitates that projects become sustainable as soon as is possible,
- shortages of skills, the absence of local capital and the reluctance of the private sector to invest in community activities or in the province in general, constrains development prospects in all centres. External investment and business linkages are only likely to develop where there is a credible local agency in place which businesses trust and with whom they are prepared to network. The success of the church-led community development initiative in Kei Road stands testimony to this assertion. The role of well resourced and networked NGOs which can broker economic links with business is clearly a key issue in development planning.

More generalised findings are:

- LED has helped to address friction and conflict within communities and has promoted an overall sense of reconciliation. The current national era of reconciliation effectively demands that efforts be made to ensure that all stakeholders are involved and that tension is reduced, as the experience of East London indicates,
- the local upgrading of skills and the provision of small business / farming advice appears to be critical in generating sustainable employment opportunities (as in Hertzog and Stutterheim). Related to this is the varying success achieved by projects according to whether or not an appropriate, pre-existing knowledge or skills base existed. The stark contrast between the experience of Hertzog and the IDT projects verifies this conclusion,
- marketing of the produce of schemes is a serious constraint in all of the cases investigated,
- external support and facilitation has a key role to play. In the case of Seymour and in the initial year of the Stutterheim Development Forum's existence, external advice was critical in laying a basis for the initiatives and addressing local incapacities. Although the Kei Road endeavour is problematic, the reality that most communities in the country are impaired by a lack of skills and economic capacity implies that a clear role exists for external support and facilitation in the country. It is important to note that external support must facilitate, not dominate development and it should encourage local leadership and potential. In addition, support should not be seen as a short-term intervention in the sense that the IDT project was. The vital role played by resourceful, acceptable NGOs can be a key element in promoting LED in areas lacking skills and resources. Interventions by small town/rural local governments are more likely to be the exception than the rule,
- there is a clear need to attempt to develop rural-urban linkages as a mechanism to promote development in both

areas. The promotion of rural services and agro-industries is one of the few logical growth options in small towns,

- in order for LED to succeed in rural areas, particularly in those characterised by previously disempowered communities, issues of access to land and prevailing land tenure systems, as well as on-going disputes over land-ownership are a very serious impediment to development which need to be addressed.

One of the issues regarding LED which needs to be addressed concerns the nature of the costs incurred in establishing employment opportunities through LED as compared with more traditional forms of policy intervention. Direct costs were difficult to identify in most projects, however one cameo, that of Stutterheim, offers insight into this issue. The cost to create each job in the two building schemes has been approximately R 29 600 (i.e. 300 jobs generated at the expenditure of R 8,9 million)(Scott, pers. com., 1993). This compares favourably with the unsustainable decentralization strategy which, in many Homeland areas, was costing R 60 000 - 100 000 to create a job. In the case of the latter, subsidies totalling R 1 671 *per annum* were required to sustain each job, whilst salaries were only in the vicinity of R 1 300 per worker *per annum* in the Eastern Cape's (based on Region D statistics) two Homelands in the mid-1980s (Wellings and Black, 1986; Holden, 1990). This argument alone must of necessity lend a high degree of credibility to low cost LED employment generating schemes. Balanced against this however, must be the consideration that most of the jobs created by LED are only of a short-term nature and there is no assurance that after acquiring skills the individual workers will secure further employment.

In the thesis several key considerations were raised regarding the appropriateness of using certain of the case-studies as models. This is particular pertinent in the case of Stutterheim and the acclaim which it has received (see Chapter Eight). Quite clearly this initiative has had its strengths and weaknesses and

weaknesses and there are lessons to be learnt from the applied strategies and operational structures which have been utilised. The general findings from all the case-studies indicate that antecedent conditions in terms of local resources, skills, infrastructure and general community conditions are crucial to an initiative and can make the difference between a dependent, marginally successful scheme and an effective, sustainable one. This is borne out by the more successful LED cases examined and the experience of East London and Port Elizabeth prior to World War II.

In terms of other issues raised, the potentially important role which NGOs and LED facilitators can play is apparent. This would be most appropriate in disempowered communities where poverty alleviation might be the most a project can aspire to. Quite clearly, the above issues are critical in the planning and application of the RDP. If community focused activities are to be pursued, government needs to be conscious of their shortcomings and constraints and the fact that many communities might become grant dependent. The comparative failure of the IDT scheme, partially owing to the short-term nature of the project, is instructive of the constraints which public-works programmes will face. If the government is to pursue this strategy, attention will need to be paid to ways in which to ensure that benefits can be enduring.

14.5) CONTEXTUALISING THE EXPERIENCE OF THE CASE-STUDIES

14.5.1) General Issues

The experience of LED in the case-studies shares similarities with the definition, nature and operating principles of LED as discussed in Chapters One and Two. The experiences of LED certainly appear to concur with Bennett's (1990, 222) assertion that it focuses on "subnational action, usually sub-state and sub-regional, taking place within the context of a local labour market". In the cases of Seymour, East London, Stutterheim and

Hertzog, LED can be said to be operating along the lines conceptualised by Zaaijer and Sara (1993, 129), i.e. that it is "a process in which local governments and/or community based groups manage their existing resources and enter into partnership arrangements ... to create new jobs and stimulate economic activity in a economic area". In the case of Kei Road and the IDT project, the LED initiatives accord with the perceived need for external facilitation, catalysing action and support of local initiatives in communities, as identified by Bennett (1990), Bennett and Krebs (1993) and Taylor and Mackenzie (1992). East London is the only example investigated of a centre which pursued boosterist-type strategies. The city's experience parallels that of local authority driven initiatives, with similarly low levels of community interaction such as in Germany (Stöhr, 1990) and the United States (Judd and Parkinson, 1990).

The community based initiatives in Seymour, Stutterheim and Hertzog parallel projects in other areas which also focused on broad-based community empowerment and the creation of community businesses and co-operatives. These include projects in Canada (Barnes and Hayter, 1992), Brazil (Ferguson, 1992) and various Asian and African countries (Gooneratne and Mbilinyi, 1992; Burkey, 1993; Binns, 1995). The externally facilitated examples of LED, in which a high degree of dependence was generated between a disempowered community and an external agency, find their parallels in the experience of the Highlands and Islands Development Board in Scotland (Stöhr, 1990) and similar strategic interventions followed by the European Union (Bennett and Krebs, 1993) and the Regional Rural Development Centers in the United States (North Central Regional Center for Rural Development, n.d.).

LED, as practiced in the Eastern Cape, clearly displays varying degrees of initiative and entrepreneurship, two other key factors identified by Stöhr (1990). While initiative levels have been high in all centres, with the exception of Kei Road and the IDT projects, an entrepreneurial focus was and is important in all

cases. Market and capital constraints have however, limited the overall success of the latter. As stated in the introduction, Zaaijer and Sara (1993) have identified a range of key focal concerns for LED in the countries of the South, namely:

- a package of local interventions,
- economic development which is a catalyst impacting on broader development worked out in consultation with the affected communities,
- participatory management and empowerment, and
- the need to integrate policy and poverty interventions.

These four issues are clearly integral elements in the operational strategies of the six case-studies. In the case of East London, these are a recent adoption.

Syrett's (1995) view that LED is a 'process' is certainly borne out by the experience of the case-studies investigated. East London, Stutterheim, Hertzog and Kei Road have experimented with a range of strategies in order to identify those which have the potential to yield the greatest economic return and social gain. Some of the most noteworthy changes have been Stutterheim's reformulation of their key strategies and East London's dramatic shift in focus. Syrett's (1993, 527) statement that LED-type initiatives are a "heterogeneous class of diverse economic activities" varying from business support to self-help programmes, is also borne out by the case-studies. Implementing agencies include local authorities, co-operatives, church structures and community based and non-governmental organizations. Strategies adopted are site-specific which also accords with LED's focus on locally appropriate strategies. They vary from co-operative farming, to community industries and small business support.

Partnership development is a key variable in the Eastern Cape case-studies, with considerable variation occurring, depending on the host community. This consideration parallels European experience regarding the place and need for differing partnership arrangements according to local circumstances (Lloyd and

Newlands, 1988; Cooke, 1989; Bennett and Krebs, 1993). In the Eastern Cape most examples of partnerships tend to be of an informal nature and they are not legally constituted arrangements. They are, instead, co-operative arrangements between major stakeholders. A key trait of these arrangements, in the Eastern Cape, includes the low levels of involvement by the public sector. This reflects the current policy uncertainty in the country. Local authorities are however, more active than provincial or national government in terms of public sector activity and have formed partnership arrangements with communities in Stutterheim and Seymour and more recently in Kei Road and East London. The lack of commitment on the part of the government in the IDT scheme indicates, if anything, that policy has not yet been clearly conceptualised and the need for long-term support has not been recognised.

In terms of the more common LED strategies and support mechanisms detailed in section 2.6, it is apparent that the schemes examined have opted for community focused activities and job creation activity in preference to more general business promotion schemes. Such approaches are naturally situationally appropriate. However, they run the risk of not being able to reach positions of full sustainability as the example of Stutterheim vividly illustrates. In terms of key strategies employed, only a limited number of the 24 detailed in section 2.6 are applied. This reflects the low capital budgets available, relatively low levels of sophistication in terms of the implementing agencies and the fact that most programmes are not yet in a position to reach economic sustainability. Financial support tends to be limited to project related grants for which external and often foreign funds are accessed on a case by case basis. The exception are the commercial loans secured in Hertzog. Land and building development has been limited to the provision of industrial sites and infrastructure in East London, land rehabilitation in Hertzog, and to a limited degree, in the IDT sites. It also includes housing and service provision in Stutterheim, Seymour and Kei Road. The provision of workspace only occurs in

Stutterheim.

The supply of advice and marketing information tends to be limited to the activities and support of the Stutterheim Business Information Centre and the NGOs supporting community activities in Kei Road and Seymour. Quite clearly, the experience of Stutterheim comes closest to the employment creation and small business support foci of international LED examples. In terms of planning and organizational structures, community focused arrangements predominate and it is only in East London that issues of technical planning and administrative support have been considered. In terms of the last consideration on the list in section 2.6, namely training and employment support, all the schemes have sought to empower communities and most have tried skills training. Overall success has varied from apparent failure in the IDT project to noteworthy gains in Stutterheim and Hertzog. This evidence suggests at the relatively narrow focus of LED support strategies in the Eastern Cape, the limited nature of entrepreneurial activity and the fact that most cases are still at an incipient state of development.

To a significant degree, the experiences of most of the centres studied parallel the local coping strategies, self-reliance approaches and use of indigenous technical knowledge discussed in the context of local development in the South (section 2.7) (Gooneratne and Mbiliyni, 1992; Binns, 1994; Stock, 1995). High degrees of community involvement and commitment and participatory development certainly accord with the writings of Friedmann (1992) and Burkey (1993). Notions of local control, reliance on NGOs in preference to governments and a reliance on local knowledge clearly find parallels with Taylor and Mackenzie's (1992) principle of 'development from within'. Despite the seeming congruence between Eastern Cape experience and these principles, Stock's (1995, 363) cautionary note, as detailed in Chapter Two, regarding the limitations of 'development from within' finds its parallels in the study area, namely that it "is unlikely to achieve more than small sporadic victories for the

disadvantaged majority".

14.5.2) The Success of the Case-Studies Relative to International Experience

Despite the limited apparent success achieved in the cases investigated, contextualising what was achieved within the reference frame of international experience is instructive. It appears as if only one-third of community based initiatives in the United States ever become sustainable and attain the goals to which they aspire (Tosterud, pers. com., 1996). In the light of the great resource and capital differences between the United States and South Africa, this is a sobering fact. Further evidence from the United Kingdom suggests that grant dependence is regarded as inevitable in any community based project in the short to medium term life of such initiatives (Department of Health and Social Services, 1996; Murray, pers. com., 1996). These two cameos indicate that success in community type projects, such as the majority detailed in this thesis, is not inevitable and that grant dependence is often the norm. In a relative sense, these considerations and the very low number of jobs generated in many community projects in Europe (Stöhr, 1990) suggest that Kei Road and Stutterheim have performed reasonably well.

Problems experienced in other situations have their parallels in the Eastern Cape. These include issues of political fragmentation, skills and leadership constraints, the shortage of funds and a focus on any available alternative which can distort the process and inhibit success (Teitz, 1994). The most common drawbacks associated with LED globally, which find their parallels in the study area, include: the limited prospects for growth diffusing from the areas of adaptation, the failure to truly tap into macro-level resources and the reality that only centres with the greatest pool of physical and human resources are likely to prosper (Todes, 1993). In Europe, for example, as in Africa, projects are frequently plagued by capital constraints

and the need to rely on state funds (Mason, 1992; Taylor and Mackenzie, 1992).

14.6) ASSESSMENT AND CONCLUSION

The LED cases investigated in this thesis have clearly experienced markedly differing degrees of success. Although a wide range of endeavours have been embarked on, most projects are characterised by grant dependence, frequent reliance on the support of an external agency and a very narrow choice of strategies, compared with those applied in other countries. Despite this, the apparent measure of success which community based endeavours can attain, in the effective absence of state support is noteworthy.

The LED initiatives investigated in the Eastern Cape and the assessments thereof appear to share considerable similarities with international experience in terms of the successes, failings and constraints which they experience. The reality is that LED often needs to be conceptualised as a survival strategy and that success cannot be guaranteed as numerous authors (Bovaird *et al*, 1991; Leathers, 1994) suggest. According to Syrett (1995, 323), LED is usually characterised by low levels of job creation and investment and it can often "do little more than operate on the margins of the economy". Despite these sobering considerations, LED is ultimately a better option for marginal communities than continued deprivation and dependence on state welfare, if such is available. It clearly can provide hope and unite communities in difficult times and therein lie important psychological and sociological gains. In the light of the preceding assertions and international experience, the case-studies investigated in the Eastern Cape appear to have fared reasonably well, experiencing standard constraints and challenges. In the subsequent chapters, issues discussed in this one are dealt with in the context of theoretical and policy criteria.

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CHAPTER FIFTEEN

AN ASSESSMENT OF LOCAL ECONOMIC DEVELOPMENT AND POLICY DERIVATION

15.1) INTRODUCTION

The case-studies detailed in this thesis clearly reveal a wide diversity of features and strategies. The use of the typology suggested in Chapter One proved to be too simplistic and this issue receives further attention in this chapter. Two of the key objectives of this thesis were firstly, to design and field test an assessment schedule for LED projects and secondly, to develop LED policy guidelines. These two considerations form the main focus of this chapter. In order to identify key issues in the cases studied and to provide a framework to assess and evaluate other examples of LED, the refinement of the assessment schedule constitutes one of the key contributions of this thesis. LED policy development is another key contribution. The discussion on policy issues needs to be conceptualised not in terms of suggesting a new policy, given the extensive documentation which already exists in this field (see Chapter Seven), but rather in terms of making recommendations in order that existing policy can become more relevant and applied. Given the leading role which LED is playing in the Eastern Cape, relative to national developments (Kenyon, 1996), it is believed that the broad findings and policy conclusions may be generalised to the whole country.

15.2) TOWARDS A REFINED TYPOLOGY OF LED IN SOUTH AFRICA

In Chapter One, a typology of LED was suggested, i.e.:
- authority based (including external facilitation), and
- community based LED.

An examination of current policy documentation, evidence in the

field and the identification of the key role which NGOs are playing and can play, given the effective absence of meaningful state support, suggests that a modified typology is more appropriate to describe the differing forms LED is taking in South Africa. Placing NGOs within the authority based category does not appear to be justified and it therefore merits a position between authority and community based strategies.

From a policy perspective, a key consideration which justifies the advocacy of a refined typology is the seeming failure of current LED policy positions adopted in the country to acknowledge the unique nature of South Africa's society and economy which has a blend of features of the North and the South. This state of affairs is revealed in documents such as those of the Urban Foundation (1994) which seems to treat South Africa as an extension of the North and which focuses exclusively on large city and business orientated strategies. These tend to ignore the needs of other smaller centres and rural areas and hence the majority of the nation's residents. By contrast, documents such as the SANCO (1995) paper and the government's rural development strategy (RSA, 1995c) are at the opposite extreme, having a strongly community focused orientation. This focus tends to marginalise the potential of larger local authorities in LED and the commercial nature of a large proportion of South Africa's agricultural and manufacturing economy. These two sectors could play a key role in local development endeavours, given their wealth and employment generating potential. Policy makers and implementers need to take cognizance of the diversity of LED approaches which do in fact exist. In certain instances it is conceivable that a combination of approaches might well be required if all residents in a locality are to derive benefit.

