

**Local Development:  
A Response to Economic Challenges in  
Noordhoek Valley, Cape Town**

Thesis

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## **Abstract**

De-industrialisation and rising unemployment amongst the world's developed countries' manual labourers as well as continued economic stagnation in developing countries has resulted in many localities experiencing mounting economic hardships and uncertain futures. As a direct result, the time has come that localities are being called upon to take charge of their own futures using local resources for local solutions.

Local development has appeared in various guises in different countries. Many agents in the developed North favour pro-business interventions that emphasise enterprise development, responsible local government, and investment in skills training. Stakeholders in developing nations however tend to favour bottom-up approaches focusing on participation in self-reliant activities, providing basic needs, and facilitating micro-enterprises. In addition to the actual nature of applied interventions, qualities such as commitment, innovation, co-operation, social capital and entrepreneurship are equally essential for over-all success.

South Africa has recently devolved more autonomy to its localities to enable them to conduct local development as a way of coping with local socio-economic difficulties and is applying both pro-growth and pro-poor approaches.

The Noordhoek Valley in the City of Cape Town is a locality where a community-driven project seeks to promote both economic growth and poverty alleviation. The establishment of a skills training institution has equipped local residents with the skills to find jobs and become entrepreneurs. To date, over 1000 residents have received training and have earned over R5 million for the community.

Although locality-based development is relatively new in South Africa, the activities and results achieved in the Noordhoek Valley indicate that with the appropriate approach and mentality local development and skills development are indeed possible.

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## Acronyms

ANC	African National Congress
CDC	Community Development Corporation
CEDC	Community Economic Development Corporation
CEDU	Community Employment Development Unit
CMC	Cape Metropolitan Council
CMT	Cape Metropolitan Tourism
CV	Curriculum Vitae
DPLG	Department of Provincial and Local Government
DTI	Department of Trade and Industry
EPZ	Export Processing Zone
FDI	Foreign Direct Investment
FEBDEV	Foundation of Economic and Business Development
FET	Further Education and Training
GATT	General Agreement on Trade and Tariffs
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution
IDZ	Industrial District Zone
IMF	International Monetary Fund
LDC	Least Developed Country
LDI	Local Development Initiative
LED	Local Economic Development
LSR	Local Self-Reliance
M & G	Mail and Guardian
NGO	Non-Governmental Organisation
NDS	No Date Specified
NPS	No Page Specified
NVTC	Noordhoek Valley Training Centre
OECD	Organisation for Economic Co-operation and Development
OHS	October Household Survey
PPP	Private Public Partnership
RDA	Regional Development Agencies
RDP	Reconstruction and Development Programme
RIS	Regional Innovation Strategies
ROM	Regional Development Movement (Dutch)
RSA	Republic of South Africa
SDI	Spatial Development Initiatives
SAF	South Africa Foundation
SME	Small to Medium Enterprises
SMME	Small to Medium Micro-Enterprises
SPC	South Peninsula College
SPM	South Peninsula Municipality
SPT	South Peninsula Tourism
TOCCC	Two Oceans Crafts and Culture Centre
V & A	Victoria and Alfred Waterfront
VS	Versus
WTO	World Trade Organisation

## **CHAPTER ONE - INTRODUCTION: SETTING THE SCENE**

### **1.1. Introduction: Changing Economies**

In recent years the locality has come to the forefront of contemporary development thinking (Binns & Nel, 2002; Friedman, 2001; Nel, 2001; Rogerson, 2000 [a]; Thomas, 2000; Nel, 1999; Dewar, 1998; Immergluck, 1998; Tremblay, 1996; Gooneratne & Mbilinyi, 1992). Although Danson (2000) and Webb & Collis (2000) use the expression 'new regionalism' to describe changes that have occurred in the international system, localities or 'micro-territories', as defined by Tremblay (1996; 213), are now the battlefield on which economic obstacles are tackled. Tomaney and Ward (2000; 471) contribute to the concept of new localism by pointing out that the locality is now the 'unit of economic analysis and the territorial sphere most suited to the interaction of political, social and economic processes in an era of globalisation.' The vast array of literature that supports this claim has emphasised the growing need for localities to redefine themselves in relation to both domestic and international economic norms and practices (Ballard & Schwella, 2000; Hesse, 2000; Hayter 1999; Koeble, 1999; Collins, 1997).

A new global economic system evolving out of the spread of modern telecommunications, enhanced capital mobility, trade deregulation, and the erosion of national borders has had profound impacts on individual localities not only in developed economies, but in developing economies as well. Policies enacted by national level governments mirror an international prioritisation of orthodox economics and neo-liberal foci linked to a reduced government presence in overall economic activity (Cesano & Gustafsson, 2000; Eisenschitz & Gough, 1998; Wilson, 1996). Some localities that have reaped the benefits of the global spread of technologies include the growing success of industrial clusters such as California's Silicon Valley and Malaysia's Multimedia Super Corridor (Bradshaw *et al.*, 1999; Jackson & Mosco, 1999). However, while some micro-territories have benefited by successfully competing, many others within Europe and North America have been forced to contend with frightening levels of urban decay, de-industrialisation, and unemployment (Robertson, 1999; Theodore & Carlson, 1998).

In addition, global changes have had the most detrimental repercussions outside the developed world where most localities have, in effect, been left outside the scope of influence of the so-called *global village*. From within the expanses of nation-states comprising the developing world, the planet's least developed countries have had to compete with each other in order to attract increasingly elusive foreign investment in order to sustain their meagre standards of living and face the realities of cheap foreign imports and further job loss (Gibson, 2001).

The emergence of the locality as a prime economic actor has come at a time when national governments are introducing national economic policies, which, although aiming to promote the country as internationally economically competitive, quite often have detrimental effects on local development. Modern, politically liberal governments have begun to espouse the need for *laissez-faire* economics meant to successfully respond to and accommodate rising global pressures, ignoring pro-poor strategies that would otherwise be of benefit to people living in economically marginalized areas. The apparent prioritisation of neo-liberalism has led to an increasingly recognisable trend; one where individual localities and individual people themselves are becoming more responsible for solving their own problems (Nel, 1999; Benfer, 1996; Rogerson, 1995; Teague, 1987).

South Africa certainly has not remained untouched by changing trends in the international system. In reality, its past experiences in terms of economic isolation and its recent, if tentative, reappearance on the world market have made it all the more susceptible to global economic fluctuations (Cheru, 2001; Rogerson, 2000 [a]). The consequences for localities within the country have been equally devastating, particularly when they are viewed in relation to the pre-existing geographical inequalities created by the distorted economic legacies of apartheid's racially motivated spatial strategies. The failure of various subsequent national government-led interventions including the Growth, Employment and Redistribution strategy (RSA, 1996) aimed at delivering economic relief and the continued inability of the formal sector to create sufficient numbers of jobs have meant that individual localities are now experiencing prolonged economic crises.

The Noordhoek Valley located in the South Peninsula of suburban Cape Town (see Figure 6.1 on page 64) is one such locality that knows first-hand the difficulties associated with the post-Apartheid economic reality of South Africa such as unemployment, wide-spread poverty, and the effects of insufficient government spending on local services, including skills training and investment in human resources. The absence of many formal sector or labour-absorbing businesses and industries within the immediate surroundings of the Noordhoek Valley has led to unemployment rates that are hovering around 65% in the Valley's informal townships of Masiphumelele, Ocean View and Red Hill. Furthermore, many of the households within these settlements make do with an average income of approximately R200.00 per month (Gretton, pers. comm., 2003; NVTC, data collected, 2001).

The economic slumps being experienced by localities around the world, the Noordhoek Valley included, have led to a questioning of traditional development paths and values. Because it is most often the local level which is most affected, it is the locality itself which is increasingly being looked to, to initiate functional and substantive development (Pieterse, 2001; Simon, 1999). It is with this in mind, that this thesis will look into the locality and highlight what local stakeholders within the Noordhoek Valley are doing to instigate sustainable development for its disadvantaged communities. However, before this thesis tackles the particular case study of the Noordhoek Valley, amongst the key theoretical focus areas that will help set the scene, are the role of skills development, social capital, and entrepreneurship.

## **1.2. The Rise of Local Development in Development Discourse**

The interest being displayed in the development of new ideas relating to local development has largely been the result of a shift away by nation-states from traditional post-war development responsibilities, or in the case of developing countries, because of the ineffectiveness of or a disillusionment with externally imposed, or top-down development strategies aimed at modernising their economies. The rationale behind the need for alternatives in developed countries stems largely from the economic crises afflicting Europe and North America in the 1970s, 1980s and 1990s and the need to provide regenerative policies for their declining local economies.

Internationally, Pieterse (2001, 1998), Schuurman (2000), and Simon (1999, 1998) and in South Africa, of Nel (2001, 1999) and Rogerson (2000 [b], 1995) are amongst the theorists who have turned to alternative post-modern development ideologies that look beyond what some, including Hart (2001), Binns & Nel (1999), and Schuurman (1993) are labelling the 'development impasse' and are specifically looking towards the locality and local stakeholders as the current and future leaders in local development. Indicative of an apparent end to Fordist economic practices, the growth of modern local economies now rests on the ability of these local stakeholders to execute quick and effective responses to changing international conditions that exhibit innovative, flexible, and streamlined modes of production (Thompson & Smith, 1998).

As a result, the expressions 'locality-based development' or 'local development' have become integral parts of post-modern development discourse and, along with the different sub-branches of 'local economic development' and 'local self-reliance,' which have emerged within local development, have come to form the basis of a key component of contemporary development theory and practice (Scott & Pawson, 1999; Flora & Sharp, 1997; Benfer, 1996; Wilson, 1996; Syrett, 1995; Gooneratne & Mbolinyi, 1992).

### **1.3. Defining Local Development**

As has become clear from reading numerous scholarly papers and articles in academic journals, the concepts of 'Local Development,' 'Local Economic Development,' (LED) and 'Local Self-Reliance,' (LSR) appear with increasing frequency in the current locality-based development lexicon (Tomlinson, 2003; Binns & Nel, 2002; Helmsing, 2001; Dewar, 1998; Benfer, 1996; Gooneratne & Mbilinyi, 1992). This thesis will however, use 'local development' as a generic term to describe locality-based development initiatives but will briefly expand on the concepts of 'LED' and 'LSR' that have been identified as two predominant sub-fields within local development.

The layman's definition of local development that will be used throughout this thesis is more or less any endeavour undertaken by a partnership of community stakeholders in response to local problems using existing local resources. However, more academic definitions to come out of prominent developmental rhetoric concerning local development include Tremblay (1996; 216) who wrote,

*'Local development is a strategy for economic intervention through which local representatives of the private and public sectors, or co-operative groups, work towards the development of community's human, technical, or financial resources by joining together within a private or public, sector-based work structure, or one which crosses boundaries between sectors, and which has the central aim of developing employment.'*

Evidence from supporting literary documentation included in this thesis suggests that local development initiatives (LDI), a term used by Syrett (1995) to denote individual local development projects, programmes, or strategies, vary in character, application, and result from one locality to the next. LDIs not only vary considerably between developed and developing countries, but they also differ enormously, as is the case in South Africa, within individual nations as well (Tomlinson, 2003; Rogerson, 2002, 2001 [b]).

One of the biggest debates in development studies that is gaining increased attention in recent years has been in pro-growth versus pro-poor local development, which becomes particularly accentuated when viewed in relation to locality-based development in developed versus developing countries (Tomlinson, 2003). Although the majority of the development literature does not make an explicit distinction between the two, and the underlying arguments imply that most local development is, in fact, concerned with ultimately providing relief to the poorest sectors of the population, this thesis will make the argument that, particularly with regards to South Africa, this is not always the case. One of the ways that this is achieved is through a discussion of the differences between two varieties or sub-branches of local development mentioned earlier; local economic development and local self-reliance. These differentiations are set out in Chapter Three. The basic premise that this thesis takes is that LED is practised largely in developed countries whereas LSR is an approach to local development that is most commonly and almost exclusively associated with developing countries. A further fundamental difference between the two which this thesis wishes to point out is that LED is principally concerned with local development initiatives that highlight the importance of pro-growth, market-led international competitiveness, large-scale employment

creation, and intensive capital investment in business development (Thomas, 2000; Webb & Collis, 2000; Lynch, 1999; Scott & Pawson, 1999). In contrast, LSR is, in many respects, market-critical and focuses more so on pro-poor development efforts concentrating on the provision of basic needs, survival strategies and service delivery, but also includes an element of entrepreneurship and job creation, but this time on a much more informal level with limited results (Gooneratne & Mbilinyi, 1992; Stock, 1985; Lee, 1981).

Because national governments are unable to cater for the needs of every area, at the local level, individuals and community stakeholders are now moving towards taking care of their own socio-economic needs. The difference between developed and developing states however, is what *needs* entails and this signals the beginning of a split between LED and LSR. Whereas European and North American approaches to local development focus on new ways of harnessing social capital to enhance innovative business development, in much of the developing world local intervention implies again using social capital, but this time it is used quite often in strategies aimed at satisfying basic individual or collective needs. In addition, unlike the western methodologies that emphasises the creation of new businesses, bottom-up strategies in developing countries may not have the benefit of the involvement of local development agencies. Thus, they must become self-reliant. LSR has also, on many occasions, been associated with survivalist enterprises or activities whose focus is providing sufficient income to make ends meet. In this case those requiring help are those who are themselves active in addressing local problems, which often includes putting food on the table (Kesper, 2001; Bisseker, 1999; Rogerson & Rogerson, 1997).

### **1.3.1. Local Economic Development**

As alluded to, despite having common goals, LED and LSR tend to operate within different paradigms. Local economic development, for the purpose of this thesis, is more closely associated with developed countries that use modern technologies, up-to-date information, and expert market analysis to promote high-tech investment and pro-growth development through business creation (Webb & Collis, 2000; Thomas, 2000). Recently however, LED has begun to advocate the need for skills training to compliment economic development (Firer, 2002; Ho, 2002). Developing economies on the other hand may rely more on traditional and basic resources to spearhead pro-poor

socio-economic interventions to provide for basic needs, primary education, service delivery, and to support the informal economy. One of the fundamental differences between the two that this thesis wishes to point out is that while LED often attempts to promote enterprise development within the formal economy, while LSR businesses are much smaller and more informal.

Where LED and LSR again differ is in what form a development initiative will take as well as who the primary actors or stakeholders are. In developed countries, the use of LED as a method of generating local development is usually instigated by a national policy of macro and neo-liberal economics, leading to trade deregulation and reduced government intervention to local economic affairs. Therefore, a local response by a partnership of stakeholders consisting of big business and private companies, municipal authorities, or community development corporations have assumed many of the duties relinquished by the state. Their primary imperative is to improve the vitality and sustainability of the local economy by marketing the locality, through providing an investment friendly environment, financial incentives, access to modern technologies and infrastructures, and business advice to the would-be entrepreneur (Webb & Collis, 2000; Lynch, 1999; Tremblay, 1996; Wilson 1996).

A parallel plan of action is to provide for socio-economic aspects of local development including the importance of widening the human resources base, by training local peoples in skills required by local industries, and by attempting to foster social capital (Firer, 2002; Ho, 2002; Foley & Martin, 2000; Roberts & Lloyd, 2000; Tomaney & Ward, 2000; Immergluck, 1998). In fact, the regional development agencies in the United Kingdom, which serve to co-ordinate and facilitate local development, actually list employment skills development as one of their top five goals (Lynch, 1999).

### **1.3.2. Local Self-Reliance**

Whereas developed nations have the relative luxury of pursuing regenerative plans of action for existing, yet troubled economies, most of the developing world has not been so fortunate as to have an extensive industrialised base to fall back on. The world's least developed countries have, in the past two and a half decades, experienced a series of national economic shocks, including mounting debts, currency devaluations, and inflation that has compounded their already existing chronic economic problems

(Helmsing, 2001; Nel 2001). Remedial attempts by developing countries at structural adjustment, supporting privatisation and the reduction of welfare spending have only succeeded in aggravating economic disparities and have widened the gap between poor and the poorer regions (Binns & Nel, 1999; Lee 1999; Stöhr 1981).

LSR is very similar to LED, in that local peoples are active in solving local problems, but as Nel (2001) explained, 'the emergence or re-emergence of the informal sector, communal farming and various forms of community survival can be seen as a rough southern equivalent of LED.' This thesis will take the view that LSR is more particularly concerned with the informal economy and development that focuses on poverty alleviation.

In many countries the use of LSR is a matter of survival where national governments of developing nations, in many circumstances, are unable to promote development on a local level, often because they too follow the same neo-liberal doctrines that appear to have been beneficial for developed countries, but alas, have unfortunate repercussions for poorer localities instead. Under these circumstances local peoples are again compelled to rely on their own ingenuity, but what differs is what they attempt in the way of local development. Its focus is much more on informal processes encompassing bottom-up, self-reliant socio-economic activities, and coping strategies such as subsistence farming, informal trading, street hawking, and minor manufacturing (Rogerson, 2000 [b], Rogerson & Rogerson, 1997). In the case of LSR, participation and partnerships are once more at a basic level, where the stakeholders are the people actually involved in a local development initiative. People involved in this form of local development are the people on the ground themselves and who follow a hands-on approach where the incentive is often a matter of life or death. In some cases, additional stakeholders who may also offer assistance, include non-governmental organisations, church groups, local leaders, and if they are in the capacity to do so, local municipal authorities.

In much of the developing world however, despite the recognised need to focus on skills development, it is precisely the lack of a comprehensive skills base that is retarding substantial local economic growth. In cases where there is this lack of human resource development, localities are beginning to rely more heavily on the benefits of

partnership creation and social capital where local people pool what-ever local resources they have available for individual benefit and / or the common good of the community (Stock, 1995; Zaaijer & Sara, 1993).

### **1.3.3. Common Features of both LED and LSR**

Understanding the different particularities of LED and LSR are useful when it comes to analysing local development in South Africa, because as Beck (1990) earlier posited, there are numerous similarities between South Africa and both the First and Third World. As such, local development initiatives that are visible in the parts of the country which are more developed and those which are less developed reflect the nature of local development that correspond to their rough First and Third World equivalents. After these distinctions are made however, this thesis pulls them back together and looks for a common trend or lessons learned that have helped enhance the quality of outcomes of local development in general from both worlds.

Both styles of local development are grounded in the philosophy that the locality and local stakeholders are the main driving forces behind new, renewed, or enhanced economic growth, job creation, and basic needs provision, because they are most knowledgeable of existing local needs, conditions, resources, skills, and strengths and weaknesses (Tomlinson, 2003; Nel, 1999 [a]; Stock, 1995). In both cases, the promotion of innovation, entrepreneurialism, partnership, and participation are key components of local development. Robert Putnam (1995, 1993) in his study of Northern Italian economies as well as Friedman (2001), Torsvik (2000), and Grootaert (1998) have concluded that it is a combination of the above mentioned traits that generates all important social capital which is in itself instrumental in fostering successful local development initiatives.

Despite the impressive number of publications pertaining to local development and both LED and LSR; because each locality has its own set of unique circumstances, pools of skills, plans of action, and access to varying amounts of resources, there still does not exist a generic formula of inputs or a secret recipe to follow, even within the separate spheres of LED and LSR. For example, although referring specifically to LED, the following blunt statement by Nel (2001; 1005) typifies the uncertainties of local development. 'LED defies rigid definition or stereotyping as to what it precisely

involves.' Again, Wong (1998; 708) similarly suggested, 'in spite of the importance of local resources in economic planning, an unequivocal list of factors crucial to LED has not yet been identified.' For these very reasons it has been difficult to replicate successful LED or LSR in other struggling areas often because the pre-conditions for any level of success may simply be unavailable. Therefore it is often the more abstract concepts of partnership creation and social capital that play an integral role in local development and may provide the most important lessons for South Africa (Grootaert, 1998).

#### **1.4. Local Development in South Africa**

South Africa is a country that is stuck somewhere between the realities of a developed or developing country in that it contains a distinct blend of characteristics that are normally associated with either one or the other classification of country (Beck, 1990). In many ways, its modern cities reflect those of a western society including a sophisticated export-oriented economy, expanding tertiary and financial sectors, a growing number of business and leisure tourist arrivals, world-class transportation nodes, luxury consumer products, and wide-spread industrial clusters seem at odds with the glaring rural and urban poverty, mass unemployment, and persistent service and skills shortages experienced elsewhere (Desai, 2003; Cheru, 2001; Moore, 2001). According to a recent Mail & Guardian article (2003), there are actually 'two economies persisting in one country.' In this same article, President Mbeki is quoted as likening this dual economy 'to a double-storey house without a connecting staircase.' According to Desai (2003) the gap between the wealthy and poor is in fact widening and this dualistic economy is persisting, implying that now, more than ever, local development is a necessity in South Africa. Locally targeted development interventions and the promotion of indigenous local development therefore rest high on the list of government priorities in overcoming this divide (RSA, 1998 [a]).

The election of the African National Congress (ANC) government in 1994 supposedly signalled new changes for South Africa as well as the possibility for depressed localities to politically, socially, and economically benefit from a newly introduced and widely applauded participatory Reconstruction and Development Programme (RDP) (Marais, 1998; RSA, 1994 [a]). Initial attempts proved to be fruitless and South Africa's current set of macro-economic guidelines, the Growth, Employment and

Redistribution (GEAR) strategy has succeeded in swinging governmental favour towards the adoption of the same neo-liberal economic principles highly favoured by domestic and international capital interests (Habib & Padayachee, 2000; Loots, 1998; Marais, 1998; RSA, 1996). The ensuing bouts of privatisation, trade deregulation, and decreases in government spending on welfare initiatives, further alienated already impoverished localities and, as similar strategies in developed countries yielded, contributed to increasing levels of unemployment and de-industrialisation in South Africa's mining and manufacturing sectors (StatsSA, 2003; Cheru, 2001; Moore, 2001).

South Africa has recently turned to international experiences in local development as a means of stemming these problems. National governing bodies released the Local Government White Paper essentially mandating developmental local governance, requiring local municipal authorities to extend municipal services, sponsor local job creation, and seek various methods of alleviating local poverty (DBSA, 2000; RSA, 1998 [a]). Every municipality has been called on to promote both pro-growth and pro-poor development, but the reality of the situation is that only South Africa's largest, and comparatively better financed and resourced localities have been focusing on extensive entrepreneurial and business development, often at the expense of poverty reduction, while for many of the country's poorest localities, municipal officials remain unable to stimulate formal relief efforts, requiring ordinary residents to become more self-reliant in their drive to provide local development.

As such, both LED and LSR styles of local development are visible in South Africa today. Although devolved to local government, local economic development is largely spearheaded by a partnership of municipal authorities and private business concerns and is primarily oriented at improving the localities international competitiveness by investing heavily in infrastructure, central business district renewal programmes, and small and medium enterprise development, particularly in the niche markets. In some cases, local development has looked into supporting skills development projects. Unfortunately, many municipalities, and even poorer localities within the larger cities, have not been entirely successful at promoting LED. Residents of those areas, which have not benefited, are now faced with a situation whereby they must strive to become more self-sufficient. They too are compelled to form partnerships within their communities, but they may have more in common with the LSR of the developing

world where people sometimes come together to create a communally beneficial project, or where local peoples start their own micro-enterprises to afford themselves even the most meagre of incomes.

Many authors are of the belief that examples of successful LED are rare in South Africa. Some have gone so far as to state that South Africans may simply not have the right skills or entrepreneurial mind set to initiate advanced forms of local development (Rogerson, 2000 [b]). Instead there have been growing numbers of local self-reliant activities arising in South Africa's informal economies including small medium and micro-enterprises that fall short in terms of size when compared to LED (Kesper, 2000; Kaplinsky & Manning, 1998; Rogerson & Rogerson, 1997; Nel & Hill, 1996).

In South Africa, the development of social capital, innovation, and the willingness to take a chance have also been identified as essential to the success of both LED and LSR. In many ways it is again the concept of a positive mentality that appears to have the greatest impact on local development. Moreover, the strengthening of human resources and the provision of skills training is regarded by many authors as being central to both national and local development (Albertyn *et al.*, 2001; Reddy, 2000; Barrett, 1996; Dann, 1996; Randall, 1993).

### **1.5. Local Development in the Noordhoek Valley**

The Noordhoek Valley is one such locality in South Africa where local development has been influenced by both LED and LSR strategies and techniques. Previous apartheid exclusionary policies and an increase in the number of people living in the valley's low income and informal settlements have severely stretched the resources of the locality and have retarded socio-economic growth of the area. The valley is located in the City of Cape Town, a municipality that, despite having an official policy of both pro-poor and pro-growth local development, has supported predominantly large-scale projects aimed at strengthening the macro-economy of the city, but which have had little direct impact on the poorest people of the Noordhoek Valley.

One area where the municipality has recently been providing support to is in skills training. By building on an initial substantial grant that permitted Noordhoek Valley residents to construct a skills training facility, municipal officials have identified their contribution to human resources development as a positive step in overall local development. The community-driven Noordhoek Valley Training Centre (NVTC) is a skills training institution that is aiding residents of this particular locality to pursue their own individual and collective local development by equipping them with the skills and mindset required to become independent entrepreneurs. Through a partnership of local stakeholders, the NVTC has recognised the lack of marketable skills in the area and seeks to train residents of the local informal settlements in trades such as leather work and pottery that have been specifically identified as being able to produce potential income generating opportunities in the burgeoning Cape Town tourism industry (Weaver, pers. comm., 2001).

Local residents and municipal officials within the locality have acknowledged the need to become innovative in the face of both limited jobs and social services. With this need in mind, the training centre now also offers skills training and courses designed to produce graduates capable of becoming independent micro-entrepreneurs able to create their own sources of income. With the aid of numerous community stakeholders, this development initiative represents a positive example of aspects of local development seldom seen in South Africa.

Since its inception over 1000 local residents have received training and it has been directly responsible for generating over R5.5 million that has been filtered back into the local communities (Weaver, pers. comm., 2002). Furthermore, there has been a 65% placement rate for graduating students. The success achieved to date at the centre, which uses a multi-phase training process, is recognised by the City of Cape Town metropolitan council, which believes it is a model that can be replicated elsewhere in the city and perhaps the rest of the country (Gretton, pers. comm., 2002). This success also justifies the use of the training centre as a case study for this thesis because it embodies many of the ingredients of successful local development including participation, partnerships, social capital, community ownership, forward thinking, entrepreneurship, and innovation.

The provision of skills training in the Noordhoek Valley makes it a case of LED, because the skills that are taught at the centre are aimed at providing residents with the know-how necessary to start their own businesses and tap into the local tourism market as a means of providing them with jobs and sources of income while simultaneously strengthening the local economy. Likewise, the skills training centre also contains elements of LSR. Even though enterprise development and job creation are the ultimate goals of this particular development initiative, the outcomes are by far too small in scope to be on the same level of those associated with LED. The micro-enterprises that are being created only provide employment for that one person, the income generated is often only enough for their household to survive on without reinvesting in their business, as well as the fact that they fall outside the formal sector. The skills that residents of the Noordhoek Valley are learning, provide a valuable service, but on a very simplistic and basic level.

It is with these arguments in mind therefore, that this thesis seeks to examine the activities unfolding in the Noordhoek Valley, to determine the nature of local development there and to understand under what conditions the training centre has been able to make available skills training to over one thousand local residents. The following section will outline in greater detail the aims and objectives of this particular research investigation.

### **1.6. Aims and Objectives**

This thesis aims, firstly, to develop an international contextual background within which to situate South African local development, which in turn will also provide the South African context in which the development initiative of the Noordhoek Valley Training Centre can be situated. A second aim is to predict whether local development in the Noordhoek Valley can ultimately be successful, based on the lessons learned from the international contexts.

To achieve these aims, the following objectives have been identified.

1. To develop a complete and thorough literature review of local development as it is being conducted in both developed and developing countries.

2. To examine the different modes of local development applied in South Africa so as to reveal the similarities and / or differences they have compared with those used in developed and developing countries.
3. To document the history of the Noordhoek Valley Training Centre and to identify what local development initiatives activities they have undertaken.
4. To critically assess what has been achieved, to ascertain the important elements driving the process are and what the long-term future potential of the initiative is with the view to identifying key lessons.

## **1.7. Thesis Outline**

The following sub-sections within this chapter serve to briefly outline some of the key concepts that will be developed in greater detail in the following chapters. There are seven chapters in this thesis including this introductory chapter. Following from the methodology chapter, there are two chapters that deal specifically with a review of the literature aimed at providing a theoretical grounding for the case study that occupies the final three chapters.

### **1.7.1. Chapter Two: Methodology**

Chapter Two details the methodology used in the research. It begins by again looking at the aims and objectives, before moving on to establish the research questions and explain, in detail, the steps taken in gathering information for both the review of the literature and for the case study site. It examines the methods used in the analysis of the case study by specifying the research techniques, interviews, questionnaires and relevant methods used in course of the study.

The methodological approaches of Kumar (1999), Blaxter *et al.* (1996), Simon, (1969), and Selltiz *et al.*, (1959) supplied the appropriate guidelines used in both the literature review and the case study.

### **1.7.2. Chapter Three: Local Development in Developed vs. Developing Countries**

Chapter Three will delve into the differences between local development being implemented in both developed and developing countries. An analysis such as this is required because South Africa has contemporarily been adopting many of its national economic policies based on experience from westernised, modern, and developed

countries and thus has experienced many of the same ensuing local problems. Chapter Three will therefore reflect on the local development experiences of the developed world as a means of providing an international context for South Africa's interventions in economically advanced and modern localities. Conversely, South Africa is also drawing on the lessons learned by marginalized areas found in developing countries because more often than not the localities most in need of local development in South Africa are located in the economic fringes of the country that cannot afford extensive regenerative strategies. In general, Chapter Three provides an understanding of the different types of local development that is being theorized and applied in South Africa, which is then explored further in Chapter Four.

