

**SMALL TOWN SOUTH AFRICA:
THE HISTORICAL GEOGRAPHY OF
SELECTED EASTERN CAPE TOWNS
AND CURRENT DEVELOPMENT
INITIATIVES WITHIN THEM**

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ABSTRACT

Small towns can be seen as the fundamental building blocks of the urban system. Through time, some of these towns have lost the primary reason for their existence. Some towns that have been declining or stagnating include old mining and industrial towns, such as Indwe in the Eastern Cape or Welkom in the Free State. Some towns have also changed the main focus of their economy, for example, from that of mining to that of tourism, as in the case of Utrecht in Kwa-Zulu Natal (Nel, 2002). In light of the above, this thesis seeks to critically evaluate what has happened in selected small towns in the Eastern Cape.

The research investigated a number of towns in the Eastern Cape, looking at the history and influence of colonisation, population dynamics, education levels, employment opportunities, migration and the influence of capitalism on the economic and social structure of the town, as well as the evolution of its economy.

The research sample consisted of interviews with local historians, community leaders, development agencies and individuals who were benefiting from the various development initiatives/project in the towns. These interviews, in conjunction with the literature identified, were conducted in the selected small towns, assessing whether development was succeeding and, in conclusion, identifying with reference to the study sites, what was learnt.

The research process generated a number of lessons that need to be taken into consideration when attempting social and economic upliftment in small towns. These include: the need for leadership, support from the local population and the need for financial assistance to support and uplift the community.

TABLE OF CONTENTS

ABSTRACT	II
TABLE OF CONTENTS.....	iii
TABLE OF FIGURES.....	ix
TABLE OF TABLES.....	X
ACKNOWLEDGMENTS.....	XI
ACRONYMS	XII
CHAPTER 1	1
INTRODUCTION.....	1
1.1 PURPOSE OF THE STUDY.....	1
1.2 CONTEXT OF THE PROJECT.....	4
1.3 AN INTERNATIONAL PERSPECTIVE.....	6
1.4 INTERNATIONAL EXAMPLES OF THE DILEMMA OF COLLAPSING/STAGNATING TOWNS AND THE RESPONSE.....	7
1.5 RESEARCH SITES.....	10
1.6 MOTIVATION.....	11
1.7 AIMS.....	13
1.8 OBJECTIVES.....	13
1.9 CHAPTER OUTLINE.....	14
1.9.1 CHAPTER TWO: REVIEW OF THE LITERATURE.....	14
1.9.2 CHAPTER THREE: HISTORY OF SETTLEMENT IN SOUTH AFRICA AND THE INFLUENCE OF SETTLEMENT-BASED POLICY INTERVENTIONS.....	15
1.9.3 CHAPTER FOUR: THE STUDY AREA AND THE HISTORICAL EFFECTS OF GOVERNMENT POLICIES AND PRACTICES.....	15
1.9.4 CHAPTER FIVE: RESEARCH METHODOLOGY.....	15
1.9.5 CHAPTER SIX: RESEARCH SITE: THE AMAHLATHI MUNICIPALITY, EASTERN CAPE	16
1.9.6 CHAPTER SEVEN, EIGHT AND NINE: THE CASE STUDIES OF STUTTERHEIM, CATHCART AND KEISKAMMAHOEK.....	16
1.9.7 CHAPTER TEN: DISCUSSION.....	16
1.9.8 CHAPTER ELEVEN: CONCLUSION.....	17
CHAPTER 2	18
REVIEW OF THE LITERATURE.....	18
2.1 INTRODUCTION.....	18
2.2 THE IMPORTANCE OF SMALL TOWNS IN THE INTERNATIONAL CONTEXT.....	19
2.3 THE RELEVANCE AND IMPORTANCE OF SMALL TOWN RESEARCH.....	21