The following typology, which is deemed to be one of the thesis's major contributions has been drawn up:

- **AUTHORITY BASED LED**, divided into:
  - government controlled or facilitated LED. Public works programmes, such as that of the IDT, would be an example of this category. If the government does employ LED facilitators there is a danger that this approach could encourage dependence if attempts are made to induce LED in communities where local leadership and vision is not present. In addition, if the government dominates the process, local initiative might be suppressed as has happened elsewhere (Stöhr, 1990),
  - local government driven LED, with a business focus and low levels of community participation (if any). This category would certainly apply to most current city LED initiatives which have low levels of popular participation and which tend to marginalise or ignore the poorer communities and their interests. The initiative in East London, until 1995, accorded with this approach and current strategies in most cities in the country still appear to do so (Nel, 1995). This approach also appears to be common in the North. It can, however, only be of limited relevance in the South and in South Africa if the ultimate goal is to improve conditions for the majority of the population, many of whom have very low rates of participation in the formal sector,
  - local government driven LED with high levels of community participation (a private sector focus would naturally also be common in the larger centres). Such an approach has few parallels in the North and only limited examples in the South appear to exist, such as in Brazil (Ferguson, 1992). However, if local authorities seek to improve conditions for their residents in terms of RDP type principles, this is a logical option to pursue as East London's incipient endeavours suggest.

- **NGO FACILITATED LED**
  - though few examples of this approach appear to exist internationally, NGOs clearly do play a key role in

development (Simon, 1992). The measure of success attained in South Africa in places such as Kei Road and Atlantis (Nel and Meston, 1996), suggests that this approach has considerable potential, particularly in marginal communities.

- **COMMUNITY BASED LED**, divided into:
  - true community self-reliance. Such an approach has much to commend it (Burkey, 1993), but in practice, it might well remain an elusive ideal which only a handful of communities can actually achieve. Despite the success attained in the case of Hertzog, the community acknowledges that they have now reached the point of requiring external support and funds. Experience in other countries suggests that the best examples are to be found in reasonably well endowed rural areas or areas where farming can still be pursued, often as a survival strategy (Burkey, 1993; Binns, 1995),
  - community initiated LED, but requiring external assistance. In many communities in the North, a reliance is placed on the support which external agencies can offer (North Central Regional Center for Rural Development, n.d.; Tosterud, pers. com., 1996). This approach certainly appears to have characterised what happened in Seymour and the initial stages of the initiative in Stutterheim. In some ways this could be a near-ideal situation in the South African context, in that it relies on having motivated leaders who recognise the need to call on external support, yet retain local control. Significant results can be attained, as the case-studies illustrate. Appropriate facilitation is critical and well trained NGOs or dedicated state employees could play a key role in these situations.

Overlap in practice could naturally occur, for example between community initiated LED requiring external facilitation and NGO facilitated LED and also between local authority LED and emergent

community initiatives. The simultaneous operation of the latter could well become common in larger centres, given the fact that these centres have the dual requirement of needing to court international capital yet also facilitate community development. While the community initiated LED approaches would be ideal, many communities, through leadership constraints and a lack of skills, may well require a high degree of external intervention. Cost and personnel constraints will however limit the actual number of applied cases of this phenomenon.

15.3) METHODOLOGY EMPLOYED AND THE ASSESSMENT SCHEDULE

15.3.1) The General Methodology Employed

The wide spectrum of historical and contemporary evidence investigated helped to provide a detailed insight into the contextual and current nature of the LED schemes investigated. In the historical chapters, archival research was indispensable. Although the major research method used in the case-studies was semi-structured interviews based on the assessment schedule, the inherently diverse nature of the material and the communities investigated in this thesis justified the employment of additional techniques. The application of the standard assessment schedule and its administration through semi-structured interviews was a valuable research tool. Subject to constraints detailed below, it yielded significant data which formed the core of the findings in the case-study chapters. In general terms, the attempt at standardising community assessments proved to be a worthwhile exercise with respect to identifying common themes and the relative success attained by the various projects.

Other techniques employed, where appropriate, such as archival research, questionnaire surveys and group interviews also yielded significant detail about projects. In retrospect, as regards the actual techniques employed, greater use of RRA/PRA techniques could have made an important contribution to the research process and the development of such research methodology. The nature of

the information gathered through activities such as transect walks and the video-making exercise supports this conclusion. The standardised assessment techniques and archival research would, however, have remained the key sources of information given the limited amount of new information revealed through RRA/PRA. These techniques, as with the small questionnaire surveys employed and observation served the purpose of triangulating information gathered through other means. This study does, however, suggest that research undertaken within communities may often need to rely on multiple techniques, given the diverse nature of communities and the consequent need to employ a range of methods to capture and to verify relevant information.

15.3.2) The Assessment Schedule

In Chapter Three, the design of an appropriate research methodology received attention, as did the identification of a standardised assessment schedule. As was intimated in that chapter, this schedule was derived from the synthesis of various shorter schedules used elsewhere in the world. Field-testing of the schedule in multiple localities permitted the identification of various shortcomings in its design and focus. The objectives of this section are firstly, to identify those short-comings and, secondly, and more importantly, to refine the assessment schedule for possible use in other situations.

15.3.2.1) Shortcomings With the Assessment Schedule

The major shortcomings of the schedule were the overlap in the focus of various questions and the lengthy nature of the final assessment. While the first issue can be addressed, the second appeared to be an unavoidable reality of the research process. Difficulties with the actual application of the schedule were not encountered because of the semi-structured fashion in which questions were posed and clarity sought. The use of interpreters at various sites helped to clarify issues asked to persons for whom English was not a home language.

In the following discussion, the assessment schedule is not

repeated, but reference is made to the two Phases as detailed in sections 3.5.1 and 3.5.2. In terms of Phase One, 'Initial and On-going Assessment', the following issues can be raised:

- in the general questions section, numbers six to eight, which sought to establish greater clarity regarding the reasons why the LED initiative was launched, proved to be redundant as answers to questions two to four captured adequate data on the nature and initiation of the projects,
- question nine, regarding the linkages between projects and those in the broader area, required that further details be established,
- question fifteen sought to identify if project goals had altered. This was of limited relevance in new projects, though at a later stage its relevance might be more apparent,
- issues of who controlled the project, asked in question twenty, largely duplicated ten to twelve and was hence redundant,
- question twenty-one, dealing with financial issues, needed clarity over the type of funds secured and the commitments which they imposed,
- question twenty-two sought to identify if other projects existed in the area. This was of limited relevance in the South African scenario where few development interventions are taking place,
- in terms of the section on employment and training, question one asked how many people had gained employment. It also needed to establish details regarding the type of employment provided and whether it was of a long or short term nature,
- questions two and three regarding resource utilization were redundant as they were covered earlier and were clearly not a focal issue in most projects.

In terms of Phase Two, the 'Final Assessment' the following issues can be raised:

- Economic:
    - the limited role played by external investment and the government intervention limited the relevance of the questions dealing with those issues,
    - questions six and seven regarding the local firms and entrepreneurs duplicated earlier questions,
    - questions thirteen to fifteen dealt with the nature and sources of funds. These can be combined because of the limited nature of funding involved in all projects.
- Employment:
    - questions one to ten, dealing with the number and type of employment opportunities generated, were largely repetitive because of the limited nature of job creation in most communities. The key issues raised could, logically, be synthesised to form two or three key questions,
    - further details regarding the benefits of income derived from the project (number fifteen) needed to be sought.
- Training:
    - questions in this section proved to be adequate.
- Empowerment:
    - the first two questions which sought to identify community ownership and empowerment were repetitive and can be combined,
    - question five sought to identify who benefitted the most from projects. This was redundant as such details were generally already established,
    - question six dealt with local level decisions and consultation. This tended to cover material raised later in questions eight and nine,
    - questions eleven and fifteen dealt with the attitude of external agencies and residents to the scheme. These proved to be vague and inconclusive,
    - question twelve to fourteen examined issues of community life and were repetitive.
- Services:
    - questions dealing with service provision tended to be rather premature, particularly since this issue is not yet

a major consideration in the projects investigated.

- Infrastructure:
  - questions four, six and seven dealing with the provision of social and recreational facilities were largely redundant in the South African situation.
- Quality of Life:
  - questions about changes in the overall quality of life repeated responses to previous questions and the section itself seemed to be redundant.
- Assessment:
  - question eight about the role of local government was largely covered by the general discussion generated over the preceding question on the key role-players,
  - question nine tried to identify people's attachment to 'place'. This concept was difficult to explain and did not generate meaningful answers.

15.3.2.2) A Revised Assessment Schedule

In order to overcome the difficulties of overlap, to give greater focus to many of the questions and to eliminate irrelevant issues, the assessment schedule was revised. The new version is contained in Appendix Seven. The revised 'Initial and On-going Assessment (Phase One)' precedes the revised 'Final Assessment (Phase Two)' in that appendix. Given the fact that LED is in an incipient phase in South Africa, not all the questions were deemed to be of immediate relevance. It is however acknowledged that such questions may well be appropriate in later phases of LED and also in other countries. Where such issues arose, the questions were retained in the revised schedule, but asterixed (*) to denote this distinction.

The revised schedule has been designed to offer researchers a means of identifying key features in LED projects and also a guideline against which to assess their success. The schedule does not provide a bottom-line, quantifiable answer following assessment of a project. Instead, based on the need to take cognizance of issues broader than financial measures, as detailed

in Chapters Two and Three, it provides a way to identify a wider range of possible issues which could, in themselves, denote key gains or losses. The schedule will naturally need to be adapted to meet specific local variation when applied, as was the case in the case-studies in this thesis. Given the fact that the development of assessment schedules is deemed to be a key contemporary priority, even in the North (Murray, pers. com., 1996), this contribution is deemed to be both timely and appropriate.

15.4) KEY POLICY FINDINGS AND SUGGESTIONS

As detailed in Chapter Seven, a range of policy documents dealing with LED already exists in South Africa. These are the business and large-city orientated Urban Foundation document (1994), the Populist SANCO (1995) paper and more neutral government documents (Moloi, 1995; RSA, 1995a, 1995c). While the focus of these documents on the potential role which LED can play in the country is laudable, it is also apparent that they have numerous shortcomings. The Urban Foundation document suffers from a failure to give serious attention to non-metropolitan areas and rural districts in particular. Community development receives scant attention and the document has an apparent western bias. The SANCO paper devotes considerable attention to community related issues, but tends to be weak on considerations such as the potential role of business.

The government papers, though following a middle of the road approach, do not commit the government to any form of financial assistance and tend to be vague on issues of leadership and control of the LED process. The tendency to look towards business driven growth, which is unlikely to play a key role in many areas, is a probable over-sight. Common problems include the general failure of the documents to break away from a western and urban focus and recognise the value of self-reliance and rural strategies in Africa and elsewhere. Other issues include the

failure to adequately identify the different forms which LED can assume, such as the one detailed in the typology in this chapter. The role of NGOs is largely ignored as is the consideration that, in many areas, survivalist and not profit-maximising strategies might well be more appropriate. The potential role of local authorities seems to be over-valued in all the papers. In addition, applied strategies need to focus more on locally unique and appropriate conditions.

It is not the intention of this section to detail an alternative LED policy for South Africa. Instead, the goal is to raise key policy issues which, it is believed, have been overlooked or are not adequately addressed in pre-existing documents. By drawing the attention of both policy makers and local agents to these considerations it is hoped that the potential and nature of LED can be enhanced and realistically appraised. Although the following suggestions are derived from the experience of the Eastern Cape, given the leading role which the province appears to be playing in this regard (Kenyon, 1996), it is believed that the issues are applicable to the country in general. In provinces with high rural population densities, such as the Northern Province and the Free State, these suggestions are deemed to be particularly appropriate. It should be noted that these policy issues have a bias in favour of authority based intervention. This is due the fact that such actions could either take the form of direct intervention, or serve to create the facilitating environment in which locally based initiatives can develop. This accounts for the precedence accorded to government policy considerations in the sub-sections below. In addition, the other policy documents are discussed and issues common to all documents are dealt with in general sub-sections.

15.4.1) General Considerations

It is apparent that LED cannot be viewed as a radical growth alternative, but it is a low-cost form of development and empowerment. As details regarding Stutterheim reveal, it is a far cheaper form of job-creation than the previous regional

development programme (see Chapter Fourteen). LED however, is not a 'quick fix' and most projects will require considerable commitment in terms of time and resources. In order to succeed, LED needs to avoid or reduce dependence on external agencies and funds as soon as possible. The fostering of locally controlled development which strives for sustainability needs to be an over-riding goal. Although LED must attempt to be market driven, many localities might not attain this position and it needs to be recognised that many initiatives, in the less well-endowed areas, will require short term grants to initiate and sustain projects. Recognising the existence of different types of LED (see section 15.2) is deemed to be a critical consideration in future policy development and strategy implementation. In applied strategies, the experience of cases of successful LED, such as Stutterheim and Hertzog, and localities which have encountered difficulties, need to serve as guidelines for planners and other localities. Although the strategies pursued in places such as Stutterheim are not directly replicable, they can provide insight into opportunities, pitfalls and operational structures.

In order to succeed, no local initiative can develop in isolation from the outside world and it must take cognizance of developments which can impinge upon it. This can be in terms of a city's place in the global economy or a town's place in relation to its hinterland. Other general considerations are:

- external investment and business linkages are only likely to develop where there is a credible local agency in place which businesses trust and with whom they are prepared to network,
- external funding / grants are important in projects, particularly in their initial phases. Dependence must however be discouraged,
- applied strategies need to be based on unique local comparative advantages, resources and skills as well as seeking innovative new alternatives suited to the local context.

15.4.2) Government Policy Considerations

Given the critical role which the government can play in both initiating LED and, more importantly, in creating the right environment in which it can develop, this institution and its policies merits particular attention. Government objectives contained in the RDP and the need for socio-economic change in the country require that policies should be appropriate, relevant and functional. At present, these elements seem to be lacking in government policy documents dealing with LED. The following considerations are deemed essential in order to ensure the relevance and appropriateness of government initiatives and to create a facilitating climate in which NGOs and local communities can implement LED.

There is a clear onus on government to create a supportive environment and to make appropriate legislative and budgetary provisions to support LED. Probably the most important consideration is the need to create the mechanisms to actualise the principles of local authority self-determination and responsibility as contained in the draft constitution (see Chapter Seven) (RSA, 1996b). Enabling legislation at national and local government levels needs to be drafted to define the responsibilities of local authorities and to empower them to initiate LED, particularly in terms of issues of financial management. Issues of access to land and questions of land tenure also need to be resolved.

In terms of the actual implementation of LED, the author contends that it is an appropriate and low-cost development option which the state can apply and support. The identification and training of LED facilitators, as hinted at in the draft Green Paper on LED (Moloi, 1995), needs to be pursued as a matter of urgency. Such facilitators need the mandate and necessary funding to advise and support communities in which LED activities have the potential to develop. As a matter of principle, it is important to note that government must facilitate, not dominate LED. Imposed strategies do not accord with the principles of LED and are

unlikely to succeed. Strategies should be worked out in consultation with host communities based on local comparative advantages.

One of the key short-comings of current government policy documents is their failure to make a financial commitment in terms of the provision of finance for strategies such as seed-funding, facilitation and training. This is a key issue which needs to be addressed as a matter of urgency. In an ideal situation government financial and other support could include:

- exposing communities to successful models of LED, LED unit structures and the key features and potential of LED,
- training of community leaders in community leadership, LED and financial management,
- financial support for small businesses through the provision of advice, loans, grants and loan guarantees,
- financial support for strategy development,
- advice to and guidance of local endeavours.

In addition, the government needs to acknowledge that it cannot monopolise the process. Positive support and encouragement for NGOs, CBOs and development fora is essential in order to ensure low cost, locally-owned development.

At a broader level, it is also apparent that the success of LED is not guaranteed. Given this situation and the desperately high levels of poverty in the country, other forms of central intervention also merit attention. These include state welfare support for the destitute, a possible examination of multi-sectoral regional development and the previously mentioned need to identify strategies which can effectively blend 'top-down' and 'bottom-up' development. LED needs to be seen as a complement to other state strategies. Ideally LED should be regarded as a local level adjunct to broader regional planning. According to Simon "regional planning ... could also become an important tool in facilitating such local initiatives" (Simon, 1990, 260).

Public works programmes, in which the government has placed

considerable faith, clearly have drawbacks. Beyond the goal of short-term relief and possible, limited skills training they appear to offer few long-term advantages. Unless the dependency syndrome and the 'top-down' nature of their application can be broken and ways to link them to sustainable, local level development found, they are unlikely to contribute much.