Chapter Three will also look at common themes that are visible in both LED and LSR in an attempt to understand what, other than concrete applied development strategies such as business development and service delivery, is needed for successful local development. This would include the concepts of participation, community buy-in, pro-activeness on the part of local stakeholders, and the role of social capital. These traits become important when discussing the case study of the Noordhoek Valley Training Centre, because it is through the use of partnerships and innovative thinking that they have been able to provide a significant amount of poverty alleviation and facilitate job creation in the area.

### **1.7.3. Chapter Four: Local Development in South Africa**

The dichotomous nature of local development that is currently visible internationally is represented in the schizophrenic and dual reality of the South African economy as identified in a recent report commissioned by the office of the presidency (RSA, 2003) which has left some development analysts questioning which form of development is most appropriate for the country as a whole and for localities in particular (Tomlinson, 2003; Rogerson, 2002, 2001 [a]). At a workshop hosted in East London by the European Union, which is proposing to sponsor local development in the Eastern Cape province, it became apparent that there are varying local views regarding the subject (Hindson, 2003). Amongst the definitional debates pertaining to local development is a lack of a consensus amongst policy makers and development practitioners alike concerning what local development actually means, to whom it applies, where it should be focused, and how it should be carried out. Collectively,

these issues have proven to be key stumbling blocks for local development and have meant considerable delays in application.

At the root of the problem is the conflict between pro-growth or entrepreneurial development versus pro-poor and poverty alleviation that is very much alive in South African development discourse today. On one hand, according to Tomlinson (2003) the Department of Trade and Industry (DTI) sees the support of business creation and investment attraction as essential to local development whereas on the other, the Department of Provincial and Local Government (DPLG) has identified community businesses, resource redistribution and meeting basic needs as the core sectors to be provided for.

Chapter Four thus discusses the diverse types of local development initiatives that are currently found in South Africa. Most are grounded in the White Paper on Local Government (RSA, 1998 [a]) that calls on local government to be pro-active in encouraging local stakeholders to spearhead development strategies and community-based projects on their own. As will be established in Chapter Four, South African localities that share common traits with developed countries prefer to pursue pro-market approaches, whereas the poorer more underdeveloped localities appear to be preoccupied with meeting basic needs and improving standards of living.

#### **1.7.4. Chapters Five and Six Local Development in the Noordhoek Valley**

Chapters Five and Six begin by outlining the history of local development undertaken in the Noordhoek Valley by the Noordhoek Valley Training Centre. As this local development initiative is attempting to survive within the context of a national paradigm that supports pro-market intervention and also tries to find accordance with local policy that supports poverty alleviation, development practitioners in the Noordhoek Valley are struggling to find a balance between the two. One way they have been able to achieve this is through focusing and relying on the non-physical components of successful international examples of local development such as the strength of partnerships.

Chapter Five analyses how the inhabitants of this valley have answered the national government's challenge calling for municipal authorities to encourage independent and

pro-active development attempts. After the successful national election of the African National Congress and the subsequent implementation of the Reconstruction and Development Programme, money was made available to be used towards local development projects that emphasised sustainable and participatory development (Taylor, 2001 pers. comm.; RSA, 1994 [a]). The citizens of Noordhoek Valley, including those from informal townships, applied for and received funds that were put towards the construction of the Noordhoek Valley Training Centre. Chapter Five discusses how, through the co-operation of local stakeholders and through community buy-in, this has greatly improved the quality and affordability of skills training at the NVTC.

Chapter Six continues focusing on how abstract inputs remain important parts of local development in the Noordhoek Valley and considers the degree to which this community-based project started and has continued to remain a community-driven initiative with widespread community representation and participation. The NVTC epitomises the innovative and creative way in which localities are called on to be responsive to local markets and has, amongst a range of issues, identified cultural tourism as part of a revenue generating sector for local residents. Therefore, in conjunction with a wider campaign undertaken by the municipality to promote tourism, Chapter Six shows how the NVTC is in the process of producing micro-entrepreneurs whose products are oriented towards the tourist market. The NVTC is a firm believer that human resource development and skills training are integral parts of local development. With this goal in mind, the NVTC has instituted a novel training system that take the students through multiple steps all geared towards the eventual graduation of entrepreneurs. In addition to further helping graduates establish themselves as independent operators, the NVTC has established a neighbouring crafts market where its students' products may be sold (Naidoo, pers. comm., 2001; Weaver, pers. comm., 2001).

At the time the research information for this thesis was collected, the South Peninsula Municipality was the legislative body responsible for the Noordhoek Valley. However, the Valley now falls under the jurisdiction of the expanded City of Cape Town Metropolitan Council.

### **1.7.5. Chapter Seven: Discussions and Conclusions**

Chapter Seven wraps up the discussion on local development in the Noordhoek Valley by comparing it with the international evidence detailed in the proceeding chapters. Although a recurring theme throughout this thesis is the difficulty that exists in providing generalisations about local development, experiences gained from around the rest of the world enable one to gauge whether the NVTC is on the right track.

The NVTC provides a positive example of a successful local development initiative in a country where such occurrences are rare. The type of training available is intended to help graduates enjoy higher standards of living by becoming entry-level micro-entrepreneurs. The capacity of the NVTC to accomplish substantive developments in the area is, as of yet, untested. What needs to be borne in mind however, is that the evidence points to the fact that it has many of the defining criteria of successful local development making it an exceptional candidate for leading positive development in the area.

The chapter ends by discussing whether or not it would be possible to replicate the activities of the training centre in other areas of the country.

### **1.8. Conclusion**

This thesis is about the various features and traits of different locally initiated strategies that facilitate local development, as interpreted through the case study of the Noordhoek Valley Training Centre. Every region strives to improve the quality of life for its residents, and how each goes about achieving this is, what is important to the direction of this thesis. In the case of the Noordhoek Valley, local development is particularly concerned with providing residents with the skills needed to build the foundation for future economic growth.

South Africa is almost unique in that it is one of the few countries that has clearly distinguished which level of government is responsible for development, but as is the case for most developing nations, its individual sub-regions especially rural peripheries, are struggling to cope with their new mandate (Nel, 2001 [a]; Nel & Hill, 1996). The Noordhoek Valley is an exceptional example of a community and supporting agencies that have taken up the challenge and that have made considerable in-roads in addressing

its own economic obstacles. The Noordhoek Valley Training Centre represents a novel way of tackling the need for local development and employment creation through empowerment and training. Although the training centre has yet to fully prove itself, its methods and understanding of contemporary development thinking has enabled it to become one of the few South African development initiatives whose actions reflect both innovation and enterprise.

## **CHAPTER TWO - METHODOLOGY**

### **2.1. Introduction**

This chapter expands on the specific research methodologies and procedures used in reviewing and interpreting both nationally and internationally documented accounts of local development as well as outlining the tools and techniques used while documenting the history and comparing the strategies employed by the Noordhoek Valley Training Centre. It was necessary to set research goals that ultimately shaped the direction of the thesis and provided a context that continuously served as a focus point from which subsequent research questions flowed. With the objectives of examining the context of local development in South Africa and determining what characteristics are required for its success, a large portion of the overall research centred around referring to numerous journals, governments documents, and other relevant publications that dealt specifically with various conceptualisations of international forms of local development that might influence or aid in understanding different aspects of South African local development.

The Noordhoek Valley Training Centre was identified as an appropriate example of a South African development initiative that could serve as a reliable case study that illustrates some of the theories referenced within the literary review chapters of this thesis. Again it was chosen because it combines many of the features of successful local development as witnessed around the world. By applying the qualities locally, the NVTC has provided training to hundreds of residents from Cape Town's Noordhoek Valley and has allowed for millions of Rand to be channelled back into their communities. This chapter also explains just how primary information on the centre was collected and analysed so that it could be put into the perspective of international and South African contexts.

### **2.2. Research Aims and Objectives**

Although the aims and objectives were introduced in the previous chapter, it is now entirely appropriate to repeat them again in this chapter because they helped shape many of the core research questions and influenced how the research was conducted.

This thesis aims firstly to develop an international contextual background within which to situate South African local development, which in turn will also provide the South African context for the development of the Noordhoek Valley Training Centre. A second aim is to determine whether local development in the Noordhoek Valley is on the right track and can ultimately be successful, based on the lessons learned from the international contexts. To achieve these aims, the following objectives have been identified.

1. To develop a complete and thorough literature review of local development as it is conducted in both developed and developing countries.
2. To examine the different modes of local development used in South Africa so as to reveal the similarities and / or differences they have compared with those used in developed and developing countries.
3. To document the history of the Noordhoek Valley Training Centre and to identify local development initiatives in this locality.
4. To critically assess what has been achieved, to ascertain what the important elements driving the process are and what the long-term future potential of the initiative is with the view to identifying key lessons.

### **2.3. Literary Review**

Chapters Three and Four contain the results of a literature review of themes pertaining to local development in developed countries, developing countries, and in South Africa. Each chapter builds on theories introduced in the previous one, with all collectively serving as a basis from which to explain the ensuing case study in Chapters Five, Six, and Seven. These initial chapters play an integral part in this thesis, because as authors such as Blaxter *et al.* (1996; 109) explain, a review of relevant literature is not only necessary, but is instrumental in placing one's research in the context of existing publications. Indeed, many authors point to the necessity of literary reviews for the very reason that they gather existing hypotheses, illustrate different conceptual context analogies, pose similar valid and useful questions, classify and summarise varying ideas, and ultimately give the researcher access to a wider breadth of information from which he or she will be able to develop his or her own hypotheses, arguments, and conclusions (Kumar, 1999; Simon, 1969; Selltiz *et al.*, 1959). Selltiz *et al.* (1959; 54) in particular points out that the 'richness' of

another author's descriptions may be stimulating for other researchers. His and others' opinions have proven to be most useful in the design of this thesis, and as a result of acting on their recommendations, this thesis contains numerous views and descriptions of local development developed by writers who have contributed to the field.

### **2.3.1. Research Questions for the Literature Review**

'The purpose of research is to discover answers to questions,' state Selltitz *et al.* (1959; 2). In fact, an examination of theoretical discourse on local development raised even more questions than this thesis originally set out with. In addition to Chapter Three providing a contextual framework for understanding the blend of LED and LSR found in South Africa in general, this raised important questions that are discussed with reference to the case study. One of the introductory questions that is asked in these chapters is; *Why does there appear to be a pressing need for locale-specific development around the world today?* Linked to this and in partial response is another question which resounds through-out this thesis; *How have contemporary forces of globalisation affected not only states' national economies, but how have they impacted on the local development processes of individual localities within the nation as well?* As each of these three chapters progresses, more questions evolve to include; *What forms of local development have localities in developed and developing countries used in response to local economic problems?* and *What forms of local development are used by localities in South Africa and do they represent a mix of developed and developing world local development strategies?* Finally, taking into consideration the various forms of local development initiated by specific localities through-out the world, the questions which have the most bearing on the case study in terms of understanding how it fits into a larger picture of local development globally are; *Under what conditions, in conjunction with what agents, using what mentality and through what kinds of intervention will local development be the most successful?*

### **2.4. The Case Study**

The focus of the second half of this thesis is on a case study of a South African local development initiative. Kumar (1999; 99) wrote, 'the case study is an approach to studying a social phenomenon.' Simon (1969; 276) continues this assertion by writing that it is a particular social phenomenon from which a researcher 'wants to obtain a

wealth of detail.’ This thesis uses a LDI originally instigated by the RDP and now known as the Noordhoek Valley Training Centre as a case study, which has served as an anchor and a catalyst to drive and lead local development and job creation in this locality within Cape Town. In many ways, the activities that are going on in the Noordhoek Valley reflect the pre-conditions for fruitful development discussed by theorists and, as such, are ideally suited examples that put a face to many of the theories discussed in this thesis. In actual fact, not only was the training centre selected because it is an excellent reflection of some of the principles contained in the readings relating to local development, but in wanting to explain some of the events happening at the NVTC, the centre itself, influenced the choice of literature that was actively sought, perused and digested.

#### **2.4.1. Research Questions for the Case Study**

The questions that are asked in the chapters discussing the training centre are much the same as those asked in the theoretical chapters. The first question that was asked is; *Why is there a need for local development in the Noordhoek Valley?* The next question is; *What forms of local development have been undertaken?* Additionally, questions that can arise include; *Does the NVTC have the prerequisites that have been determined necessary to potentially succeed?* If yes, *What are these prerequisites?* If no, *Why not?* In the case of the NVTC, *potential* is the operative word because many of the activities are in their initial stages and have not yet fully developed. Finally, can the NVTC’s experiences shed new light on the concept and application of local development more broadly?

#### **2.5. Method**

The methods used in the analysis of the Noordhoek Valley Training Centre are consistent with traditional guidelines used by researchers in case studies as outlined by Cosley & Lury (1987) who are quoted in Blaxter *et al.* (1996; 66). Their listing is exemplified in the following quote,

*‘The case study uses a mixture of methods: personal observation, ... the use of informants for current and historical data; straightforward interviewing; and the tracing and study of relevant documents and records from local and central governments.’*

The primary research conducted at the NVTC into local development was undertaken in the latter half of 2001, with further updates were pursued in mid-2002 and early 2003. In addition to Blaxter *et al.*'s and Cosley & Lury above-quoted list of methods, supplementary research was carried out through the use of questionnaires that will be outlined below.

### **2.5.1. Use of Key Informants and Participatory Research**

In order to gain a basic understanding of how the Noordhoek Valley Training Centre facilitates and reflects a contextual analysis of writing related to contemporary local development it became necessary to first communicate with strategic personnel and second pay a personal visit to the site. Through telephone calls and email communications a date was set in mid-September 2001 for research to begin in the Noordhoek Valley. At an informal introductory meeting at her home, the director of the NVTC recounted the history of the training institution. On the director's recommendation, the daily operations of the NVTC were explained during the course of a later site visit around its facilities where different staff members pointed out the utility of some of the campus's infrastructural resources and described why certain classes were offered. Again, emphasis was on informality that enabled the individuals to speak freely. It was believed that further precise details could be ascertained later through a more structured interview processes. On a different occasion, during a transect walk through the township of Masiphumelele, en route to such an interview another similar occasion arose. Two women who are active at the NVTC, but on this particular occasion were providing an escort into the township, spoke openly and offered a history of their community, discussed the reality of the need for local development, and talked of their experiences with the NVTC.

This particular form of participatory research where people volunteered information about the training centre or about his or her community is comparable to transect walks as described by Motteux *et al.* (1999). Transect walks were useful in gaining the confidence of individuals so that they become more comfortable with researchers and gave a more accurate rendition of the activities occurring in their environment, particularly concerning local development, during a site visit or tour.

### **2.5.2. Personal Observation**

In combination with these transect walks, additional first-hand information was gathered by means of personal observation. A differentiation is made between participatory and non-participatory and direct and indirect styles of observation by Kumar (1999) and Sjoberg & Nett (1968). The observations which were conducted were generally spent observing the social interaction and group dynamic of different clusters of individuals, including the relationship between members of a council session meeting, the bond between staff and students, and the interaction between students themselves.

### **2.5.3. Interviews**

The NVTC's director, Mrs. Jacky Weaver, made available a list of individuals who she believed would be of importance to the direction of this thesis during the first visit. Included amongst these people were representatives of all the local development stakeholders from within the area, all of who also sit on the training centre's campus council. The list comprised of national and municipal governmental officials, the chair of the local chamber of commerce, community spokespeople, members of staff, and heads of non-governmental organisations (NGOs). As it was believed, that in all likelihood, these individuals would be the most appropriate people to speak to, interviews were then conducted with them over the two-week period. In addition, during the course of subsequent interviews, the interviewees would often suggest other people who were not on the original list but who would also be of benefit to consult. Attempts were made to meet and question as many of them as well. In the end, formal interviews were conducted with eight local stakeholders directly involved with the NVTC, six NVTC support or administrative staff members, four class trainers, and many residents from the local communities active at the NVTC, and finally the local municipal councillor in whose ward the NVTC is located. The list of formal interviewees is located in the personal communications section of the reference list of this thesis. Another further ten informal conversations with various staff or students elicited supplementary information concerning the training centre.

This type of sample selection of choosing whom to speak with, as outlined above, is that of accidental or what is sometimes known as convenience or purposive sampling. According to research methodological norms, convenience sampling is choosing those

key informants who are most suitable at a given time, who are most readily available, and/or willing to answer questions posed to them (Kumar, 1999; Allison *et al.*, 1996; Blaxter, *et al.*, 1996; Selltiz *et al.*, 1959). Fortunately the majority of individuals on the original list were contactable and willing to participate in the interviews. A list of key stakeholders and council members at the training centre provided a point from which to start interviewing people, beginning with those recommended by the director. During the course of interviews, interviewees would often recommend additional people who they believed would be beneficial to the research and who were contacted and interviewed as well.

Prior to arrival at the NVTC, a general series of questions was drawn-up with the aims and objectives of the thesis in mind that would have to be answered sometime during the period that was put aside for primary research. These questions, which are listed in Appendix 1, were formulated differently for different people. For the director of the NVTC and for most of the campus council the questions reflected the research questions used for the review of literature chapters including; *Why is there a need for local development?* and *What have been the local responses?* Staff members were questioned about the perceived importance of the trade they taught and some students and community members were asked questions relating to their personal experiences at the training centre.

As the transect walks and observation revealed a basic understanding of the workings of the NVTC, it was decided that semi-structured interviews would be the most appropriate method of gaining a deeper awareness of details and filling in various gaps in the research, because as Kumar (1999) has elucidated, relatively unstructured interviews are best for situations where the researcher needs to find out more about a given topic area. The prepared questions, most of which were open-ended, were used to stimulate initial conversation after which point, during the course of the interview itself, many others were indirectly answered. In addition, new issues emerged from conversations that were valuable to this thesis.

The interviews ranged in length from half an hour to a full hour depending on the person. Those who have been involved at the NVTC since the beginning spoke longer of their experiences, where other, busier stakeholders with time constraints offered

more brief renditions of their involvement. All of the people were willing participants in the study and were not discouraged by the presence of the tape recorder used to document the interviews.

#### **2.5.4. Documentary Analysis**

Many of the people interviewed possessed documentation that supported much of what they were saying. Policy documents obtained from the office of the local municipality's director of economic development provided evidence that the municipality shared many of the same development ideas of the Noordhoek Valley Training Centre and supported its decisions. Files, reports, and statistics obtained from the NVTC provided not only auxiliary background information, but also contained valuable information on the development initiatives and the challenges faced by the training centre itself.

#### **2.5.5. Questionnaires**

The use of questionnaires is a less expensive and less time-consuming alternative to interviewing numerous people (Kumar, 1999; Selltiz, 1959). As Blaxter *et al.* (1996; 159) also suggest, questionnaires 'formulate precise written questions, for those whose opinions or experience you are interested in,' they were used as a research method for this thesis to obtain the points of view of students enrolled at the training centre. They were used not as key informants, but as a large sample from which to gather a wide range in opinions from as many participants of the NVTC as possible. Again most of the questions were designed in light of this thesis's aims and objectives.

Sampling for these questionnaires was however more of a matter of total sampling as opposed to convenience sampling as every student present at the NVTC was given a copy to complete on a particular day. Opening questions relating to general demographics, such as age and last level of education completed, and which course they were enrolled in, were of a close-ended type. The majority of questions however, were open-ended so that, as Kumar (1999; 118) explains, respondents had the opportunity to express themselves freely. Such questions included *Why is job placement important? Why is learning business skills important, and Why do you want to run your own business?*

Approximately forty questionnaires, a copy of which can be found in Appendix 2, were distributed to the students. The questionnaire used for the students enrolled in home management consisted of fifteen questions and was distributed during a class, at which point the students willingly filled in the answers. The researcher remained in the classroom for the fifteen minutes it took for students to complete the questionnaires, answering any further questions the students may have had in filling in the questionnaire. A second seventeen-question questionnaire, containing different questions relating to a separate training process, was distributed to the remaining student who were given the option to complete them when they got a chance later that day or to return them the next morning, which students all did.

The contribution these qualitative questionnaires made to the final thesis was to provide a further understanding from the participants in the case study of key features and foci of the NVTC and to support core arguments derived from the analysis. As Allison *et al.* (1996; 70) has elaborated, this method is used primarily to gain examples of respondents' opinions, attitudes, and views regarding, in this case, the students' participation at the Noordhoek Valley Training Centre. Individual responses from students to the questionnaires are included in the thesis to illustrate theories or arguments that arise in chapters pertaining to the training centre.

## **2.6. Conclusion**

In conclusion, Blaxter *et al.* (1996; 66) suggested that, 'the case study is, in many ways, ideally suited to the needs and resources of the small-scale researcher.' While this researcher would hesitate to call the investigation conducted at the Noordhoek Valley Training Centre *small-scale*, it was undeniably ideally suited to providing an excellent example of the concepts outlined in the literature review.

## **CHAPTER THREE - LOCAL DEVELOPMENT IN DEVELOPED VS. DEVELOPING COUNTRIES**

### **3.1. Introduction**

This chapter provides an international context for local development that is being pursued in South Africa. Some critics argue that South Africa possesses many qualities and characteristics that make it, at the same, a First World or developed country as well as being very much a Third World or a developing country (Beck, 1990). Little has changed since Beck (1990) made this assertion, and a dual economy is still highly visible and recognisable (M & G, 2003; Tomlinson, 2003). Some sectors of the economy are comprised of highly skilled professionals employed in the expanding tertiary sector, whereas more and more of South Africa's economically active population are forced to find work in an equally yet more rapidly expanding informal economy (RSA, 2003; StatsSA, electronic resource, 2003; Rogerson, 2002). Each of these two conflicting economies has adopted its own style of local development, therefore it has become necessary to look more closely into the variety of approaches that localities in both developed and developing countries are adopting with respect to local socio-economic issues in order to better understand from where South African policy makers and local development practitioners alike are gaining their inspiration.

It became exceedingly clear however that there is no magic solution to local problems, or a sure-fire way of ensuring a locality's future economic revival. Each country, each region, each locality has its own need for and sponsors its own version of local development, each meeting with varying degrees of success depending on the nature of its objectives and goals, the amount and quality of resources available, the participation of local stakeholders, and the innovation and ingenuity through which it has attempted to overcome local obstacles. And, as such, it should go without saying that what is meant by local development is theorised, perceived, and tackled differently in developed countries than it is in developing ones.

In many ways, this chapter argues that it is not necessarily what is actually attempted in terms of a specific or concrete project that will ultimately influence local growth, but it is the manner by which it is pursued, coupled with more intangible and abstract

components including concepts such as participation, co-operation, partnership formation, skills, and social capital that have positive impacts on a development initiative.

One of the arguments this chapter wishes to put forward is that the main differences between local development in developed and in developing countries is one of macro-economic and business development vs. basic needs provision and poverty-alleviation, two seemingly conflicting goals with which South African localities have contemporarily been struggling (Cheru, 2001; Gibson, 2001, Saul, 2001). The terms 'Local Economic Development' or 'LED' will be used in this thesis to denote local development in developed countries due to its usual pre-occupation with macro-economic matters, whereas 'Local Self-Reliance' or 'LSR' is used for developing countries because it is within these countries that local people themselves have to be particularly self-reliant to satisfy more basic needs (Stock, 1995; Stöhr 1981). Without dwelling on the specific differences between LED and LSR, what is more important however, despite these definitional differences, are the lessons learned from both the developed and developing world. Again, whether it is LED or LSR, the type of development project that is undertaken does not necessarily influence the outcomes of local development as much as the non-physical components of stakeholder co-operation and community participation (Grootaert, 1998; Knack & Keefer, 1997).

This chapter will therefore switch interchangeably from local development in the developed to developing worlds, outlining in greater detail why there is a need for development in the first place, the strategies used by both worlds, the main stakeholders involved, the mentality, and the ways in which local development is pursued that help identify lessons that are shaping local development in South Africa. Although this chapter does go into detail on the differences between LED and LSR, in terms of different strategies, what is of significance is the manner in which both types of local development are pursued and how more intangible inputs such as social capital, partnerships, and innovation play a crucial role in local development.

LED emphasises the need to work within a national macro-economic framework that encourages the emergence of new business enterprises by eliminating many of the obstacles preventing entrepreneurial development and by providing a positive

enabling environment. In developed countries this would include the creation of local development agencies that, in turn, help promote partnerships amongst local stakeholders. These have proven successful in implementing development schemes concerned with infrastructural and human resources development, the provision of financial incentives, the establishment of business advice centres, and building up the quality of local social capital within a given locality (Foley & Martin, 2000; Roberts & Lloyd, 2000; Tomaney & Ward, 2000).

LSR represents the choice of local development most often undertaken by people of developing countries who do not necessarily have the benefit of development agencies or national support, and therefore, as the expression local self-reliance suggests, must rely on the own resources to make ends meet. In this respect, LSR is not a development movement *per se*; rather it is a way of life. In many ways, it is loosely synonymous with what others refer to as coping or survivalist strategies. LSR will also be used in the following chapters to describe the local development strategies used by South Africa' poorest and most economically marginalized localities.

Like LED, LSR also emphasises the entrepreneurial nature of a locality and requires the actual people needing assistance to be involved in the process of achieving local development. Development initiatives, however, may be much more basic in nature and do not reach the same scale in the extent to which economic growth is achieved or the number of jobs created. LSR is therefore oriented more so at affording stakeholders a basic income allowing them to satisfy their own and their households' basic needs rather than achieving the development of a locality. In terms of community-driven self-reliant strategies, once again partnerships and a strong, all-encompassing social capital are keys to their success.

### **3.2. Why is there a need for Local Development?**

These following sections summarize some of the explanations why there is a current need for local development in both developed and developing countries. One of the primary reasons is a continuously shifting international division of labour combined with a global reorganisation of industry, structural adjustment, the debt crisis and marginalization that have left some previously industrialised localities battling to

survive economically and non-industrialised localities battling to simply survive (Camagni, 2002; Boone & Batsell, 2001; Hanson & Hentz, 2001).

### 3.2.1. Developed Countries

Despite the fact that many localities around the world have experienced accelerated economic growth in the past decades, many developed countries, who are member states of Organisation for Economic Co-operation and Development (OECD), experienced heightened post-war economic slumps from the late 1970s to mid 1980s, and beyond when global economic competition began to wreak havoc amongst their local economies which, in some cases, cumulatively brought about higher rates of national unemployment and stagnating or decreasing rates of Gross Domestic Product (GDP) growth (Pierson, 2001; Bradshaw, 1999; Jackson *et al.*, 1999; Rowthorn *et al.*, 1997). Improved technologies, ease of communication, speed of transportation, and access to cheap labour elsewhere means that companies are being presented with inexpensive opportunities to move production overseas to cheaper locations within new, emerging markets, while at the same time remaining in direct contact with traditional established markets. This results in an undermining of *de facto* national economic sovereignty in traditional host nations and localised job loss and de-industrialisation (Zhu, 2002; Pierson, 2001; Chari *et al.*, 1998; Thompson & Smith, 1998).

Initial evidence of growing locality-specific recessions was increasingly visible in the developed world where an apparent *underclass* began to emerge in the late 1970s and early 1980s (Immergluck; 1998; Wilson, 1996 Gough & Eisenschitz, 1996; Hughes, 1989). The rise in unemployment and the ensuing erosion of social capital and urban decay in metropolitan areas of the North-Eastern United States resulted in what would eventually be called the 'ghetto-isation' of such cities as Cleveland, Detroit, and Philadelphia, as well as many of their European and English counterparts (Rowthorn *et al.*, 1997; Putnam, 1993). The decline in the economic prosperity of many small American towns has been more drastic according to Robertson (1999) who acknowledges that small-town main streets have lost much of the sense of community as well as the social and economic significance they may have once possessed. Industrial closures, a shrinking formal sector economy, and manufacturing job losses

gave way to an expanding, so called 'rust belt,' decreasing the local economic viability of many localities (Thomas, 2000; Jackson et al., 1999; Kahn, 1999).

Their initial inability to immediately respond to these transformations led many OECD nations to experience serious setbacks to their national economies including the demise of traditional major employers, capital flight, urban decay, and finally, for some countries, rising rates of unemployment (Gough & Eisenschitz, 1996; Wilson, 1996; Lever, 1992; Hughes, 1989). The effect these trends had on the nations' localities hit hard by de-industrialisation effectively drained local coffers and strained local resources. The challenge for national development instigated by local economic crises signified a distinct shift in developmental responsibilities where a new development paradigm began to emerge one which would require local stakeholders to first identify and second spearhead functionally different methods of perceiving and achieving local economic development and growth (Immergluck, 1998; Nel, 1994 [a]; Hughes, 1989).