2.4 THE IMPORTANCE OF SMALL TOWNS IN SOUTH AFRICA	22
2.5 THE ROLE OF SMALL RURAL TOWNS IN DEVELOPMENT	23
2.6 VIEWS ON SMALL TOWNS DECLINE	24
2.7 SMALL TOWN DECLINE RELATIVE TO LARGE CITIES.....	25
2.8 DIFFICULTIES FACED IN SMALL TOWN REVIVAL.....	26
2.9 THE BASIC ELEMENTS FOR THE DEVELOPMENT AND UPLIFTMENT OF SMALL TOWNS	28
2.10 POVERTY IN RURAL AND SMALL TOWN SOUTH AFRICA	29
2.11 THE ROLE OF SOUTH AFRICAN GOVERNMENT PENSIONS AND THE IMPACT THEY HAVE ON SMALL TOWNS.....	30
2.12 CHARACTERISTICS OF SMALL TOWNS IN SOUTH AFRICA	31
2.13 THE IMPORTANCE OF LEADERSHIP IN THE DEVELOPMENT OF SMALL TOWNS	32
2.14 THE IMPORTANCE OF NGO ASSISTANCE IN SMALL TOWN REVIVAL.....	33
2.15 INTERNATIONAL DEVELOPMENT.....	33
2.16 SOCIAL CAPITAL.....	35
2.17.1 LOCAL ECONOMIC DEVELOPMENT	36
2.17.2 LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICA.....	38
2.17.3 CONCLUSION AND CRITICISM OF LED	40
2.18 THE CAPITALISTIC SYSTEM.....	42
2.18.1 INTRODUCTION OF CAPITALISM: A BRIEF OVERVIEW	42
2.18.2 THE INFLUENCE OF CAPITALISM ON THE THIRD WORLD AND EASTERN CAPE TOWNS	43
2.19 CONCLUSION.....	45
CHAPTER 3	46
HISTORY OF SETTLEMENT IN SOUTH AFRICA AND THE INFLUENCE OF SETTLEMENT-BASED POLICY INTERVENTIONS	46
3.1 INTRODUCTION	47
3.2 THE HISTORICAL CONTRIBUTION OF AGRICULTURE TO THE ECONOMIC DEVELOPMENT OF SOUTH AFRICA	47
3.3 HISTORICAL SETTLEMENT-BASED POLICY INTERVENTIONS.....	51
3.3.1 INFLUX CONTROL	52
3.3.2 BETTERMENT PLANNING.....	53
3.3.3 PRE-APARTHEID ACTS	54
3.3.4 THE TOMLINSON COMMISSION.....	54
3.3.5 INDUSTRIAL DECENTRALISATION PROGRAMMES IN SOUTH AFRICA	56
3.6 CONCLUSION.....	58

CHAPTER 4	59
THE STUDY AREA AND THE HISTORICAL EFFECTS OF GOVERNMENT POLICIES AND PRACTICES	59
4.1 INTRODUCTION	59
4.2 THE POPULATION OF THE EASTERN CAPE.....	60
4.3 AGE DISTRIBUTION IN THE EASTERN CAPE	60
4.4 EMPLOYMENT AND UNEMPLOYMENT IN THE EASTERN CAPE.....	61
4.5 THE IMPORTANCE OF THE INFORMAL SECTOR IN THE EASTERN CAPE	61
4.6 THE EFFECT OF POLICY INTERVENTIONS ON THE EASTERN CAPE.....	62
4.6.1 THE NATIVES LAND ACT OF 1913 AND 1936 NATIVES TRUST ACT.....	63
4.6.2 BETTERMENT PROGRAMMES	64
4.6.3 RESETTLEMENT AND MIGRANT LABOUR	65
4.6.4 INDUSTRIAL DECENTRALISATION PROGRAMMES IN THE FORMER HOMELANDS	66
4.2.1 PRESENT AND FUTURE DEVELOPMENT PLANS FOR THE EASTERN CAPE.....	67
4.2.2 GENERAL PROBLEMS FACING THE EASTERN CAPE	67
4.2.3 CONCLUSION.....	68
CHAPTER 5	68
RESEARCH METHODOLOGY	68
5.1 THE RESEARCH DESIGN	69
5.2 METHODOLOGICAL APPROACH.....	71
5.3 QUALITATIVE AND QUANTITATIVE RESEARCH METHODS: THE ADVANTAGES AND DISADVANTAGES AND THE CHOICE OF INTERVIEW TECHNIQUES	71
5.4 THE RESEARCH PROCEDURE	74
5.5 THE RESEARCH SAMPLE	75
5.6 RESEARCH TECHNIQUES	76
5.6.1.1 INITIAL INTERVIEW	77
5.6.1.1.1 GENERAL QUESTIONS DIRECTED AT MEMBERS OF THE MUNICIPALITY.....	77
5.6.1.1.2 QUESTIONS DIRECTED AT LOCAL COMMUNITY LEADERS/MEMBERS OF ASSOCIATIONS	77
5.6.2.2 CONCLUDING INTERVIEWS.....	79
5.6.2.2.1 GENERAL QUESTIONS DIRECTED AT MUNICIPALITY MEMBERS	79
5.6.2.2.2 QUESTIONS DIRECTED AT SPECIFIC DEVELOPMENT INITIATIVES AND PROJECT BENEFICIARIES.....	80
5.6 DOCUMENTARY ANALYSIS.....	80
5.7 DATA ANALYSIS	81
5.8 CONCLUSION.....	81