15.4.3) The Urban Foundation Document

The Urban Foundation document, as mentioned above, has a western and a large city bias. In order to be more relevant in the South African context, this document needs to acknowledge that the majority of the country's population does not live in large cities and many only participate marginally in the formal sector. As result LED policy needs to take cognizance of the need for strategy development in small cities, towns and rural areas. In addition, LED in South Africa also needs to be informed by the experience of self-reliance and coping strategies in the South. Equally important is the need for the document to acknowledge that LED need not be confined to authority based initiatives but that community based ones also have a key role to play. The role of NGOs, CBOs and local development fora in LED needs to receive greater attention.

15.4.4) The South African National Civics Organization (SANCO) Document

The strengths of the SANCO document lie with its focus on community initiatives and strategic intervention paralleling the RDP. It is, however, apparent that the document needs to pay greater attention to the possible role of large business and motivate strategies which can link community and business development. Public works strategies and reliance on community endeavours are problematic and the importance attached to them should be moderated. Issues such as local procurement and inward industrialisation will also encounter difficulties related to their implementation. Another concern is the faith placed in CBOs and local authorities both of which have severe capacity and resource constraints. The notion of broad partnerships mentioned

by SANCO needs to be expanded. In a very real sense the SANCO document must take cognizance of the various business strategies outlined in the Urban Foundation paper.

15.4.5) Local Economic Development Strategies

In the sections above, shortcomings in each of the major LED policy documents are discussed and suggestions are offered. In this section, general LED strategies derived from the research are outlined. These strategies are either ignored or inadequately dealt with in the preceding documents.

15.4.5.1) Key Principles

Several key principles on which LED strategies need to be based can be identified:

- some of the key aspects of LED are the need for the community involved to develop an appropriate vision for their future and to ensure local ownership of the process. Locally recognised leaders need to play a key role in LED,
- the establishment of local development corporations operating on business lines to oversee project management and to channel funds needs to be considered when implementing LED,
- strategy selection needs to acknowledge the mix of skills, economic features and differing needs which exist in South African localities. Current policy documents either adopt a business focus or a community focus. All the documents are guilty of oversight in this regard and need to support strategies which encompass a range of interventions and goals,
- quite clearly, middle ground needs to be found, not only in terms of blending business and community focused strategies, but also in terms of blending 'top-down' and 'bottom-up' development,
- in terms of actual implementation, strategies must be flexible and adapt to changed circumstances. Simultaneously the development environment must allow for creativity and unique actions as Vàzquez-Barquero (1992) asserts. A key consideration is that whatever approaches are adopted,

human capital must be developed if projects are to have any hope of long-term success (Clarke, 1993a). An additional focal issue is the necessity of addressing basic needs within marginal communities (Stöhr and Taylor in Baker, 1990),

- NGOs and development facilitators can play a key role in LED, particularly in terms of brokering business relationships between internal and external agencies,
- public works programmes, despite their good intentions, can encounter difficulties. Long term commitment to strategies, skills development and sustainable development needs to be factored into policy planning.

15.4.5.2) Issues Unique to Small Towns and Rural Areas:

LED strategies applied in smaller centres and rural areas can vary considerably from those applied in cities. The following issues are deemed to be key considerations in LED policy selection:

- a positive and fundamental link exists between small centres and rural development processes in their hinterlands and this should not be ignored. Developing rural-urban linkages will, hopefully, promote development in both areas. In addition, promoting the provision of rural services and agro-industries are some of the few logical growth options for small towns,
- in order for LED to succeed in rural areas, particularly in those characterised by previously disempowered communities, issues of access to land and prevailing land tenure systems need to be addressed,
- there is a need to adopt a realistic approach in small town and rural contexts about their potential for external investment. The general failure of the industrial decentralization programme and its limited success in attracting national and international firms, forces such places to understand LED in terms of modest and appropriate strategies. This encourages scrutiny of local comparative advantages which can, in turn, provide the best basis for

sustainable growth. Local authorities/communities which adopt such an entrepreneurial stance will be more likely to succeed,

- small scale farming by African people, hitherto excluded from the land market, constitutes an important possible ingredient of rural LED work in South Africa,
- the encouragement of periodic markets in rural areas can assist with overall economic development, purchases and sales.

Issues Unique to Large Urban Centres:

Unique issues face larger centres and they require appropriate strategies, namely:

- in the larger centres, direct community contact is far more difficult to secure than in smaller centres, as the East London case-study and current strategies in Durban reveal (Nene, 1996). Regardless of this fact, efforts to try and address the needs of the poorest communities, through targeted social and economic interventions, need to be pursued,
- larger centres in South Africa have greater opportunity to pursue business related development strategies at a local, national and international level. Such activities need to be encouraged and facilitated by the government. Local authorities should however also attempt to enhance the local economic base by encouraging sub-contracting to small businesses, labour intensive production and the production of goods for the local market,
- applied strategies in cities in other countries need to be examined in order to identify possible options for local centres.

15.5) CONCLUSION

This chapter has examined what are deemed to be some of the key contributions of the thesis. The issues discussed have the potential to assist South African planners and communities in

strategy identification, assessment and overall policy formulation. The ideas contained in this chapter have not been postulated in the country before. Simultaneously, the author is unaware of any comparable LED typologies internationally, while the assessment schedule appears to be a timely contribution to a process currently meriting attention internationally (Murray, pers. com., 1996).

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CHAPTER SIXTEEN

CONCLUSION

16.1) INTRODUCTION

This thesis has established that LED is a reality in the study area. In addition, as the experience of several Eastern Cape centres prior to World War II reveals, LED is not a recent phenomenon. Regional development and more specifically industrial decentralization policies, played an important role in many centres in the Eastern Cape. The termination of pre-1991 regional development strategies revealed that, in most centres, politically based planning did not establish a permanent industrial base. The 1990s have been characterised by reduced state economic and political intervention and this consideration is, in itself, a key catalyst of LED. Community based LED, such as in Stutterheim, Seymour and Hertzog has witnessed significant gains to the host community in terms of employment and services, albeit at the frequent expense of grant dependence. In the three authority based schemes, Kei Road, the IDT project and East London, higher levels of dependence and less obvious success in economic and social terms seem to have resulted. The case-studies illustrate the key roles played by local leaders, NGOs and CBOs, the limited role played by the state and the limited range of LED strategies implemented, relative to international experience. Compared with pre-existing levels of deprivation and the current status-quo in other areas, these gains, however small, do represent an improvement on the pre-existing situation. If projects can become less grant dependent, they could become a low cost, locally-driven process of empowerment and employment generation. In this chapter, general findings of the thesis and theoretical considerations are discussed.

16.2) GENERAL FINDINGS OF THE THESIS

16.2.1) Fulfilment of the Objectives

In terms of the original objectives of the thesis several defined statements can be made:

- international theories regarding LED are clearly appropriate in the South African context, subject to contextual and other modifications detailed in this chapter. This is particularly true of localities theory and the broad principles of LED,
- this thesis has demonstrated that LED was pursued in the study area prior to World War II. This accords with the experience of other countries and this, in itself, makes a contribution to the general understanding of the history and evolution of LED internationally,
- as was the case elsewhere in the world (Roberts, 1993), centrally driven, state regional planning failed to promote meaningful development in most localities. Political bias and economically irrational intervention created dependence at great cost. A direct causal link between the failure of central planning and the development of LED cannot be drawn, with the possible exception of East London. It is however, apparent that in an era of greater freedom and reduced state control many communities are seeking locally determined solutions to their economic crises. In general terms, changes in state policy are also a partial reflection of a broader international shift in the focus of the state from welfarism to entrepreneurialism (Spooner, 1995). The content and focus of the 1991 Regional Industrial Development Programme parallels this shift,
- as is demonstrated in this thesis LED is a reality in the Eastern Cape in the 1990s. As evidence raised suggests, it is most successful where ideal combinations of skills, resources, infrastructure and goodwill exist. In cases lacking these ingredients the danger of limited gain and grant dependence exists. The role which NGOs can play and other considerations are dealt with more fully in Chapters

Fourteen and Fifteen. In the Eastern Cape, LED appears to have brought about wide-spread socio-political improvements, but economic gains and sustainable development is limited to places with clear economic and human resource advantages,

- the research and assessment schedule facilitated the research undertaken for this thesis and it has been developed as one of the major contributions of this thesis (Chapter Fifteen),
- the LED policy guidelines in Chapter Fifteen have been drawn up with a view to contributing to the general debate regarding LED in the country and to the overall potential of LED in assisting with economic development and transformation.

16.2.2) Key Findings

LED has re-emerged as a development approach in South Africa. This has brought to the fore the needs of marginalised communities and the efforts of groups which, previously, did not and were not able to play a key role in development, including local authorities, NGOs and local leaders. The experience of the study area in this regard is in line with international experience (Blakely, 1994). The general principles regarding the nature and form of LED and its causal conditions (see Chapter Two) are relevant in South Africa and in the study area more specifically, subject to localised historical and political variations. Despite this, LED cannot be regarded as a panacea capable of developing in all communities / localities. Neither can its success be guaranteed. Stock's (1995) contention that local level action can only lead to limited improvements is borne out by the case-studies.

Given the fact that certain of the successful studies, e.g. Hertzog and Stutterheim, appear to be some of the best cases in the country, the potential for many other, less well endowed areas to copy them is severely constrained. This is because of considerations such as acute skill, leadership, financial and

resource constraints in most localities in the country. Despite this, as mentioned above, in a developing country, cognizance must be given to Stöhr's (1990) assertion that even the mitigation of decline can be regarded as a success. In addition, issues such as empowerment and reconciliation are less tangible, but are nonetheless significant gains, as is the sense of self-worth which locally initiated schemes can inculcate. One of the key gains in the study area appears to be the fact that initiatives have encouraged socio-political change and helped to address issues of empowerment.

Furthermore, LED can be a reasonably low cost form of development when compared to previous regional development strategies (see Chapter Fourteen). It should, however, be regarded as a local complement, not an alternative to other forms of development intervention, including regional development strategies. This is based on the limited nature of the success achieved in some of the case-studies. The optimism currently accorded to LED by government and other organizations is partially misplaced. While LED can lead to significant, but sporadic local level gains, it is clearly inappropriate to conceive of LED as having the potential to serve as an alternative form of nation-wide development.

If the South African or the Eastern Cape government wishes to promote widespread LED, it will need to embark on a major programme of education, facilitator training and funding allocation for the venture. Successful LED in South Africa and perhaps elsewhere, will in all eventuality, be characterised by a limited number of spectacular success stories in which the correct blend of catalytic factors are fortuitously present. Considerably more cases characterised by mediocre achievements and possible dependence on external grants and skills can be anticipated. One of the key government strategies contained in the RDP is that of Public Works programmes. The experience of the IDT project is an unfortunate indictment of such schemes which are short-term in nature, do not properly train or empower

individuals and which breed dependence. Given the fact that the IDT is tasked to implement such schemes for the government, the future in this regard would not appear to be an optimistic one.

In terms of the different categories of LED, namely community based and authority based LED, it is difficult to state categorically that one type is more effective than another. In terms of the case-studies, community based schemes appear to have enjoyed greater success and have been more responsive to the needs of the host community. The authority based schemes tend to have enjoyed less success and encouraged greater dependence. Although this appears to be contrary to the experience of the North (Stöhr, 1990), there is clearly a lesson in this situation, but whether it can apply in all cases in South Africa is impossible to gauge.

One of the key findings of the thesis was that NGOs are making a major contribution to development. Their levels of commitment and the *rapport* which they develop with communities clearly give them an advantage over distant and often disinterested government officials who do not yet have a clear mandate to intervene in localities. On a related point, CBOs and development fora also appear to be playing an important role within localities in terms of reconciling and unifying communities and identifying joint visions and strategies.

In terms of the timing of the development and emergence of LED in the study area, the political and resultant socio-economic changes of the 1990s in general appear to have been a key catalyst. The easing of controls on society, political reform and the spirit of reconciliation paralleled an identified need within localities to address economic crises. The elections and change of government in 1994 do not appear to have altered what was already happening in terms of LED. General changes in the society, politics and economy have clearly been of much greater significance to LED than governmental change itself.

LED endeavours in the study area share many similarities with the experience of other countries. While this is true with regards to issues of leadership, vision and control, as Chapter Fourteen illustrates, applied strategies in the study area are rather limited and tend to focus on a narrow range of grant dependent initiatives. In addition, the apartheid legacy and the fact that reconciling the residents of a community is often the first issue to address, gives South African LED an element of uniqueness. In order for LED to develop, a foundation of community reconciliation is a critical first step. In line with the general principles of the localities school, even though individual centres are pursuing unique strategies which reflect local antecedent conditions, commonalities in approach and overall strategy are discernable.

16.3) LOCAL ECONOMIC DEVELOPMENT IN THE STUDY AREA: THEORETICAL CONCLUSIONS

16.3.1) General Considerations

The development of an environment conducive to the emergence of LED in South Africa has clearly been facilitated by broad, macro-changes which parallel international trends. Most prominent among these are the rationalisation of central state intervention in the economy as a whole and previous regional development strategies in particular. These are naturally in line with the blending of post-Keynesian and post-apartheid ideology which has come to characterise the South African state in the 1990s. Although concepts such as a 'new urban politics' (Fujita and Hill, 1995) and 'urban entrepreneurialism' (Harvey, 1989), appear to be in an incipient phase, there is clearly evidence of change.

As the discussion in Chapter Fourteen reveals, LED is a fact in South Africa in the 1990s. The paucity of evidence of significant large-city South African LED in the literature and from the author's own personal contacts suggests that LED is, at present, mainly a small town and rural area phenomenon. The exceptions to

this principle would be the property development and place-marketing policies pursued in Durban, Cape Town and Johannesburg (Nel, 1995). These endeavours do not have the small business support focus which strategies elsewhere in the world have (see Section 6.2). Neither do they offer workspace, incentives and streamlined planning as is the norm in many cities in the North (Blakely, 1989; Reese, 1993). The incipient community based LED endeavour of East London and the commencement of a similar process in late 1996 in Durban do, however, denote a significant change in focus (Nene, 1996). In practical terms however, the sheer difficulty of mobilising communities in large urban areas, as opposed to the comparative ease of doing so in smaller centres, will almost certainly ensure that strategies implemented in such places have a project focus as opposed to a broad-based community focus.

The emergence and development of LED in South Africa is a reflection of various key considerations, one of the most important of which is the altered dynamic and interaction between the central state and communities / authorities within localities. Political reform, the cessation of apartheid and the enhanced devolution of decision-making to local level authorities, as detailed in Chapter Seven, have created the appropriate environment in which LED can develop. South African communities, as in other countries (Syrett, 1993), now have the freedom and right to engage in LED. However, not all localities will reach their full potential because of resource, skill and financial constraints. This situation will limit the incidence of LED and constrain the attainment of sustainable development. The limited number of cases of LED in the country at present (NBI, 1995) and operational difficulties in the few cases which have developed (as detailed in this thesis), support this assertion. It can be argued that only a small number of locally-driven, independent and sustainable cases of LED will develop in the country if current financial and leadership difficulties remain. This argument is broadly in line with the 'self-reliant' interpretation of the emergence of LED (Syrett, 1995). The future

of LED, in a greater number of cases, will hinge on whether government and NGOs are able to offer effective facilitation to the less advantaged communities.

From a theoretical point of view, broad social and structural changes within South Africa clearly have induced local level assertiveness and freedom. Furthermore, they have provided the environment in which local communities and agencies are able to develop local level coping strategies and responses to altered societal and economic structures. The key role played by political change in South Africa, in facilitating LED, suggests that political dynamics are an issue which should feature in debates over urban and economic development, as is suggested in the writing of Clarke (1993b). The situation in South Africa parallels the findings of Syrett (1995) in Portugal, namely that the growth of local level action cannot simply be conceptualised as a strategic shift from exogenous to endogenous development or from 'development from above' to 'development from below'. The geohistorical context of change and social and economic restructuring within a nation clearly conditions and facilitates or impedes local level action. Simultaneously, factors and resources inherent within a locality lead to markedly differing responses to broader structural change. Such responses can clearly either reinforce marginality (the IDT scheme), or merely promote coping and survival (Kei Road), or in ideal cases, they can lay the basis for a new growth path (Hertzog). It is therefore argued that any analysis of LED, whether in South Africa or internationally, cannot study the phenomenon in isolation but must take cognizance of both broader structural and contextual changes and locality specific conditions and agencies. The essential 'unevenness' in development and between places, which manifests itself in the study area, is in accord with neo-Marxist interpretations (Harloe *et al*, 1990; Mandell in Syrett, 1995).