To keep abreast of and remain competitively aggressive in the face of changing international economic standards developed countries are now accepting that post-war expansionism is over. Economically conservative political parties elected in Europe and North America from 1979 onward, led by Thatcher and Reagan, identified the resurgence of liberal economic theories and strategies as appropriate solutions to national economic recessions and began applying macro-economic policies to correct economic imbalances and boost their GDPs (Nel, 2001; Foley & Martin, 2000; Haughton, 1998; Gough & Eisenschitz, 1996). The ensuing neo-liberal policies entailed the withdrawing of governments' from previous interventionist positions including curtailing major welfare programmes and a reduced emphasis on Keynesian interferences to 'artificially' correct economic imbalances. Governments therefore began overseeing top-down domestic policies promoting privatisation, deregulation, and trade liberalisation, along with various strategies to weaken the strength of trade-union movements (Rowthorn *et al.*, 1997). Wilson (1996) further explains that the diminishing position of the state in the national economy thus left it to the whims of a newly enhanced, internationally promoted *laissez-faire* economic system. The goal of these new policy changes reflected governments' desire to appear as fiscally

responsible as possible to potential investors in the face of stiff international competition (Thompson & Smith, 1998; Rowthorn *et al.*, 1997).

Despite rigorous attempts at 'smoke-stack chasing' to lure in foreign multi-nationals, national governments proved time and again that they were increasingly unsuccessful at encouraging new large-scale employment ventures. Furthermore, while attempting to cater for the interests of international business, the policies assumed by central government often had profound and detrimental effects on individual localities within countries, especially those already confronting industrial closures (Gough & Eisenschitz, 1996). These economic upsets faced by developed countries' localities has implied that they are now searching for alternative sources of local development.

### **3.2.2. Developing Countries**

On the other side of the development spectrum, the developing world has, from time immemorial, been plagued with economic problems. In the past decades, there has been a combined push, by OECD member states and Northern financial institutions, to open up trade with and drive forward economic growth within many developing countries by means of modelling the countries' national economies on the same neo-liberal frameworks as favoured by their developed counterparts (Chari *et al.*, 1998; Pugh, 1995). The consequences of Structural Adjustment Programmes (SAP) implemented to provide for economic solutions have often simply aggravated these problems, causing mounting debt, balance of trade irregularities, declining terms of trade and enhancing local social problems such as poor health, education, and food insecurity as well as contributing to growing regional inequalities (Boone & Bastell, 2001; Pierson, 2001; Rowthorn *et al.*, 1997; Tsie, 1996; Stock, 1995; Gooneratne & Mbilinyi, 1992).

On more occasions than not, the SAPs recommended by the International Monetary Fund (IMF) and the World Bank did not yield the economic development that was predicted or intended. Some countries that adopted such strategic policies to attract foreign investment were partially successful in creating comparatively more job opportunities, but for the majority of SAP recipients, these strategies had extremely detrimental effects on individual localities. If one looks at the results they have on the least well-off sectors of society, the literature suggests that the style of development

most favoured by westernised countries has resulted in little more than unevenly spread, random outcomes with limited effects (Binns & Nel, 1999; Dewar, 1998, Collins, 1997; Adedeji, 1996; Lee, 1981).

The following quote by Rogerson (1995; vi) demonstrates the challenge that developing countries have in promoting local development.

*'For most of the developing world, including much of Africa, the march of globalisation and the processes of economic restructuring have been accompanied by stagnation.'*

As can be deduced from this quote, there is very real need for a style of local development that avoids the negative repercussions of global competitiveness and seeks to accommodate the specific particularities of each locality. This is something that will be discussed in upcoming sections.

### **3.3. Responses to Local Economic Crises**

The crises that rocked the localities of the developed and the developing world have led local stakeholders to look for unique solutions to their own problems by focusing on local skills and resources, and more importantly, local ingenuity. As such there have been many different strategies and plans of action undertaken by the many localities experiencing economic hardships. The following sections of this chapter will consider some of the general themes and trends present in local development under both scenarios paying special attention to the attitudes and the mentality required to achieve positive local development.

#### **3.3.1. Developed Countries: Local Economic Development**

The move of industry away from city-centres or to localities overseas coincided with an end to the previous Fordist era of mass production, accumulation, and employment and was summarily, to a large degree, replaced by new lean, efficient, and decentralised modes of production emphasising streamlined and flexible workforces (Nel & Humphreys, 1999; Immergluck, 1998; Gough & Eisenschitz, 1996; Wilson 1996; Weaver, 1981). The extent to which localities have been able to respond to these challenges represents the true test for local development in developed states. Many have begun experimenting with local economic development as a means of

encouraging endogenous business development and entrepreneurialism to restore some measure of economic growth.

Despite operating within the parameters of a national policy extolling the virtues of global competition and reduced economic intervention, local and regional levels of government have pursued the entirely contradictory approach of local development which relies almost entirely on interventionist tactics. LED recognises the importance of competition, but equally important in implementing a development initiative, other than ensuring an appropriate macro-economic framework, is the simultaneous, parallel provision of solutions for core social problems plaguing economically depressed localities (Roberts & Lloyd, 2000; Gough & Eisenschitz, 1996). LED acknowledges that local growth and jobs would not be created from wage restraint and capital mobility alone in the hope that foreign companies would arrive and set-up shop in a particular locality and thereby save it, but rather by addressing the skills needs of existing industry, encouraging the emergence of new, home-grown enterprises and community business opportunities, and by catering for participatory modes of local innovation (Foley & Martin, 2000; Immergluck, 1998; Clement, 1991). Essentially what LED attempts to build is a new locality-based, macro-economy based on improved social capital (Tomaney & Ward, 2000; Foley & Martin, 2000).

The Economic Council of Canada (ECC) (ECC, 1990; 3 quoted in Tremblay, 1996; 216) released a statement concerning how it views local development in Canada. Specifically highlighting the process and role of local people in local development the ECC stated, 'Community economic development is the improvement of job prospects, income and other aspects of the economy, not only for the people, but by the people.' Similar points of view to the ECC surrounding the need for localities to take the initiative in encouraging their own people to become pro-active in local development are also visible in other sources including Blakely who wrote; 'locally based economic development and employment generation is more likely to be successful if initiated at the community/local level rather than elsewhere' (Blakely, 1994; 37). This understanding became particularly strong in Germany where Benfer (1996; 39) noted in the following passage that economics should not always take centre stage in local development. Specifically he asserted,

*'In order to understand fully the significance of the goal of fostering community well-being, it is necessary to point out that this goal is understood in terms that go beyond a predominantly economic definition to include a concern for the social well-being of local communities. Economic development efforts that only aim at providing business assistance would result in the loss of legitimacy.'*

A key element in securing the success of local development has been identified by Putnam (1993, 1995) as being social capital. Indeed, many authors including Grootaert (1998) express the concern that social capital, may in fact be, the 'missing link' in sustainable development (Woolcock, 1998; Knack & Keefer, 1997). Strong social capital is the product of bringing together the people and individuals that Benfer (1996), Blakely (1994), and the ECC (1990) refer to as necessary leaders in local development with local municipal authorities, the voluntary sector, non-governmental organisations, local business concerns, and labour movements. The nature of this relationship is defined by Fourie and Burger (2001; 149) as 'an arrangement where both the public and the private sectors share a commitment to pursue common goals that are determined jointly by the two sectors.' Local government can actually play a prominent role in encouraging the growth of partnerships amongst local stakeholders to ensure that the appropriate resources needed to revive a local economy through entrepreneurial growth is channelled in the right directions (Shucksmith, 2000; McQuaid, 1999; Flora & Sharp, 1997; Putnam, 1995, 1993).

Since the 1980s, across Europe and North America and other western countries, the emergence of private-public partnerships (PPP), and cross-sectoral linkages of local stakeholders, are increasingly used in LED and are now seen as the predominant way of carrying out different forms of local development (Fourie & Burger, 2001; Roberts & Lloyd, 2000; Webb & Collis, 2000; Lee, 1999; Ettlinger, 1994; Bennett & Krebs, 1993). Lee (1999) and McQuaid (1999) expressed enthusiasm concerning different PPPs by writing how they became the policy of choice for the majority of European countries. PPPs have become more than just another development catchphrase; it is now one that the OECD has integrated into its economic policy directorate (Syrett, 1995).

In developed economies, the types of partnerships that have emerged reflect the importance placed on private enterprise and business growth because, as McQuaid (1999; 12) has explained, they are 'an effective way of overcoming market imperfections.' Therefore, many of the PPPs are now oriented at encouraging the growth of private or community-driven small and medium enterprises (SMEs). It is intended that by promoting independent entrepreneurs who are capable of understanding and undertaking the challenge for innovation and competition, that this will be able to revive economic growth in localities by increasing access to further job opportunities.

Many PPPs are embodied in the form of development agencies that are the vehicles through which these partnerships drive local economic development. These development agencies are primarily charged with encouraging business opportunities and employment creation schemes, but again, there are also strong pushes for them to remove many of the non-economic pressures linked to local economic decline. PPPs may initiate development initiatives that highlight the importance of and promote increased access to appropriate skills training, affordable housing, health care, and environmental management (Gough & Eisenschitz, 1996). The combination of such activities was taken forward in America under the Clinton administration by the Community Development Corporations (Wilson, 1996). Similarly in Canada, Tremblay (1996) argued the Community Economic Development Corporation (CEDC) located in Montréal played a similar role of rejuvenating the local economies, by fostering economic growth. In Europe, regional development agencies such as the Dutch Regional Development Movements (ROMs) and English Regional Development Agencies (RDAs) and Regional Innovation Strategies (RISs) are umbrella bodies that perform facilitating and advisory functions as well as serving as a funding conduit for localities engaging in locality-specific development (Thomas, 2000; Webb & Collis, 2000; Lynch, 1999; Clement, 1991).

Lynch (1999) has identified five critical focus areas for English RDAs modelled after successful Scottish and Welsh development agencies, which have managed to stimulate and promote local development in many of the localities in their respective areas (Lever, 1992). The five focus areas include economic development and regeneration; the promotion of business efficiency, investment, and competitiveness;

the promotion of employment; enhancement of regional employment skills development; and contribution to sustainable development.

To achieve these goals, development agencies have divided the type of local development they support into three different types of activities. Table 3.1 includes some of the main incentives used, including resource and infrastructure development, financial incentives, and enabling schemes. These three foci are discussed below. Even though agencies may provide these services, it should not be implied that all development initiatives are then successful. Grootaert (1998) is emphatic that economic growth will only be achieved if such interventions are accompanied by conceptualisation and encouragement of local co-operation, participation, and stakeholder interaction, which together feed a growing social capital.

**Table 3.1 Types of Local Development Intervention**

<b>Resource Development</b>	<b>Financial Incentives</b>	<b>Enabling Schemes</b>
Urban renewal projects	Tax holidays/ reductions	SMME assistance
New technology	Development banking	Regional business structures
Land grants	Financial guarantees	Start-up advice
Premise allocation	Loans	Research and Development
Communication facilities	Grants	Access to information
Transportation facilities	Financial guidance	Advertising and promotion
Higher education	Investment facilitation	Business directories
Human resource development	Inward investment	Promotion of business and innovation cultures
Public health		
Employee training		

Sources: Roberts & Lloyd, 2000; Thomas, 2000; Immergluck, 1998; Wong, 1998; Gough & Eisenschitz, 1996; Rogerson, 1995; Bennett & Krebs, 1993; Stöhr, 1981.

### **3.3.1.1. Physical and Human Resource Development**

Programmes of infrastructural development can be as simple as sprucing-up neglected main streets with a coat of paint or more comprehensive projects such as constructing housing units, schools, clinics, and advanced transportation systems such as roads, airports, and / or harbours. Evidence from Table 3.1 indicates other resources that have been developed to promote local development include the provision or updating

of communications and transportation. Other more widely used forms of development aid in the North include providing economically struggling areas with modern technologies and actual buildings to be used as factories or shops (Roberts & Lloyd, 2000; Thomas, 2000).

The development of human resources has become just as important, if not more so than physical improvements in applied local economic development. Theodore & Carlson (1999) have identified that there has long been a shortage of marketable skills in localities, which is one of the main reasons why companies may be choosing to leave the area in the first place, precipitating increased economic hardships. Other authors explain that due to an absence, in the past, of a close working relationship between colleges and local businesses, educational institutions are not training local residents in fields of expertise needed most by existing and potential industries, despite the fact that numerous companies acknowledge that their people are their most important assets (Firer, 2002; Brooks, 1996). Some localities are beginning to wake up to this situation and partnerships are starting to be formed between the career services departments of academic institutions and businesses themselves to ensure that graduates are being equipped with the skills needed to find employment (Theodore & Carlson, 1999; Harrington & McDonagh, 1997; White, 1995). Local development can be enhanced in localities that have pursued such a mutually beneficial relationship as businesses are less likely to relocate operations given a ready supply of appropriately trained local residents, and more graduates are likely to find employment given they have what it is that local employers are looking for. In addition, the linkages between educators and industry help foster social capital that may have positive spin-offs in the community in the form of other locality-based development initiatives (Wong, 1998; Eisen, 1997; Gough & Eisenschitz, 1996).

#### **3.3.1.2. Financial Incentives**

Table 3.1 shows that financial incentives can come in a variety of forms including the granting of tax holidays, providing favourable interest rates, and promoting community banking schemes for prospective companies and expanding industries (Roberts & Lloyd, 2000; Thomas, 2000; Immergluck, 1998; Gough & Eisenschitz, 1996; Bennett & Krebs, 1993).

### **3.3.1.3. Enabling Schemes**

Blakely (1994) argues that the object of local economic development is not to alter people or places, but to enhance them. In other words communities must take what is available to them and attempt to develop accordingly. That is why capacity building and promoting cultures of innovation and social enterprise are essential to LED as it unlocks the potential of people and communities and plays a major part in strengthening social capital. Therefore, another field which development agencies promote are enabling schemes formulated to smooth over start-up difficulties, provide business advice, and more importantly, contribute to the development of social capital.

### **3.3.2. Developing Countries: Local Self-Reliance**

Documented literature suggests that the gap between the *haves* and the *have-nots* in developing countries has widened despite past efforts at structural adjustment (Binns & Nel, 1999; Lee 1999; Stöhr 1981). Hansen (1981; 24) goes so far as to state, 'it is difficult to imagine that disparities between them will be closed to any marked degree in the near future.' Furthermore past experience has shown that other than an unequal distribution of economic growth, development attempts often overlooked the potential contribution of women and minorities to the overall process of national and local economic rejuvenation. This is however indicative of perhaps a more pressing problem; the fact that individuals were rarely, if ever, included in past development projects retarding the development of valuable local social capital (Binns & Nel, 1999; Simon, 1999). Stock (1995; 360) likens the role (or lack thereof) of localities in conventional top-down development situation to that of the bystander, whose 'local needs and realities were seldom given due consideration.'

The volume of post-modern and post-development research now demonstrates that western policies makers are recognising that past methods of focusing nearly all development on structural macro-economic strategies have missed the point of development thinking altogether (Binns & Nel, 1999; Simon 1999, 1998; Pieterse, 1998; Stiglitz 1998). Binns & Nel (1999) have argued that development appears to have moved beyond an apparent 'impasse' towards a new, promising, locality or people-centred approach. Now that asking disadvantaged residents of the developing

world what they want is an accepted method of conducting regional development, Simon (1998; 220) has ascertained that,

*'Compelling evidence from around the globe [suggests] that the dominant aspirations of poor people and their governments remain concerned with meeting basic needs, enhancing their living standards.'*

Local Self-Reliance, LSR, is the form of local development that this thesis associates with development strategies in developing countries. Characterised as being bottom-up, endogenous, and people-centred, LSR focuses on the basic needs of localities but relies even more so on the actions undertaken by individuals themselves to satisfy their own needs (Pieterse, 1998; Simon, 1998, Stöhr, 1981). Stock (1995; 355), further elaborated on the concept of self-reliance when he wrote 'the philosophy of the movement is to make each [locality, community, individual] responsible for its own development, [and] to base development on what they know and want'.

In many ways, LSR is more specifically a community-driven version of local development than LED is, in that residents themselves, as opposed to community development corporations, are the primary actors. As with local economic development, LSR still expects people to become responsible for pursuing local development, but there is little of the infrastructure development, financial incentives or enabling advice to help them along the way even though this type of support is very much in need to foster any type of local development (Nel, 2001). Therefore, local stakeholders must rely more on the abstract elements of local development, including the benefits of social capital.

In this way, local development in developing countries is very much a hands-on methodology that also helps to negate many popular perceptions emanating from developed countries that implies much of the developing world depends primarily on handouts (Stock, 1995; Zaaier & Sara, 1993). Gooneratne and Mbilinyi (1992; 262), in their analysis of LSR, have arrived at similar conclusions and explained that one of the major lessons observed from local self-reliant activities is that their 'dynamic and divergent nature also tends to demonstrate the invalidity of the widely held belief that

rural African societies are traditional, backward-looking or opposed to social change and resistant to 'modern' development.'

In LSR, somebody who can aid in and speed up the process of local development is a local champion. The champion is a key feature of local self-reliance, because he or she is the person who can mobilise other residents into action, keep them motivated, make sure that they focus on appropriate areas, and are often singularly the most important individual who keeps the entire initiative together. In many ways, this person takes the place of the development agency as the enabling body that promotes a culture of innovation. This person is usually an accepted local leader and has some form of experience with development activities, grasps the realisation that something more than the status quo can be done to help improve the quality of life within his or her community, and knows how to more effectively use existing resources (Day, 2000; Lyons & Smuts, 1999; Nel, 1994 [a]; Bennett & Krebs, 1993). This of course is also one of the many weaknesses of any form of local development as the departure of the champion from the project or even a loss of enthusiasm on his or her part may spell the demise of the project altogether.

Rapid urbanisation has crowded the main cities of the developing world and has put enormous pressures on their economies. A weakening in their formal sectors' capacity to supply work to all newcomers has led to alarmingly high rates of unemployment (Zaaijer & Sara, 1993). A popular solution that many residents have chosen is to look outside the formal economy and start their own informal survivalist or micro-enterprises. People started generating their own income by selling basic items on the street, by offering simple services, or opening light manufacturing in their backyards. These neighbourhood-based economic activities are novel answers to unemployment problems because they allow people to directly control their own economic interests. There is an added incentive in being innovative in development attempts because, as Stock explained, 'they have to live with the consequences of whatever development takes place' (Stock, 1995; 358). The degree to which local development in developing countries will be successful depends on how knowledgeable the entrepreneur is of local needs and whether he or she is able to take advantage of whatever potential opportunities come his or her way.

To become truly successful however, entrepreneurs must be innovative, which in many cases requires them to pool resources and enter into partnership with other similarly oriented enterprises. In some cases, the recognition of the importance of solidarity will incite them to create networks between varying factions and seek to work co-operatively with local authorities in achieving local development. The overall success of LSR in developing countries can be augmented if there is a strong sense of identification by the residents with their community, which in turn aids in increasing levels of participation in development projects, as the desire to pursue community-based development activities grows. Other than achieving their development goals and aiding in the creation of a social capital, this has an empowering effect on participants as the realisation sets in that they are individuals capable of helping themselves and that they can contribute to the improvement of their communities (Stock, 1995; Zaaiker & Sara, 1993).

#### **3.4. Conclusions: Lessons for Local Development in South Africa**

This chapter has detailed the differences between the forms of local development most commonly associated with developed and developing countries. An examination of LED and LSR is essential to the direction of this thesis because many South African localities experiencing economic difficulties are facing similar constraints and, as a result, are following the same paths as both developed and developing countries in the hope of overcoming their problems.

In localities of the developed world that are experiencing de-industrialisation and rising incidences of job loss, local stakeholders including private businesses and municipal authorities are joining together to stimulate the local business environment. Quite often this is achieved through the establishment of development agencies that offer human and technical resource development, financial assistance or simply business advice to enhance the global competitiveness of the locality and provide employment opportunities for local residents (Foley & Martin, 2000; Roberts & Lloyd, 2000; Tomaney & Ward, 2000; Immergluck, 1998).

Within localities situated on the global economic fringe however, the people who are without work and are in need of socio-economic assistance are the ones who are usually most active in their own development. Authors such as Stock (1995), Zaaiker

& Sara (1993) and Stöhr (1981) have noted that people of developing countries are becoming increasingly self-reliant and successful in creating their own sources of income and satisfying individual or communal needs. While enterprise and business development form an integral part of local development in the Third World, they are limited in size and employment potential and they tend to fall outside of the formal economy.

Success in both instances however, does not necessarily pivot around what type of intervention is applied, as it does around the way that it is perceived, the attitudes by which it is approached, the degree to which it is a collective effort, and the resourcefulness of the stakeholders involved. Concepts of partnership and co-operation are now considered essential to local development and the emergence of social capital is now more than just the 'missing link,' it is perhaps that missing ingredient that determines the overall outcome of development interventions.

The different approaches to local development found around the world mirror the different styles visible in South Africa today, while internationally, the way that local development is perceived and then dealt with holds valuable lessons for South African policy makers and practitioners. The more industrially and economically advanced localities of South Africa possess many of the same economic characteristics found in developed states. As will be discussed in the following chapter, since coming out of economic isolation in 1994, the new government of South Africa has been attempting to re-integrate the country into the international economy by choosing to adopt many of the same neo-liberal strategies used by developed countries such as privatisation, trade deregulation, and reducing economic intervention (Marais, 1998). In the face of these changes, South Africa has experienced de-industrialisation, rising unemployment, and growing economic inequalities between localities. However, while within countries of the developed world, localities are beginning to establish development agencies and corporations that are busy promoting entrepreneurial business, making available financial incentives for inward investment, and otherwise providing an enabling environment in response, not all localities in South Africa have been able to respond with this form of local economic development. Nonetheless, LED does feature prominently in South African development discourse and practice including emphasis on innovation, entrepreneurship, and skills training albeit on a

more limited scale where the focus on business development is often limited to the informal sector (Rogerson & Rogerson, 1997).

In addition, despite following many of the same economic strategies used by developed nations, much of the actual local development that is occurring in South African localities has a lot in common with the local self-reliant strategies used by localities in developing countries. LSR thus forms a vital part of the South African local development experience. Despite the South African government's attempt to formulate economic policies designed to benefit all peoples, their inability to do so means that many people must rely on their own ingenuity to make ends meet. It is within the smallest and most overlooked communities that are sometimes found various local development initiatives that most clearly illustrate successful local development.

In conclusion, the following chapter refers to concepts of local development in South Africa, a country that is torn between being both a developed and a developing nation. This chapter has provided the background needed to understand South Africa's position of being a country in which different forms of local development, namely both LED and LSR are practiced. As will be made clear in Chapter Four there have been successes and failures in both, but the basic premise of development thinking remains the same; the ability to answer the challenge for innovation and enterprise. In the chapters outlining this thesis' case study, the idea of ingenuity is drawn out, as are the concepts of partnership, and social capital, which collectively have served to strengthen one local development project located in Cape Town's Noordhoek Valley.

## **CHAPTER FOUR - LOCAL DEVELOPMENT IN SOUTH AFRICA**

### **4.1. Introduction**

The previous chapter outlined two different models of local development in the First and Third World, highlighting the importance of innovation and social capital and set the scene for the two plausible versions of local development that are most visible in South Africa. In reality, many authors make reference to South Africa's dual economy that represents a blend of characteristics, policies, practices, and strategies that encourages both pro-poor and pro-growth development (M&G, 2003; RSA, 2003; Tomlinson, 2003). As was discussed in the introductory chapter, local development differs considerably from one region to the next. Nowhere is this perhaps more evident than in South Africa where the extreme regional inequalities in wealth require extensive experimentation with local development to find the right combination of strategies for job creation, economic relief, and poverty alleviation (RSA, 2003; Rogerson, 2002, Cheru, 2001; Gibson, 2001).

A problem compounding local development in South Africa is that it appears as though almost everybody questioned has a different definition of local development, and there are even, according to Tomlinson (2003), differences of opinion between government departments as to what local development should focus on. A meeting of local stakeholders in East London revealed that some consider local development to be a process whereby the local business environment should be strengthened through improved access to credit and tax incentives, while others claimed that it should focus on sustainable livelihoods and poverty alleviation (Hindson, 2003). The Department of Trade and Industry agrees with the first point of view and supports business and job creation. The Department of Provincial and Local Government however focuses on the idea of pro-poor development (Tomlinson, 2003).

Most of the South African development literature contains titles with 'Local Economic Development' as the generic expression for local development regardless of whether they discuss market-led or market-critical development (Binns & Nel, 2002; Nel, 2001; Rogerson, 2000 [b]). This thesis however, wishes to distinguish between the two and therefore regardless of the title, uses various authors' arguments to support this chapter's conclusions of both LED and LSR depending on the nature

of the intervention. Again, this chapter takes the position that LED is predominantly market-led whereas LSR is principally market critical.

Keeping in mind that the nation's metropolitan areas already have an industrial base, have greater access to resources, and are better equipped in terms of staff and expertise, local development initiatives implemented by them have more in common with the local economic development used in developed countries, with but a few examples of support for pro-poor development (Jenkins & Wilkinson, 2002). In contrast, localities on South Africa's economic fringe are more likely to use self-reliant or community-based strategies similar to those employed by localities facing economic difficulties in other developing countries (Nel & Hill, 1996).

#### **4.2. South Africa's Economic Problems**

The 1990s witnessed a period of profound change that has reshaped all sectors of South African society. The transformations that occurred in the political arena represented a victory for the previously politically oppressed Black population, but it did not negate the fact that there still existed numerous economic challenges for many areas of the country and for the nation as a whole (Nel, 2001). South Africans have had to contend with coming to terms with the inheritance of extreme regional economic imbalances resulting from past racially based government policies that now require contemporary government officials to find original ways of addressing the current economic problems. The severity of the situation is aggravated, as it has been in North American and European countries, by the effects of fierce international economic competition, which has had particularly profound consequences on local development (Naidu, 2001; Rogerson, 2000 [a]; Hayter, 1999; Koeble, 1999; Collins, 1997).

South Africa's economic isolation came to an end with the election of the ANC, when it once again entered the international economy where it was forced to deal with the pressing issue of global competition despite the government's initial plan of balancing reconstruction and redistribution with financial responsibility (Habib & Padayachee, 2000). One of the South Africa's first socio-economic strategies was the Reconstruction and Development Programme (RDP) (RSA, 1994 [a]). Stewart (1997; 3) argued that the RDP was designed to overcome the 'dire problems of poverty and

acute inequality,' but Marais (1998; 177) also noted that it was also a programme created to deal with social justice, reconciliation and the building of a 'New South Africa.' An information brochure issued by the ministry responsible for the RDP put the government's new stance on participatory development into perspective by stating 'society [must] take the leading role and responsibility for their own development in the process of reconstructing South Africa' (RSA, 1994 [b], 1) The RDP contained five programmes including meeting basic needs; developing our human resources; building the economy; democratising the state and society; and implementing the RDP (RSA, 1994 [a]).

The recommendations laid out in the RDP were aimed at changing almost every facet of South African society. The Office of the President recently (RSA, 2003) published *Towards a Ten Year Review* in which it stated that over a million homes were built and electricity, water, and telephone services were extended to millions more (Binns & Nel, 2002). What was not to be however, were the hundreds of thousands of jobs that it was predicted would be created through public works programmes (Marais, 1998). Although service delivery and job creation were supposed to have been enough to set South Africa well on its way to economic growth, the RDP was plagued by serious challenges in the two years before its ministry was closed in 1996. The biggest problem, other than the fact that the 3% growth rate at that time was not sufficient to tackle the problems of unemployment, (RSA [b], 1996). The failure of the RDP to produce the numbers of jobs required to put South Africa back on its feet, coupled with inefficient public expenditure, insufficient domestic saving, and increasing pressures from international bodies, were apparent signals to economic policy makers that they should reform the macro-economic framework of the national economy as a means of staving off further economic decline. Therefore, decreased spending on social welfare, improved fiscal restraint, and the co-option of labour became important elements of a new economic agenda (Adedeji, 1996; 125).

From 1996 onwards, the drive to re-insert South Africa into the international market system quickened and pressures from the World Trade Organisation (WTO) to ratify the General Agreement on Trade and Tariffs (GATT) meant that the national government embraced strategic macro-economic policies used by many developed, neo-liberal countries (Hayter, 1999). In a push to prove that South Africa was

internationally competitive, especially after the depreciation of the Rand on world currency exchanges in 1996 and in light of other developing countries experiencing economic crises, the government undertook many of the same structural changes that countries around the world were implementing to ward off further economic erosion (Sellars, 2000). For South Africa this meant abandoning many of the ANC's social and welfare commitments and concentrating more on the same minimalist agenda of good governance, macro-economic stability, and economic discipline that developed countries of the North have recently been following (Naidu, 2001; Hesse, 2000). The Growth, Employment and Redistribution (GEAR) strategy that has since effectively replaced the RDP is the current economic policy used by the national government to promote national economic growth (Rogerson, 2000 [a], 1997).