The study reveals that both broader structural forces and those forces operating in localities are in a continual state of flux

and the mutual interaction between the two variously constrains or assists local action and initiative. LED is, as such, a response to this altered flux which manifests itself in the expression of independent development action. Political assertiveness at the local level, coalition formation, the search for a place in the broader national or international arena and the identification of locally appropriate strategies are all reflected in the way localities mediate their positions and future. Success in this process varies and to a large degree this is attributable to local factors and capacity. What this discussion suggests is that the post-modern critique, with its emphasis on the unique and the absence of uniform processes cannot be sustained in the case of LED in South Africa. While the outward manifestation of the phenomenon shows striking variations, this should not blind one to the reality that what one is observing are locality-conditioned responses to broader structural and contextual changes. LED is, as such, a localised manifestation of an era of freedom, reduced state control and increasing devolution of authority to the local level as condoned by national authority systems (see Chapter Seven). It is plausible that, as provincial authorities gradually increase their influence in the country and as the interests of capital seek to take advantage of the situation, they may seek to steer local development, capitalise on the successful endeavours and deliberately or inadvertently marginalise the less successful. If and when such a scenario emerges, LED would then need to be interpreted from the perspective of 'regime theory' (Clarke, 1993). At this juncture however, such an approach would be premature. An era of new found freedom and self-expression in South Africa should not be construed as signalling the end of control or order in the post-modern sense. Success in LED may well depend on broader, general policies and support.

Any understanding of LED needs to be predicated on an acknowledgement of the important role which political, social and cultural factors and physical resources within a locality can play in determining local level responses. Simultaneously, such

an approach requires one to avoid a narrow focus on economic issues, which are often a response to broader political, social and capacity factors and changes. Such sentiments accord with Stöhr (1990) and Massey's (1984; 1994) assertions that LED involves much more than purely economic concerns and that success cannot only be quantified in direct economic gains because broader social issues and processes are also at stake.

In terms of the overall success of LED, initiatives in the study area do not appear to conform with the optimism expressed by authors such as Razin (1990). Instead, they clearly face numerous constraints. Based on the evidence in the case-studies, it is difficult to escape Stock's (1995, 363) aforementioned conclusion that 'development from within', "is unlikely to achieve more than small sporadic victories for the disadvantaged majority". On the positive side, LED initiatives in the study area have promoted community empowerment and ownership and helped to ameliorate some of the worst aspects of prevailing socio-economic crises. This is in accord with the interpretations of Stöhr (1990) and Burkey (1993).

16.3.2) South Africa's Position Between the North and the South

In development terms, South Africa is in an anomalous position having features of both the North and the South. Despite this, South Africa's position as a country having aspects of a sophisticated 'Northern' economy in terms of infrastructure and business development and 'Southern' levels of poverty, calls for unique approaches to development in general and LED in particular. As a result, LED objectives and strategies need to address not only the interests of capital and international business, where relevant, but they also need to try and address the problems of the marginalised majority of the population. A blending of business and community support strategies is clearly called for in the South African situation. Thus, from both an applied and a theoretical perspective, LED in South Africa needs to be conceptualised as requiring a virtually unique blend of

strategies and focal concerns. Comparable experience is only likely to occur in South America and parts of Asia - with the only known, documented proof being strategies pursued in Toledo and Cambe in Brazil (Ferguson, 1992).

The South African scenario has created a situation in which one finds both high profile, urban-based place marketing campaigns in the international media (East London) and rural, 'coping' strategies designed to promote self-reliance in the absence of effective private and public sector support (for example Hertzog). The simultaneous operation of business focused and self-reliance approaches finds expression in a centre such as Stutterheim. In this case, small business promotion strategies complement public-works programmes and support for peasant farmers in an endeavour to provide broad-based, appropriate development support and intervention.

LED in South Africa must take cognizance of and develop in the awareness that it needs to address both mass poverty and, simultaneously, cater for the need to work with the private sector, which is often able to strive for a position of global competitiveness, particularly in the cities. Strategies and visions need, therefore, to blend business support with welfarist intervention, if their ultimate goal is to improve the lot of the majority of South Africans. East London's recent policy shift has the potential to achieve such a mix of strategies, albeit from the perspective of a city in which business involvement will probably become more significant. For political and moral reasons it is highly unlikely that any centre in South Africa will be able to promote development purely through a focus on business-orientated development. Issues such as empowerment, training and support for the marginalised will almost always need to be a key component of strategies, as most of the examples discussed in this thesis illustrate. It is plausible to anticipate that in most poorer localities (in terms of resources, finance and skills), where the scope for a private sector focus might be restricted, the promotion of survivalist strategies and self-

reliance will be the only viable option to pursue. Larger and / or more well endowed centres will probably be more likely to embark on more ambitious development strategies. This latter assertion is naturally predicated on the availability of funds, local leaders and / or benevolent external agents.

Funding and the question of sustainability are other key issues in the South African situation. With the exceptions of East London and Hertzog, all cases investigated are locked into grant dependency. This reflects the high levels of poverty, lack of local resources and the development backlog which exists in large parts of South Africa. Despite these considerations, it is apparent that for LED to succeed, dependence needs to be replaced by sustainable endeavours (Stöhr, 1990). Short-term, external, private or public funding would, however, appear to be inevitable in the initiation of LED in smaller centres. National funding constraints will probably restrict instances of LED for the forseeable future.

One of the key statements which can be made about LED in South Africa is that external facilitation is likely to be the norm in many communities. With the exception of the cities and smaller places where there is a pool of talented leaders, most centres do not appear to have the ability to launch LED totally independently, regardless of prevailing levels of commitment (as in Seymour). As a result, NGOs and government will have a key role to play in this regard should funds and commitment exist and should communities wish to participate. Furthermore, it is evident that local, exploitable resources and comparative advantages need to be in place if a LED project is to become sustainable. In addition, as the case-studies show (for example, Seymour compared to the IDT projects), facilitation must not dominate local groups and deny them local assertiveness as this will inhibit over-all self-actualization and success.

It is acknowledged that, in the light of practical and cost constraints, a proposed multi-focused approach might often be an

ideal rather than a defined focus for all LED initiatives. When the focus falls only on a particular segment of the society, benefits are unlikely to spread to the majority of a locality's residents (for example the place-marketing of cities, which will hold few tangible benefits for the majority of residents who have minimal involvement in the formal sector economy). It is plausible that LED-type strategies (whether authority or community based) will take on three forms in the country, namely:

- business focused,
- community focused, or
- integrated approaches.

The latter is the ideal, particularly where a whole community can be unified behind a common vision as has been the case in Stutterheim and Seymour.

At a broader level of analysis, this discussion raises the issue of whether the focus of LED activity should be of a 'top-down' or a 'bottom-up' type strategies. Evidence discussed in this thesis indicates the failure of imposed 'top-down' or authority based endeavours, such as occurred in the IDT project or in the earlier phase of regional development planning. Simultaneously, 'bottom-up' development often requires a measure of external support and intervention as the experience of Seymour bears out. As a result, from a conceptual perspective, a blending of approaches which encourages local level action and responsibility but simultaneously allows for 'top-down' action, as advocated by Stöhr (1990) and Simon (1992) has much to commend itself in the South African context. Given low levels of skills, leadership and finance in most localities and simultaneous finance and staff limitations in government and NGOs, a blending of approaches to reduce costs and maximize opportunities is an ideal path to pursue.

16.3.3) The Relevance of A Locality Based Approach in South Africa

The enhanced role accorded to localities and their ability to participate in the international economic arena in recent years

(Clarke, 1993b), clearly finds expression in the study area. As has occurred elsewhere (Savage and Robins, 1990; Clarke, 1993b), this reflects on an altered central-local state dynamic in South Africa and an enhanced trend towards decentralisation and local autonomy and action (RSA, 1996b). These general movements have legitimised and enhanced local level action and made possible local level political reconciliation and problem solving in the reform era that characterises South Africa in the 1990s. The initiation of LED in the communities discussed in this thesis would have been inconceivable prior to 1990. Due to the limited nature of central government support, local leaders / communities have been obliged to introduce unique courses of action. Localities and the processes occurring within them are emerging as key features in contemporary economic and developmental activity of South Africa. Cape Town's current Olympic bid and waterfront development are some of the most obvious expressions of this (Nel, 1995).

Local level social processes operating within localities have reinforced and, in turn, been modified by existing constraints and advantages along lines conceptualised by Massey (1984). A legacy of racial discrimination and restrictions has entrenched disempowerment in many localities, such as the IDT sites. In contrast, the legacy of skills resident in Hertzog, despite two decades of repression, enabled them to seize the development initiative at the opportune time and influenced project selection. As such, unique social conditions and structures implicit in a locality clearly mould and influence future development (Cooke, 1989, 1990c). These trends are currently being given greater impetus in South Africa through political reform and the enabling environment which new legislative controls are encouraging (RSA, 1995a, 1995b, 1996a).

Whereas the processes mentioned tend to parallel the general theoretical principles of the localities approach as discussed in Chapter Two, differences can also be noted. The dramatic and fundamental social and psychological shifts wrought in South

Africa since 1990, following political reform, the ending of discrimination and the wave of optimism which swept the country has clearly affected communities and their self-perception. In some communities reform and change have permitted them to aspire to previously unimagined ideals. The sudden freeing of society and the termination of state-domination has removed restrictions and promoted reconciliation in many communities. In some communities, this dramatic cleavage in time and society has broken the type of socially enforced dehabilitation identified by Massey (1984) and permitted them to reconceptualise their role, place and aspirations. The significant community-driven changes in Seymour and Stutterheim testify that old social and mental structures have been shattered. While this might well be the case in some localities, the prospect of a continued disempowerment and dependence in a situation in which initiative and hope have little substance continues in many other localities (for example, the IDT project sites). This last issue is naturally in line with the standard beliefs of the localities school.

A focus on localities permits the identification of 'individualising' functions and 'variation-finding' as identified by Martin (1989). Whereas each locality investigated has identified and initiated unique courses of action which are largely influenced by antecedent social, political and economic conditions, skills and resources, certain commonalities can also be discerned. Some of the more obvious ones include the precedence attached to addressing the apartheid legacy, the search for viable, empowering strategies to meet the needs of the most disadvantaged and the frequent reliance on external support and advice. Other commonalities include general attempts to deal with crisis situations, support for small business and entrepreneurial activity, training and a search for sustainable development options. Similar problems in terms of capital scarcity, grant dependence and limited employment creation have been experienced. Although local strategies and conditions are unique, there clearly is considerable commonality in terms of the

general developmental solutions which are being applied.

South African evidence supports another key theme which typifies this general trend internationally, namely increased moves towards greater local state action, as conceptualised by Duncan and Goodwin (1992). These findings endorse the conclusion of Goetz (1993) that local variations and local politics are critical in an era of global change. They also endorse the view that localities do differ in time and space, having both unique and similar features (Martin, 1989).

16.4) CONCLUSION

This thesis has demonstrated that LED is currently being applied in various localities in the Eastern Cape. Only limited success has been attained and key conclusions and policy suggestions have been detailed. LED is a multi-focus development strategy which appears to have some potential to help address development needs in a variety of localities in the country. The thesis has also demonstrated the existence of LED prior to World War II and the mediocre results achieved subsequently by politically-biased regional development planning. A typology of LED, an assessment schedule and a theoretical analysis of the role and place of LED in South Africa have also been presented.

Despite the hopes which currently are pinned on LED in South Africa, it is clearly not and cannot be regarded as a panacea capable of solving the nation's economic ills. Although there are isolated cases of spectacular success with LED, results, even in the best cases in the Eastern Cape, have the appearance of being local coping strategies. Regardless of these assertions, LED should still be supported and pursued because of the potentially valuable contribution which it can play in helping to address poverty, in providing alternative growth options, in reconciling communities and in addressing issues of empowerment.

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g- Survey / Meeting Information

Survey or meeting information specifically referred to in the text is detailed in this section.

Sample surveys were undertaken in the following communities:
- Hertzog (1996),
- Kei Road (1994),
- Seymour (1996),
- Stutterheim (1994).

Site surveys / field visits / transect walks were undertaken in:
- Hertzog (1995-1996),
- IDT (Independent Development Trust) sites (1994),
- Kei Road (1994-1995),
- Mgwali (1994-1995),
- Seymour (1994-1996),
- Stutterheim (1993),
- Wartburg (1994).

Video interviews / discussions were undertaken in the following communities:
- Hertzog (1996),
- Seymour (1996).

Community interviews were undertaken in:
- Independent Development Trust sites (1994, 1995),
- Kei Road (1994),
- Kei Road sewing circle (1994-1995),
- Kei Road gardeners (1994),
- Seymour (1995).

Community meetings attended / minutes examined from meetings in:
- Seymour (1995-1996)

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APPENDICES

APPENDIX ONE

GENERAL QUESTIONS POSED TO COMMUNITIES AND THEIR RESPONSES

Note: 1) In cases where there was a repetition of questions in Phase One and Two of the standardised research assessment, results have only been recorded once, i.e. in Appendix Three, which deals with the final assessment of the projects.

2) Owing to the volume of information collected in multiple semi-structured interviews, the following tables contain key findings only.

ASSESSMENT SCHEDULE: 1

STUTTERHEIM

Assessment Criteria	Responses
GENERAL 1- When was the project started ?	1990
2- What caused it to develop ?	Political crisis in the town and a consumer boycott
3- Was it caused by some type of local crisis or socio-economic change in the area, if so what was it ?	Local political and economic crisis
4- Who initiated the project ?	Community members - who formed the Stutterheim Development Forum
5- Did the nature of the pre-existing skills base affect the direction that the project took ?	To a limited degree. Skills training became a major component
6- Was the launch of the project inspired by political change in the country ?	No, it preceded it
7- Was the launch motivated either by the failure of the government to provide sufficient support for the community and/or the curtailment of previous state regional development support ?	Indirectly

8- Was the launch of the project internally triggered or was it driven from outside ?	Internally triggered. Some external advice from the D.B.S.A. was secured and external funds were raised
9- Does the project only focus on the local area or is the area of coverage far broader? Does the project support rural-urban linkages?	It focuses on the town and its hinterland and seeks to develop economic linkages with surrounding rural communities
10- Who were the key participants?	All members of the community
11- Are partnership important in the initiative? If so describe what partnerships exist and what the purpose and achievements of such partnerships are.	No
12- Who are the local leaders and what positions do they hold?	Members of the Forum's Management Committee.
13- How did they acquire such positions (i.e. election / nomination) ?	Election
14- What were original goals of the project ? How were they agreed to and by whom?	Reconciliation and job creation

15- What are your goals now or are they same ? If they changed, why did they change?	Goals are the are the same but strategies are now more focused on:- entrepreneurial development (through the Business Information Centre and support for marketing); human resource development and infrastructural provision / services
16- What are the key projects which have been undertaken? Do they address basic needs in the community ?	Building programmes, human resource development, farmer support, periodic markets, small business training and support (see discussion)
17- Have participants joined or left the initiative since it was initiated - who and why?	Some have left, some have joined, no untoward changes
18- Was external support secured, what form did it take ?	Advice from the D.B.S.A. on operationalising the Forum's ideal. External grants were raised
19- If external support has been secured how important was it to the success of the initiative ?	Critically important
20- Is control of the project dominated by: a) The community b) Community leaders c) Outside agencies d) Funders e) A combination of groups Detail and describe.	By the Forum and the Foundation

21- How much funds were secured? Where were they secured from?	Grants (see discussion)
22- Are there any other development initiatives / employment projects in the area which are benefitting the local community ? Do you have a good working relationship with them ?	No
PROJECTS EMBARKED ON 1- In order of decreasing importance list the projects embarked on by the community, indicate next to each whether the project had an economic focus or not.	See 16- above and discussion

ASSESSMENT SCHEDULE: 1

SEYMOUR

Assessment Criteria	Responses
GENERAL 1- When was the project started?	1992
2- What caused it to develop ?	A response to political conflict and the community / civics desire to restore former prosperity to the town

3- Was it caused by some type of local crisis or socio-economic change in the area, if so what was it ?	Economic collapse and political friction and a desire to restore the economy of the town
4- Who initiated the project ?	Local civic structures with the support of Corplan an NGO
5- Did the nature of the pre-existing skills base affect the direction that the project took ?	No
6- Was the launch of the project inspired by political change in the country ?	Yes, it provided opportunities to the community
7- Was the launch motivated either by the failure of the government to provide sufficient support for the community and/or the curtailment of previous state regional development support ?	Yes, there was a desperate need to create jobs
8- Was the launch of the project internally triggered or was it driven from outside ?	Launched internally, but project identification and funding was sought by Corplan
9- Does the project only focus on the local area or is the area of coverage far broader? Does the project support rural-urban linkages?	Local focus, but there are plans to develop agro-industry based on farming in the district
10- Who were the key participants?	Seymour Development Foundation and Corplan

11- Are partnership important in the initiative? If so describe what partnerships exist and what the purpose and achievements of such partnerships are.	No
12- Who are the local leaders and what positions do they hold?	Committee members of the forum
13- How did they acquire such positions (i.e. election / nomination) ?	Elected
14- What were original goals of the project ? How were they agreed to and by whom?	Job creation through projects identified with Corplan (see discussion)
15- What are your goals now or are they same ? If they changed, why did they change?	No change
16- What are the key projects which have been undertaken? Do they address basic needs in the community ?	Community gardens, small business support, renovation of the factory, housing and periodic markets
17- Have participants joined or left the initiative since it was initiated - who and why?	Only additional members on the Foundation staff - as more funds have been raised
18- Was external support secured, what form did it take ?	Yes, Novib, ODA, S.A. government, World Vision and the National Economic Forum. Grants
19- If external support has been secured how important was it to the success of the initiative ?	Critical - project wouldn't survive without it.

20- Is control of the project dominated by: a) The community b) Community leaders c) Outside agencies d) Funders e) A combination of groups Detail and describe.	The Development Foundation in collaboration with Corplan
21- How much funds were secured? Where were they secured from?	Approx. R 1 million see 18-
22- Are there any other development initiatives / employment projects in the area which are benefitting the local community ? Do you have a good working relationship with them ?	No
PROJECTS EMBARKED ON 1- In order of decreasing importance list the projects embarked on by the community, indicate next to each whether the project had an economic focus or not.	See 16- above and discussion

ASSESSMENT SCHEDULE: 1

HERTZOG

Assessment Criteria	Responses
GENERAL 1- When was the project started?	1994

2- What caused it to develop ?	Unemployment and the community's desire to farm
3- Was it caused by some type of local crisis or socio-economic change in the area, if so what was it ?	Unemployment and the collapse of the Ciskei state
4- Who initiated the project ?	First a church-led initiative and there-after the local civic
5- Did the nature of the pre-existing skills base affect the direction that the project took ?	Yes - farming skills
6- Was the launch of the project inspired by political change in the country ?	Yes - easing of control on communities and their access to land
7- Was the launch motivated either by the failure of the government to provide sufficient support for the community and/or the curtailment of previous state regional development support ?	Previous government marginalised communities and denied them access to land. A less restrictive government allowed people to seize the initiative
8- Was the launch of the project internally triggered or was it driven from outside ?	Internally triggered. There is only limited external advice
9- Does the project only focus on the local area or is the area of coverage far broader? Does the project support rural-urban linkages?	Local focus but marketing links throughout the district and further afield

10- Who were the key participants?	Members of the Hertzog Agricultural Co-operative and associated marketing agents
11- Are partnership important in the initiative? If so describe what partnerships exist and what the purpose and achievements of such partnerships are.	No - only in terms of marketing links
12- Who are the local leaders and what positions do they hold?	Civic leaders, all who hold committee positions in the co-operative
13- How did they acquire such positions (i.e. election / nomination) ?	Election (within the co-operative)
14- What were original goals of the project ? How were they agreed to and by whom?	See discussion. Agreed to by the co-operative members
15- What are your goals now or are they same ? If they changed, why did they change?	No change
16- What are the key projects which have been undertaken? Do they address basic needs in the community ?	Small scale farming (see discussion) Yes
17- Have participants joined or left the initiative since it was initiated - who and why?	Yes, numbers increased to 83, where several extra people sharing plots. 6 people left for not abiding to co-operative rules

18- Was external support secured, what form did it take ?	No funds, limited advice from the C.S.I.R. and the Department of Agriculture
19- If external support has been secured how important was it to the success of the initiative ?	No critical
20- Is control of the project dominated by: a) The community b) Community leaders c) Outside agencies d) Funders e) A combination of groups Detail and describe.	By the co-operative and its leaders
21- How much funds were secured? Where were they secured from?	Loans received: year 1 - R 207 000 year 2 - R 747 000 year 3 - R 90 000 (to date)
22- Are there any other development initiatives / employment projects in the area which are benefitting the local community ? Do you have a good working relationship with them ?	None
PROJECTS EMBARKED ON 1- In order of decreasing importance list the projects embarked on by the community, indicate next to each whether the project had an economic focus or not.	Small-scale farming - economic (see discussion)

ASSESSMENT SCHEDULE: 1

KEI ROAD

Assessment Criteria	Responses
GENERAL 1- When was the project started?	1993
2- What caused it to develop ?	Direct intervention by the church following a refugee crisis
3- Was it caused by some type of local crisis or socio-economic change in the area, if so what was it ?	Local crisis - farmworker evictions and job loss
4- Who initiated the project ?	The Department of Social Responsibility of the Anglican Church
5- Did the nature of the pre-existing skills base affect the direction that the project took ?	Not initially; later plans have tried to use framing skills
6- Was the launch of the project inspired by political change in the country ?	No
7- Was the launch motivated either by the failure of the government to provide sufficient support for the community and/or the curtailment of previous state regional development support ?	The government provided limited emergency relief and land but there-after no support was forthcoming. No

8- Was the launch of the project internally triggered or was it driven from outside ?	Driven from outside
9- Does the project only focus on the local area or is the area of coverage far broader? Does the project support rural-urban linkages?	Local focus only
10- Who were the key participants?	The church, local resident's groups, TLC.
11- Are partnership important in the initiative? If so describe what partnerships exist and what the purpose and achievements of such partnerships are.	Business partnerships have been formed with para-statals, a brick maker and recently with the TLC
12- Who are the local leaders and what positions do they hold?	Development workers who work in conjunction with an advisory committee
13- How did they acquire such positions (i.e. election / nomination) ?	Election of the committee
14- What were original goals of the project ? How were they agreed to and by whom?	Emergency relief, legal support, job creation. Agreed in consultation with the community
15- What are your goals now or are they same ? If they changed, why did they change?	State housing projects and recent co-operation with the TLC have broadened activities

16- What are the key projects which have been undertaken? Do they address basic needs in the community ?	Sewing co-operative, brickmaking, women's development, bulk-buying, community gardens, housing. They do address basic needs
17- Have participants joined or left the initiative since it was initiated - who and why?	yes, dependent on projects and whether people feel involved
18- Was external support secured, what form did it take ?	Yes, church and Oxfam grants and contracts from para-statals
19- If external support has been secured how important was it to the success of the initiative ?	Critically important
20- Is control of the project dominated by: a) The community b) Community leaders c) Outside agencies d) Funders e) A combination of groups Detail and describe.	Initially the project was controlled by the church, now they assist and advise the project management committees.
21- How much funds were secured? Where were they secured from?	R 500 000 grants from church sources
22- Are there any other development initiatives / employment projects in the area which are benefitting the local community ? Do you have a good working relationship with them ?	Yes, health workers projects, reasonable relationship exists with them

PROJECTS EMBARKED ON 1- In order of decreasing importance list the projects embarked on by the community, indicate next to each whether the project had an economic focus or not.	See the main discussion

ASSESSMENT SCHEDULE: 1

I.D.T. JOB CREATION PROJECTS

Assessment Criteria	Responses
GENERAL 1- When was the project started?	1994-1995
2- What caused it to develop ?	Drought and poverty in black spot communities and available government relief funds
3- Was it caused by some type of local crisis or socio-economic change in the area, if so what was it ?	Drought and poverty
4- Who initiated the project ?	The Department of Agriculture through the I.D.T.
5- Did the nature of the pre-existing skills base affect the direction that the project took ?	No, it was determined by priorities of the Department of Agriculture

6- Was the launch of the project inspired by political change in the country ?	Not directly, but indirectly through changed government priorities
7- Was the launch motivated either by the failure of the government to provide sufficient support for the community and/or the curtailment of previous state regional development support ?	Yes, because of the deprived nature of the communities
8- Was the launch of the project internally triggered or was it driven from outside ?	Totally determined from outside. Local people had to form committees to manage the projects and funds
9- Does the project only focus on the local area or is the area of coverage far broader? Does the project support rural-urban linkages?	Only local
10- Who were the key participants?	The I.D.T., their project agent, local development committees and communities
11- Are partnership important in the initiative? If so describe what partnerships exist and what the purpose and achievements of such partnerships are.	No
12- Who are the local leaders and what positions do they hold?	Elected committee members
13- How did they acquire such positions (i.e. election / nomination) ?	Development committee members

14- What were original goals of the project ? How were they agreed to and by whom?	To provide relief, short-term jobs and to try and develop agricultural infrastructure for future projects
15- What are your goals now or are they same ? If they changed, why did they change?	Project support terminated
16- What are the key projects which have been undertaken? Do they address basic needs in the community ?	Training of committees, short term employment and rural infrastructural development (see discussion)
17- Have participants joined or left the initiative since it was initiated - who and why?	Projects ceased in 1995, no one belongs to them now
18- Was external support secured, what form did it take ?	Yes, advice, limited training and funds
19- If external support has been secured how important was it to the success of the initiative ?	Critical
20- Is control of the project dominated by: a) The community b) Community leaders c) Outside agencies d) Funders e) A combination of groups Detail and describe.	Was controlled by the local committee operating within parameters set by the I.D.T. and the guidance of their staff and project agent

21- How much funds were secured? Where were they secured from?	R 1 575 420 Mainly from the Department of Agriculture, but also the I.D.T.
22- Are there any other development initiatives / employment projects in the area which are benefitting the local community ? Do you have a good working relationship with them ?	Yes, there is involvement in human resource development from the Border Rural Committee; water supply from the Rural Support Services and Provincial government
PROJECTS EMBARKED ON 1- In order of decreasing importance list the projects embarked on by the community, indicate next to each whether the project had an economic focus or not.	See 16- above and discussion

APPENDIX TWO

GENERAL COMMUNITY ECONOMIC DEVELOPMENT ASSESSMENT CRITERIA AND THEIR VARIOUS SOURCES

Evaluation Criteria for LED as Specified in Various Sources

A) GOVERNMENT POLICY ASSESSMENT (UK)

Foley (1992), criteria:
- increased number of jobs created or retained,
- increase private sector investment and confidence
- increased turnover and investment by local firms
- improvement in building stock
- environmental improvements
- conservation improvements
- recreational provision
- bring land and buildings back into use
- encourage self-help and improve the social fabric
- foster enterprise and business activity

(UK govt. measures in Foley, 1992).

B) COMMUNITY ECONOMIC DEVELOPMENT ASSESSMENT:

Walter Stöhr (1990), yardstick:

Successful initiatives:
- indigenously triggered
- mobilise local entrepreneurial resources
- economic diversification
- introduction of new products
- upgrading of skills
- new organizational forms.

Less Successful:
- rely on external usually state agencies
- focus on and intensify existing local activities
- limited entrepreneurial capacity

Preconditions for Success:

Internal:
- crisis
- social incentives and rewards
- institutionalised transfer of resources, information etc from outside and inside
- joint research
- synergistic local interaction
- local co-operation and local initiative
- democratic decision-making
- rotation of functions

External:
- government support, co-financing, support of initiatives
- decentralisation of control
- flexible institutions

Stöhr (1981):
- broad access to land
- new and the revival of old communal decision making structures

- self-determination
- regionally adequate technology
- prioritise projects which meet basic needs
- external assistance
- enlarged production
- transport restructuring
- support rural-urban linkages.

Blakely (1994) (USA):
criteria for post-evaluation:
- jobs created for low income communities
- opportunities for skill development and job upgrading
- income redirection in the community
- venture self-sufficiency
- facilitation of community development
- infrastructure development
- provision of quality goods and services
- community education opportunities
- community ownership, control and decision-making.

Community Development Foundation / Centre for Local Economic Strategies (in Henderson, 1991):

Employment:
- how many new jobs have been created and of what kind?
- how many previously unemployed people have now found new jobs?
- how many local people have found jobs?
- how many threatened jobs have been saved or sustained?
- to what extent has the quality of employment opportunities for local people improved?
- have people learnt new and relevant skills for employment?
- have local people been able to take control of development initiatives?
- have local people become more 'employable'?

Services:
- what new services have been provided?
- what new services have been maintained which otherwise would have disappeared?
- how has the provision of services been improved ?
- how are communities needs being met ?

Infrastructure:
- how has the local environment been improved?
- what improvements to the local housing stock and conditions have been brought about?
- what improvements have been made to transport and other services?
- is there a community meeting place ? Do people have the amenities which they require?
- what social facilities are there? Are they well used?
- what premises are available locally for new enterprises and activities?

Empowerment:

- who decides what is needed locally, who is consulted and what is the process for assessing the need?
- how many people are involved in community / local activities?
- how many people are involved in community economic development?
- to what extent do they control resources and decision-making?
- are people more confident about using agencies like social services ?
- have such agencies changed in their attitude to the area and their expectations of it?
- is there more social interaction than there was previously?
- are more people interested in what happens locally ?

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APPENDIX THREE

RESULTS OF THE FINAL, STANDARDISED ASSESSMENT

Assessment Schedule: 2

STUTTERHEIM

Assessment Criteria	Response
ECONOMIC 1- Has the project increased private sector investment and confidence ? Describe, detailing in particular whether the investment has been from internal or external sources.	Yes, there has been an expansion in businesses as a result of the peace in the town. New, local, small businesses are also making an impact
2- Has the project increased turnover and investment by local firms ? Describe ?	It revived turnover after the 1990 boycott.
3- Have external firms been drawn in ? Is the community benefiting from their investment ?	Yes (limited e.g. furniture and proposed Gencor charcoal plant) Yes
4- Has the project fostered and supported new and emerging enterprises ? Describe.	Yes, through the Business Information Centre
5- What problems have been encountered ?	Shortage of funds, poor credit, duplication of business plans (e.g. hawking)
6- To what degree have local people / firms benefited ?	Positively
7- Has the project mobilised local entrepreneurial resources ?	Yes

8- Has the government provided support / co-financing / allowed decentralisation of control ?	Support for housing
9- Are there RDP projects in the community ? If so do they complement your initiatives? Describe them and detail the response of the community to them?	Housing is planned. Yes it compliments the foundation's focus on infrastructural development
10- Have other government or para-statals support mechanisms improved economic conditions in the area serviced by your initiative? Describe.	No
11- Has income in the community been improved ? If so, by how much approximately and who are the beneficiaries?	Yes; from people in new jobs - mainly small business persons
12- Has the project promoted self-sufficiency ? For how many people ?	Yes, for approximately 70 entrepreneurs and 24 farmers
13- How much money has the project raised locally ?	None (other than through linked provision of municipal services)
14- How much money has been drawn in from outside ?	R 17 million (plus R 7 million for a new housing project)
15- How much money has been generated locally by the project for the initiative and for local people in general ?	Small business persons and farmers have generated returns for investment

EMPLOYMENT 1- Who has taken the lead in creating jobs i.e. the initiative, the private sector, the state etc. ?	The initiative in support of the private sector
2- How many new jobs have been created and of what kind ?	approximately 24 farmers and 70 small business persons; 300 short-term building positions
3- How many previously unemployed people have now found new jobs?	Approximately 90
4- How many local people have found jobs ?	as for 2-
5- How many threatened jobs have been saved or sustained ?	-
6- How many short-term jobs have been / were created ?	300
7- How many permanent jobs were created ?	94 (approximately)
8- How many jobs were created for the low income members of the community (detail if short-term or permanent) ?	94 permanent; 300 short-term
9- Describe the type of jobs which have been created ?	small business (assorted including weaving, sewing, crafts, metal work, bricks etc.), farming and builders

10- How many people are currently unemployed ?	Approximately 70% ?
11- To what extent has the quality of employment opportunities for local people improved ?	Significantly for those who received training
12- Have people learnt new and relevant skills for employment ?	Yes
13- Have local people been able to take control of development initiatives ?	Yes
14- Have local people become more 'employable' ?	Yes
15- Has newly derived income made a real / major difference in the lives of the beneficiaries ?	Yes
TRAINING 1- Were people trained ? If so in what and what are they now doing?	Yes - small business management, various skills, farming and building
2- If there was training who undertook it ?	The Foundation's Business Information Centre
3- Has there been external support for such endeavours?	Yes