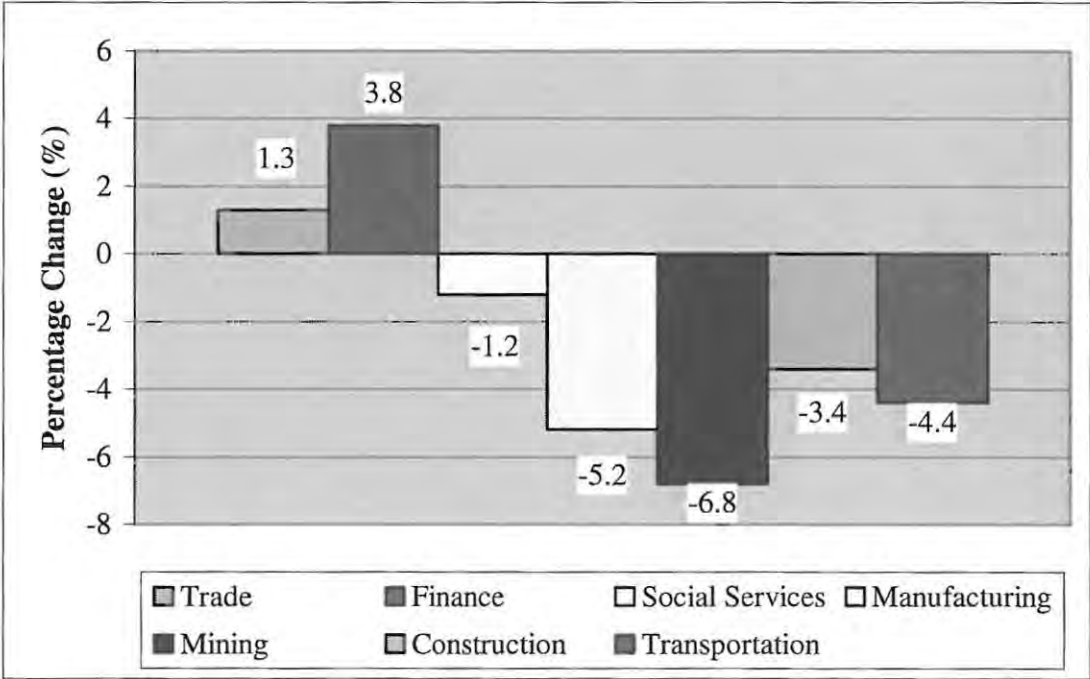
Amongst GEAR's objectives, was the creation a competitive fast-growing economy capable of supplying sufficient jobs for all work seekers (Loots, 1998; RSA, 1996). It was envisaged at its conception, that GEAR would be able to, by 2000, produce GDP growth of 6% per annum at which point 400 000 jobs would be created in that year alone (RSA, 1996). Most other economic strategies, including the White Papers on local government and small businesses, as well as other economic initiatives were formed with GEAR's macro-economic goals in mind (RSA, 1998 [a], 1995). However, these expectations were not to come to fruition and, to a large degree, the genesis of an economically prosperous nation still awaits.

What the adoption of GEAR has meant for South Africa's poorer localities is that they have been pushed to the back of the national government's priority list and now play second fiddle, so to speak, to a market-led economic strategy. The fact that GEAR has not lived up to expectations has further exacerbated local economic crises. As a result of the adoption of a neo-liberal framework and its subsequent failure to attract intended amounts of foreign investment and contribute to poverty alleviation and to wider economic transformation, two of the major problems facing South African localities are de-industrialisation and shrinking formal sector employment opportunities (Bhorat; 2000). Over the past decade an estimated one million jobs have been lost, one hundred thousand in the gold mining sector in the Free State's goldfields alone (Nel & Binns, 2001 [a]). Bhorat (2000) states that between 1975 and 1995 1.5 million jobs were lost, including 400 000 in manufacturing. Considerably



more have been lost since then, putting a more acute tailspin on localities experiencing heightened unemployment figures. The increases in the number of people employed in the business and service sectors particularly in trade, finance, and insurance have not been sufficient to cover the loss that Figure 4.1 points to in construction, mining, and manufacturing (Bhorat, 2000; Hesse, 2000; Sellars, 2000; Hayter, 1999). Many of the sectors hardest hit are highly geographically concentrated in particular localities that suffered severe blows to their local economies, essentially adding them to the already long list of long-term economically depressed areas. As such, these areas have a lot in common with the 'rust belts' of North America and Europe discussed in the previous chapter, which have experienced higher levels of unemployment and de-industrialisation than is the norm (Jackson *et al.*, 1999; Kahn, 1999).

**Figure 4.1 Sectoral Changes from 1994 to 1997**

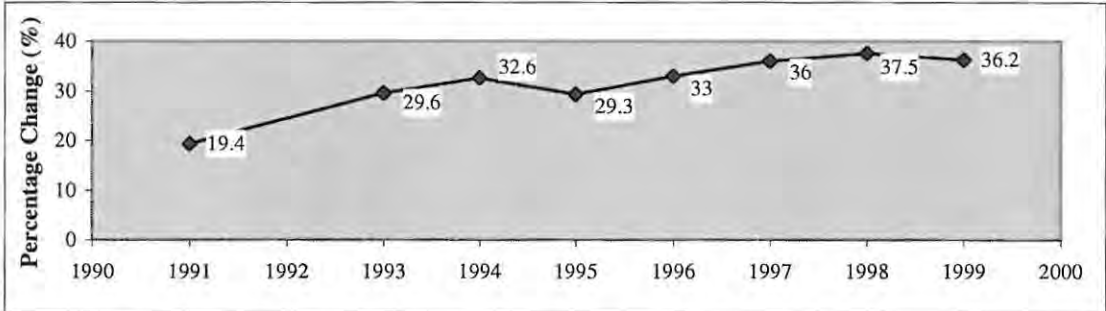


Source: Statistics South Africa, electronic resource, November 2001

Therefore, the biggest challenge facing South African localities today is their inability to cope with the alarmingly high levels of unemployment that are severely retarding both economic growth and poverty alleviation (Loots, 1998). 'Jobless growth' appears to be a catchphrase that many development economists are now associating with

South Africa. In certain wards within the former homelands and in some urban informal settlements, unemployment statistics demonstrate levels of unemployment rising as high as 65% and even levels into the 80-percentile range are not unheard of (Nel, 2001; Nel & Hill, 1996). It is important to remember however, that many employment-trend analysts, including both Borat (1999) and Loots, (1998) have expressed concern about the reliability of existing unemployment data. Figure 4.2 below lists South Africa’s official unemployment rates. This table indicates that over a third of South Africa’s population is unemployed, which means that local development becomes and even more pressing issue for local governments and local stakeholders alike.

**Figure 4.2 Expanded Unemployment Rates**



Source: Statistics South Africa, electronic resource, November 2001; October Household Survey, 1999 electronic resource, November 2001

Since the election of the ANC, a series of surveys have been taken to determine, in part, the employment trends in South Africa. The October Household Surveys (OHS) as they have become known, reveal some disturbing unemployment statistics. Using the new official definition of unemployment that includes those who are jobless but who are looking for work, the unemployment rate in 1999 was approximately 23.3% (OHS; 1999, electronic resource, November 2001, November 2001). However if, as Figure 4.2 demonstrates, the traditional expanded definition which not only includes the unemployment and those actively looking for work but even those who have given up looking for employment, then the level of unemployment increases to approximately to 36.2 % (StatsSA electronic resource, November 2001; OHS 1999 electronic resource, November 2001). Contemporary sources indicate that the general unemployment figure is as high as 40% (M&G, 2003).

### 4.3. Developmental Local Governance

Due to the legacies of Apartheid, persist poverty, and de-industrialisation in South Africa has had the similar effects as it had on economic depressed localities in developed countries. The urgency of the unemployment question in South Africa has forced the national government to experiment with different policies that now require localities to be pro-active in dealing with their economic and unemployment problems and provide solutions for them using existing local resources and expertise. In South Africa, the future of local development has been effectively handed over to local municipalities, which are now sanctioned to promote and encourage locality-based development within their boundaries (RSA, 1998 [a]).

The White Paper on Local Development (RSA, 1998 [a]) is the document that lays out the guidelines for South African municipalities to follow in their attempt to provide local development. Reddy (2000, no page specified), clarifies local governments' new developmental duties as collectively contributing to the rebuilding of or a reshaping of a 'New' South Africa. Specifically he wrote,

*'The restructuring of the local government training system has to be pursued within the wider context of challenges facing local government to transform it from its narrow service delivery orientated character to one that is developmentally orientated, participatory and responsive to the community. This has to take place within the context of stability and continuity in local government.'*

(Reddy, 2000; no page specified)

The Minister of Provincial Affairs and Constitutional Development, Mr. Mohammed Valli Moosa, expressed the view at the time of the White Paper's release that local governments had to become independent bodies in their own right, endowed with a specific directive to promote socio-economic development, and foster local democratic values (RSA, 1998 [a]). The Development Bank of Southern Africa, which launched a development report to coincide with the initiation of developmental local governance, explained that municipalities must continue the tradition set by localities within developed countries and pursue local development at the local level by encouraging public-private partnerships for the benefit of the community (DBSA,

2000; 29). Although referring in particular to the South African experience when he expounded on the need of localities to become active in their own development, the following statement by the minister accurately demonstrates theories pertaining to local development from around the world. Mr. Moosa wrote on behalf of the ANC,

*'Local government is the sphere of government that interacts closest with communities, is responsible for the services and infrastructure so essential to our people's well being, and is tasked with ensuring growth and development of communities in a manner that enhances community participation and accountability'* (RSA, 1998 [a]; no page specified).

#### **4.4. Local Responses to Developmental Local Governance**

As hinted at in the previous chapter, South Africa has the choice of two main forms of local development, one that highlights the importance of localities pursuing predominantly economic strategies aimed at collectively improving the national economy, and another that really focuses on uplifting the standards of living of the individual / community and where the locality has a specific responsibility to deal with issues such as service delivery and poverty alleviation. As the next section will demonstrate, developed country type LED is currently being pursued in the core of the country's more industrialised metropolitan centres, whereas later in the chapter it will be shown that more marginalized localities, both in urban and rural areas have resorted to local development strategies more consistent with LSR.

##### **4.4.1. Local Economic Development in South Africa**

Locality-specific development that is appearing in South Africa today that has most in common with developed countries' LED is taking place in the nation's largest cities. Since the national government's influence over local development has been purposefully reduced in recent years, owing largely to White Paper on Local Government, metropolitan areas are assuming greater control in spearheading urban redevelopment and local economic regeneration. This has come at a time when Maharaj and Ramballi (1998) have argued that global economic restructuring has led many localities, particularly cities, to adopt LED as a means of attracting international

investment that in turn would foster employment and enhance local economic growth by increasing the local tax base.

City re-imagining forms a major part of South African cities' attempts at local economic development. Rogerson (1996) and Maharaj & Ramballi (1998) explained that during the politically oppressive era of apartheid, many of their international images became tarnished and this, coupled with international sanctions, led the national economy to experience major economic setbacks. Today, in the face of a national move away from public spending towards a focus on accelerated macro-economic growth, there has been a considerable push on the part of cities towards re-fashioning their image. The autonomy gained by localities in South Africa has aided in the fostering of a growing number of coalitions in urban centres that are linking both public and private sector interests in undertaking local development initiatives (Jenkins & Wilkinson, 2002; Williams, 2000).

According to Harvey (referenced in Rogerson, 2000) amongst the strategies used by cities to improve their economic performances includes promoting the city as a centre of production, consumption, information processing, and for the reception of central government funding. In Cape Town, Johannesburg, and Durban both boosterist and regenerative strategies are being used to generate local development. According to Rogerson (1996), the image enhancement processes of places such as Johannesburg parallel the LED projects being used by localities in Europe and North America that are desperately attempting to encourage local entrepreneurial development as well as international investment. Most South African cities now direct attention to strategies that will enhance foreign direct investment by highlighting infrastructure investment, commercial development, or favourable public-private partnerships and emphasising the localities' competitive features such as its possible world city status, access to advanced communications, or availability of financial services (Jenkins & Wilkinson, 2002; Rogerson, 2002; Williams, 2000).

A combination of such LED incentives has also contributed to the regeneration of derelict central business or industrial districts. Rogerson (1996) again claims that re-imagining Johannesburg has brought about the identification of a 'top-ten' selection of inner city projects which have the potential to provide jobs, affordable housing, and

economic upliftment to the city's neglected civic spine. In addition, the redevelopment of Newtown in central Johannesburg has helped to reshape the inner city's negative image by creating a pedestrian-friendly environment for the promotion of local artistic and cultural activities. In Durban, local public and private interests are collaborating in local development and are bringing about major flagship redevelopment projects such as the Point Waterfront and the construction and further upgrading of the International Conference Centre. Besides the local economic spin-offs projected for the immediate vicinity and the proposed 6000-8000 jobs being created from these projects, it is estimated that they will generate approximately R120 million per year (Maharaj & Ramballi, 1998). Some of the most spectacular examples of local development and urban renewal are in Cape Town where partnerships are again being used to redirect the local economy. Municipal authorities and the business community of Cape Town have adopted a clearly market-led approach to local development using place marketing to attract international investment (Jenkins & Wilkinson, 2002; Pieterse, 2002; Nel, 2001 Rogerson, 2000, 1999). As part of promoting itself as a global city and as a centre of consumption, Cape Town is focusing on the hospitality industry through the construction and promotion of the new conference centre, international airport, and projects such as the Century City shopping complex and the V & A Waterfront (Marks & Bezzoli, 2001; Turok & Watson, 2001). Furthermore, there is an encouraging inner-city renewal project underway facilitated by joint private and public partnerships. The projection of a vibrant local economy has as its objective the attraction of additional foreign investment and to elicit the interest of international firms deciding where to set up shop.

#### **4.4.1.1. Local Economic Development and Entrepreneurship**

More specifically, LED in South Africa has as its chief objective, the establishment of job creating business enterprises. Therefore, since the demise of the apartheid state, there have been reports of a resurgence in the number of Small, Medium and Micro-Enterprises (SMMEs) operating in South Africa (Kesper 2001; Rogerson 2000 [a], 1997; Bisseker, 1999; Kaplinsky & Manning, 1998). The past decade has revealed that small, medium, and micro-enterprises can and do play a major function in addressing the issue of poverty alleviation (Boomgard et al., 1992). Similar to the approach found in developed countries, that favours the emergence of development

initiatives that reflect the neo-liberal reality of capitalist preferences, South African policy makers have also begun stressing the need for entrepreneurial endeavours (Binns & Nel, 2002). People of South Africa are being asked to and are required to become more innovative, creative, and aggressive in their search to improve their quality of life.

In order to support fledgling companies and ultimately local development the national government helped establish the Ntsika Enterprise Promotion Agency and Khula Enterprise Finance Limited to help South Africans set-up their own businesses. Although both have not performed optimally in recent years, their establishment demonstrates the government's seriousness in focusing on business development. Ntsika is a non-financial business-support organisation set-up by the DTI that is committed to a 'thriving and vibrant SMME sector' by encouraging the entrepreneurial spirit through targeted assistance of young people, women, and rural residents so that they may be brought into the folds of South Africa's mainstream economy (Ntsika, electronic resource, November 2001; Rogerson, 2000 [b]). Key support objectives include mentorship, technical and materials development, and programme design. Khula on the other hand is the financial arm of the government's small business promotion strategy that seeks to offer improved access to credit, banking facilities, guaranteed loans, interest rates, and provides grants to up and coming business people (Kesper, 2001; Khula, electronic resource, November 2001; Manjome, 2001, 2000; Rogerson & Rogerson, 1997).

The development of micro-enterprises are also vital to local growth for South African localities, but unlike those pursued through LED in developed countries, they generally would not employ as many as these new, flourishing business ventures (Cecora 2000). Rather, South African micro-enterprises are usually family run and have fewer than four individuals working in the business at any one time (Kesper 2001; Rogerson & Rogerson, 1997). What is similar to developed countries' concepts of LED is that they seek to establish new employment generating entrepreneurial activities. In South Africa these are normally the taxi-companies, spaza shops, shebeens, clothes and small-scale furniture manufacturers, and roadside automotive repairmen. As opposed to selling items such as fruit, there is a higher degree of skills acquisition, especially amongst the manual trades.

Small businesses face many challenges including stiff competition and a not always friendly business environment that requires SMMEs to plan meticulously and to act shrewdly, which ultimately are not necessarily guarantees for success. Unfortunately, accessing credit from formal financial institutions, high rental costs, stiff competition, inadequate infrastructures, and insufficient municipal support pose real challenges (Rogerson & Rogerson, 1997). In many cases it appears that the failure of many business ventures can be explained by the fact that most people do not have appropriate business skills. Rogerson (2000 [a], no page specified) explains,

*'Although South Africa and Gauteng have an abundance of entrepreneurs, the educational standards of existing entrepreneurs are often low, thus undermining their ability to adapt and compete. Moreover, as a result of the legacy of apartheid education, the majority of the population is, in general, neither socialised nor educated to become entrepreneurs but rather trained to enter the labour market as employees.'*

A second reason why there has been more and more micro entrepreneurial activity is the fact that many companies in the formal sector have recognised their potential value for sub-contracting. Companies burdened with increased calls for competitiveness and regulatory obligations have looked for more inexpensive and cost-saving short cuts. Micro-enterprises represent a partial solution through sub-contracting because they are both flexible and accommodating as the independent businessperson may often be desperate for contracts. Established firms are able to cut costs by evading labour regulations, purchasing goods at lower costs, or by gaining access to lesser-priced labour (Rogerson & Rogerson, 1997; Economist Staff, 1991). The relationships that have been formed between micro-enterprises and the formal sector signify an interesting hybrid of resourcefulness in South Africa's inner cities. Rogerson & Rogerson (1997, 89) summed up the relationship between the informal and the formal economies by writing,

*'Competitive pressures unleash a wave of 'informalisation' of formal enterprise, which creates both a set of opportunities for the*

*expansion of some micro-enterprises and dangers that the most prevalent outcome of informalisation may be heightened levels of exploitation and poverty-level working environments.'*

The close partnership that has emerged between contractor and contractee in developed economies has been seen to create a beneficial social capital for the community in question. This unfortunately has not been entirely the case in South Africa where it is suggested that social ties and corporate networking have for the most part been absent in the informal sector (Kesper, 2001). Although some critics have considered the partnership exploitative, the fact remains that because the companies are approaching independent entrepreneurs to fill a required niche, they have provided for new sources of income for the many people. There is even the distinct possibility that many informal business may make a transition from informality into the formal sector as the relationship grows stronger, however, as Kesper (2001) pointed out, it is only the most dynamic of SMEs that will do so.

#### **4.4.2. Local Self-Reliance in South Africa**

South Africa's largest cities clearly have the advantage of relatively well funded budgets, better equipped teams of dedicated individuals committed to seeing various development schemes through, and greater access to municipal resources, but as previously mentioned, many cities which are engaged in LED may not be pursuing strategies that benefit the most disadvantaged. Outside of the main centres, instead of having the relative luxury of relying on regenerative strategies, most localities on the economic periphery of the nation 'desperately require development' (Nel, 1994 [b]; 363). The inability of many local authorities to even provide for the most basic of services, as outlined in the Constitution and the White Paper, has again meant that many localities are obliged to look elsewhere to meet their needs. It is at this point that South Africa's local development strategies begin to resemble those most often associated with developing countries. Development strategies begin to become more and more indicative of LSR, whereby the local development is considerably smaller in scale and the onus is placed upon the actual residents of the locality or the initiative of community-based organisations. In many cases, even within comparatively better funded and organised Cape Town, residents of the more disadvantaged neighbourhoods, who do not feel the benefits of expanded international airports,

conference centres, or major sporting facilities, have resorted to pro-poor survivalist or communal strategies (Tomlinson, 2003). Although proof of community-driven activities abound in South Africa, their success however, depends largely on how well organised they are (Rogerson, 2001, 1996; Nel & Hill, 1996).

#### **4.4.2.1. Local Self-Reliance and Entrepreneurship**

The seemingly ever-expanding size of South Africa's informal economy is another indication of local responses taken to the country's prolonged economic crises. SMMEs are appearing in greater numbers in the large metropolitan centres, in small communities and in rural areas. The individual micro and survivalist enterprises, which comprise South Africa's informal economy, indeed play an important part in local development and poverty alleviation in general. Kesper (2001) and Bisseker (1999) in particular stated that SMMEs are responsible for fifty percent of new employment creation in South Africa. In fact, Kesper goes so far as to write, 'SMMEs are expected to function as a driving force in both the social and economic transition of South Africa' (2001; 171).

Survivalist activities in South Africa, which in many circumstances are conducted by women or recent immigrants, represent by far the largest segment of LSR. They are pursued by individuals who have not gained access to, or fall outside the scope of activities of local development agencies. The municipalities in which they live do not have sufficient funding to provide appropriate developmental aid, nor have they received much in the way of support from Khula and Ntsika. Coping strategies are very much a form of bottom-up local development consistent with theories of local self-reliance, and they have the most basic of goals in mind, such as earning an income to put food in the table. Activities would include garbage-pickers, hawkers, car attendants, fruit and foodstuff vendors, minor shoe repair etc, as well as illegal, survivalist strategies include theft, selling of stolen goods or drugs, and prostitution (Beall *et al.*, 2000; Rogerson, 2000 [b], Rogerson & Rogerson, 1997).

The state of the formal economy in South Africa has direct repercussions on its informal counterpart. The *pavement economy* is strengthened by a combination of decreasing opportunities for employment in the formal sectors, a weak capacity for welfare intervention on the part of central authorities, the lack of human and financial resources from developmental local and national governments, and insufficient

service provision from developmental local governments. In particular, it is the formal economy's inability to absorb large quantities of people that has meant that survival tactics have been required (Kesper, 2001; Beall *et al.*, 2000; Rogerson 2000 [a]; Rogerson & Rogerson, 1997). Therefore, it is important to note that most people engaged in survivalist activities have been forced into such a position rather than assuming it out of choice. By 1998, Rogerson (2000 [a]) reported that out of Gauteng's 7.5 million inhabitants approximately 1.2 million of them were 'employed' in the informal economy. This included 15 000 street traders, up from 200 to 250 two decades earlier.

In many cases local self-reliant activities similar to those of the developing world are the only source of income that some people will ever have. There are several constraints facing South Africa's survivalist strategies including crime, competition, lack of building maintenance, and the inaccessibility of clients (Rogerson & Rogerson, 1997). As was the case for San Juan de Miraflores, there have also been considerable supply side-blockages that have hampered progress for the smallest of enterprises. In reality, according to Kesper (2001) only one percent of survival enterprises will evolve beyond the survivalist stage in South Africa. This is not all that surprising given the fact that these agencies tend to support only those with real prospects, and considering that the majority of SMMEs do not have the capacity to affect people other than those directly involved, they are left to fend for themselves (Kesper 2001). In general, unless conditions improve in the formal sector and it is able to again begin employing large numbers of people, then there are few opportunities left for South Africans other than to ply various minor trades on the street in order to make ends meet.

#### **4.5. Local Development and Skills Training in South Africa**

One area of concern that is retarding local development in this country is the relative lack of marketable skills amongst South Africans and the underdeveloped nature of human resources (Gibb, in press). Loots (1998) has reported that 80% of South Africans do not have any trade-specific skills training, implying that they do not possess the right expertise to meet the demands of the markets. This is true even of developed countries, however as nations such as America and the United Kingdom are quickly realising, skills training is a key feature for future successful local economic development (Firer, 2002; Ho, 2002; Barker, 2000).

Human resources development has thus become one of the major focus areas for development agencies where this focus has allowed them to come together with community groups to promote the establishment of or the strengthening of ties with training institutions. Skills training in itself has long been considered a necessary step towards local development, capable of instilling in people the skills necessary to meet local industrial and sectoral needs and improving their chances of gaining future employment and self-employment (Balatti & Falk, 2002; Singh, 2000). In reality, both social capital and skills training are both essential inputs to LED and are, in many ways, outputs as well. In a mutually re-inforcing cycle, the social capital that may bring together local residents to create a skills training institution, such as in the case in the Noordhoek Valley that will be discussed in the rest of this thesis, will continue to unite them and may incite them to pursue other objectives, while simultaneously providing a valuable service to the community which allows them to become active contributors to the local economy.

For South Africa however, actual skills training has not received the widespread attention it deserves in development despite government policy emphasising the need for investment in human capital (Albertyn *et al*, 2001; Dann, 1996). There has been much debate over the necessary levels of skills acquisition in South Africa, with some authors, include Dann (1996), arguing that training has not been as seriously addressed as the national government's desire to promote macro-economic stability and fiscal responsibility.

Although not as well entrenched in development thinking as it is becoming in western economies, catering for the socio-economic needs of the economy, such as through developing human resources, has been earmarked as a potentially vital contributor to enhanced local growth in the developing world. As the case study examined in this paper argues, providing adequate and appropriate training is a critical precondition for the emergence of successful development (Gibb, in press).

#### **4.6. Conclusion**

The amount of research that has been conducted on local development in South Africa points to the notion that it is still very much in its infancy (Nel & Binns, 2001 [b];

Lyons & Smuts, 1999; Nel & Humphreys, 1999). Many of these same development analysts have also made the claim that the instances of LED that do arise are plagued with chronic problems, but that those which are successful, generally demonstrate common trends, many of which are the same as those found in cases of successful local development in both developed and developing countries.

The nature of local development in South Africa represents an interesting mix of both LED and LSR. The Department of Trade and Industry calls for a focus on economic development and the need for more business and enterprise development with the capacity to produce jobs. However, the Department of Provincial and Local Government would prefer a more pro-poor approach highlighting basic needs and improving local standards of living (Tomlinson, 2003). Despite legislation mandating developmental local government, the inability of municipalities to provide the necessary support has implied that localities have not in fact succeeded in promoting all that much local development. In reality, what has been seen, are large numbers of LSR activities popping up around the country where an informal economy, supporting independent micro-entrepreneurs development is now flourishing.

Owing to the notion that South Africa contains characteristics of both developed and developing countries, the style of local development that is used in South Africa reflects an eclectic combination of both formal and informal approaches used by central planning agencies, local authorities, community-oriented organisations, and enterprising individuals alike. Many localities, especially large urban centres, have promoted market-led strategies, and have espoused macro-economic practices to stimulate an eventual, yet still elusive, trickle down of national wealth (Koeble, 1999; Marais, 1998).

While this chapter has pointed out some of the differences between LED and LSR strategies in South Africa in general, the following chapters relating to the case study of the Noordhoek Valley in Cape Town serve to illustrate how one initiative has drawn on a range of skills and strategies in its pursuit of an optimal development approach. The Noordhoek Valley, like many other localities in South Africa, has been forced to contend with unemployment, but unlike the others, it has effectively begun experimenting with different and successful ways of pursuing local development by

specifically striving for community and local stakeholder participation, innovation, entrepreneurship, and then feeding off the resulting social capital to provide for market-targeted skills training.

In many ways, what is occurring in the Noordhoek Valley embodies many of the theories discussed in the previous chapters. On the one hand the municipality of the City of Cape Town is supporting improved skills training for local economic development, whereas on the other, the residents of this particular locality have proven to be extremely self-reliant and resourceful in providing their own support for the local informal economy. What has been accomplished so far has, in many ways, been successful because steps undertaken parallel similar programmes pursued by successful local development endeavours around the world.

## **CHAPTER FIVE – PARTNERSHIP DEVELOPMENT AND SOCIAL CAPITAL: THE CASE STUDY OF THE NOORDHOEK VALLEY TRAINING CENTRE**

### **5.1. Introduction**

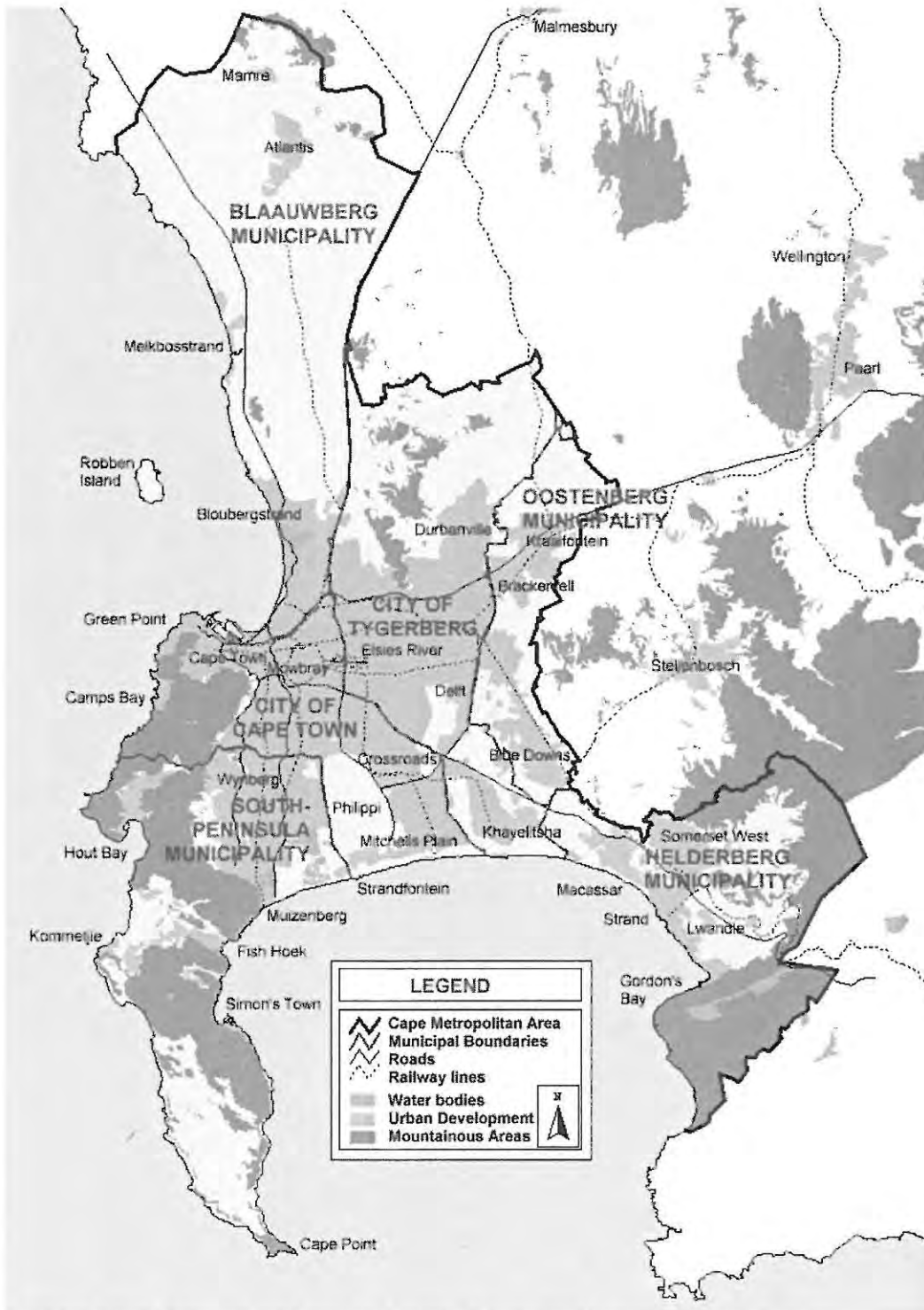
This chapter serves as an introduction to the case study selected for this thesis. The Noordhoek Valley Training Centre, which was located within the South Peninsula Municipality (SPM) at the time initial research was conducted now falls under the jurisdiction of the City of Cape Town Metropolitan Council, was selected because it represents an embodiment of many of the critical success features of local

development as they are found around the world and as are summarised in the previous chapters. The blue borders on the map on Figure 5.1 on the following page show the boundaries of the present-day City of Cape Town metropolitan area, but within it, the previous borders of the South Peninsula Municipality are also clearly visible in red. Much of this chapter will make reference to the South Peninsula Municipality, because it was under this administrative body that the development initiative came about and grew to its present form. This being said, it is apparent that the Metropolitan Council is now becoming more involved with the centre.