4- Are there broad opportunities for community development and education ?	In entrepreneurial development and language proficiency
EMPOWERMENT 1- Has the project encouraged local / community involvement ? For how broad a cross-section of the community ?	Yes. Initially there was widespread involvement. With the election of the new council enthusiasm has waned and the Forum now meets infrequently. On the positive business now wish to become more involved
2- Has the project encouraged local / community ownership? For how broad a cross-section of the community ?	Yes Mainly for the actual participants
3- Is there democratic decision making and election of leaders?	Yes
4- Is the project controlled by the host community or by outsiders?	By local people
5- Do any of the following groups benefit directly from the initiative and have major say in its plans and operation: a) The youth ? b) Women ? c) The aged ?	Not directly, except in terms of weaving / sewing groups which assist women directly

6- Who decides what is needed locally, who is consulted and what is the process for assessing the need ?	The forum
7- How many people are involved in community / local activities?	Initially thousands
8- How many people are involved in community economic development?	Significantly, but it is declining
9- To what extent do they control resources and decision-making?	Initially high, now declining
10- Are people more confident about using agencies like social services / support groups of the initiative / state agencies etc.?	Yes, particularly those trained on projects or by the Business Information Centre
11- Have such agencies changed in their attitude to the area and their expectations of it?	n/a
12- Is there more social interaction than there was previously?	Yes, particularly across the races
13- Are more people interested in what happens locally ?	Yes
14- In what ways has general community life improved ?	Peace and trust was established.
15- Are people happier to stay in the community now and less willing to move away?	Yes, if anything people are moving in, particularly wealthier blacks. Housing developments prove this

16- Has the initiative promoted a 'sense of belonging' in the community ?	Yes, within ethnic etc. groups
17- Is the project helping to overcome apartheid divisions and is it promoting community reconciliation and empowerment ? Describe and discuss.	Yes, definitely. Internal black friction has recently developed over positions of political control, which is destabilising the work of the municipality
SERVICES 1- What new services have been provided ?	Yes, in conjunction with the municipality and ESKOM - electricity, water supply, lighting and paving
2- What new services have been maintained which otherwise would have disappeared ?	-
3- How has the provision of services been improved ?	Much greater access to basic services in the townships
4- How are communities needs being met ?	Many projects have followed community consultation as to what their needs are, then funds have been sought
5- Have any independent services / facilities developed as a result of the presence of the initiative ?	No

INFRASTRUCTURE 1- What improvements to the local housing stock and conditions have been brought about ? What other improvements have been made ? Has the government's housing campaign assisted the community ? If so, detail and describe.	Nearly 1000 serviced sites were provided through the initiative The government's campaign will benefit the community (R 7 million as been approved)
2- What improvements have been made to transport and other infrastructural services ?	Not transport General improvements in water and electricity
3- Is there a community meeting place ? Do people have the amenities which they require?	Yes, in most communities meeting places have been provided More could be done
4- What social facilities are there ? Are they well used?	n/a
5- What premises are available locally for new enterprises and activities?	Old factory premises
6- Has the quality of building stock been improved ?	Yes
7- Has provision been made for recreational / community facilities?	Community halls and schools have been provided
8- Have land and building been brought back into use ?	Yes, old factory premises

9- Has broad access to land been improved ?	Yes, in the rural districts for those wishing to farm
10- Have rural-urban linkages been improved ?	Yes
RESOURCE UTILIZATION / RURAL-URBAN LINKAGES 1- Is use made of resources locally available to the community in its immediate vicinity or its hinterland?	Yes, wool and maize
2- Are rural-urban linkages being strengthened as a result of the undertaking?	Yes, particularly through the periodic markets
3- What benefits are being derived / can be derived from mutual interaction between rural and urban areas ?	Farmers are finding employment, they have greater access to urban goods and, the potential exists to produce goods for the towns
QUALITY OF LIFE 1- Has the overall quality of life in the community improved ?	Yes, old barriers have been broken and interaction improved, jobs have been created and facilities improved
2- Has the local environment (natural and social) improved ?	No

ASSESSMENT 1- What are the primary successes of the initiative ?	Opportunities have been provided for disadvantaged groups, the quality of life has improved, common community-wide goals have been pursued and racial tension has been eased
2- What are the primary weaknesses of the initiative?	Recent political in-fighting in the black community
3- Has the project been successful ?	Yes
4- Is the project sustainable ? (detail which aspects are /are not).	Yes (except for the short-term jobs)
5- Is the project a new growth track or is it only a survival strategy ?	A new growth track
6- Can local communities successfully address there problems or do they need to rely on external support ? If outside support is needed, is it critical and what form should it take ?	No, they will need external advice and financial support
7- What role is there for government / external agencies / the private sector / community groups in such endeavours ?	Can support, but NGOs should play the lead role

8- What role should / could local government play in these endeavours ?	Service provision and general support only
9- How important is people's attachment to place and its future development ?	Very important in a country where few people move
10- What are your future plans?	To focus on entrepreneurial development, human resources, markets and infrastructural improvements
11- Could your knowledge and experience benefit other communities?	Yes, in terms of both the process of development and the results. To date (June 1996), 81 other towns had sought Stutterheim's advice
12- Comment on government development strategies such as the RDP and discuss their strengths and weaknesses and what that need to focus on in order to succeed.	If it is depoliticised it has a role to play

Assessment Schedule: 2

SEYMOUR

Assessment Criteria	Response
ECONOMIC 1- Has the project increased private sector investment and confidence ? Describe, detailing in particular whether the investment has been from internal or external sources.	Yes, private firms are wanting to rent space in the renovated factory building
2- Has the project increased turnover and investment by local firms ? Describe ?	Not yet
3- Have external firms been drawn in ? Is the community benefiting from their investment ?	Not yet
4- Has the project fostered and supported new and emerging enterprises ? Describe.	Yes, but few are successful
5- What problems have been encountered ?	Poor training, lack of finance, no transport and limited market. Projects are not sustainable
6- To what degree have local people / firms benefited ?	Local have participated, but few have sustainable projects
7- Has the project mobilised local entrepreneurial resources ?	It has tried to, but most small businesses have failed

8- Has the government provided support / co-financing / allowed decentralisation of control ?	Yes, they have allowed the Foundation to renovate the factory building, they have provided some RDP funds and they will fund a housing programme
9- Are there RDP projects in the community ? If so do they complement your initiatives? Describe them and detail the response of the community to them?	Yes, they have complimented the factory project.
10- Have other government or para-statals support mechanisms improved economic conditions in the area serviced by your initiative? Describe.	No
11- Has income in the community been improved ? If so, by how much approximately and who are the beneficiaries?	There are no sustainable jobs. 8 staff workers, 1 small business and 2 community gardens workers are all at present. Up to 80 people had short term jobs on the factory, 25 in small business and 61 plot holders
12- Has the project promoted self-sufficiency ? For how many people ?	No, not yet
13- How much money has the project raised locally ?	None
14- How much money has been drawn in from outside ?	Approx. R 1 million

15- How much money has been generated locally by the project for the initiative and for local people in general ?	None
EMPLOYMENT 1- Who has taken the lead in creating jobs i.e. the initiative, the private sector, the state etc. ?	The initiative
2- How many new jobs have been created and of what kind ?	See 11- under economic
3- How many previously unemployed people have now found new jobs?	At most 110 on a short term basis, there-after 11
4- How many local people have found jobs ?	110 then 11
5- How many threatened jobs have been saved or sustained ?	None
6- How many short-term jobs have been / were created ?	110 then 11
7- How many permanent jobs were created ?	None
8- How many jobs were created for the low income members of the community (detail if short-term or permanent) ?	110 then 11 (all short term)
9- Describe the type of jobs which have been created ?	see 11- under employment

10- How many people are currently unemployed ?	80%
11- To what extent has the quality of employment opportunities for local people improved ?	To a limited degree
12- Have people learnt new and relevant skills for employment ?	Yes, particularly on the factory project
13- Have local people been able to take control of development initiatives ?	Yes, but they depend on external funds and advice
14- Have local people become more 'employable' ?	For those who received training
15- Has newly derived income made a real / major difference in the lives of the beneficiaries ?	At the time of the factory renovation especially, less so now, It brought funds into the community/shops etc.
TRAINING 1- Were people trained ? If so in what and what are they now doing?	In project management, small business operation and community gardens
2- If there was training who undertook it ?	Corplan
3- Has there been external support for such endeavours?	Yes, from Corplan and the funders

4- Are there broad opportunities for community development and education ?	No
EMPOWERMENT 1- Has the project encouraged local / community involvement ? For how broad a cross-section of the community ?	Yes, it has unified a broad section of the community
2- Has the project encouraged local / community ownership? For how broad a cross-section of the community ?	Yes, the factory project in particular has become a major focus of the community
3- Is there democratic decision making and election of leaders?	Yes
4- Is the project controlled by the host community or by outsiders?	Locally, but with external advice
5- Do any of the following groups benefit directly from the initiative and have a major say in its plans and operation: a) The youth ? b) Women ? c) The aged ?	Yes, human resource development supports women and the youth in particular
6- Who decides what is needed locally, who is consulted and what is the process for assessing the need ?	The foundation in conjunction with the community

7- How many people are involved in community / local activities?	The majority are drawn in
8- How many people are involved in community economic development?	The majority in discussion, few in actual implementation
9- To what extent do they control resources and decision-making?	Major control
10- Are people more confident about using agencies like social services / support groups of the initiative / state agencies etc.?	-
11- Have such agencies changed in their attitude to the area and their expectations of it?	-
12- Is there more social interaction than there was previously?	Yes
13- Are more people interested in what happens locally ?	Yes
14- In what ways has general community life improved ?	Greater interaction, less political friction
15- Are people happier to stay in the community now and less willing to move away?	Yes, although few jobs have been created, people have hope that more will be
16- Has the initiative promoted a 'sense of belonging' in the community ?	Yes

17- Is the project helping to overcome apartheid divisions and is it promoting community reconciliation and empowerment ? Describe and discuss.	There was no apparent racial tension, some hostility remains with former Ciskeian supporters and the PAC
SERVICES 1- What new services have been provided ?	None
2- What new services have been maintained which otherwise would have disappeared ?	None
3- How has the provision of services been improved ?	-
4- How are communities needs being met ?	-
5- Have any independent services / facilities developed as a result of the presence of the initiative ?	-
INFRASTRUCTURE 1- What improvements to the local housing stock and conditions have been brought about ? What other improvements have been made ? Has the government's housing campaign assisted the community ? If so, detail and describe.	Government housing is planned

2- What improvements have been made to transport and other infrastructural services ?	No
3- Is there a community meeting place ? Do people have the amenities which they require?	Yes
4- What social facilities are there ? Are they well used?	-
5- What premises are available locally for new enterprises and activities?	Potentially, in the factory building
6- Has the quality of building stock been improved ?	No, except for the factory building
7- Has provision been made for recreational / community facilities?	No
8- Have land and building been brought back into use ?	The factory building
9- Has broad access to land been improved ?	No
10- Have rural-urban linkages been improved ?	Not yet

RESOURCE UTILIZATION / RURAL-URBAN LINKAGES 1- Is use made of resources locally available to the community in its immediate vicinity or its hinterland?	Not yet, but there are plans to use local agricultural produce in agro-industries in the town
2- Are rural-urban linkages being strengthened as a result of the undertaking?	Not yet
3- What benefits are being derived / can be derived from mutual interaction between rural and urban areas ?	None yet
QUALITY OF LIFE 1- Has the overall quality of life in the community improved ?	Limited benefits. High unemployment remains and few jobs have been created. The community has been unified
2- Has the local environment (natural and social) improved ?	No
ASSESSMENT 1- What are the primary successes of the initiative ?	The renovation of the factory building; community unification and establishment of an office facility / development organization

2- What are the primary weaknesses of the initiative?	Project failures (small businesses / community gardens). Lack of technical and entrepreneurial support
3- Has the project been successful ?	For the community yes, for the economy no
4- Is the project sustainable ? (detail which aspects are /are not).	Not yet
5- Is the project a new growth track or is it only a survival strategy ?	A survival strategy at the moment
6- Can local communities successfully address there problems or do they need to rely on external support ? If outside support is needed, is it critical and what form should it take ?	Need external support, given shortage of finance, apartheid legacy and lack of skills. Needs to address these shortfalls
7- What role is there for government / external agencies / the private sector / community groups in such endeavours ?	Important role, especially for NGOs
8- What role should / could local government play in these endeavours ?	Important leadership role to play
9- How important is people's attachment to place and its future development ?	Very important for community building

10- What are your future plans?	To develop periodic markets, agro-industry, tourism, a botanic gardens, small business support and infrastructural improvement
11- Could your knowledge and experience benefit other communities?	Yes
12- Comment on government development strategies such as the RDP and discuss their strengths and weaknesses and what that need to focus on in order to succeed.	More support is needed and the government must avoid making 'empty promises'

Assessment Schedule: 2

HERTZOG

Assessment Criteria	Response
ECONOMIC 1- Has the project increased private sector investment and confidence ? Describe, detailing in particular whether the investment has been from internal or external sources.	No
2- Has the project increased turnover and investment by local firms ? Describe ?	In local shops
3- Have external firms been drawn in ? Is the community benefiting from their investment ?	No
4- Has the project fostered and supported new and emerging enterprises ? Describe.	Yes, in farming
5- What problems have been encountered ?	Some non-repayment of loans, shortage of irrigation piping, limited transport, market constraints
6- To what degree have local people / firms benefited ?	100%
7- Has the project mobilised local entrepreneurial resources ?	yes

8- Has the government provided support / co-financing / allowed decentralisation of control ?	No funds, but an agricultural extensive officer has been allocated to the scheme and the co-operative has been allowed to use the land
9- Are there RDP projects in the community ? If so do they complement your initiatives? Describe them and detail the response of the community to them?	None
10- Have other government or para-statals support mechanisms improved economic conditions in the area serviced by your initiative? Describe.	No
11- Has income in the community been improved ? If so, by how much approximately and who are the beneficiaries?	Yes (see discussion) 33,33% of families in the Fairbain community (60/150); 10% in Hertzog (18/180)
12- Has the project promoted self-sufficiency ? For how many people ?	Yes - for the farmers
13- How much money has the project raised locally ?	None internally, but all funds secured are commercial loans raised
14- How much money has been drawn in from outside ?	R 1 054 000 (loans)

15- How much money has been generated locally by the project for the initiative and for local people in general ?	All loans repaid in year 1 50% of loans repaid in year 2
EMPLOYMENT 1- Who has taken the lead in creating jobs i.e. the initiative, the private sector, the state etc. ?	The co-operative
2- How many new jobs have been created and of what kind ?	83 small-scale farmers
3- How many previously unemployed people have now found new jobs?	83
4- How many local people have found jobs ?	81 (2 = projector leaders who arrived in 1993)
5- How many threatened jobs have been saved or sustained ?	-
6- How many short-term jobs have been / were created ?	-
7- How many permanent jobs were created ?	83
8- How many jobs were created for the low income members of the community (detail if short-term or permanent) ?	83

9- Describe the type of jobs which have been created ?	Farming
10- How many people are currently unemployed ?	Approximately 60%
11- To what extent has the quality of employment opportunities for local people improved ?	Significantly
12- Have people learnt new and relevant skills for employment ?	Yes, management, framing and sales
13- Have local people been able to take control of development initiatives ?	Yes
14- Have local people become more 'employable' ?	Yes
15- Has newly derived income made a real / major difference in the lives of the beneficiaries ?	Yes
TRAINING 1- Were people trained ? If so in what and what are they now doing?	Yes, better farming skills - still farming
2- If there was training who undertook it ?	Internally done and with the support of the Agricultural Officer

3- Has there been external support for such endeavours?	Yes for the activities of the Agricultural Officer, from the government
4- Are there broad opportunities for community development and education ?	No, but there are plans to establish an entrepreneurial development centre
EMPOWERMENT 1- Has the project encouraged local / community involvement ? For how broad a cross-section of the community ?	Yes, for about 33,33%
2- Has the project encouraged local / community ownership? For how broad a cross-section of the community ?	Yes, for about 33,33%
3- Is there democratic decision making and election of leaders?	Yes, within the co-operative
4- Is the project controlled by the host community or by outsiders?	By the community
5- Do any of the following groups benefit directly from the initiative and have a major say in its plans and operation: a) The youth ? b) Women ? c) The aged ?	Not directly

6- Who decides what is needed locally, who is consulted and what is the process for assessing the need ?	The entire co-operative
7- How many people are involved in community / local activities?	83 co-operative members and their families
8- How many people are involved in community economic development?	83
9- To what extent do they control resources and decision-making?	Totally, through the co-operative
10- Are people more confident about using agencies like social services / support groups of the initiative / state agencies etc.?	Yes
11- Have such agencies changed in their attitude to the area and their expectations of it?	Yes, farming suppliers are visiting the community now
12- Is there more social interaction than there was previously?	Yes, the initiative has bound community members closer together
13- Are more people interested in what happens locally ?	Yes
14- In what ways has general community life improved ?	Income has been improved, more food is available and wealth has been brought in

15- Are people happier to stay in the community now and less willing to move away ?	Yes, there is now hope for young people
16- Has the initiative promoted a 'sense of belonging' in the community ?	Definitely, there is pride in what has been achieved
17- Is the project helping to overcome apartheid divisions and is it promoting community reconciliation and empowerment ? Describe and discuss.	Not yet. There are differences and rivalry between Africans and coloured in the neighbouring community
SERVICES 1- What new services have been provided ?	None, outside of improved water supply
2- What new services have been maintained which otherwise would have disappeared ?	-
3- How has the provision of services been improved ?	-
4- How are communities needs being met ?	-
5- Have any independent services / facilities developed as a result of the presence of the initiative ?	-

INFRASTRUCTURE 1- What improvements to the local housing stock and conditions have been brought about ? What other improvements have been made ? Has the government's housing campaign assisted the community ? If so, detail and describe.	No
2- What improvements have been made to transport and other infrastructural services ?	None
3- Is there a community meeting place ? Do people have the amenities which they require?	Yes, funds were raised to build a community hall
4- What social facilities are there ? Are they well used?	None other than for the church
5- What premises are available locally for new enterprises and activities?	None, other than for a few abandoned houses
6- Has the quality of building stock been improved ?	No
7- Has provision been made for recreational / community facilities?	No
8- Have land and building been brought back into use ?	Land yes
9- Has broad access to land been improved ?	Yes

10- Have rural-urban linkages been improved ?	Yes, in terms of supply of produce to other villages and centres
RESOURCE UTILIZATION / RURAL-URBAN LINKAGES 1- Is use made of resources locally available to the community in its immediate vicinity or its hinterland?	Yes
2- Are rural-urban linkages being strengthened as a result of the undertaking?	Yes
3- What benefits are being derived / can be derived from mutual interaction between rural and urban areas ?	Cheaply available fresh food and direct income
QUALITY OF LIFE 1- Has the overall quality of life in the community improved ?	Yes, through income to co-operative members; cheap food for the rest of the community, spoiled produce goes to people who help with packing etc., a community hall has been built
2- Has the local environment (natural and social) improved ?	Little impact, it has been a question of survival

ASSESSMENT	
1- What are the primary successes of the initiative ?	People have made a profit, repaid their loans, the community has been enriched, a sense of self-worth and ownership has been achieved
2- What are the primary weaknesses of the initiative?	No administrative capacity, limited maintenance and professional support; marketing and transport difficulties and difficulties in drawing up business plans. The remaining 70% of the community need to be involved
3- Has the project been successful ?	Yes
4- Is the project sustainable ? (detail which aspects are /are not).	Yes
5- Is the project a new growth track or is it only a survival strategy ?	Started as a survival strategy by the church, now it is a new growth track
6- Can local communities successfully address there problems or do they need to rely on external support ? If outside support is needed, is it critical and what form should it take ?	Yes, but they may need external support an facilitation

7- What role is there for government / external agencies / the private sector / community groups in such endeavours ?	All agencies have a role
8- What role should / could local government play in these endeavours ?	Rural local governments lack power and resources
9- How important is people's attachment to place and its future development ?	Very important, particular in terms of a focus on 'our own'
10- What are your future plans?	Expand the project / entrepreneurial training
11- Could your knowledge and experience benefit other communities?	Yes
12- Comment on government development strategies such as the RDP and discuss their strengths and weaknesses and what that need to focus on in order to succeed.	Problems with government efficiency, lack of clear responsibility. The gap between grass-roots and government needs to be bridged

Assessment Schedule: 2

KEI ROAD

Assessment Criteria	Response
ECONOMIC 1- Has the project increased private sector investment and confidence ? Describe, detailing in particular whether the investment has been from internal or external sources.	No, only the Transnet investment in the sewing co-operative (for 5 years)
2- Has the project increased turnover and investment by local firms ? Describe ?	No
3- Have external firms been drawn in ? Is the community benefiting from their investment ?	No
4- Has the project fostered and supported new and emerging enterprises ? Describe.	Yes, brick makers and sewing co-operative (still require support)
5- What problems have been encountered ?	Limited markets, skills shortage
6- To what degree have local people / firms benefited ?	Significantly (if belong to a project)
7- Has the project mobilised local entrepreneurial resources ?	To a limited degree within projects
8- Has the government provided support / co-financing / allowed decentralisation of control ?	Only recently for the state housing project

9- Are there RDP projects in the community ? If so do they complement your initiatives? Describe them and detail the response of the community to them?	Housing (as above), it has involved the development project - which manages the scheme and used locally produced bricks
10- Have other government or para-statals support mechanisms improved economic conditions in the area serviced by your initiative? Describe.	No
11- Has income in the community been improved ? If so, by how much approximately and who are the beneficiaries?	Yes, for project members, their dependents and local shops etc.
12- Has the project promoted self-sufficiency ? For how many people ?	Heading that way, 18
13- How much money has the project raised locally ?	None
14- How much money has been drawn in from outside ?	R 500 000
15- How much money has been generated locally by the project for the initiative and for local people in general ?	None
EMPLOYMENT 1- Who has taken the lead in creating jobs i.e. the initiative, the private sector, the state etc. ?	The development project

2- How many new jobs have been created and of what kind ?	25 - sewers, brick makers, office staff, builders.
3- How many previously unemployed people have now found new jobs?	22
4- How many local people have found jobs ?	22 (plus 3 office workers)
5- How many threatened jobs have been saved or sustained ?	None
6- How many short-term jobs have been / were created ?	25
7- How many permanent jobs were created ?	None
8- How many jobs were created for the low income members of the community (detail if short-term or permanent) ?	22 - all short term
9- Describe the type of jobs which have been created ?	as above
10- How many people are currently unemployed ?	85%
11- To what extent has the quality of employment opportunities for local people improved ?	Marginally
12- Have people learnt new and relevant skills for employment ?	Yes, especially the sewers

13- Have local people been able to take control of development initiatives ?	Yes, through the management committees of each project
14- Have local people become more 'employable' ?	yes, with training
15- Has newly derived income made a real / major difference in the lives of the beneficiaries ?	Yes
TRAINING 1- Were people trained ? If so in what and what are they now doing?	Yes, in sewing and brick-making. Working on those projects
2- If there was training who undertook it ?	Border Training Centre and a local brick-maker
3- Has there been external support for such endeavours?	Yes
4- Are there broad opportunities for community development and education ?	General empowerment in legal and women's issues by the church
EMPOWERMENT 1- Has the project encouraged local / community involvement ? For how broad a cross-section of the community ?	Yes For project participants

2- Has the project encouraged local / community ownership? For how broad a cross-section of the community ?	Yes For project participants
3- Is there democratic decision making and election of leaders?	Yes for the management committees.
4- Is the project controlled by the host community or by outsiders?	Projects are controlled by the community, the development structures by the church
5- Do any of the following groups benefit directly from the initiative and have a major say in its plans and operation: a) The youth ? b) Women ? c) The aged ?	Women's support group exists
6- Who decides what is needed locally, who is consulted and what is the process for assessing the need ?	Management committees in consultation with the development workers
7- How many people are involved in community / local activities?	Large number, but it varies according to project
8- How many people are involved in community economic development?	25
9- To what extent do they control resources and decision-making?	Control in conjunction with the development workers

10- Are people more confident about using agencies like social services / support groups of the initiative / state agencies etc.?	Yes
11- Have such agencies changed in their attitude to the area and their expectations of it?	No obvious change
12- Is there more social interaction than there was previously?	Yes
13- Are more people interested in what happens locally ?	Yes
14- In what ways has general community life improved ?	Only for participants, crime is a serious problem
15- Are people happier to stay in the community now and less willing to move away?	The desire to settle and take 'ownership' is much greater
16- Has the initiative promoted a 'sense of belonging' in the community ?	For some
17- Is the project helping to overcome apartheid divisions and is it promoting community reconciliation and empowerment ? Describe and discuss.	Very gradually - through the project becoming involved with the TLC in the housing project
SERVICES 1- What new services have been provided ?	No

2- What new services have been maintained which otherwise would have disappeared ?	No
3- How has the provision of services been improved ?	No
4- How are communities needs being met ?	No
5- Have any independent services / facilities developed as a result of the presence of the initiative ?	No
INFRASTRUCTURE 1- What improvements to the local housing stock and conditions have been brought about ? What other improvements have been made ? Has the government's housing campaign assisted the community ? If so, detail and describe.	63 houses to be built (13 completed by June 1996) funded by the state
2- What improvements have been made to transport and other infrastructural services ?	None
3- Is there a community meeting place ? Do people have the amenities which they require?	Yes Some
4- What social facilities are there ? Are they well used?	Community Hall, clinic, school - well used. Provided by the government

5- What premises are available locally for new enterprises and activities?	Little
6- Has the quality of building stock been improved ?	Only with the new project
7- Has provision been made for recreational / community facilities?	No
8- Have land and building been brought back into use ?	No
9- Has broad access to land been improved ?	Trying to secure
10- Have rural-urban linkages been improved ?	No
RESOURCE UTILIZATION / RURAL-URBAN LINKAGES 1- Is use made of resources locally available to the community in its immediate vicinity or its hinterland?	No
2- Are rural-urban linkages being strengthened as a result of the undertaking?	No
3- What benefits are being derived / can be derived from mutual interaction between rural and urban areas ?	No

QUALITY OF LIFE 1- Has the overall quality of life in the community improved ?	To a limited degree. Crime and unemployment are the major problems
2- Has the local environment (natural and social) improved ?	No
ASSESSMENT 1- What are the primary successes of the initiative ?	Para-legal support, election advice, empowerment, training and houses
2- What are the primary weaknesses of the initiative?	Poor communication and community interaction, literacy programme not get off the ground
3- Has the project been successful ?	Yes, but marketing of products has been a problem
4- Is the project sustainable ? (detail which aspects are /are not).	It is becoming so
5- Is the project a new growth track or is it only a survival strategy ?	Both at the moment
6- Can local communities successfully address there problems or do they need to rely on external support ? If outside support is needed, is it critical and what form should it take ?	The support of NGOs is crucial in the process

7- What role is there for government / external agencies / the private sector / community groups in such endeavours ?	NGOs particularly
8- What role should / could local government play in these endeavours ?	They have a key role, but have problems of non-delivery and accountability
9- How important is people's attachment to place and its future development ?	Sense of belonging is very important
10- What are your future plans?	Housing, literacy, bulk-buying, land for settlement and farming
11- Could your knowledge and experience benefit other communities?	Yes, mainly the process of development and consultation
12- Comment on government development strategies such as the RDP and discuss their strengths and weaknesses and what that need to focus on in order to succeed.	Supporting NGOs and accountability

Assessment Schedule: 2

I.D.T. JOB CREATION PROJECTS

Assessment Criteria	Response
ECONOMIC 1- Has the project increased private sector investment and confidence ? Describe, detailing in particular whether the investment has been from internal or external sources.	No
2- Has the project increased turnover and investment by local firms ? Describe ?	No
3- Have external firms been drawn in ? Is the community benefiting from their investment ?	No
4- Has the project fostered and supported new and emerging enterprises ? Describe.	No
5- What problems have been encountered ?	Lack of funds to continue projects, poor skills; disempowerment, dependence and a farming base has not been established
6- To what degree have local people / firms benefited ?	At the time - yes
7- Has the project mobilised local entrepreneurial resources ?	No

8- Has the government provided support / co-financing / allowed decentralisation of control ?	No additional support (beyond water supply)
9- Are there RDP projects in the community ? If so do they complement your initiatives? Describe them and detail the response of the community to them?	Not yet
10- Have other government or para-statals support mechanisms improved economic conditions in the area serviced by your initiative? Describe.	Only through water provision
11- Has income in the community been improved ? If so, by how much approximately and who are the beneficiaries?	At the time in terms of salaries earned by project participants
12- Has the project promoted self-sufficiency ? For how many people ?	No None
13- How much money has the project raised locally ?	No
14- How much money has been drawn in from outside ?	Only the approved grants in 1994-1995
15- How much money has been generated locally by the project for the initiative and for local people in general ?	None

EMPLOYMENT 1- Who has taken the lead in creating jobs i.e. the initiative, the private sector, the state etc. ?	The Development Committee identified community members
2- How many new jobs have been created and of what kind ?	Committee members and employment in public works projects 1364 temporary jobs
3- How many previously unemployed people have now found new jobs?	1364 - none exist now
4- How many local people have found jobs ?	All were local
5- How many threatened jobs have been saved or sustained ?	None
6- How many short-term jobs have been / were created ?	1364
7- How many permanent jobs were created ?	None
8- How many jobs were created for the low income members of the community (detail if short-term or permanent) ?	All
9- Describe the type of jobs which have been created ?	Committee work and Public Works Programmes
10- How many people are currently unemployed ?	None

11- To what extent has the quality of employment opportunities for local people improved ?	Some training in committee work, grant application and limited labour-based skills
12- Have people learnt new and relevant skills for employment ?	To some degree, see 11-
13- Have local people been able to take control of development initiatives ?	Within the bounds imposed by the I.D.T.
14- Have local people become more 'employable' ?	To a marginal degree
15- Has newly derived income made a real / major difference in the lives of the beneficiaries ?	Temporarily
TRAINING 1- Were people trained ? If so in what and what are they now doing?	Committee members were; some in elementary labour skills. No evidence of skills being used at present
2- If there was training who undertook it ?	The I.D.T. and their project agent
3- Has there been external support for such endeavours?	Externally driven

4- Are there broad opportunities for community development and education ?	No
EMPOWERMENT 1- Has the project encouraged local / community involvement ? For how broad a cross-section of the community ?	At the time in deciding on focal areas and employment
2- Has the project encouraged local / community ownership? For how broad a cross-section of the community ?	No
3- Is there democratic decision making and election of leaders?	At the time there was
4- Is the project controlled by the host community or by outsiders?	Both
5- Do any of the following groups benefit directly from the initiative and have major say in its plans and operation: a) The youth ? b) Women ? c) The aged ?	No
6- Who decides what is needed locally, who is consulted and what is the process for assessing the need ?	Project guidelines were specified except for choice of individual projects

7- How many people are involved in community / local activities?	The employed people at the time
8- How many people are involved in community economic development?	The employed people at the time
9- To what extent do they control resources and decision-making?	Limited control at the time
10- Are people more confident about using agencies like social services / support groups of the initiative / state agencies etc.?	Some training, but no evidence of new projects
11- Have such agencies changed in their attitude to the area and their expectations of it?	No
12- Is there more social interaction than there was previously?	No evidence
13- Are more people interested in what happens locally ?	No evidence
14- In what ways has general community life improved ?	Limited income and a community focus at the time
15- Are people happier to stay in the community now and less willing to move away ?	At the time, no incentive now
16- Has the initiative promoted a 'sense of belonging' in the community ?	At the time

17- Is the project helping to overcome apartheid divisions and is it promoting community reconciliation and empowerment ? Describe and discuss.	No evidence
SERVICES 1- What new services have been provided ?	None
2- What new services have been maintained which otherwise would have disappeared ?	None
3- How has the provision of services been improved ?	No
4- How are communities needs being met ?	-
5- Have any independent services / facilities developed as a result of the presence of the initiative ?	No
INFRASTRUCTURE 1- What improvements to the local housing stock and conditions have been brought about ? What other improvements have been made ? Has the government's housing campaign assisted the community ? If so, detail and describe.	Some improvements in the local environment e.g. erosion control, fencing, community gardens, weed control etc (see discussion)

2- What improvements have been made to transport and other infrastructural services ?	Limited road repairs
3- Is there a community meeting place ? Do people have the amenities which they require?	No
4- What social facilities are there ? Are they well used?	No
5- What premises are available locally for new enterprises and activities?	No
6- Has the quality of building stock been improved ?	No
7- Has provision been made for recreational / community facilities?	No
8- Have land and building been brought back into use ?	No but an attempt to revive farming was made
9- Has broad access to land been improved ?	No
10- Have rural-urban linkages been improved ?	No

RESOURCE UTILIZATION / RURAL-URBAN LINKAGES 1- Is use made of resources locally available to the community in its immediate vicinity or its hinterland?	No
2- Are rural-urban linkages being strengthened as a result of the undertaking?	No
3- What benefits are being derived / can be derived from mutual interaction between rural and urban areas ?	No
QUALITY OF LIFE 1- Has the overall quality of life in the community improved ?	Temporarily through limited income and a degree of unity which was promoted
2- Has the local environment (natural and social) improved ?	To a limited degree
ASSESSMENT 1- What are the primary successes of the initiative ?	Some relief, exposure to farming and some skills empowerment

2- What are the primary weaknesses of the initiative?	Projects too short term to become sustainable, limited skills training and funds, low salaries and the projects were discontinued with no evidence of continuance
3- Has the project been successful ?	Seemed to at the time, now seen as a 'complete failure'
4- Is the project sustainable ? (detail which aspects are /are not).	No - not enough empowerment or funds.
5- Is the project a new growth track or is it only a survival strategy ?	It was a temporary survival strategy
6- Can local communities successfully address there problems or do they need to rely on external support ? If outside support is needed, is it critical and what form should it take ?	Should try and address them, but outside support is needed
7- What role is there for government / external agencies / the private sector / community groups in such endeavours ?	Important role
8- What role should / could local government play in these endeavours ?	Important role
9- How important is people's attachment to place and its future development ?	It is important

10- What are your future plans?	None, project terminated
11- Could your knowledge and experience benefit other communities?	Yes - in terms of projects needing to be more long-term, involve more funding and training
12- Comment on government development strategies such as the RDP and discuss their strengths and weaknesses and what that need to focus on in order to succeed.	More support is needed

APPENDIX FOUR

THE QUESTIONNAIRES ADMINISTERED IN HERTZOG AND SEYMOUR AND THE SUMMARY RESULTS.