In this chapter it will be shown that the local authorities within the Noordhoek Valley have responded to its mandate in the White Paper on Local Government (RSA, 1998 [a]) and has become involved with is the Noordhoek Valley Training Centre, a community-driven attempt at giving local residents the skills and tools required to adapt to changes within their economic environment. Municipal officials and staff of the training centre realised that they could not accomplish to all they wanted alone and through subsequent co-operative action have elicited the support of numerous organisations, individuals, and government departments, highlighting the importance of cooperation amongst local stakeholders.

This chapter will examine the history of the Noordhoek Valley Training Centre and the nature of the partnerships on which it is based in the light of the aims and objectives of this thesis. *Why is there a need for local development in the valley?* and *How are the actions of the NVTC a reflection of the theories developed in the literary review chapters?* are questions that shape this and following chapters. A further trend that is carried forth in this chapter is how the different models of LED and LSR are visible in the Noordhoek Valley, and how the establishment of a training centre has come to serve both the economic and social needs of targeted communities while fostering a growing social capital.

### **Figure 5.1 City of Cape Town and Six Former Municipalities**



Source: Cape Metropolitan Council, electronic resource, November 2001

## **5.2. South Peninsula Municipality and Local Economic Development**

A quick drive around Cape Town's South Peninsula will, on first impression, show the beautiful suburbs along the beachfronts or nestled in the coastal mountains with little sign of the visible pockets of poverty that are consistent with many South African communities. Prior to 1991, enforced racial segregation kept Black and coloured people mostly out of the area, isolating white residents from the sprawling townships of the Cape Flats. After 1994 however, the demographics quickly began to change. Since then, the City of Cape Town has experienced increased population growth as thousands of Xhosa speaking people from the former homelands of Ciskei and the Transkei in the Eastern Cape immigrated to and settled in the area (Western, 2002, Cross, 2001). Although still a predominantly affluent white residential area, with the numbers of migrants still growing the South Peninsula, is however forced to continuously reassess its economic strategies to accommodate new realities including housing shortages, insufficient service provision, and the reality that there are not enough formal sector employment opportunities. Until recently, constant changes in the Cape Metropolitan Council and local structures of authority have somewhat retarded local development, but in recent years the City of Cape Town has been more active in bringing its economic programmes in line with the central government's mandate of developmental local governance.

## **5.3. Challenges Facing the South Peninsula Municipal Area**

As is the case with the majority of the other South African communities, attending to the need for local development has not been an easy process for the South Peninsula area. Although it undeniably has considerably greater access to funding than most local authority areas in the country, foremost on the list of obstacles it faces is, without a doubt, available financing needed to undertake the development ventures it desires. In many cases this impediment to local growth, which on first impression may appear to be insurmountable, can be, to a certain extent, made less daunting. Innovation, resourcefulness, and the importance of looking beyond traditional and now outdated sources of funding therefore became essential ingredients to the SPM's new strategies for local development. As is surmised in the policy documents originating from the offices of the SPM's director of local development, the municipality is continuously busy re-evaluating its existing social and economic policies to see how best to use its existing resources to bring about desired changes

(Gretton, pers. comm., 2001; SPM, 1999). This need for originality coupled with reduced fiscal transfers from the Cape Metropolitan Council (CMC) meant that the SPM was forced to look for other sources of funding to continue paying for and expanding its basic service delivery as well as making possible the local development schemes required to accommodate residents of local townships.

Another major obstacle for the SPM was the fact that it was primarily a residential area located outside the major business and industrial core of Cape Town. Because only 3% of Cape Town's businesses can be described as large formal sector employers, small and micro-enterprises represent by far the largest contributors to job creation and account for over 90% of all business activity (City of Cape Town, 2001 [a]). Therefore, either long distances must be travelled to find employment in formal sector industries, or people must create their own in the area in which they live. Other than the opening of a new shopping complex in Noordhoek, that purposefully employed approximately twenty people from the local informal settlements, large employers are rare. The commercial activities that do exist in the area, especially in the Noordhoek Valley, are often small family-run businesses or guesthouses where there is little employment potential.

Additional challenges listed in the SPM's early framework for local development (1999; 6) hampering local development were and in many cases still are; the pockets of poverty among wealthy white suburbs, high infrastructure costs, low population densities in the areas which equates to insufficient income from rate payments to cover mounting service costs, high expectations concerning service delivery, and continued changes in municipal structures creating staffing problems and creating uncertainties regarding lines of responsibility (Gretton, pers. comm., 2001).

This picture of contemporary South Peninsula everyday life illustrates the dual nature of South African society within one particular context where there is a clear blurring between the lines of whether it enjoys First and / or Third World standing. On one hand, it is situated within the world-class City of Cape Town and has much in common with suburbs of cities of the developed world including extensive infrastructures, luxury homes, and a capitalist consumer economy whereas on the other, these existing and growing pockets of poor and marginalized people suffer from

extraordinary levels of unemployment and economic disempowerment (Jenkins & Wilkinson, 2002; Williams, 2000). By the end of the 1990s, this situation had degraded to such an extent that it required the SPM to sponsor both economic and socially responsible local development. One would imagine in this context then, that the style of local development that has been undertaken by residents of the South Peninsula reflect a corresponding blend of local economic development and local self-reliance.

Faced with this conceptual headache, one of the key features that the SPM-issued document (SPM, 1999) also emphasised was that the municipality must encourage indigenous development, promote capacity building as a means of encouraging the entrepreneurial spirit of local residents, and strengthen a local social capital that will facilitate whatever form of local development is eventually adopted. In this respect, though this statement is sufficiently vague as to who should be entrepreneurial, the implication is that each and every resident needs to be aware and active in the developmental process. It goes without saying, however, that the segments of the population, which call for the most pressing need for development assistance, are the local non-white communities (Gretton, pers. comm., 2003, 2001). Even though within the former South Peninsula Municipality many of the economic activities conducted by these people are considered to be survivalist, in that most are outside the formal economy, and are merely oriented towards providing the person with a meagre income, there is one development initiative that is trying to change this.

This community-instigated development project started in the South Peninsula has since evolved to encompass a wide variety of social, economic, and political partnerships, many of which have benefited from the previously stated SPM's target areas and is currently being assisted by the City of Cape Town. Mrs. Karin Hendricks (pers. comm., 2001) who is now involved with this initiative exclaimed, 'it's all about partnerships,' implying that without the auxiliary support of outside organisations, the area would not be able to experience the development that it has to date. The Noordhoek Valley is one such locality where local development is being attempted, but where there is no clear distinction between whether it is primarily LED-related or more consistent with the properties of internationally documented LSR. The following

sections examine the Noordhoek Valley, the development initiative that is unfolding there, and some of its important characteristics that have led to its success.

#### 5.4. The Noordhoek Valley



Midway down the South Peninsula Municipality is the Noordhoek Valley that stretches from the Atlantic Ocean on one side to the Indian Ocean on the other, and is bordered on both remaining sides by two mountain ranges running from coast to coast, isolating its suburbs from the rest of Cape Town's sprawling metropolis only a few kilometres away. This Valley contains numerous suburbs including Masiphumelele, Ocean View, and Red Hill that are home to previously disadvantaged people. A lot has changed in less than ten years since the first democratic elections, according to some residents of Masiphumelele (Makhuphula, pers. comm., 2001; Thyulu, pers. comm., 2001). The predominantly Xhosa speaking people of Masiphumelele have gone from living in an extremely informal shantytown, through a more recent three-phase housing project, to establishing a more or less formal, albeit inadequate housing scheme that is already heavily overpopulated. As is the case for many informal settlements and shantytowns in the world's least developed countries, services are limited in the community and in Masiphumelele the space allocated for the construction of a secondary school has already been expropriated to accommodate the growing number of people. In addition to housing constraints, the major concern for the three townships is the chronically high rates of unemployment that hover at an estimated 60-70% (data collected, 2001).

In accordance with the changes made by the national government requiring that local municipalities find solutions to the problems of poverty and unemployment based on ingenuity and enterprise, the Noordhoek Valley is an example of successful local self-reliant activity and thinking. Local government officials and residents of the Valley, in the face of the numerous challenges, came together to make use of funds made available by the RDP to establish a jointly administered and community-driven local initiative. This project now known as the Noordhoek Valley Training Centre has evolved using many of the features that the previous chapters have noted as essential to local growth. Residents of the communities within the Noordhoek Valley have

succeeded in many respects in fostering productive social capital that has proved beneficial in generating many of the partnerships that are now deemed necessary to further any form of local development anywhere around the world (Woolcock, 1998; Knack & Keefer, 1997).

### **5.5. The History of Noordhoek Valley Training Centre**

In the early and mid-1990s, Cape Town's Cape Metropolitan Council faced considerable pressures in bringing the city's political, economic, and social policies in line with new democratic norms that characterised the 'New South Africa.' In 1994, in order to aid the 39 individual municipalities that then comprised the CMC, the council budgeted R30 million to be used for development strategies highlighting people-centred and sustainable development (Taylor, pers. comm., 2001). The 39 municipalities were asked to apply for a grant-in-aid worth a maximum of R2 million each to be budgeted towards the expansion of capital projects within the municipalities. In response, the old municipality of Fish Hoek / Kommetjie / Noordhoek which also comprised the communities of Masiphumelele, Ocean View, Red Hill, Clovelly, and Sun Valley held a meeting of interested people on September 18, 1995 to elect an interim RDP forum which would assess the needs of local municipalities and decide where best to spend their funds in the area of alleviating poverty and responding to the challenges laid out in the RDP programme (RSA [b], 1994).

Mr. Taylor (pers. comm., 2001), the former chairperson of the RDP forum, emphasised the need to use the money for the benefit of those most adversely affected by apartheid policies by stating, 'we soon realised the greatest need was at the informal settlement down the road known as Site 5, now known as Masiphumelele, and we realised that is where the money ought to be directed.' Having identified where the funds should be spent, the forum, through consultations with the people of Masiphumelele, met to identify capital projects on which to spend the money. Representatives from the communities of Masiphumelele, Ocean View, and Red Hill with a combined population of approximately 55 600 people met with the RDP forum and concluded, that beside the needs for increased employment opportunities, access to land, services, and public utilities, the largest need by far was for housing (SPM, 1999). First hand accounts from some residents depicted a situation where many lived

in shacks in fields, demonstrating the immense need to build these people adequate and appropriate shelters (Thyulu, pers. comm., 2001).

By calling this meeting and by inviting members of the local communities, the seeds of developing social capital were sowed early in the Noordhoek Valley. The international locality-based development literature emphasises the need for localities to look inwards, which is exactly what local stakeholders did in this case (Woolcock, 1998; Knack & Keefer, 1997). They had taken advantage of an opportunity made available and by identifying the need to direct resources towards the alleviating the housing shortage had shown that localities are indeed capable of initiating their own local development.

The metropolitan authorities however prevented an application for housing funds, as housing projects were part of a separate central government strategy. Bearing in mind the other needs mentioned by the communities, a subsequently successful application was finally submitted, proposing to use the R2 million to construct a training centre sited near Masiphumelele. A second successful proposal oversaw the construction of a community hall for Ocean View (Taylor, pers. comm., 2001).

The rationale behind a training centre included the idea that, if the Fish Hoek / Kommetjie / Noordhoek municipality could not directly provide disadvantaged citizens with homes, the second best solution would be to provide them with the means to do so themselves. Therefore a training centre could serve a dual purpose. On the one hand it would provide the training in such trades as brick laying, plumbing, carpentry, and electrical work to aid in home building projects. On the other hand it also served to develop the skills of the township residents, giving them better opportunities at finding employment (Taylor, pers. comm., 2001).

The construction phase of the centre took over two years from the time the application was submitted to when the steering committee handed over the new Noordhoek Valley Training Centre in mid 1998 to the new SPM municipal authorities. To coincide with the first democratic local elections of 1996, the 39 independent municipalities had by then, combined into six larger municipalities, at which point the South Peninsula Municipality had taken over responsibility for the valley's residents.

By the time the SPM assumed control over NVTC, rising costs of construction had exhausted the R2 million budget, and the centre was smaller than originally intended, plus it lacked funds to purchase office furniture, training equipments, and did not have sufficient funds to cover operating expenses. Nonetheless, the centre started offering courses using whatever funds it could obtain from the people of the surrounding area. Compounding the NVTC's problems was the lack of enthusiasm that the SPM showed for the training centre, as it did not see training as part of its core functions at that time. It therefore recommended that the Centre look into different options for future management (Taylor, pers. comm., 2001; data collected).

Nevertheless the SPM granted the NVTC R190 000, to cover salaries for employees and some equipment costs. The municipality also recommended that the NVTC form a *not-for-profit* or a Section 21 Company, and in light of the national trend of encouraging partnerships, to look for a technical college with which it could associate. Although the formation of a Section 21 Company never materialised, a relationship was soon formed with the Muizenberg-based South Peninsula Technical College (SPC) to provide the appropriate accreditation to graduates of the NVTC (RSA, electronic resource; Gretton, pers. comm., 2001).

### **5.6. The Development of Social Capital in the Noordhoek Valley**

As the primary steering function of the original RDP committee came to an end, it was finally disbanded in 2000, when a campus council became the sole governing body for the NVTC. Because of the withdrawal of the RDP committee from the process it was necessary to make the campus council's constituent assembly as broad based as possible to ensure that the principles laid out in the RDP, such as community participation were not forgotten (Taylor, pers. comm., 2001). Local Noordhoek Valley businesses, local councillors on the City of Cape Town metropolitan Council, and non-governmental organisations operating in the area as well as prominent members of the communities, which the training centre would serve, were asked to join the campus council as members and serve as conduits of information to and from their Valley residents.

This move was also in partial response to the history of community-based projects in the Noordhoek Valley that had previously not got off to a positive start. In fact,

another local community market development initiative sited next to the site where the NVTC now stands and instituted by the Small Business Development Corporation failed because it neglected to get the full support of township residents. It became clear, according to Mr. Taylor (pers. comm., 2001), that to avoid a similar fate, the NVTC would have to learn from the lessons of its unfortunate neighbour and therefore provide mechanisms for popular feedback from local residents. It was hoped that, by including as many community representatives from Masiphumelele, Ocean View, and Red Hill as possible it would be a more participatory activity, one that would gain the respect of the people it hoped to assist. Many organisations or social groups were invited to nominate members to sit on the campus council and provide a voice for their communities.

Therefore, from the very start, those responsible for the NVTC tried to keep the community as involved in the process as possible and help carry it forward. This is reminiscent of the LED strategies used by localities experiencing economic hardships in developed countries of the North where a partnership of community stakeholders included chambers of commerce and government officials. However, there is also an element of LSR in the nature of the private-public partnerships that the NVTC sought to establish as ordinary people including local residents and members of community organisations were also asked to join and participate in the governing of the training centre. In this way economic matters were addressed by the likes of involved private businesses, while more social concerns were brought to the table by people who were more closely affected by local poverty.

What participating members of the campus council may not necessarily have been aware of at the time was that they were, in fact, sowing the seeds for development of social capital, which has since become one of the major strengths of the training centre, while focusing both on economic and social issues. It is almost without a doubt that, because of the partnerships which exist between the Noordhoek Valley Training Centre and the various other organisations that it has remained viable and continues to expand. By complementing actual skills provision with a policy of openness and the specific drive to integrate many local stakeholders into the process, the NVTC becomes a case-in-point of *how* local development is pursued is just as important, if not more so, as *what* local development may finally achieve. Mrs.

Weaver, who has been for many years active at the training centre, attributes the NVTC's success to date to taking advantage of opportunities that present themselves (Weaver; pers. comm., 2001).

### **5.6.1. The Local Champion**

Mrs. Weaver has herself been instrumental in leading and cultivating the strong relationships that now exist between the partners. Day (2000) and Nel (1994 [a]), as alluded to in earlier chapters, indicated that local champions are necessary to push local development forward. In the Noordhoek Valley this person is Mrs. Weaver. Mrs. Weaver originally came over from the South Peninsula College when the SPC first became involved with the training centre. Mrs. Weaver's job of, amongst other duties encouraging partnerships has become extremely valuable because most of the training centre's administrative staff, training equipment, and operating expenses are paid through funding obtained from different partners. In 2000, the NVTC's income was approximately R1.1 million. 5.7% of the total was derived from student fee payments; the balance was obtained through funding from the various partners (Adams, data collected; no date specified).

Mrs. Weaver recognises her role at the NVTC as that of the champion, but adds that the training centre resembles more a 'parade of champions.' She stated that the contributions of partners and staff members are equally important in running the project (Weaver, pers. comm., 2002). Mrs. Weaver is also conscious of the need to foster a spirit of self-reliance at the NVTC. Therefore, if the occasion arose where she had to leave the centre, she feels confident that at least there is a strong network of supportive partnerships that could continue to carry the centre forward (Weaver, pers. comm., 2001).

This is not to say that the NVTC has been entirely successful in gaining the full support of the all communities involved. It is highly unlikely that one hundred percent of the people will ever come fully on board in this project, nor on any other local development project anywhere in the world for that matter. In an interview conducted for this thesis, a city councillor expressed concern over some discontent among residents about the fact that the training centre was not physically inside Masiphumelele and was therefore an 'outsider'. Furthermore the councillor spoke of

the belief that some locals had relating to the concept that some people who were enrolled at the NVTC or were involved with the campus council were seen to be of the opinion that they thought of themselves being 'above' the rest, so to speak, or were of a higher social standing than the rest of the community (Madikane, pers. comm., 2001; Nomoyi, pers. comm., 2001). In an attempt to obtain feedback for the training centre, Mr. Bongile Bokwana, who works at the training centre, conducted informal interviews with residents of Masiphumelele. What his conversations revealed was that some people still were not aware of the services offered at NVTC, or did not enrol because they were otherwise too busy at whatever jobs they had to take time to do courses (Bokwana, data collected; 2001).

### **5.7. Partnership Creation**

Many of those people who Mrs. Weaver made reference to when describing the parade of champions make up the numerous partners that have helped contribute to the success of the NVTC, through the creation of a mutually beneficial synergy or social capital. It has been noted in the previous chapters how the product of individuals and organisations working towards a common goal of both social and economic development is often better than the sum of its parts. This is very much the case in the Noordhoek Valley.

While some partners such as government departments have been sought to help share the financial burden of operating the training centre, others such as the False Bay College and the Foundation for Economic and Business Development were approached to supply training and / or administrative support. Those institutions or organisations which have provided this training support, which are representative of different community groups, or local authorities have been given a seat on the NVTC's campus council, whereas partners from the various national government agencies, while they are consulted regularly, do not have seats on the council. The following are a list and partial descriptions of the NVTC's major partners and the role they play in the partnerships.

#### **5.7.1. The South Peninsula Municipality (now the City of Cape Town)**

The SPM originally only grudgingly provided support for the training centre, but in the wake of the White Paper on Local Government, which calls on municipalities to

undertake their own socio-economic platforms, skills training schemes such as the services offered by the NVTC, have increasingly grabbed its attention. Although the responsibilities of the South Peninsula Municipality have been assumed by the greater City of Cape Town Metropolitan Council, Mr. David Gretton, Director of Economic Development of the former SPM, who now is employed by the City of Cape Town remains actively involved with the organisation of the NVTC, and at the time research was conducted in the Noordhoek Valley was a member of the campus council. Again, this commitment represents an overlap of both LED and LSR theories of local development and, depending on how it is viewed, can be simultaneously interpreted as being both pro-market and pro-poor. The provision of financial aid to the NVTC feeds into larger macro-economic strategies proposed by the metropolitan council aimed at enhancing the strength of the municipality's human resource base, thus providing a more attractive environment for potential job-creating investment. A secondary, yet equally important, municipal function that skills development simultaneously fulfils, is satisfying the metropolitan council's social responsibilities of helping in the personal development and growth of hitherto disadvantaged residents in terms of self-actualisation and by empowering them with skills and knowledge that will allow them to become more self-reliant in their search for income generating activities.

Mr. Gretton's ongoing participation in the workings of the training centre has ensured that the NVTC conforms to the municipality's goals of locality-based socio-economic development and provides accredited, quality skills training to enhance the human resources development. In return, the City of Cape Town remains one of the training centre's primary sources of funding and choice host institutions for new forms of training that are required in the area.

### **5.7.2. South Peninsula College, Muizenberg (now False Bay College)**

Following the transition to a democratic society in 1994, the staff at the South Peninsula College realised that they needed to introduce new courses that would cater for the current requirements of the local non-white population within the Noordhoek Valley. Many of the coloured and Black people who lived or moved into the area did not have the appropriate primary education to enable them to take many of the business and management courses offered at the Muizenberg campus. When the

NVTC's RDP forum approached the SPC asking for support with their new training centre, it made sense for the college to get involved because it could offer courses that would be geared primarily towards poorly educated local coloured and Black residents. Mr. Cassie Kruger, who was the rector of the SPC, illustrated the central role the Noordhoek Valley Training Centre has in providing skills development in the area by stating, 'It is the gateway through which all adults need to be reabsorbed into the economy to be productive citizens' (Kruger, pers. comm., 2001). Essentially, the NVTC also acts as a bridge for those people who want to pursue higher education after completion at the NVTC. The SPC now provides the accreditation required for students to receive recognised diplomas on completion of their courses.

In exchange, the NVTC is a full-fledged satellite campus of the SPC, with the main campus providing, job placement services, administration, diploma accreditation and the salaries for at least two of the NVTC's staff members (Kruger, pers. comm., 2001). For its part, the South Peninsula has itself undergone a recent transition; it has changed its name to False Bay College to reflect that it now represents a larger geographical area including much of the Cape Flats.

### **5.7.3. Foundation for Economic and Business Development (FEBDEV)**

The Foundation for Economic and Business Development is a non-governmental organisation funded by both foreign and domestic sources (FEBDEV, electronic resource, November 2001; Steenkamp, pers. comm., 2001). It was originally set-up to provide retrenched mine workers and returning exiled ANC leaders with training to teach them how to develop an entrepreneurial spirit in order that they could generate their own forms of employment. FEBDEV's services have since then broadened to supply capacity building and entrepreneurial skills development in twenty-five Western Province colleges including the South Peninsula now renamed the False Bay College. Through its connection with the SPC, the organisation then began offering its services to the NVTC.

FEBDEV shares a common vision with the NVTC, namely 'to develop a spirit of enterprise' (FEBDEV, electronic resource, November 2001). In this respect, it is implied that entrepreneurship development encompasses the drive towards individual and collective economic and social empowerment. For residents of Noordhoek

Valley's townships this means realising that instead of waiting at the corner of major intersection hoping for a couple day's work to come their way, that they will instead learn how to become pro-active in their search for their own sources of income.

FEBDEV realises that it is an impossible job to take on alone. Indeed, Ms. Dorette Steenkamp, the NGO's regional director, recognises the importance of co-operating with other institutions to get the message across. She emphasised FEBDEV's policy on partnerships by stating; 'In the Western Cape we only operate through partnerships, it's one of our key principles. The reason for that is mainly sustainability' (Steenkamp, pers. comm., 2001). The partnership that FEBDEV has formed with the NVTC is unique in that while the NVTC provides its students with training in key technical courses, FEBDEV offers simultaneous training in business and entrepreneurial skills avoiding the situation of unnecessary and expensive overlap.

FEBDEV subscribes to a notion also pondered by Mr. Gretton (pers. comm., 2001) at the South Peninsula Municipality, that people may jump the 'employment gap.' This implies training people who possibly never have had a job before to become their own bosses. Essentially what the SPM, the NVTC, and FEBDEV are asking of the people is that if they can't find meaningful employment, then they must create their own. Ms. Steenkamp has admitted it is a huge achievement if they do become successful, however she believes that it is one of the few solutions that exist that has the potential to change the lives of the people involved, both in terms of their standards of living and in their perceptions of who they are and who they can be (Steenkamp, pers. comm., 2001).

#### **5.7.4. Sosebenza Youth Group**

The inclusion of the Sosebenza Youth Group in the partnership demonstrates the commitment to engage those closer to the community in the process. In the development literature, this phenomenon is usually more visible in developing countries where people band together to participate in local self-reliant activities (Stock, 1995; Zaaijer & Sara, 1993). The Sosebenza Youth Group is an independent, community-based organisation from Masiphumelele that encourages the community's young people to pursue constructive activities to help negate popular perceptions

about the youth. Approximately seventy young men and women aged from twelve to thirty five met to discuss four areas, namely health, sports, crime prevention and environmentalism (Khutshiso, pers. comm., 2001).

The Sosebenza Youth Group is also represented on the NVTC's campus council. As part of their membership, the youth have mounted a door-to-door campaign distributing pamphlets to the residents of Masiphumelele, informing them of the values of skills development. The motivation behind Sosebenza's involvement with the NVTC lies with the notion that empowerment and the acquisition of skills will enable the local youth to find work, thus reducing the chance of them resorting to crime. At the end of the day what Mr. Prince Khutshiso, who is the leader of the Sosebenza Youth Group, is trying to achieve is a transformation of popular misconceptions about the township. He expresses this as wanting Masiphumelele to be seen as a place where positive things happen (Khutshiso, pers. comm., 2001).

#### **5.7.5. Ntsika Enterprise Promotion Agency**

Ntsika, as mentioned in the previous chapter, is an agency created by the Department of Trade and Industry, to aid the growth of small and medium sized businesses. Among its objectives are supporting potential micro-entrepreneurs in identifying and co-ordinating business priorities, providing SMMEs with relevant information, and developing an entrepreneurial culture in South Africa that may contribute to local growth and self-initiated job creation (Ntsika, electronic resource, November 2001).

Since Ntsika's vision of encouraging economic self-reliance and fostering entrepreneurial behaviour coincides with the Noordhoek Valley Training Centre's goals of developing self-motivated business people, a strong supportive partnership has developed between the organisations. Ntsika's primary role at the NVTC has been in providing financial support for the business and management skills development phase of training so students may learn how to operate their own micro-enterprises.

#### **5.7.6. Department of Labour**

The Department of Labour has provided financial support for some of the courses offered at the NVTC. In particular it has targeted the home management and waitron training classes, because of their policy of predominantly funding those courses that

can virtually guarantee that graduates will find employment in that field. Since the training centre's rates of placement are extremely high, especially for home management graduates, the Department of Labour remains an important contributor to the continuing success of this class.

#### **5.7.7. South Peninsula Tourism**

South Peninsula Tourism (SPT) is the marketing body for the South Peninsula area that is attempting to increase tourism to the area through the 'Linger Longer' campaign. The efforts of the NVTC are important elements in the drive to increase both employment opportunities and tourist revenues in the area.

The relationship between the SPT and the NVTC is potentially extremely rewarding. Mrs. Colleen van Stadten of Peninsula Tourism retains a seat on the NVTC's campus council, and is instrumental in keeping the training centre abreast of tourism trends in the South Peninsula. The SPT also plays a crucial role in promoting and marketing the training centre's products and services, both locally and internationally through trade fairs and travel brochures. In addition, the SPT is involved in co-ordinating the itineraries of tour buses passing through on the way to Cape Point so they may stop and partake in the activities offered at the NVTC (van Stadten, pers. comm., 2001).

#### **5.7.8. The Private Sector**

The local business community is represented by the Fish Hoek Chamber of Commerce with Mrs. Janet Holwill previously having a seat on the campus council. This relationship, has allowed concerns and advice from local businesses to be channelled back to the NVTC, where the training centre has been able to train local residents to meet the needs of the hotel and restaurant industries.

Larger, national companies have also been supportive of the NVTC. This follows a larger trend in corporate responsibility where big companies around South Africa are beginning to take heed of the government's call for cooperation and nation-building and are taking a direct interest in community-initiated and poverty-driven development projects. Old Mutual and Woolworth's have generously provided the NVTC with approximately twenty-four computers and training for students. Computer classes form an integral part of the training centre's classes relating to

business skills development. In addition, school children are able to use and learn about the computers when there are no NVTC classes in session (Gwaza, pers. comm., 2001). Furthermore, the chain store Woolworth's has provided students with financial aid in the form of bursaries. These two businesses do not, however, have a seat on the campus council.