GEOGRAPHY DEPARTMENT, RHODES UNIVERSITY
COMMUNITY SURVEY - HERTZOG

Dear Respondent
This survey is being undertaken to assist with the formulation of policy on local economic development. This topic is currently being researched by SANCO and the government and I am involved in an advisory capacity to both organizations. Your assistance in completing the questions will help develop policy for other communities. E.Nel

****

1) How many members are there in your household ?: _____.
   How many are children ?: _____.

2) How many people in your household are employed ?: _____.
   What do those who are employed do for a living ?:

   _____

   _____.

3) Under the last government, what problems did you encounter in the area, e.g. over access to resources, land etc.? _____

   _____

   _____.

   Have these problems now been addressed ?: yes ___, no ___,
   and what still needs to be done ?: _____

   _____

   _____

   _____.

4) What major community organizations are active in your area (other than for the Hertzog Agricultural Co-operative) ?:

   _____.

   Are they helping the community: yes ____, no: ____.
   Give reasons for your answer: _____

   _____

   _____

   _____.

   What else could they do in your community ?: _____

   _____

   _____

_____.

5) Do you or one of your family members belong to the agricultural co-operative ?: Yes _____ , No _____.

6) If you answered yes to question 5) please answer the following:

a- what crops do you grow ?: _____.

b- do you sell any of what you produce ?: yes ___, no ___.

c- if yes, who do you sell to ?:_____,

and approximately how much do you earn from sales per month:

R _____ or per growing season R _____ , how much of that is profit?:in R_____ per month or R_____ per growing season.

d- has farming improved household income ?: yes ___, no _____, if yes, by what factor (e.g. doubled or tripled or no improvement) ?: _____.

e- has having access to land improved the quality of your life ?: yes ___ , no ___.

f- if yes, please detail what you can now buy or do which you could not do previously ?: _____

_____

_____

_____.

g- what problems have you encountered with farming ?:

_____

_____

_____.

h- do you feel that the co-operative is doing a good job ?: yes _____, no _____.
- give reasons for your answer:_____

_____

_____

_____.

i- what does the co-operative need to focus on doing in future ?: _____

_____

_____.

7) Comments about important developments in your area or issues you wish to raise:

_____

_____

_____.

****

GEOGRAPHY DEPARTMENT, RHODES UNIVERSITY
COMMUNITY SURVEY - SEYMOUR

Dear Respondent
This survey is being undertaken to assist with the formulation of policy on local economic development. This topic is currently being researched by SANCO and the government and I am involved in an advisory capacity to both organizations. Your assistance in completing the questions will help develop policy for other communities. E.Nel

****

1) How many members are there in your household ?: _____.
   How many are children ?: _____.

2) How many people in your household are employed ?: _____.
   What do those who are employed do for a living ?:

   _____

   _____.

3) Under the last government, what problems did you encounter in the area, e.g. over access to resources, land etc.? _____

   _____

   _____.

   Have these problems now been addressed ?: yes ___, no ___,
   and what still needs to be done ?: _____

   _____

   _____

   _____.

4) What major community organizations are active in your area (other than for Masincedane) ?:

   _____.

   Are they helping the community: yes ____, no: ____.
   Give reasons for your answer: _____

   _____

   _____

   _____.

   What else could they do in your community ?: _____

   _____

   _____

_____.

5) Do you think that Masincedane is improving conditions in the community ?: Yes _____ , No _____.
Give reasons for your answer and give examples where relevant:

_____

_____

_____

_____.

6) Have the activities of Masincedane improved income in the town ?: yes _____, no _____.

7) Have you or your family benefited directly from the activities of Masincedane ?: yes _____, no _____.
If yes please provide details of how you or your family have benefited and in what ways it has improved income :

_____

_____

_____.

8) Do you feel that Masincedane is doing a good job ?:
yes _____, no _____.
give reasons for your answer:_____

_____

_____

_____.

9) What does Masincedane need to focus on doing in future ?: _____

_____

_____.

10) Comments about important developments in your area or issues you wish to raise:

_____

_____

_____.

****

SUMMARY RESULTS

HERTZOG

1) Number of persons: 183 (127 children)
2) Number employed: 8
3) Existing needs: more land - 9; electricity - 8; water - 5; jobs - 5; houses - 4.
4) Is the co-operative successful: yes-20; no-0.
5) Crops grown: cabbage - 18; beetroot - 4; potatoes - 11; pumpkins - 2.
6) Crop sales to: hawkers - 10; wholesalers - 10; local people - 8; market - 10; supermarket - 1
   value of sales: Range R 1200 - 10 000 / growing season
   profit: Range R 1000 - 7 000 / growing season
7) Current/new purchases: clothes - 15; seeds -11; food - 10; family support - 10; fertilizer - 9; schooling - 8; furniture - 1.
8) Current problems experienced with farming: shortage of tractors - 18; shortage of irrigation equipment - 14; marketing - 3; equipment maintenance - 3; frost - 3
9) Advantages of employment on the scheme: income - 15; employment - 10; access to land - 2; own crops - 2
10) Future needs / foci: markets - 12; training - 10; electricity - 8; water - 8; community hall - 7; transport - 4; administration - 3; roads - 2.

****

Each respondent had at least 1 member of the family as a farmer: farming has increased employment from 8 to 28 (out of 56 adults).

SEYMOUR

1) Number of persons: 107 (58 children)
2) Number employed: 28
(5 on community gardens; 4 in small business; 1 on the factory project)
3) Current needs: local government empowerment - 6; legal help /advice - 4; electricity - 4; land - 3; housing - 2.
4) Masincedane, key successes: Renovation of the factory - 4; training - 4; community gardens - 3; small business support - 3; resource centre - 3; housing - 3; jobs - 2
5) Future focus: infrastructure - 6; agriculture -6; electricity - 5; satellite offices - 4; markets - 4; hiking trail -2; community gardens -2; tourist information centre - 2

****

Results all positive regardless of whether one of 10 direct beneficiaries. Low rating attached to job provision yet positive support suggests that significant community building is taking place.

APPENDIX FIVE

THE SAMPLE QUESTIONNAIRE ADMINISTERED IN STUTTERHEIM (WHITE TOWN AND TOWNSHIP), WARTBURG AND KEI ROAD (WHITE TOWN AND TOWNSHIP) AND THE SUMMARY RESULTS

Survey Result: Stutterheim (and Wartburg)

Stutterheim ('white town'):

1 Are you aware of the forum?: No=3, Yes=17.
2 What of the positive aspects of the forum?: no response (20).
3 What are the negative aspects of the forum?: no response (20).
4 How could the forum and its operations be improved?: no response (20).

Mulungisi ('black township')

1 Are you aware of the forum?: No=11, Yes=11.
2 What of the positive aspects of the forum?:
- community involvement (5), provides services, is an accountable organization, it provides jobs, it provides services (2).
3 What are the negative aspects of the forum?:
- no formal housing has been provided (4), few jobs have been created (2), jobs are not permanent, developments do not benefit the rural areas.
4 How could the forum and its operations be improved?:
- more money, more jobs (4), involve people and include woman on a more active basis (3), government support (2), it needs to be more inclusive, it must deal with crime, it must become more sustainable (1).

Wartburg Residents

1 Are you aware of the forum?: No=0, Yes=10.
2 What of the positive aspects of the forum?:
- community needs are being met (4), self-development is occurring, jobs are being provided, guidelines to development are being given (2).
3 What are the negative aspects of the forum?:
- lack funds (2), no government support, NA (8).
4 How could the forum and its operations be improved?:
- there is a need to involve the whole community, staff training, government help (1).

Kei Road

Kei Road 'white town'
1) Are you aware of the forum? No=4; Yes=6.
2) What are the positive aspects of the forum?
   No response (9); it does good in the community (1).
3) What are the negative aspects of the forum?
   No response (9); it only benefits the black community (1).
4) How could the forum and its operations be improved?
   No response; Through access to more money (1).

Kei Road Township
1) Are you aware of the forum? No=4; Yes=6.
2) What are the positive aspects of the forum?
   N/A (4); supports development (6).
3) What are the negative aspects of the forum?
   N/A (9); rivalry (1).
4) How could the forum and its operations be improved?
   N/A (10).

****

APPENDIX SIX

THE PRIMARY RAPID RURAL APPRAISAL (AND PARTICIPATORY RURAL APPRAISAL TECHNIQUES- PRA) TECHNIQUES (RRA)

RRA (PRA) Techniques:

- secondary data review,
- direct observation,
- transect and group walks,
- doing-it-yourself,
- use of key informants,
- semi-structured interviews,
- groups interviews,
- chains of interviews,
- use of key indicators,
- workshops and brainstorming,
- seasonal calendars,
- sketch mapping,
- use of aerial photographs,
- diagramming,
- wealth ranking,
- measurements,
- ethnohistories,
- time lines,
- stories and case studies,
- team management,
- key probes,
- short, simple questionnaires late in the process, and
- rapid report writing in the field,

Source: Chambers, 1992, 1994.

APPENDIX SEVEN

THE REVISED ASSESSMENT SCHEDULE

Note: * - denotes a question which is not deemed to be relevant in the initial stages of South African LED projects, but which may be relevant at later phases and in other countries.

Phase One: Initial and On-Going Assessment

GENERAL QUESTIONS

1- When was the project started ?
2- What caused it to develop ?
3- Was it caused by some type of local crisis or socio-economic change in the area, if so what was it ?
4- Who initiated the project ?
5- Did the nature of the pre-existing skills base affect the direction that the project took ?
6- Does the project only focus on the local area or is the area of coverage far broader ? Does the project support rural-urban linkages ? If so, provide details.
7- Who were the key participants ?
8- Are partnerships important in the initiative? if so describe what partnerships exist and what the purpose and achievements of such partnerships are.
9- Who are the local leaders and what positions do they hold ?
10- How did they acquire such positions (i.e. election / nomination) ?
11- What were original goals of the project ? How were they agreed to and by whom ?
*12- What are your goals now or are they same ? If they changed, why did they change ? (used in subsequent interviews)
13- What are the key projects which have been undertaken? Do they address basic needs in the community ?
14- Have participants joined or left the initiative since it was initiated - who and why ?
15- Was external support secured, what form did it take ?
16- If external support has been secured how important was it to the success of the initiative ?
17- How much funds were secured ? Where were they secured from, what type of funds are they and what commitments do they impose ?
*18- Are there any other development initiatives / employment projects in the area which are benefitting the local community ? Do you have a good working relationship with them ?
19- Has the project allowed for the empowerment of the host community ? Describe.

PROJECTS EMBARKED ON

1- In order of decreasing importance list the projects embarked on by the community, indicate next to each whether the project had an economic focus or not.
2- Provide precise details about the aims, nature, funding, employment and achievements of the projects embarked on.

EMPLOYMENT AND TRAINING

1- Provide details of the number of people who have gained employment and the nature of their jobs (i.e. types of jobs and whether long- or short-term in nature).
2- What training projects have been embarked on and who has benefitted from them ?

RESOURCE UTILIZATION

1- Is use made of resources locally available to the community in its immediate vicinity or its hinterland ?

****

Phase Two: Final Assessment

ECONOMIC

1- Has the project increased private sector investment and confidence ? Describe, detailing in particular whether the investment has been from internal or external sources.
2- Has the project increased turnover and investment by local firms ? Describe ?
3- Has the project fostered and supported new and emerging enterprises ? Describe.
4- What problems have been encountered ?
*5- Has the government provided support / co-financing / allowed decentralisation of control ?
6- Are there RDP projects in the community ? If so do they complement your initiatives ? Describe them and detail the response of the community to them ?
*7- Have other government or para-statals support mechanisms improved economic conditions in the area serviced by your initiative ? Describe.
8- Has income in the community been improved ? If so, by how much approximately and who are the beneficiaries ?
9- Has the project promoted self-sufficiency ? For how many people ?
10- How much money has the project: raised locally, from external sources and generated internally ?

EMPLOYMENT

1- How many new jobs have been created, what kind are they and who has been employed ?
2- How many short-term and long-term jobs have / were created and by whom ?
3- To what extent has the quality of employment opportunities for local people improved ?
4- Have people learnt new and relevant skills for employment ?
5- Have local people been able to take control of development initiatives ?
6- Have local people become more 'employable' ?
7- Has newly derived income made a real / major difference in the lives of the beneficiaries ? Provide details.

TRAINING

1- Were people trained ? If so in what and what are they now doing?
2- If there was training who undertook it ?
3- Has there been external support for such endeavours ?

4- Are there broad opportunities for community development and education ?

EMPOWERMENT

1- Has the project encouraged local / community involvement and ownership ? For how broad a cross-section of the community ? Provide details.
2- Is there democratic decision making and election of leaders?
3- Is the project controlled by the host community or by outsiders?
4- Who decides what is needed locally, who is consulted and what is the process for assessing the need ?
5- How many people are involved in community / local activities?
6- Are people more confident about using agencies like social services / support groups of the initiative / state agencies etc. ?
7- In what ways has generally community life improved ?
8- Has the initiative promoted a 'sense of belonging' in the community ?
9- Is the project helping to overcome apartheid divisions and is it promoting community reconciliation and empowerment ? Describe and discuss.

SERVICES

1- What new services have been provided ?
2- How has the provision of services been improved ?
*3- How are communities needs being met ?
*4- Have any independent services / facilities developed as a result of the presence of the initiative ?

INFRASTRUCTURE

1- What improvements to the local housing stock and conditions have been brought about ? What other improvements have been made ? Has the government's housing campaign assisted the community ? If so, detail and describe.
2- What improvements have been made to transport and other infrastructural services ?
3- Is there a community meeting place ? Do people have the amenities which they require ?
*4- What social facilities are there ? Are they well used ?
5- What premises are available locally for new enterprises and activities ?
6- Have land and building been brought back into use ?
7- Has the local environment (natural and social) improved ?

ASSESSMENT

1- What are the primary successes of the initiative ?
2- What are the primary weaknesses of the initiative ?
3- Has the project been successful ?
4- Is the project sustainable ? (detail which aspects are / are not).
5- Is the project a new growth track or is it only a survival strategy ?

6- Can local communities successfully address there problems or do they need to rely on external support ? If outside support is needed, is it critical and what form should it take ?
7- What role is there for government / local government / external agencies / the private sector / community groups in such endeavours ? Discuss.
8- What role should / could local government play in these endeavours ?
9- What are your future plans ?
10- Could your knowledge and experience benefit other communities?
11- Comment on government development strategies such as the RDP and discuss their strengths and weaknesses and what that need to focus on in order to succeed.

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