## **5.8. Conclusion**

This chapter has briefly examined the history of a case study that was chosen to illustrate many of the theories developed in the previous chapters. The South Peninsula Municipality had the benefit of being a larger and comparatively better-funded municipality than most South African equivalents, but the fact remains that it is still unable to cater for the needs of every single resident. In response to the White Paper on Local Government, the SPM had implemented new policy initiatives geared towards providing extended services, but, given its budgetary constraints it has also been active in promoting the need for communities under its responsibility to begin taking development into their own hands.

This chapter also highlights the role of leadership and the importance of the local champion, Mrs. Weaver in spearheading and guiding local development in the direction that has the most benefits for local impoverished residents. She has been valuable in involving the support of various sources including municipal authorities, FEBDEV, local communities groups, and members of the business community that have contributed significantly to both financial and entrepreneurial skills training support. The ensuing social capital emanating from these partnerships is reminiscent of the intangible ingredients essential to ensure over-all locality-based development.

The Noordhoek Valley Training Centre is one attempt by local authorities and community representatives to overcome a lack of employment in the area, by establishing a centre where local residents can gain the skills required to become independent entrepreneurs. This is a process that will be developed in greater detail in the following chapter, but what is important in this chapter is the nature of the partnership which has enabled the NVTC to implement local development and has since been instrumental in establishing a budding social capital that has served to strengthen skills training and development participation in the Valley. Modern

development, as seen in the previous chapters, has required extensive linkages tying various elements within communities together to facilitate local economic growth. What is seen in the Noordhoek Valley is in many ways, an accurate reflection of the need for partners in development. Each of the organisations listed in this chapter have recognised the necessity for concerted action, as each has assumed a crucial role in the overall process of educating local residents.

The next chapter will outline the innovative process by which an unemployed person becomes an entrepreneur. The NVTC employs a unique and comprehensive multi-phased training process that has been designed to gradually prepare students and local residents for a possible future career as a businessperson. The subject matter and the choice of courses that are taught at the training centre are a reflection of how the staff at the NVTC is clearly on top of local business needs which has shaped the courses accordingly.

## **CHAPTER SIX - ENTREPRENEURIAL DEVELOPMENT AS A MEANS OF LOCAL ACHIEVING DEVELOPMENT IN THE NOORDHOEK VALLEY**

### **6.1. Introduction**

This chapter examines the approach to local development as well as some of the activities that are occurring at the Noordhoek Valley Training Centre. The point made in the previous chapter that local development in the Noordhoek Valley, which is tied to the NVTC, is both pro-market and pro-poor is picked up and continued throughout this chapter. Another line of reasoning that is also carried over is the idea that the positive energy and the social capital developed through and by the campus council and its non-member partners have led to some clever and resourceful ways of ensuring that the skills training provided is appropriate to existing skills levels and are in areas where there is a local market for them. The skills training and human resource development aspects of local development that were introduced in the previous chapters feature prominently in this particular locality's attempt at providing socio-economic relief. There are two varieties of classes offered at the NVTC, the first, which is designed to develop the entrepreneurial skills of local residents so that they can start their own businesses, and the second, which trains residents in skills that will enable them to find work in existing businesses.

Some of the areas which will be covered in this chapter include, the classes that are offered and why they are offered, the multi-phase process that students must go through to become entrepreneurs, the job placement office which has had impressive placement results, the Two Oceans Crafts and Culture Centre which serves as a market for the products produced by the emerging entrepreneurs, and the growing tourism industry in Cape Town and the Noordhoek Valley in particular, which provides the context for skills training at the NVTC.

In many ways, seizing opportunities is the major strength of the NVTC. By taking advantage of the opportunities presented and by seeking the support made possible by the various partners, the training centre truly represents an embodiment of the attitudes and culture of innovation required for successful local development. Granted that the Noordhoek Valley Training Centre is still very much in its infancy, however, the initial success that is emanating from it, including the millions of Rand that is

being filtered back into the community, are ample justification for its inclusion as a best case example of a local development initiative linking the theories introduced in this thesis to an applied case study.

## **6.2. The NVTC and the Creation of the Micro-Entrepreneur**

Although the original application for RDP funding initially stipulated that the training centre would offer courses that would enable local residents of the Noordhoek Valley to gain the skills necessary to build their own homes, the classes that are now offered at the NVTC have evolved to include other practical skills. The centre has made alterations to its chosen course plan, partially because of the downturn in the construction industry and the parallel need to respond to sectoral changes. This has implied that it now trains students in disciplines where the NVTC now identifies potential employment opportunities (Weaver, pers. comm., 2002).

The brick-laying and outdoor carpentry classes still attract many students, but it now appears the focus has shifted to technopreneurial development. The term 'technopreneurial' is used by the centre to describe its courses that are a combination of technical skills such as leatherwork, sewing, or pottery making and entrepreneurial training including bookkeeping and marketing. See Table 6.1 for a selection of offered courses, including clothing production and a ceramics class. These and other classes will be explored in more detail in the upcoming sections. This blend of technical and entrepreneurial training is important because the courses are designed to respond to the local formal sector's inability to absorb large numbers of township residents, hence the need to establish trainees as independent entrepreneurs (Adams, data collected; 2001). Although there is a job placement service available, it is oriented primarily towards students enrolling in the home management classes. Therefore, in the face of limited employment opportunities in the area, the training centre's technopreneurial courses emphasise the preparation of individuals capable of running their own businesses. The ability of staff from both the NVTC and from FEBDEV, whose *raison d'être* is to provide business training, and to cultivate in the students a culture of entrepreneurship is essential for the students' transformation into entrepreneurs, especially if, as Rogerson (2000 [a]) has noted, that there previously did not exist this culture in most South Africans. The NVTC has recognised that it is

not an easy process however; the need for alternate ways of gaining an income has meant that this approach is one of the few options available.

**Table 6.1 Courses Offered at the Noordhoek Valley Training Centre**

<b>Courses</b>	<b>Fees / Rands</b>	<b>Duration</b>	<b>Maximum # of Students</b>	<b>Key Topic Areas</b>
<b>Clothing Production</b>	400.00	35 weeks	15	<ul style="list-style-type: none"> <li>▪ Tool Maintenance and Usage</li> <li>▪ Workshop Safety</li> <li>▪ Different Machine Usage</li> <li>▪ Cutting, Laying, Sorting</li> <li>▪ Collars, Zippers, Seams</li> <li>▪ Pattern Design, Fabrics</li> </ul>
<b>Clay and Craft</b>	35.00	35 days	12	<ul style="list-style-type: none"> <li>▪ Terminology, Theories</li> <li>▪ Tool Maintenance and Usage</li> <li>▪ Design and Composition</li> <li>▪ Ceramic Painting</li> <li>▪ Kiln Firing</li> </ul>
<b>Brick Laying</b>	100.00	10 weeks	15	<ul style="list-style-type: none"> <li>▪ Plastering</li> <li>▪ Laying a Brick Wall</li> <li>▪ Stretcher &amp; English Bonds</li> <li>▪ Cavities, Windows, Arches</li> <li>▪ Brick Steps</li> <li>▪ Braais, Retaining Walls</li> </ul>
<b>Leather Work</b>	100.00	30 days	12	<ul style="list-style-type: none"> <li>▪ Tool Maintenance and Usage</li> <li>▪ Safety Procedures</li> <li>▪ Selecting Leather</li> <li>▪ Pattern Making</li> <li>▪ Cutting and Punching</li> <li>▪ Sewing, Assembling, Finishing</li> </ul>
<b>Outdoor Carpentry</b>	100.00	10 weeks	12	<ul style="list-style-type: none"> <li>▪ Tool Maintenance and Usage</li> <li>▪ Safety Procedures</li> <li>▪ Basic Joints, Measuring</li> <li>▪ Wood Treatment</li> <li>▪ Table and Chair Construction</li> <li>▪ Quality Control</li> </ul>
<b>Home Management and Waitron Training</b>	30.00	22 days	14	<ul style="list-style-type: none"> <li>▪ Personal Hygiene</li> <li>▪ Life Skills and Communication</li> <li>▪ Cleaning Materials</li> <li>▪ Organisation of Workplace</li> <li>▪ Laundry, Ironing, Cleaning</li> <li>▪ Food Preparation</li> <li>▪ Electrical Appliances</li> <li>▪ Care for Children, Elderly, Pets</li> <li>▪ Emergency, First Aid</li> <li>▪ Job Applications and Interviews</li> </ul>

Source: Data collected, Noordhoek Valley, 2001.

Before launching into a brief description of the different classes that are offered at the NVTC, it is important to mention that the type of development that they intend to

promote, is, again, a combination of the style of local development that would be present in both developed and developing countries. The very term ‘technopreneurial’ is itself a hint at the blend of LED and LSR that is present in the available courses. The literature review chapter of the thesis demonstrated that in the face of rising unemployment, localities within developed countries would turn to encouraging the promotion entrepreneurship and business creation. Here, at the Noordhoek Valley Training Centre, this same strategy is being implemented whereby a major focus of the skills training is directed towards preparing local residents to become independent entrepreneurs. What is different, however, and where indications of LSR become more apparent, is in the type of enterprise that the NVTC is encouraging which is much smaller in scope and scale, is arguably limited in the number of people it employs and the income that it generates. Additionally, the ‘techno’ portion of technopreneurial training includes more manual and vocational skills such as bricklaying and clothing production; trades that are more commonly associated with local development strategies in developing countries. At the NVTC, however, technopreneurial classes listed below really capture the dual nature of development needs as well as the dual paths to local development in the Noordhoek Valley, within the City of Cape Town, and across South Africa in general.

### **6.3.1. Outdoor Carpentry and Bricklaying**

The emphasis on students taking outdoor carpentry and bricklaying is on them becoming self-employed on completion. The outdoor carpentry course is very much a reflection of the belief held by the training centre that employment can come from using local resources. Students are taught how to make tables and chairs out of alien vegetation chopped down by the ‘Working for Water’ campaign, which also has links with the NVTC. They are then marketed to the local suburbs. Figure 4.1 in the Chapter Four showed a decrease in the construction industry employment, therefore bricklaying training is no longer seen as a viable source of formal employment. The students are now taught how to build items for niche markets such as outside braaiing fireplaces, retaining walls, or outdoor steps.

### **6.3.2. Home Management and Waitron Training**

The NVTC identified the potential for placement for qualified domestic workers in neighbouring white suburbs, as well as trained waiters in local restaurants. This

apparent need led the NVTC to concentrate a portion of its training on providing home management classes (Weaver, pers. comm., 2001). The necessity for properly trained maids becomes especially relevant in contemporary South Africa where crime has led people to become more wary of whom they hire to care for their homes and, if need be, their children. The NVTC therefore offers courses that will fill this gap, and awards graduates with diplomas that demonstrate to potential employers that the recipient has indeed undergone the proper training at a reputable training institution, and is somebody who is dependable and can be trusted in their homes. According to Ms. Martha Leroux (pers. comm., 2001) who teaches the home management classes, it is important to learn not only the finer points of housekeeping, but the course is also designed to teach the women life skills. In particular she stated, 'What's the use of simply developing their hands, you need to develop the whole person.'

The women who have completed the home management programme possess knowledge on how to use household appliances, apply first aid, how to care for pets and children, and have the benefit of two obligatory days of practical sessions conducted in the homes of volunteers from neighbouring communities. In addition, the women are taught how to potentially sell themselves to prospective employers including how to write a curriculum vitae (CV), how to conduct themselves in an interview, and how to look for jobs of their own without being totally reliant on the local placement office.

The NVTC has been able to keep fees down to a minimum on account of grants received from various levels of government and its wide array of other partners. In fact, student fees only amount to approximately 5% of the NVTC's income (Adams, data collected; 2001). Because the training centre receives funds from government departments, the home management course fees are R30.00. These grants are not unconditional and have many stipulations attached, such as the amount of students per class and how many classes must be run per year. Ms. Leroux (pers. comm., 2001) explained that the government has made it clear that they will only continue to fund courses such as home management if they really are preparing the students for available positions. It is for this reason there is a strong push to provide graduates of home economics with job placement opportunities. The affordable tuition fees and

successful efforts of the job placement office has meant that there is a long waiting list for women wanting to take the course.

Several students of home management courses have expressed additional interest in nursing, social work, and even computers. Ms. Leroux (pers. comm., 2001) supports the claim of Janet Holwill (pers. comm., 2001), who is the NVTC campus council representative from the Fish Hoek Chamber of Commerce, that Noordhoek's large ageing population will, in the near future, require individuals who are properly training in more advanced techniques of caring for the elderly. Mrs. Holwill (pers. comm., 2001) stated that besides staff required for the valley's three retirement villages, two old-age homes, and one nursing service, independent people wishing to remain in their private home may, on occasion, be needing help around the house, opening new employment opportunities for graduates in the future.

### **6.3.3. Leatherwork and Clay & Craft**

Ms. Cathrine Grier (pers. comm., 2001) who leads the clay and craft classes is of the belief that, other than providing a grounding, tactile, and therapeutic experience, pottery represents an important potential source of income for students, especially in the expanding tourism trade in the South Peninsula. The same holds true for leather products. Because they can be easily packaged and taken home as souvenirs, ceramic pots, sculptures and tiles as well as leather handbags, belts and sandals are part of the latest tourist demand for cultural items. Mr. André Naudé who now works with the leather craft students has stated that he believes that they are of particular importance and expressed point blank 'shoes for the people, people need shoes' (Naudé, pers. comm., 2001). Both Ms. Grier and Mr. Naudé try to encourage creativity amongst their students, and motivate them any way they can, and express the need to become innovative in producing new ideas for their crafts. Mr. Naudé has also expressed his willingness to help students in other areas, as long as they are properly motivated.

Mr. Victor Manzana, a clay & craft student from the Red Hill community has also developed a series of clay animals reminiscent of his childhood in the Ciskei. When asked why he considers it important to perfect his craft and learn to become an entrepreneur, he responded that running a business that sells pottery and clay figures will prove to people that they can make money selling things other than alcohol

(Manzana, pers. comm., 2001). It is this type of imagination that is becoming increasingly more important for local development. If tourists are demanding novel souvenirs then people like Mr. Manzana will benefit most from being innovative.

#### **6.3.4. Entrepreneurial Training**

As mentioned earlier, enterprise development is one of the main goals of local economic development in developed countries. The idea is that new businesses that cater for local niche markets should theoretically be able to produce more job opportunities for unemployed people in the area. As such, LED thinking in this respect has heavily influenced staff at the NVTC whose belief it is that local residents from Masiphumelele, Ocean View, and Red Hill are capable of becoming business people. It is with this in mind that all students who are enrolled at the NVTC are exposed, to some degree, to the need for them to become entrepreneurial, think creatively, and use what is available to them, because as they very well know, there simply are not enough jobs out there for them. It is for this reason, that skills such as costing and pricing and opening a bank account, are taught to students. Again, however, due to the fact that these businesses are in the informal economy, most will have more in common with the micro-enterprises discussed in Chapter Four or the survivalist strategies considered in Chapter Three.

In the event that students do not start their own businesses, they are taught how to write a CV and how to handle an interview if the occasion arises where a job opportunity presents itself. Ultimately, most of the classes are oriented at producing people capable of running their own businesses. Unlike in Europe and in North America where people are encouraged to start their own companies that will employ numerous people, the sort of businesses that the NVTC is focusing on are consistent with the type of micro-enterprise that Kesper (2001), Rogerson (2000 [a]), and Boomgard *et al.* (1992) see as being a major part of the contemporary South African economy. It is hoped that these enterprises will enable the graduates to open businesses that will hopefully employ an additional one or two people.

#### **6.4. Course Outline: Steps to Becoming an Independent Micro-Entrepreneur**

The process of turning a township resident who may never have held a formal job in his or her life into a micro-entrepreneur may take up to two years, depending on the

individual and the chosen course (Gretton, 2003 data collected; Kruger, pers. comm., 2001). The process is in itself a unique progression that represents a novel new approach to skills training, seldom found in South Africa, one that has even caught the attention of the British Department for International Development. Learning does not stop after the thirty days to thirty-five week training stage. The subject themes listed in Table 6.1 are just the tip of the iceberg. The following sections will go into greater detail about the multiple steps that all students are taken through whereby they are receive business and entrepreneurial skills training and mentoring throughout the process.

#### **6.4.1. Step One: Technopreneurial Training**

The first step in becoming a businessperson is actually learning the chosen craft. For many people it is a matter of whether they have a passion for a certain field, but for some students, especially those on the waiting list for home management courses, the fact that past students have found employment after completion is a major deciding factor. The size of the classes are limited in order that each student receives personal attention and this helps also to foster a greater team dynamic as the group progresses through the different steps. This step involves the basic hands-on phase where the students learn the fundamental theories and techniques associated with the discipline needed to become proficient in that field. For example, for those interested in pursuing a career in sewing, the students are taught how to identify different fabrics, use and make patterns, and operate different types of sewing machines. For leatherwork enthusiasts this entails teaching students how to dye leather and make basic leather goods.

In the first stage of training at the NVTC, students are not only taught to work with their hands, but the technical side of the courses is combined with life-skills. This is the portion of training that begins to erase the perception that, if South Africans cannot find employment, then how are they ever going to be able to run their own businesses. A mentality and a capacity of entrepreneurship are foremost in the goals of the NVTC and the FEBDEV staff who teach the businesses skills. 'Capacity building' is the rationale behind FEBDEV's contribution to skills training. Having the right business mindset is going to be important upon graduation if the students are going to actually successfully jump the 'employment gap' discussed by Mr. Gretton

(pers. comm., 2001) and Ms. Steenkamp (pers. comm., 2001). Training begins with simple things geared towards those wanting to enter the workforce before moving to entrepreneurial skills development that includes teaching students traits such as, reliability, punctuality, how to work in a team, and if need be, better communication skills. FEBDEV then becomes further involved and the students are introduced to the ins and outs of the business enterprise management. They are instructed, initially, on basic entrepreneurial matters, such as how to open a bank account, and basic bookkeeping, before moving onto the more advanced, complex concepts in the next step of their training.

#### **6.4.2. Step Two: Production Unit**

Once students become familiar with their chosen trade, the next phase is the production unit where students become apprentices for a period of up to six months and are often taught by the same trainer as in the previous phase. It is within the production unit where students fine-tune previously acquired skills, and continue to learn more complex methods. For students enrolled in clay & craft and in leatherwork these apprentices are integrated with new students learning the technical trades for the first time, using the same facilities and same tools. This relationship is often beneficial for both novices and apprentices because it allows novices to learn from observing other experienced students, and it enables the apprentices to gain repeated exposure to areas where they may earlier have had difficulties. The clothing production students move to the room next door where additional staff members help out in more advanced techniques.

FEBDEV also continues its part in the learning process by re-inforcing already established concepts and begins to delve into the nitty-gritty of creating your own business. The themes that may be covered at this time may include such crucial elements as how to procure materials, how to deal with suppliers, and where and how to source contracts. Finding contracts is a crucial component of being in the production unit, because it demonstrates to the students that this is where their money is coming from. The concept is more clearly illustrated to the students by paying them for the products they produce which are in turn sold by the centre. In 2000, students from the clothing production unit alone earned R35 000, by September of 2001 between R100 000 and R200 000 had returned to the community from the sale of

various goods (Weaver, pers. comm., 2003, 2001). Paying students for their output has allowed the training centre to alleviate one of the problems that local residents had when deciding on whether to take classes at the NVTC. Many expressed the concern that they could not afford to take time away from their job or looking for a job to take courses at the training centre. Paying students is twice as practical in that it supplements the person's income and provides them with much needed training.

A lot of the contracts in the production unit stage are sourced by the training centre. Handicrafts are beginning to attract the attention of larger companies who want to cash in on an apparent 'enterprise of craft' (Rogerson, 2000 [c]). Companies such as the international chain, The Body Shop, as part of its promotion of community-based trade has commissioned eight display platters and shop fittings for its new South African stores from the NVTC (Grier, pers. comm., 2001; Body Shop, electronic resource, November 2001). The NVTC has also recently been contracted to supply similar goods that are shipped internationally to Body Shop stores around the world. The Body Shop's relationship with the NVTC is a reflection of the fact that many formal companies are now forming links with local informal enterprises to promote local employment and local development (Rogerson & Rogerson, 1997).

Paying students per item produced not only introduces the students to piece-meal modes of production but it also provides them with a much-needed source of income while they are in training. Ms. Grier (pers. comm., 2001) attempts to prevent absenteeism and encourages speed work once quality has been attained in producing certain items by emphasising that the envelope of money they take home at the end of the month will be thicker the more quality goods they produce to sell. This has succeeded for one student who wrote in response to a question asking the students about the importance of the production unit, that speed work would be essential to their future business (questionnaire, 2001 data collected). The students are also made aware of the importance of better quality of goods produced, and the associated likelihood of more orders.

#### **6.4.3. Step Three: Master Craftsperson or an Entrepreneur**

The next phase is when the student from the production unit graduates as an independent master craftsperson or entrepreneur. At this stage the student is almost

entirely responsible for the day-to-day running of his or her business. Having fine-tuned their crafts, they must now source their own contracts and procure their own materials. In many cases, the students are encouraged to set-up their own micro-enterprises to sell their products. In this stage, students retain the option to remain on site at the NVTC, while others choose to work from home. There is the option for some to use business hive workshops available on site where they can still receive support, especially from FEBDEV, which offers continued business and entrepreneurial advice. If the entrepreneurs stay at the training centre, they must pay rent to the centre for the use of its facilities, but otherwise they receive the bulk of the income from the sale of their products and may either spend it on personal uses or, as FEBDEV tries to instruct them, invest it back into their business. There is a plan to build more workshop spaces where pottery, sewing and leatherwork students can work independently. When they do start to work on their own, they will be joining people such as Mrs. Aurelia Makhuphula who has, for the past five years, been operating and working in her own candle making business. In many ways, Aurelia represents the type of businessperson, who although she was not initially trained at the NVTC, received business skills training there. The centre is trying to create entrepreneurs like her who can contribute to local development within the Noordhoek Valley (Steenkamp, pers. comm., 2003).

Mrs. Makhuphula was originally from the Transkei town of Butterworth and after arriving in the Cape Town area in search of a better future, enrolled in a basic candle-making course at the Goodwood Training Centre. After graduation she worked in a candle-making factory where she learned more advanced candle-making techniques until its closure in 1997. In 1999 Mrs. Makhuphula approached the NVTC and asked if she could instruct candle making at the training centre. Instead she was offered space to set-up her own micro-enterprise and moved into the business hive under the name of Aurelia's Wax Creations. During her time at the NVTC and with the aid of its resources, including access to FEBDEV, Mrs. Makhuphula has learned to run her own business. She has developed her own business plan, conducted her own market research, acquired equipment, and has built up an impressive inventory (Makhuphula, pers. comm., 2001). Most importantly she shows signs of having firmly grasped the entrepreneurial mentality that the NVTC and FEBDEV try to instil in their students (Weaver, pers. comm., 2001). She has stated that the self-confidence that she has

learned has changed her life, and she mentioned that now she is aware of how to operate a business, 'I mustn't waste my time. I must make a profit. I want to be the big boss' (Makhuphula, pers. comm., 2001).

#### **6.4.4. Step Four: Independent Entrepreneur**

The fourth and final stage is when the student graduates as a master craftsperson and should have the ability to set up shop for him or herself. Again, however, what is unique at the Noordhoek Valley Training Centre is that the independent entrepreneurs do have the opportunity to run their business and sell their product from shops at the Two Oceans Crafts and Culture Centre (TOCCC) located across the street from the training centre. How this craft market came into being, and why it is important will be discussed later in this chapter. Although most students do leave the premises of the training centre, they do not leave the nest entirely. Those remaining to sell their products at the TOCCC will still retain access to the NVTC's resources but are still expected to carry out the bulk of their business responsibilities on their own.

As of yet there are still very few graduates of the NVTC who have reached this level. Most students are still in training or otherwise have taken advantage of their training in résumé writing and interview techniques and have found employment in their various fields.

#### **6.5. Meeting the Needs of the Community: The Rationale Behind the Choice of Classes Offered and Results Achieved**

According to Mrs. Hendricks (pers. comm., 2001), who works as a placement officer at the Muizenberg campus, the choice of courses that are offered at the NVTC is influenced by what skills are needed in the area. In particular, he stated, 'If we are not training to meet the needs of business and industry, we might as well close down.' Statements such as this are supported by Theodore & Carlson (1998) who believe that training institutions and industry have worked in separate worlds for far too long. Their following quote (no page specified.) puts the NVTC's job placement services into perspective,

*'Providers [i.e. the NVTC] are now confronted with the challenge of targeting training for the 'jobs of tomorrow' in a rapidly changing economy in which traditional tools and approaches are becoming*

*less relevant. To be successful, targeting strategies must now be based on local-specific occupation and industry data to match client skills and work experiences with employment opportunities.'*

It is this very understanding that represents the essence of job training in Noordhoek. In fact, if the NVTC does not prepare students for the 'jobs of tomorrow', as many of their government grants are conditional on the capacity of the students to gain meaningful employment in his or her field upon graduation, the centre faces losing funding (Kruger, pers. comm., 2001; Leroux, pers. comm., 2001). The need to predict the future requirements of the local job market has meant that the job placement officers have to communicate and work closely with industrial and business interests in the area. As such, successful job placement has become an invaluable service to students of the Noordhoek Valley Training Centre.

The fact that staff at the NVTC has actually conducted market research which has influenced the nature of classes offered is indicative of LED used by localities in the developed world. In these areas, local stakeholders who have been forced to reassess their economic situation and who begin to take notice of what niche markets are available, are more likely to curtail further economic declines by catering to their needs. Cultural tourism has been identified as being that niche market for residents of the Noordhoek Valley which bodes well in their favour, as opposed to the numerous development initiatives which failure, including the one where the NVTC is currently located, due to the lack of prior research and understanding of local market conditions (Weaver, pers. comm., 2001). The ability of the NVTC to stay tuned to the needs of local businesses have meant that it is also able, through its job shop, to place graduates with them.

## **6.6. Job Placement Services**

When asked about the need for job placement, Mrs. Sandy Trope, the resident job placement officer at the NVTC at the time of the initial research expressed the concern about existing methods of training students at other training centres, giving them certificates, and then sending them on their way without following-up on them to see whether they succeeded in finding a job. Mrs. Trope therefore sees her job as a process of progressing beyond training and seeing that it is taken one step further

(Trope, pers. comm., 2001). Mrs. Hendricks (pers. comm., 2001) also considers job placement as a 50-50 relationship between the centre and the individual. Career counselling, job-search workshops, curriculum vitae writing, communication skills, and successful interview techniques are taught in order to give the graduate the ability to find work on their own.

The NVTC runs four home management classes per year. From the beginning of 2000 to mid-2001 successful job placement for graduates ranged from 50-83% per class. By 2002, 122 home management graduates had been placed in positions in the wider community who combined had earned nearly one million Rand. The impressive placement rates have continued into 2003. Out of the first class of the year comprising twelve students, eleven had been interviewed for positions before they had even graduated and two-third had obtained positions (data collected, 2003). What needs to be taken into consideration however, is that these figures often represent part-time work, as it has been difficult to find graduates full time positions. Nevertheless, such results are seldom seen in other development projects. In another report commissioned by the SPM that was released in September 2001, it was estimated that of the 550 students who had attended the NVTC in the past eighteen months not necessarily just in home management, 65% had found full-time unemployment (Gretton, data collected; 2001).

For the moment the majority of NVTC graduates who are being placed are from the home management and waitrons training programmes. For the graduates of bricklaying and outdoor carpentry, the onus is really on the student to make use of the entrepreneurial development courses and start their own micro-enterprises. Although there are no large employers for domestic workers in the region, advertisements placed in the local newspapers have been fruitful at finding them work in private homes. Through these announcements and what has come to play an important role in spreading information concerning the NVTC, namely word-of-mouth, these people are being not only hired by individual households, but are also being employed by the growing tourist industry.

Catering to the whims of the growing number of international tourists represents one of the few possibilities for job creation in the area. Although, according to Mrs. van Stadten (pers. comm., 2001) of the South Peninsula Tourism authority, tourist revenue

as a whole has decreased somewhat in the past years, the South Peninsula has considerable tourism potential which could put a lot of local residents back to work. Globally, tourism has become a growth industry with Cape Town being sold to the international community as an affordable destination, which is rich in culture and natural beauty. Infrastructural developments to accommodate foreign leisure and business travellers including the Victoria & Alfred Waterfront (V & A) and the construction of a world-class conference centre demonstrate the priority accorded to the tourism industry as a means of stimulating local growth. The South Peninsula however, has traditionally been seen as a one stop tourist destination where tourists merely drive-through the area on their way to Cape Point, Chapman's Peak, or Constantia's wineries, from their hotels on the Atlantic seaboard. In an attempt to keep tourists interested and based in the South Peninsula for longer periods of time, the South Peninsula Tourism has launched a new tourist attraction programme (Gretton, 2001, pers. comm.; Naidoo, pers. comm., 2001; van Stadten, pers. comm., 2001). The *Linger Longer* campaign is a combined effort by municipal authorities, South Peninsula Tourism, restaurants, guest houses, and community organisations such as the Noordhoek Valley Training Centre to keep people spending in the South Peninsula longer by providing them with a more widely varying array of activities, accommodations, and other amenities (Gretton, pers. comm., 2001).

South Peninsula Tourism keeps the NVTC informed of developments in the tourism industry, which has equated to the courses available at the training centre being heavily influenced by the need to cater to tourists. Part of the *Linger Longer* programme focuses on encouraging small guesthouses and restaurants to provide an alternative for travellers tired of mainstream, mass-produced holiday packages, and who are looking for novel cultural and community-based experiences. Many of the women trained in home economics find employment in the small bed & breakfasts springing up in the area.

According to Rogerson (2000 [c]) handicraft production is increasingly becoming an essential component of local development potential. Some of the trades that are taught at the NVTC attempt to cash in on the perceived benefits of the crafts and souvenirs trade aspects of local development by teaching residents how to produce items that are in high demand by tourists. Ms. Grier, (pers. comm., 2001) confirms this notion when

she explained that tourists are developing an interest in visiting townships and purchasing authentic, locally made products. Similarly, according to Mrs. van Stadten (pers. comm., 2001) of the SPT, recent tourism trends indicate tourists want to see more cross-cultural events where they can purchase community-specific products. Tourists want to see local people producing the crafts, they want to partake in cultural activities such as theatre and song, they want to sample local foods, and they want to visit townships to see for themselves the lives of the local peoples.

### **6.7. The Two Oceans Crafts and Culture Centre**

Shortly after classes began instructing students in technopreneurial skills, an additional need was identified by the NVTC. Despite the progress that the training centre was making in producing potential entrepreneurs, there still existed much uncertainty as to whether the students were indeed capable of making the leap into independent business. Ms. Grier (pers. comm., 2001) noted, 'it is a personal choice to become an entrepreneur, sometimes they [students] prefer to work in the team for a while longer.' When questioned about her eventual move to complete independence, Mrs. Makhuphula (pers. comm., 2001) mentioned that she felt safe at the NVTC and would feel more confident remaining tied to the training centre for a while longer. If more and more students will soon be graduating and needing shop space, the NVTC needs to expand. In order to make the transition to independence a little less difficult, the Noordhoek Valley Training Centre, in association with Cape Metropolitan Tourism and the Cape Metropolitan Council has built a formal market and culture centre at a cost of approximately R1 million next-door with adjacent facilities for informal trading by local residents (Naidoo, pers. comm., 2001). The formal market is now known as the Two Oceans Crafts and Culture Centre (TOCCC), while the informal trading area is simply referred to as the Kommetjie Market, named after the road that pass in front of both.

In many respects, the TOCCC and the Kommetjie Market represent the face of both local economic development and local self-reliance in the Noordhoek Valley. It is here that it is hoped the new businesses will set up shop and contribute to the economic upliftment of neighbouring communities and provide jobs for those who need them. In contrast, the reality is that these little shops resemble more so the informal markets that characterise the informal settlements of San Juan de Miraflores

in Peru in terms of what they produce and in what quantities. At least it can be said that those who are active at the TOCCC demonstrate an impressive level of self-reliance and innovation.

The Two Oceans Crafts and Culture Centre (TOCCC), as it is now known, occupies the site of the previous market built by the Small Business Development Corporation that did not work. To again avoid a similar fate, the organisers of the TOCCC made sure to consult the community on many matters, and have employed local residents as builders and local materials are used in the building process. A key feature of the TOCCC is its enormous tourism potential, first because of its location, and second because it fills the role of providing cultural activities and experiences and offering local cuisine and souvenirs to foreign tourists. It is located along a popular route to Cape Point and it is hoped that, through word-of-mouth, and by interest sparked by pamphlets distributed at tourism trade fairs by the SPT that tours buses will soon be bringing numerous visitors to the TOCCC. Cape Point is the third most visited site in the Western Cape, and a statistical analysis conducted by Cape Metropolitan Tourism (CMT) indicated 2000 tour buses per month pass in front of the NVTC and the TOCCC carrying over 800 000 tourists yearly to Cape Point (Naidoo, pers. comm., 2001; CMT, data collected). In preparation for these tour buses, the training centre has already built parking facilities to accommodate large numbers of tourist vehicles.

The TOCCC is specifically geared towards tourists looking for cultural experiences, and has been built to resemble a traditional African village, complete with thatched huts and authentic ethnic foods. There are six rondavels that serve as either workshops for students who are in advanced stages of training, and are shared with students who have become quasi-independent entrepreneurs, or they house little shops selling finished goods. They offer tourists a chance to see for themselves how the crafts are made that are directly available for sale. Also on site is a covered three hundred-seat amphitheatre that gives local residents an outlet for traditional song and dance and contributes to the overall cultural experience and the *Sonwabile* (We are Happy) Restaurant, which is furnished with items produced by students in the production unit, and which gives international travellers an opportunity to try traditionally prepared meals. A growing number of tourists also want to see for themselves the communities in which many of nation's poorest people live. It is from within South Africa's

townships that the struggle for political freedom arose, and tours of local communities offer visitors a glimpse at not only the past, but at the reality of contemporary problems. The township tours that start from the TOCCC may be favourable to those undertaken in larger townships, as the nearby communities are smaller and are perceived as safer. Local residents trained as tour guides show tourists points of interest and provide the history of the various communities (Naidoo, pers. comm., 2002).

Other than the formal crafter's arena, the Kommetjie Market, accessible from the main centre is to be used by the ordinary residents of Masiphumelele, Ocean View and Red Hill to sell products made within the townships. Thirty-four stalls will be available at a modest rental of R35.00 per month. The Kommetjie Roadside Market may appeal to tourists but is predominantly a chance for independent people, who have not taken courses at the NVTC, to rent stalls from which they will sell products marketed towards local peoples. One of the problems previously faced by micro-entrepreneurs was the lack of such facilities (Naidoo, pers. comm., 2001). Chapter Four discussed how much of the informal economy is comprised of survivalist activities, the Kommetjie market is therefore an attempt to provide them with a regulated space with access to electricity, toilets, and water. The selling of homemade goods and meals to local residents does not take on the proportions of a formal market institution like the TOCCC, but does represent the nature of local development in South Africa. The growing number of people selling fruits and vegetables or pots and pans etc. on street corners is a sign of people's response to unemployment and confirms, in part, the notion that local development activities are beginning to take root in this country, if not out of choice then from necessity. It is highly unlikely that the TOCCC will be able to provide sufficient space to house all the graduates who pass through the NVTC, nor will it be able to solve all the problems associated with the survivalist informal economy, but it does represent a step in the right direction. The TOCCC, which still only operates on selected days has just opened and the Kommetjie Market still has not officially opened as it has not yet been fully completed, but there is the potential there that they may have a profound impact on the communities of the people who work there.

## 6.8. Conclusion

The principle arguments laid out in this chapter relate again to how local development in the Noordhoek Valley contains traits of both LED and LSR without really falling entirely into one or the other category. It lends itself to the idea that due to South Africa's position somewhere between the First and the Third World, the nature of the local development that its localities are pursuing represents a mixture of the two. The provision of skills training, the courses offered by the NVTC, the multi-step process, and the opportunities made available by the TOCCC all contain different elements which are visible in both LED and LSR.

The fact that the NVTC offers the courses that it does is an indication that it has fully recognised the need for keeping abreast of changing industrial trends. Leather crafts and ceramic souvenir making classes and associated entrepreneurial skills training has implied that local residents can now tap into the growing tourism market with a niche in cultural or locality-specific crafts and souvenirs. While it looks like tourism may be a growth industry, what seems to be well entrenched at the training centre is the need to be on the lookout for new opportunities. With this in mind, there has been some interest expressed in perhaps looking into offering classes that provide training in how to look after the aged.

This chapter has showed that the unique multi-stage training process where students are gradually exposed to new technical and business skills while at the same time providing some with a source of income as they train, implies that the NVTC provide the valuable dual services of skills training and income generation. This process has allowed some graduates and people like Aurelia the opportunity to become independent entrepreneurs according to their own strengths, whereas others may make use of the job shop that has become one of the backbones of the training centres recent and continued success.

It is believed that once tour bus operators have changed their schedules to include the TOCCC on their itineraries, something that the SPT is currently looking into, that the crafts market has the potential to increase local tourist revenues once even more tourists will be stopping to take part in available activities. Until then, what actually is happening does reflect the nature of local economic development in South Africa.

Given the reality that there simply are not enough resources to address all the needs of all South Africans, then it becomes the responsibility of community organisations such as the NVTC to at least try and fill the gap.

The next chapter discusses the extent to which the initiatives of the Noordhoek Valley reflect the literature concerning local development globally. As has been portrayed numerous times in the past two chapters, in many ways the NVTC does appear to possess many of the defining criteria including a complex network of partners that have led to its success. Thus Chapter Seven will look at what characteristics other development initiatives may wish to advance if they want to learn from both the challenges and the victories experienced by the Noordhoek Valley Training Centre.

## **CHAPTER SEVEN - DISCUSSION AND CONCLUSIONS**

### **7.1. Introduction**

This chapter serves to tie together the theories and the case study and determines to what degree the original aims and objectives of this thesis were met. Considering that many comparisons have been made between parts of South Africa and both the First and Third World, it was necessary to include an analysis of local development policies and approaches in those different spheres, because South Africa is currently implementing strategies which bear similarities with both. The extreme inequalities in access to resources and skills in South Africa has implied that the form of local development that is being implemented represents a range of both LED and LSR initiatives, with different government departments focusing on economic growth, while others seeing pro-poor interventions as key to local development (Desai, 2003; Tomlinson, 2003; Cheru, 2001). In the Noordhoek Valley, this mix of LED and LSR is evident through the developmental activities pursued by the Noordhoek Valley Training Centre, a concept that will be revisited in this chapter.

The LED evidence is strongest in the NVTC's push to stimulate entrepreneurship, while indications of LSR come through the limited size and output of these enterprises. What examples of LED and LSR around the world both have in common, and what really comes to the fore at the Noordhoek Valley Training Centre, is that local development is very much a participatory process where its success rests on the strength of local champions, social connectivity, joint action, creativity, and encouraging to the entrepreneurial spirit of local stakeholders (Woolcock, 1998; Knack & Keefer, 1997; Blakely, 1994). Theoretical discussions on local economic development and local self-reliance were examined in Chapter Three whereas Chapter Four pertained to how they feature in South African developmental discourse. The meta-developmental concepts of social capital and innovation were developed in greater detail in Chapter Five and Six. These chapters showed how a partnership of community organisations, NGOs, local leaders, and government officials has played a central role in the evolution of local development and social capital that has fed local innovation and made available a skills training institution that now drives local socio-economic growth in the Noordhoek Valley.

This chapter therefore recaps some of the theories described earlier and demonstrates how the activities and the people active at the NVTC parallel wider, people-centred locality-based development. It is also important to note that this chapter is not specifically about assessing or quantifying the outcomes of the training centre, as impressive as they may be, so much as it is about determining how they hold up against theories relating to local development as discussed in the literature review chapters. It is also about predicting the NVTC's potential long-term effectiveness. This being said however, this chapter will also include a section on some key concerns regarding the training centre that may in fact impede lasting success. Furthermore, it is a sobering reminder that local development success is often dependent on local conditions that may prevent it from being reproduced elsewhere. What is clear though, is that the NVTC certainly does present an interesting, and contemporarily relevant, example of locality-based development.

## **7.2. Aims and Objectives Revisited**

This thesis originally identified a series of aims and objectives that shaped the direction of research. The two aims were first to develop an international contextual background within which to frame South African local development, that in turn would provide the context for understanding development in the Noordhoek Valley. A secondary aim was based on the lessons learned from these international contexts and sought to determine whether local development in the Noordhoek Valley is on the right track. In achieving these aims, numerous objectives were met including a thorough literature review of local development in both developed and developing countries, an examination of the different modes of local development used in South Africa, a documentation of the history of the Noordhoek Valley Training Centre and the identification of local development initiatives used in this locality, as well as a critical assessment of what has been achieved. The findings corresponding to these objectives and a discussion about them will be set out in the next sections. The final objective of ascertaining what the important elements driving the development process are and identifying what key lessons can be drawn, will be satisfied in this the concluding chapter. Final summations and comments will follow.

One of the first research questions that was asked while conducting of review of the literature was *Why does there appear to be a pressing need for locale-specific*

*development around the world today?* From a review of the documented evidence regarding western economies, it is apparent that globalisation and neo-liberalism have altered traditional modes of production in North America and in Europe and have caused many of their local economies to slip into decline. Widening de-industrialisation, the effects of a growing international division of labour, and rising unemployment are now the signatures of many depressed communities (Camagni, 2002). What this has meant for these micro-territories is that, if they are no longer internationally economically competitive, i.e. if they have not kept up-to-date on technological advances, changing trends in market behaviours, modernised and streamlined modes of production, and have not promoted a new culture of imagination and innovation, then, according to the development literature, it is very likely that they will continue to experience increased industrial closures and further job losses (Zhu, 2002; Pierson, 2001; Chari *et al.*, 1998; Thompson & Smith, 1998).

For developing economies, there is the additional concern that they often do not have the industrial background that northern countries possess that gives them a distinct advantage. Therefore, not only is the changing nature of the global economy and structural adjustment afflicting damages on individual sub-regions of the South, it is afflicting damage on sub-regions that are already heavily burdened with persistent poverty and chronic unemployment (Pierson, 2001; Hanson & Hentz, 1999). Crumbling national economies and growing local inequalities have essentially left many communities on their own, struggling to make do with what they have and what they know. Local development in the Third World then, is, in many respects, consistent with survival strategies and / or is considered as a way of at least trying to ameliorate the declining quality of living of the planet's least well off.

South Africa is stuck somewhere between the imaginary line that divides the world into the First and the Third World components (Beck, 1990). Although the government would like to believe that it possesses an advanced modern economy the truth is that, in recent years, the economy has not provided sufficient opportunities for the nation's unemployed. The need for local development in the Noordhoek Valley in the City of Cape Town is much the same as for the rest of the country where the formal sector is unable to provide enough jobs for those desiring work. What has become a more likely scenario is that the poor have now begun looking for alternate

arrangements for seeing to their needs. Admittedly, the national government has provided an extensive framework for local development and has been instrumental in encouraging a mentality of entrepreneurship such that South Africans may pursue their own local development. The publishing of supporting policy such as the White Paper on Local Government (RSA, 1998 [a]) has assisted in this regard.

The next set of research questions asked *What forms of local development have localities in developed and developing countries used in response to local economic problems? What forms of local development are used by localities in South Africa and do they represent a mix of developed and developing world local development strategies? Under what conditions, in conjunction with what agents, using what mentality and through what kinds of intervention will local development be the most successful?* A general consensus is that if development initiatives hope to survive, then local stakeholders must become increasingly more pro-active in their search for economic relief, especially in the face of neo-liberal policies coupled with the reality of minimal national intervention. In developed countries, private-public partnerships and development agencies touting pro-market strategies aimed at providing the 'right' enabling environment to encourage the growth of indigenous, large-scale entrepreneurial development and job creation is the norm (Fourie & Burger, 2001; Roberts & Lloyd, 2000; Webb & Collis, 2000; Lee, 1999). In developing countries local development is often market critical and entails local champions and communities members themselves banding together to overcome a common obstacle or individuals initiating activities with the singular goal in mind to provide for their household's basic needs (Day, 2000; Stock, 1995).

Again, South African responses fall somewhere between the two. Its large cities are increasingly focusing on large-scale, macro-economic projects to enhance their economic competitiveness. Development agencies are beginning to promote local entrepreneurship, but the character of enterprises that are usually established are those reflecting more the *micro* reality of smaller, often family-run businesses. Moreover, survivalist strategies abound whereby people often resort to basic street trading to earn sufficient income to satisfy basic needs (Kesper, 2001; Beall *et al.*, 2000; Bisseker, 1999; Rogerson, 1997).

As upcoming sections will demonstrate, the Noordhoek Valley Training Centre remains, at the same time, both indicative of LED and LSR forms of local development. Main arguments centre on the encouragement of entrepreneurship mixed with issues of self-reliance and survivalist activities. The NVTC is providing students with the necessary skills to jump what Mr. Gretton and Ms. Steenkamp have called the 'employment gap' by means of a comprehensive training process (Gretton, pers. comm., 2001; Steenkamp, pers. comm., 2001). The NVTC offers courses that are specifically designed so that, upon completion, its students have the advantage of being trained in fields where there is an identified need for their trade. The training centre has recognised that it must work within the parameters of its existing economic environment, use whatever local resources are available, rely on whatever local expertise is available, and supply the needs for whatever local niche markets exist.

By adhering to these principles, 2002 was a defining year for the Noordhoek Valley Training Centre. It was estimated that, through its array of new and existing partnerships, 833 people from local communities received some form of training at the centre. It is also estimated that in that year alone almost R2 million went back into the communities in the form of income from the production units and from income derived by newly employed graduates. In total to date, an approximate R5.5 million earned at the NVTC has filtered back into the communities of Masiphumelele, Ocean View and Red Hill (Weaver, pers. comm., 2002).

### **7.3. The NVTC Revisited: A Reflection on Local Developmental Theories**

The NVTC is a reflection of many of the theories that were examined in this thesis. From the discussions on pro-market and pro-poor, entrepreneurship and survivalist strategies, and concepts of social capital and partnership creation, as authors such as Nel (2001) and Wong (1998) have explained, there is no clear recipe for local development, and there is no clear vision as to which path has the greater proclivity for success. In reality, as the development literature has suggested, there is no right or wrong in local development and what has been accomplished by the NVTC is actually the result of a combination of strategies, stakeholders and social capitals. The following sections will recap on some of these issues.

### **7.3.1. The NVTC – LED or LSR?**

As the previous chapters have demonstrated, it is impossible to pigeonhole the variety of local development that is most fitting of the Noordhoek Valley Training Centre. The origins of this debate are based in South Africa's dual economy, which is gaining increasing exposure in the development literature and media (M & G, 2003; Tomlinson, 2003). The cohabitation of a First and Third World economy within many of the same localities, including the Noordhoek Valley, has required municipal authorities to tread a very fine line in calling for and balancing both pro-growth vs. pro-poor, market-led vs. market-critical, or macro-economic vs. poverty alleviation development strategies.

Local development in the Noordhoek Valley associated with the NVTC is very much a reflection of this call to address both economic and poverty-related issues. The fact that it is located within the City of Cape Town, which has an extremely complex yet comprehensive development plan aimed at increasing its global competitiveness, implies that such strategies as skills development tie into its larger macro-economic focus, while the basic nature of some of the skills it supports at the NVTC shows that it is socially responsible and poverty reduction focussed at the same time. Linked to this is, again, the notion of human resource capacity building, an activity visible in much of the developed world and advanced through its development agencies, and the provision of skills as a means of empowering local, disempowered people in the developing world.

The Cape Metropolitan Council, which provided the initial funding of R1 million, has much in common with the development agencies or higher authorities found in Europe and North America that have as their goal to stimulate the economic performances of localities which fall under their jurisdictions. In this case, the NVTC looks like an example of LED, but when it is considered that the capital was channelled directly through a representative selection of local stakeholders who gathered to identify where it would best be used, and that it was ultimately spent on a project that specifically sought to address issues of poverty, skills development, and basic income generation, it points to a more LSR-related strategy. This blend of top-down and bottom-up development has continued to be a major strength of the NVTC.

In terms of local economic development, the NVTC has contributed greatly towards fortifying the economic base of the area, and has generated over R5 million in income for the people of Masiphumelele, Ocean View, and Red Hills. In the construction phase of both the NVTC and the TOCCC, it was ensured that local people were hired, that building materials were procured locally, and that fittings were produced locally so that the money would be kept in the area. This was designed to facilitate the flow of money in and around these communities and to encourage people to spend locally, i.e. purchase goods from local shops and develop a greater loyalty to economic resources in the immediate surrounding area.

This mix of LED and LSR is further visible in the type of partnership currently used by the NVTC. In developed countries, PPPs are often comprised of municipal officials, chambers of commerce, private business concerns, and other large and powerful bodies that had a direct interest in supporting the economic development of their area. In developing countries, in contrast, partnerships may also include people from the municipality, but would predominantly encompass people or organisations that are more socially conscious such as NGOs, community groups and elders, or simply interested and affected residents. In the Noordhoek Valley, it is an amalgamation of all such groups that is carrying the NVTC forward. On the same campus council ordinary people from the informal settlements sit side-by-side with local governments representatives and people from the business world, allowing all involved to draw on the economic expertise of business groups while ensuring that the concerns from the targeted communities are not overshadowed.

#### **7.4. Key Lessons**

It is this mixture of different LED and LSR approaches that have led to the successes experienced by the NVTC. There are numerous key features and strategic lessons which may be drawn from the training centre that explain its ability to continue to provide such valuable services to the communities of Masiphumelele, Ocean View, and Red Hill in terms of skills training, employment creation, and income generation, which will now be summarized.

#### **7.4.1. Choice of Courses Offered**

The first consideration is based on the nature of the skills training itself. The staff at the NVTC have liaised with local industry leaders and have identified which areas of the local economy are most likely to yield the greatest job market potential, such as home management, employment in hospitality and restaurant services, and well as the rapidly increasing tourism sectors where visitors to the Noordhoek Valley are looking for culturally specific products. Business and entrepreneurial skills training on the part of FEBDEV have allowed local residents to respond to this niche market by equipping them with the know-how and empowering them with the positive frame of mind required to establish their own micro-enterprises in pottery, leatherworks, candle making, and sewing.

#### **7.4.2. Multi-Phase Training**

It has also been recognised that it is not enough to just provide traditional-style skills training due to limited levels of formal education and business exposure possessed by residents. Due to the fact that it is extremely difficult to take an unemployed individual and turn him or her into a self-sustaining entrepreneur, it is therefore necessary for the NVTC to undertake a training method that is adapted to their abilities and local realities. The gradual three-year process of introducing students to technical skills, followed by business training, and then integrating them into a work-as-you-learn scenario where little by little they are required to take on more and more responsibility for themselves, until they break out on their own, has been another of the strengths of the training centre. The additional bonus that they are paid while they are in the production unit phase, alleviates worries about not receiving an income while they are in class. This also provides them with practical experience with regards to what to expect when they are running their own business.

#### **7.4.3. Job Placement Services**

The availability of job placement services, which although mostly catering for home management and waitron graduates, provides a back-up for students who do not wish to or feel they are unable to become entrepreneurs. On account of the positive benefits created by word of mouth exposure, graduates from the technopreneurial classes are also beginning to be placed in jobs in the surrounding communities, along side their co-students from the home management and waitron training classes. If plans go

ahead to increase the functions of the job placement centre and turn it into a job bank of employment opportunities in the area, then it will provide an even greater service to local residents.

#### **7.4.4. Social Capital**

Another critical lesson is that the synthesis of differing view points and development ideals have played an integral role in forming one of the greatest intangible assets that has further enhanced the long-term success of local development in both developed and developing countries; namely social capital. The following sections review some of the factors that have contributed to the development of a strong social capital in the Noordhoek Valley.

One of the over-riding re-occurring themes that have come up time and time again is that local development is now very much a communal activity. Even if there are individual outcomes, the ingredients that go into making them a success are the result of strong inter-active relationships between differing partners. Sometimes the individual members come into the partnership reluctantly, unsure of why they are there and what they can either achieve by acting co-operatively or can contribute to the relationship, but once they see for themselves the benefits of joint action then that bond becomes even stronger. This realisation may come even sooner if there is a local leader present who can serve as a catalyst and effectively demonstrate to the rest of the community the reasons why they need to come together. This person, who may be peer or self-appointed, carries the responsibility of ensuring that existing material resources and expertise are properly channelled so that they may have the maximum positive effect on the local economy (Day, 2000; Lyons & Smuts, 1999).

The amount of income being generated by graduates of the NVTC is certainly impressive but to get them to a point where they are actually earning a living is the product of the partnerships established by the training centre. Whether or not a development initiative such as the NVTC is ultimately successful rests very much on the social capital that Putnam (1995, 1993) explains is a by-product of partnership formation. If developmental initiatives are sufficiently inclusionary and seek directly to encompass all individuals and different community groups in the process, then that form of social cohesion will actively promote the emergence of a mentality that adds

to this social capital. If community members take ownership of their particular economic problems and adopt an appropriate mindset of self-help and self-reliance and set out to solve them, then they are that much further ahead at accomplishing substantive local development.

#### **7.4.4.1. Identification and Ownership**

To start off on the right track to development success, there is a need for communities to identify, through collective action what their needs are, what their strengths and weaknesses are, what their existing resources are, and what opportunities are out there. From the very beginning, when the South Peninsula-area transitional municipal councils were asked to submit a request for RDP funding, their recognition that bringing the previously disadvantaged people into the process to help identify where the funds should be spent is an indication of the type of attitude and culture of innovation that soon developed in the community and has continued to benefit it. A recent report by Mr. Gretton's office has praised the NVTC for its success as a community-driven initiative and reaffirms the merits of community representation (Gretton, 2001 data collected).

#### **7.4.4.2. Local Champion**

Although Mrs. Weaver was not involved in the original RDP application, since her arrival she has been thrown into the role of local champion and has become vital to the sustainability of the training centre. As director of the NVTC she has been crucial in forming the partnerships that have since contributed to the covering of administrative costs, paying for quality instructors, and keeping tuition fees to a minimum. She has gained the respect of community leaders further entrenching the overall recognition accorded to the NVTC by residents of the neighbouring informal settlements. Mrs. Weaver has been extremely successful in motivating the staff and students, and has contributed to the rising levels of empowerment experienced by people active there. She is also cautious not to allow people to depend too much on her, as it is important that, in the event of her departure from the NVTC, that others can readily fill her place and the institution will be able to remain sustainable (Weaver, pers. comm., 2003, 2001).

#### **7.4.4.3. Partnerships**

The initial efforts of the RDP committee to include the residents of Masiphumelele in the decision making process and with Mrs. Weaver at the helm of the Noordhoek Valley Training Centre have combined to create a comprehensive development endeavour. The evidence in the opening theoretical chapters of this thesis indicated that all sectors of the community need to be brought into the development process. Previous traditional forms of development that were characterised by external or top-down approaches inevitably failed to reach their target groups, both conceptually and through substantive development projects. Now there is a push to include both the recipients and agents of development in the developmental process. That is exactly what has been accomplished at the NVTC through keeping close contact with many of the government departments and community organisations that provide different levels of support, as well as providing representation for many of them on their campus council including, municipal councillors and officials, NGOs, members of the local business association, and influential residents from the communities of Masiphumelele, Ocean View, and Red Hill.

Community leaders and organisations, through their seats on the NVTC campus council, have the opportunity to voice popular concerns from within the townships and have the right to partake in decisions that affect its direction. Although Mrs. Weaver (pers. comm., 2001) admitted there were instances where some residents were not in total agreement with decisions reached at the training centre, many more, including those associated with the Sosebenza Youth Group, have actively promoted the NVTC as being a beneficial part of the community.

Other than the residents from the community, additional support has been garnered from institutional organisations. The larger entities, including various national government departments, the South Peninsula Municipality, and now the City of Cape Town, have been instrumental, not only because they provide funding for the training centre, but also because they make sure that the NVTC operates within the guidelines of nationally set development frameworks. The RDP may have been closed as a formal ministry, but the principles of sustainable and participatory development live on within Noordhoek's chosen methodology. Equally fundamental are the contributions of the Foundation for Business and Economic Development. Both

FEBDEV and the NVTC have avoided unnecessary duplication in providing entrepreneurial training by linking together in a joint effort to provide this service. It has been a rewarding, reciprocal relationship where the NVTC has profited from FEBDEV's experience in the field of business skills training, and FEBDEV can use the NVTC as a medium through which to promote its objectives.

With these, amongst other partners, the Noordhoek Valley Training Centre definitely receives full marks for going out of its way to ensure that it develops extensive cost-saving yet quality driven relationships. Despite the fact that they may initially have been sourced as a means of saving money, in retrospect they have given the NVTC the added advantage of being part of the cause of the now flourishing social capital.

#### **7.4.4.4. Entrepreneurial Mentality**

The qualitative questionnaires that were distributed to students who were then enrolled at the training centre during the time of the research, confirms, in part, that an entrepreneurial mentality is beginning to take shape amongst the students. It was not uncommon for students to respond to the question asking why they believe learning business skills is important by stating that the obvious lack of jobs in the area meant that they needed to start their own businesses. While many local residents are content to wait for a job to find them on a street corner, one student accurately displayed the attitude that the NVTC is trying to encourage by writing, 'jobs is [are] so scarce you must create your own' (questionnaire, data collected; 2001). Other than teaching students the technopreneurial skills needed to become independent entrepreneurs, the frame of mind needed to become successful is also beginning to take root. Another student, responding to the question asking them their opinion about whether the NVTC has sufficiently prepared them, wrote that 'time is money and moneys comes with my hands.' Two final quotes that put the entire process promoted at the centre into perspective are firstly one student's answer to why that person would recommend family and friends to take courses at the NVTC, 'I came with nothing and I'm going with much skill and knowledge' and secondly, 'I think it would be better [for them] to do something than to stay at home the whole day. The course is going to help them a lot, they're going to have experience' (questionnaire, data collection; 2001). With this in mind, although some students still prefer to enter the job market as employees, the

progress the training centre has had in opening the eyes of students to the possibility of independent enterprise is noteworthy.

There is, without doubt, a synergy present at the Noordhoek Valley Training Centre focused on making an entrepreneurial mindset an everyday reality. It is exactly as Ms. Leroux (pers. comm., 2001) implied, when she stated, 'What's the use of simply developing their hands, you need to develop the whole person.' It is important to encourage people to use their creativity and ingenuity as part of addressing their individual and collective economic obstacles. Ms. Steenkamp (pers. comm., 2001), in answering an interview question regarding entrepreneurialism stated, 'our emphasis is on creativity and when you start seeing the world in a different light you start seeing problems as opportunities.' This has succeeded in people like Mr. Manzana who has used his imagination to create a novel, marketable product and Mrs. Makhuphula who understands the value of time management and becoming an independent businesswoman. If the NVTC continues to instil in people the belief that they are able to change the world around them, then it will be that much closer to succeeding in its objectives.

With the previous list of qualities in mind and from the context of the theoretical underpinnings of local development discussed in the opening chapters, it can be surmised that the Noordhoek Valley Training Centre possesses numerous defining qualities, both tangible and intangible, that will significantly increase the development initiative's potential of effectively executing meaningful development within the communities it serves. A wide variety of extenuating factors have added to this propensity, but the message that is communicated most often from authors referenced in this thesis, and which plays a leading role at the NVTC, is that social capital is, in actual fact, one of the predominant driving forces behind local development.

### **7.5. Worrying Features**

Despite this seemingly rosy picture, there are a number features with regards to the NVTC that are potentially very worrying. The first is that although the centre should be commended for striking up partnerships with various stakeholders which has meant that students pay relatively low student fees, this has implied that it is highly dependent on outside sources of funding. If, for some reason, one of the partners

decides to withdraw its support, it may have disastrous repercussions for the training centre. With this in mind it is necessary for staff to keep looking into alternative sources of funding to ensure long-term viability and sustainability.

In addition, at the moment, there are very few people who have graduated from the NVTC as independent entrepreneurs. Many of them are still in the various stages of training, but despite the emphasis on training micro-entrepreneurs, many of the hundreds of local residents who have received training have instead seized opportunities for guaranteed employment rather than taking the chance of starting their own business. If marketed properly, the Two Oceans Crafts and Culture Centre has the potential to house and market the products designed and produced by micro-entrepreneurs and thus entice more graduates to open shops of their own. The TOCCC is currently under-utilised, meaning that more marketing needs to be carried out and a firmer relationship with tour operators needs to be cemented to use the crafts market to its full potential.

Furthermore, while there is no denying that the job placement office is supplying an invaluable service to home management and waitron training graduates, many of the jobs they are being placed in are only part time, sometimes one day a week, or are seasonal and dependent on the number of tourists visiting the Valley. Some graduates are being hired full-time once they have proved themselves to be responsible and trustworthy employees, but it is very difficult for job placement officers to guarantee full-day, everyday jobs for students on completion of the course. Once they are placed in the community it is also tough for the job placement office to follow-up on and mentor every one of its graduates.

## **7.6. Conclusion**

After comparing the activities of the Noordhoek Valley Training Centre to different outwardly successful development initiatives around the world, it is apparent that it can generally be considered to be on the right track. It has done its homework and is tackling traditionally difficult obstacles that usually retard local development such as fragmented community support and poor skills levels in a comprehensive fashion.

The fact that it only has a few individuals working as independent entrepreneurs does not necessarily reflect negatively on the NVTC, in fact, in many ways, it is an indication of the comprehensiveness of its programmes, whereby many students are still in the various stages of training. The training institution cannot be blamed for the fact that many students will choose to grab at the chance of any job opportunity made available to them, since seizing opportunities is what has made the Noordhoek Valley Training Centre so successful in the first place. Furthermore, despite the NVTC's and FEBDEV's combined efforts to develop students into independent entrepreneurs, many students still prefer the certainty of guaranteed wages in paid employment to the uncertainty of enterprise management.

Theories pertaining to local development require its followers to become innovative in their search for community development, and the students who remain on course to becoming business owners have illustrated this point. Some critics might say that the NVTC 'babies' the students too much, but unfortunately history has shown that, without continual support, the chances of success are not great (Scott & Pawson, 1999). Alternatively, this is precisely why students are pushed bit by bit out of the nest but still receive continuous support so that new confidence evolves within them, and past mentalities of helplessness are replaced by a sense of empowerment and a strong desire to succeed. The question remains however, just when does the training centre say enough and finally force the budding entrepreneur to stand on his or her own two feet? This day will soon come in the Noordhoek Valley and the ability to survive in an open economy will serve as a further benchmark upon which to judge the NVTC's success.

One thing that students are made aware of is that running your own business is a difficult process and that the rest of the economy will not make special allowances for the micro-entrepreneur. As was the case with the community businesses in New Zealand and the United Kingdom discussed by Teague (1987) and Scott & Pawson (1999) it has proven difficult for unemployed workers to start businesses of their own. That is why there is such a strong focus on mentorship at the NVTC, and it can only be hoped that the additional attention given to the local entrepreneurs of Noordhoek Valley will be sufficient to compensate for this possible pitfall.

The Two Ocean Crafts and Culture Centre is perhaps one of the better chances the community of Masiphumelele has to experience strengthened local economic growth. The NVTC has, without a doubt, conducted a very thorough study of local industrial needs, and the building of the TOCCC to respond to the demands of culture-based tourism represents a profound understanding of the local economy's strengths and weaknesses and of the capacity of the local community to respond to such demands. In addition to its advantageous location, along with access to prominent tourist routes, if it is marketed properly, which is something that South Peninsula Tourism currently is focussing on, then the potential is almost limitless. The TOCCC promises to serve as a launching board for some of the training centre's graduates into the 'real world.' It can be argued that they will do so having a distinct advantage over the thousands of other prospective entrepreneurs who do not have the benefit of essential life, business or entrepreneurial skills development training.

As is the case for the Kommetjie Road Market, which is nearing completion, the TOCCC is one of the few means of improving the local townships' image while simultaneously contributing to the general economic upliftment of the communities and providing survivalist entrepreneurs with some measure of stability. The Kommetjie Market may also benefit from curious tourists coming over to view for themselves perhaps an even more authentic 'African market' than the recreated version available at the TOCCC. It will be interesting to monitor the expansion of the craft market, especially as more and more students will be graduating from the NVTC and will be requiring spaces of their own to exhibit and sell their products. If the TOCCC does ultimately prove successful, then there has even been talk of renting shop space in the Cape Town international airport or the new convention centre (Taylor, pers. comm., 2001; Weaver, pers. comm., 2001).

#### **7.6.1. Closing Statements**

In conclusion, it can be stated that the aims and objectives of this thesis have been met. In terms of predicting the future success of the NVTC based on the international evidence and the manner in which it has pursued socio-economic development in the Noordhoek Valley to this date, it is safe to say that it looks promising and highly optimistic. The potential success of the activities originating out of this locality pivot around the level of commitment of varying partners, staff, students, and community

members. They have everything going for them, except maybe for history, especially in South Africa where successful local development is rare. It is with this in mind that the NVTC is in the process of changing history because the fact remains that it represents a chance for success that is seldom seen. For this reason everybody who has come into contact with the Noordhoek Valley Training Centre is anxiously holding their breath to see what the outcomes will be (Weaver, pers. comm., 2003).

If it is as successful as everybody hopes and expects it to be, then there are plans to begin looking at ways of reproducing this style of training in other of the False Bay College's campuses and even farther afield to other training institutions in South Africa. The difficulty with this however, as was outlined in the body of this thesis, is that not all local development initiatives are easily replicable, if they are at all. The reasons for a success in one locality may simply rely on the unique conditions found in that area. To copy and paste the NVTC is not just a matter of instituting a curriculum change; it really is a profound alteration of an entire community's character. The sooner that communities realise this and start working within the limits of their particular capacity, then they are closer to achieving authentic local development. The only true lesson that the NVTC can offer to other development initiatives is in its approach. If other communities want similar results, then they must start by looking inwards and addressing the problems that are unique to their particular situation using their own solutions.

This being said, those people who were, still are, and will be active in the conceptualisation, construction, expansion, and future of the Noordhoek Valley Training Centre should be applauded not only for their technique but also for their vision. They have shown that with dedication but not necessarily a lot of money, local development is possible. The next step is, as Jacky Weaver would say, simply a matter of taking hold of whatever opportunity comes their way.

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## Appendix One - Interview Questions

### **Questions asked of the Municipality**

1. What has been the role of the municipality in facilitating local development in this area?
2. How is local economic development a reflection of early RDP policies designed by the national government?
3. How does the South Peninsula's economic policies reflect the national government's policy of placing the responsibility of local development in the hands of local governments?
4. How extensively is the national government involved in development projects in this area?
5. How have the employment needs of the community changed in recent years?
6. What has the municipality been doing to foster employment creation?
7. How many jobs have been created as a direct result of the municipality's development programmes?
8. How many jobs have been saved since the intervention of the municipality?
9. Women and the youth are amongst the highest unemployed individuals in the country, how has the municipality targeted these groups?
10. What other services are being offered to ensure that the most marginalized of unemployed (youth, women, unskilled) are find opportunities for employment?
11. Small business creation is another part of the national government's strategy for employment creation. How is the municipality trying to encourage the establishment of small entrepreneurs?
12. What incentives are there in place to encourage small business formation?  
Community banking, services, centres, taxation, etc
13. How is the municipality aiding in the creation of local partnerships between NGO's local business and government?
14. What non-governmental organisations are active in the area?
15. The national government recommends that local development should be a participatory approach. How is the community consulted?
16. What is the level of direct popular participation of the municipality in local development?

17. Have there been any genuine bottom-up attempts at local development from the Noordhoek informal settlement?
18. LED is supposed to be an empowering process, in what ways has this been seen in the Noordhoek community?
19. What was the need that led to the establishment of the training centre? What was the need that led to the establishment of the training centre?
20. What is the connection between the municipality and the training centre?
21. Who is responsible for training centre? The municipality or the Muizenberg College?
22. How did/does the municipal council contribute to functioning of the training centre?
23. How long term is the commitment of the municipality to the training centre?
24. Who is hiring these people? Is the municipality hiring these people?
25. Is the municipality offering incentives to the local business community to hire locally trained individuals?
26. What else would the municipality like to see the training centre get involved with?
27. Is the NVTC a stand-alone or a pilot project for other training centres?
28. Have there been plans to establish training centres in other disadvantaged areas of the municipality?
29. How likely would it be to reproduce the success of the Noordhoek Valley Training Centre elsewhere?
30. To what extent is the municipality involved in the construction of the Two Oceans Crafts and Culture Centre?
31. How did/does the municipal council contribute to the TOCCC?
32. How long term is the commitment of the municipality to the crafts market?
33. How does the municipality promote/advertise the crafts market? What about the proposed brand naming? Two Oceans?
34. How does this fit into the largely picture of development through tourism promotion?
35. What about the airport boutique plan? Are there any plans for more outlets?
36. How else would the municipality like to see the crafts market be of service to the community?
37. What have been the most visible results of the training centre in the Noordhoek community?

38. What have been the obstacles facing the training centre and the crafts market?
39. What other development challenges is the municipality facing?
40. What are some of the future plans?
41. How can the projects undertaken in this municipality serve as an example for other communities in South Africa?
42. What portion of the budget is spent on development initiatives?
43. What portion is spent on employment creation?
44. What portion is spent on the training centre?
45. Other comments

### **Questions relating to the Noordhoek Valley Training Centre**

1. What were the needs in the community that led to the creation of the training centre?
2. What other means of training are available in the community?
3. Human resource development plays a large part of the government's strategy for economic development. In what ways in the Noordhoek training centre a reflection of this position?
4. Whose idea was it to set up a training centre?
5. Which parties were involved in its set-up?
6. To whom does the training centre cater?
7. Were there consultations with community members?
8. Is the training centre working in partnership with other training centres in the area?
9. The Noordhoek training centre has a unique set-up where students are trained, mentored, and given a space to practice their trade. How did this concept of training come about?
10. Who financed the training centre?
11. What is the level of financial commitment on the part of the municipality?
12. What is the level of financial commitment on the part of the national government?  
Which departments?
13. How much do the courses cost? Does that include the cost of supplies used?
14. Where do the supplies come from?
15. How do the students pay for the costs?
16. Who are the trainers? Where are they from?
17. What are their qualifications?
18. Who is taking these classes?
19. What are the admissions requirements? Levels of prior knowledge?
20. How many different courses are offered?
21. Where were these courses chosen over others? What makes them so important?  
Was there a need for them identified somewhere?
22. Which classes are the most popular? Why?
23. Are business skills taught as well as trades?
24. How many students take each course?
25. How many sessions are there per year?

26. How long does each session last?
27. How many people in total has the training centre trained?
28. Do all the students who start, complete the programme?
29. What are the reasons for leaving the programme, if any?
30. Whose idea was it to establish a production unit?
31. What additional skills do students learn here that they have not learned in the actual classes?
32. How will having added experience make the students more employable?
33. How long the production unit last?
34. Why is having a production unit so important?
35. Why is this so different from other training projects?
36. In what ways could what you are doing here serve as an example to other training centres?
37. How does the production unit increase the chance of the graduate finding employment within the community?
38. Why is there a need for job placement?
39. What skills are in most demand by prospective employers?
40. What are prospective employers looking for in employees?
41. How is that affecting which courses people choose?
42. How does the training centre respond to these demands?
43. What makes graduates trained at the centre more employable than others
44. Are there enough jobs for all your graduates?
45. What guarantees on starting the course that they will have a job on completion?
46. Are these job long term/ short term, part time/ full time?
47. What is the success rate of job placement?
48. How is this success rate different from other programmes?
49. What makes it so/ not so successful?
50. What special attention has been put into assuring women and the youth get adequate exposure to the job market?
51. Who is employing these students?
52. How do you advertise your graduates to the business community?
53. Are there companies that will only hire through you?
54. Are potential employers subsidised for hiring these graduates?
55. Why are your students preferred over others?

56. How do you encourage, what incentives exist for the local business community who hire these students?
57. How is the local business community responding to the training centre? Are they taking advantage of the opportunities available?
58. What kind of movement is there in the local business community to hire locally trained individuals?
59. What municipal projects are using your graduates?
60. What has been the response from the local community?
61. Has does the community participate in the direction of the training centre?
62. How is the community consulted for matters concerning the training centre?
63. Does the training centre operate with the aid of other NGO's in the community?
64. What other needs can the training fill for the community?
65. Has the training centre been approached by the community to offer any other programmes?
66. What employment opportunities are there for local people at the training centre?
67. How does the training centre respond to the need for employment creation in the area?
68. How does the training centre prepare students for the job market?
69. In contemporary unemployment statistics, it mainly the youth and women who are amongst the highest Unemployed. How does the training centre target these groups?
70. Education is supposed to be an empowering experience, how is this seen in the students enrolled at the training centre?
71. What other courses are being planned to be taught at the training centre?
72. What obstacles are the training centre running into?
73. How are you responding to them?
74. What are the plans for expansion?
75. Are there any plans to integrate more students into the programmes?
76. Are there any plans to establish training centres in other disadvantaged areas?
77. Is this a pilot project for other training centres?
78. Other comments?

### **Question asked of the Two Oceans Crafts and Culture Centre**

1. What needs did the community have resulting in the building of the TOCCC?
2. Whose idea was it to set up a crafts market?
3. Why handicrafts and not something else?
4. Was the building of the crafts market the result of the training centre's job placement programme, and the lack of conventional locations for the employment of craftsmen?
5. What were the nature of the consultations with the community
6. How was the municipality involved in the process?
7. Who is visiting the crafts market? Is it the independent tourist or organised buses, local shops looking for bargains?
8. Who has financed the training centre?
9. Where is the funding for operating costs, supplies, etc?
10. What is the level of financial commitment on the part of the municipality?
11. How many shops?
12. Does the number of shops expand with the number of graduate wanting to set up business?
13. How does the location of the crafts market affect business?
14. How many business owners?
15. How long can they stay within the crafts market?
16. What is the nature of the business set-up? (Corporate structure)
17. Do the shopkeepers pay rent?
18. What services are provided for them?
19. How many jobs have been created by the crafts market?
20. How are the shops here a reflection of the national government's strategy for promoting small business development?
21. How successful have the small business people been?
22. How does the location of the crafts market effect its success?
23. Women and the youth are amongst the least visible in employment opportunities, how are the visible here?
24. Has the craft market served as an example for the establishment of other SMME's in the area?

25. Are there any partnerships between the crafts market and the local business community? What is the nature of these partnerships? Horizontal linkages, supply lines, etc.
26. Has it attracted the establishment of other small businesses? Transport, food, delivery of supplies, subcontracting, cleaning staff, security?
27. What forms of competition exists for these entrepreneurs?
28. What kinds of indigenous entrepreneurialism exist in the area?
29. Who else has benefited from the micro-enterprises in the community other than the entrepreneurs?
30. Does the crafts market co-ordinate activities with NGO's operating in the area?
31. What has been the response from the community?
32. How does the community participate in the decisions of the crafts market?
33. How are they consulted?
34. Is there the possibility for independent craftsmen from the community to sell products at the market?
35. What is the nature of the relationship between the entrepreneurs at the crafts market and independent business owners? Jealousy, competition, co-operation.
36. Has there been a desire from graduates who took trade classes to see a similar building of a centralised work-area?
37. How does the provision of meaningful employment in the form of running their own business contribute to the empowerment of the people?
38. Some LED projects are successful in their initial years, but then tend to peter out. How do you plan to keep people motivated, and enthusiastic?
39. What are the long-term goals of the craft market? Expansion?
40. What possible obstacles does the craft market face?
41. How does it plan to deal with them?
42. I have heard of plans to expand towards an airport boutique, what are the plans?
43. Are there any other similar plans?
44. Other Comments?

### Questions asked of the Trainers

1. Did you approach the training centre to teach, or did it approach you?
2. Do you teach in Muizenberg as well?
3. Are the trainers and mentors the same people?
4. Are you from the local community?
5. How do the students pay for the courses?
6. Where do the supplies used in the courses come from?
7. Which classes are you teaching?
8. How far do your students come from?
9. How many students in your courses?
10. How many women take your course?
11. Which classes are the most popular? Why?
12. Is your trade in big demand in the community?
13. Why do your students take your course?
14. Why do you think it is important to teach this trade?
15. Is this a hands-on approach?
16. How are levels of participation in class discussions? What about women?
17. How are you motivating the students?
18. How are you empowering the students?
19. How much time is spent of theory, and how much on practical applications? How much on marketing the products?
20. How long does it take to become skilled in this trade?
21. What other courses should your students be taking?
22. How dedicated are they students to the course?
23. Do they understand the course material?
24. Do the students have time to complete any course homework assignments?
25. How supportive have the families of students been?
26. How supportive has the rest of the community been?
27. What have been the responses of both their families and the community?
28. How well represented are women and the youth in your course?
  - i. How are students becoming empowered through these courses?  
How? Why?
29. How optimistic are the students at finding employment on completion of the courses?

30. How appropriate will their skills level be on completion of the courses?
31. How many of the students will be prepared for the job market?
32. What are their chances of finding employment after completion?
33. Questions regarding to the Future:
34. How could the courses be improved?
35. What else do you plan on teaching the students in the future?
36. What obstacles have you faced teaching the students?
37. How have you over-come them?

### Questions asked of the students

1. Age/sex
2. Level of education
3. What skills do you already possess?
4. Number of people in the household?
5. How many of them are earning incomes?
6. Sources of income? Pension, wages, etc...
7. Are you currently employed?
8. Why did you leave your prior source of employment?
9. How long were you unemployed prior to taking the classes?
10. What is your source of income while you are training?
11. Where are your children while you are here/ at work?
12. Why have you enrolled at the training centre?
13. Where did you originally hear of the training centre?
14. Which courses are you enrolled in?
15. Why have you chosen this particular course?
16. Do you find you are learning enough here?
17. How much do you participate in class?
18. What else would you like to learn?
19. Are you consulted on what you want to learn?
20. Have you learned anything new here? (For those doing a refresher)
21. Do you like the teaching methods of the courses? Why?
22. How could they be improved?
23. Would you prefer night classes? Why?
24. How do you pay for the classes?
25. What do you plan to do with these new skills?
26. Do you believe by taking these courses you will find employment? Why?
27. How are these classes making you more employable
28. Do you feel you will have a better chance of finding employment by taking courses here, than if you would with out training?
29. Where do you want to be placed? Why?
30. What do you think of the opportunities available at the craft market?
31. Do you want to own your own business selling your own crafts?

32. What community organisations or NGO's are you involved with in your community?
33. What do your family and community think of you taking these classes?
34. Where are your children while you are here?
35. Would you recommend to family and friends that they take courses here? Why?
36. How has this training centre changed your community?
37. Would you like to become a trainer after finishing these courses? Why?
38. What else would you want to be doing?
39. How have you become empowered by taking these classes?
40. In what ways are you improving your future by being here?
41. What are your long term goals?
42. Will you remain in the community?
43. Other comments?

### **Questions asked regarding the production unit**

1. Whose idea was it to establish a production unit?
2. How long the production unit last?
3. Why is having a production unit so important?
4. Why is this so different from other training projects?
5. What facilities exist for the production unit?
6. How will having a production unit make the students more employable?
7. In what ways could what you are doing here serve as an example to other training centres?
8. Are the students paid while they are in the production unit?
9. What additional skills do students learn here that they have not learned in the actual classes?
10. How does the production increase the chance of the graduate finding employment within the community?
11. How could the production unit be improved?
12. What obstacles is the production unit facing?
13. How are women responding to the production unit?
14. How has the community responded to this programme?

### **Question asked of the Job Placement Officers**

1. Why is there a need for job placement?
2. What skills are in most demand by prospective employers?
3. What are prospective employers looking for in employees?
4. How is that affecting which courses people choose?
5. How does the training centre respond to these demands?
6. What makes students training at the centre more employable than others?
7. Were you originally placed in your current position?
8. Are there enough jobs for all your graduates?
9. What guarantees on starting the course that they will have a job on completion?
10. Are these job long term/ short term, part time/ full time?
11. What is the success rate of job placement?
12. Is there any way of monitoring whether the person will stay in that position?
13. How is this success rate different from other programmes?
14. What makes it so/ not so successful?
15. What special attention has been put into assuring women and the youth get adequate exposure to the job market?
16. Who is employing these students?
17. How do you advertise your graduates to the business community?
18. Are the companies that will only hire through you?
19. Are potential employers subsidised for hiring these graduates?
20. Why are your students preferred over others?
21. How do you encourage, what incentives exist for the local business community who hire these students?
22. How is the local business community responding to the training centre? Are they taking advantage of the opportunities available?
23. What kind of movement is there in the local business community to hire locally trained individuals?
24. What municipal projects are using your graduates?
25. Are the graduates placed in the local business community or further a field?
26. Can graduates choose where they want to work?
27. How do the graduates participate in the selection process?
28. How are they involved in finding a suitable position?
29. Are the graduates trained how to find their own sources of employment?

30. How are graduates consulted when choosing a placement?
31. How long do graduates have to wait until they are placed?
32. What happens to the person while waiting to be placed? How do you encourage students to find their own sources of employment?
33. What happens if the don't like where they have been placed?
34. Can they come back to you to be placed again if they leave the position where you placed them?
35. How do you monitor the people once they get their jobs?
36. What on going support is there for graduates once they are placed?
37. What happens if they cannot complete the position in which they were placed?  
Can they come back to be further or re-trained?
38. What happens if in the position they were placed, they do not have the appropriate skills, or level of skills training?
39. Are the graduates happy in the placements chosen for them?
40. How have they gained a new sense of empowerment in their new jobs?
41. What problems have you come across placing graduates in positions?
42. How have you overcome these problems?
43. Where else would you like to place students that is inaccessible at the moment?
44. What else would you like to see being brought about through this job placement programme?

### **Questions asked of Community Leaders**

1. Tell me a bit about the history of the community here.
2. How long has it been in existence?
3. How many people live here?
4. Where do the people work?
5. What are the approximate levels of unemployment?
6. What is the nature of the relationship with the surrounding suburbs?
7. What have been the most pressing needs for the community?
8. How has the community gone about trying to accommodate these needs?
9. What local level initiatives does have their been in the community?
10. What has the municipality done to answer these needs?
11. What NGO's are operating within the community?
12. How has the community been involved in the local development process?
13. How has the community been consulted in the process?
14. How has the presence of the training centre affected the community?
15. What other courses could be offered by the training centre that could be of benefit to the community?
16. What is the nature of the relationship between the community and the crafts market?
17. How has the crafts market affected the community?
18. Is there a new sense of empowerment amongst the people?
19. How have the training centre and the crafts market provided employment opportunities for the people of this community?
20. What other possible sources of employment are there for the community?
21. You are probably aware of high levels of unemployment amongst women and the youth?
22. What employment opportunities are available for women?
23. What employment opportunities are available for the youth?
24. How have the training centre and the craft market changed the opportunities available for the youth and women?
25. How could local business help development in the area?
26. What indigenous community businesses exist within the area?
27. How has the community changed?

28. How have the standards of living changed in the community since the building of the training centre and the crafts market?
29. What has been the cost to the community?

### **Questions asked of Community Members**

1. How long have you/your family been living in this community?
2. What is your current source of employment?
3. How long have you been employed/ unemployed?
4. What is your household's primary source of income?
5. How many people live off this primary source?
6. How are you active in the development of your community?
7. Are you active in any NGO's/ community structures?
8. What needs are most pressing in this community?
9. How is the municipality responding to these needs?
10. What would you like to see them do?
11. Have you been active in any form of consultation concerning the development process?
12. What forms of employment are available with the community?
13. If you could choose a job in the local community, what job would that be?
14. What do you think of the training centre?
15. What classes would you like to enrol in? Why?
16. Have you taken any courses there? Why/ Why not?
17. Has anybody in your family taken classes there?
18. Which classes have they taken? Why?
19. What other courses should the training centre offer for people of the community?
20. How does the training centre benefit the community?
21. What do you think of the local crafts market?
22. How do you think the crafts market is benefiting the local community?
23. Would you like to get involved
24. Have you ever purchased anything there?
25. Why/ Why not? What?
26. What could make the crafts market better?

### **Personal Questions asked of Jacky Weaver, Director of the NVTC**

1. What circumstances led to you being involved at the NVTC?
2. Almost everybody I have spoken to in the last week mention the importance of partnerships for successful development projects. What are your views on the subject? How have partnerships been involved in the NVTC?
3. In LED, it is often the case that after the first couple years, enthusiasm for the project starts to decrease, especially if it experiences some setbacks. How do you propose to keep the enthusiasm, which is so evident at the NVTC, going over the long run?
4. Much of the contemporary literature expresses the need of a local champion to spearhead development. To what degree are you that person?
5. Much of the literature also suggests that once that local champion leaves the development project, it tends to fall apart as there no longer exists that key person motivating the rest. How have you prepared your staff for your transfer, retirement, move to another agency, etc...?
6. As major part of LED is training people to become self-sufficient. To what extent have you achieved this in the communities that the NVTC serves?
7. Employment creation forms the basis of the national governments economic strategy today. Why will the courses offered here make the students more employable?
8. In what ways how you seen the communities changed since you became involved at the NVTC?
9. Community development is supposed to be an empowering/ awareness broadening experience. How have you seen this in yourself and those around you?
10. How and why will the enterprises that are being developed here be successful over the long run? Where do you see the entrepreneurs in five-ten years?
11. What setbacks or challenges have the NVTC faced, and how has it been able to overcome them?
12. Are you happy with what you have accomplished here?
13. What plans do you have for the Noordhoek community centre?
14. Where do you personally go from here? What is your next move?

### **Questions asked of FEBDEV**

1. Do you have a copy of an annual report that I may borrow so that I may see your structures, funding budget?
2. Tell me about FEBDEV? How did it come into existence?
3. Why is it important to teach entrepreneurial skills to the local people?
4. Who does it target in the community? What about women and the youth?
5. How is the community taking advantage of the opportunities that FEBDEV offers?
6. How will learning entrepreneurial skills help them find/create employment opportunities?
7. How did FEBDEV get involved in the NVTC?
8. How long have you been involved?
9. What is the nature of the relationship with NVTC?
10. Why is it important for the NVTC to have partnerships with many different NGO's like FEBDEV?
11. What other community organisations is FEBDEV active in?
12. What kind of skills do you teach the people?
13. Where/What kinds of enterprises are they setting up?
14. What kind of success rates do your trainees have? Over the long-term?
15. How is being an entrepreneur changing their standards of living?
16. Is becoming an entrepreneur an empowering experience for those involved?

### **Questions asked of the Fish Hoek Chamber of Commerce**

1. Why is the chamber of commerce on the campus council?
2. How has the local business community been involved in the NTVC?
3. Are the business skills being taught at the NVTC appropriate for today's job market?
4. Are local businesses hiring the people being trained there?
5. Are local businesses purchasing some of the crafts there?
6. What else is the business community doing to promote employment opportunities in the area, especially for the most disadvantaged?
7. What is the business community doing to help encourage the development of indigenous small businesses in the disadvantaged areas?
8. Part of the national government's strategy is to encourage partnerships between established businesses and emerging local entrepreneurs, how is this community responding to this strategy? Are there any partnerships between the local business community and the NVTC?
9. If not, how would partnerships benefit the training centre?
10. There is evidence the large companies including Old Mutual and SA breweries have sponsored some of the activities at the NVTC has the chamber of commerce tried to encourage the smaller businesses in the area to follow their examples?
11. What skills would the business community want the training centre to teach so the students would be more marketable?
12. What plans does the business community have for the training centre?

Comments