CHAPTER 6	81
RESEARCH SITE:	81
THE AMAHLATHI MUNICIPALITY, EASTERN CAPE	81
6.1 INTRODUCTION	81
6.1.1 THE STUDY AREA: CATHCART, KEISKAMMAHOEK AND STUTTERHEIM	82
6.1.2 POPULATION SIZE AND DISTRIBUTION	82
6.1.3 ECONOMIC CHARACTERISTICS	84
6.1.4 SOCIO-ECONOMIC CHARACTERISTICS.....	85
6.1.5 INTEGRATED SPATIAL DEVELOPMENT STRATEGY.....	86
6.1.6 CONCLUSION.....	87
CHAPTER 7	89
THE CASE OF STUTTERHEIM.....	89
7.1 INTRODUCTION	89
7.2 ESTABLISHMENT OF STUTTERHEIM.....	90
7.3 POPULATION CHANGE IN STUTTERHEIM THROUGH TIME.....	91
7.4 RECENT HISTORICAL PROBLEMS FACING STUTTERHEIM, 1960s ONWARDS.....	92
7.5 URBAN EMPLOYMENT IN STUTTERHEIM.....	94
7.6 RURAL EMPLOYMENT IN THE STUTTERHEIM DISTRICT.....	95
7.7 HISTORY OF BUSINESSES IN STUTTERHEIM.....	96
7.8 THE STUTTERHEIM DEVELOPMENT FOUNDATION.....	98
7.9 PRESENT DEVELOPMENT INITIATIVES	99
7.9.1 THE STUTTERHEIM EDUCATION TRUST	100
7.9.2 KEI DEVELOPMENT TRUST.....	102
7.9.3 THE STUTTERHEIM BUSINESS ADVICE CENTRE (SBAC).....	102
7.10 FUTURE DEVELOPMENT INITIATIVES	105
7.10.1 WASTE MANAGEMENT AND RECYCLING.....	105
7.11 CONCLUSION OF THE STUTTERHEIM DEVELOPMENT FOUNDATION.....	107
7.12 LESSONS LEARNT FROM STUTTERHEIM	108
CHAPTER 8	112
THE CASE OF CATHCART.....	112
8.1 INTRODUCTION	112
8.2 ESTABLISHMENT OF CATHCART.....	112
8.3 POPULATION CHANGE IN CATHCART THROUGH TIME.....	117
8.4 GENERAL PROBLEMS OF A HISTORICAL NATURE FACING CATHCART	118

8.5 URBAN EMPLOYMENT IN CATHCART	118
8.6 NON-URBAN EMPLOYMENT IN THE CATHCART DISTRICT.....	119
8.7 HISTORY OF BUSINESSES IN CATHCART	120
8.8 PRESENT DEVELOPMENT INITIATIVES	121
8.8.1 THE UBUNTU COMMUNITY DEVELOPMENT CENTRE	122
8.8.2 THE SIBANYE CATHOLIC SEWING PROJECT	124
8.8.3 THE SIBANYE CATHOLIC COMMUNITY GARDEN	125
8.8.4 SIYAKHULA WOMEN'S SEWING PROJECT	126
8.8.5 SIYAKHULA YOUTH CATERING PROJECT.....	127
8.8.6 THE UBUNTU EASTERN CAPE CRAFT CENTRE.....	128
8.8.7 THE CATHCART TOURISM CRAFT CENTRE	129
8.9 FUTURE DEVELOPMENT INITIATIVES.....	130
8.9.1 ASSESSMENT OF DEVELOPMENT INITIATIVES	131
8.10 LESSONS LEARNT FROM CATHCART.....	131
CHAPTER 9	133
THE CASE OF KEISKAMMAHOEK.....	133
9.1 INTRODUCTION.....	133
9.1 ESTABLISHMENT OF KEISKAMMAHOEK.....	134
9.2 GENERAL PROBLEMS OF A HISTORICAL NATURE FACING KEISKAMMAHOEK...	136
9.3 POPULATION CHANGE IN KEISKAMMAHOEK THROUGH TIME.....	136
9.4 THE RECENT HISTORY OF BUSINESSES IN KEISKAMMAHOEK.....	137
9.5 THE KEISKAMMA IRRIGATION SCHEME.....	140
9.7 PRESENT DEVELOPMENT INITIATIVES	146
9.7.1 EDUCATIONAL PROGRAMMES INITIATED BY THE STUTTERHEIM DEVELOPMENT FOUNDATION	147
9.7.2 SIYAKHOLWA DEVELOPMENT FOUNDATION	149
9.7.2.1 WATTLE PROJECT	151
9.7.2.2 RABBIT BREEDING PROJECT	153
9.7.2.3 MAIZE PLANTATION SCHEME.....	154
9.7.2.4 AN EDUCATIONAL PROGRAMME OF THE SIYAKHOLWA DEVELOPMENT FOUNDATION	155
9.8 FUTURE DEVELOPMENT INITIATIVES	155
9.8.1 ESSENTIAL OILS	156
9.9 CONCLUSION OF THE SIYAKHOLWA DEVELOPMENT FOUNDATION.....	157
9.10 LESSONS LEARNT FROM THE KEISKAMMAHOEK EXPERIENCE.....	157
CHAPTER 10	159
DISCUSSION.....	159
10.1 PROBLEMS FACED BY SMALL TOWNS	160

10.2 PROBLEMS EXPERIENCED IN SMALL TOWN REVIVAL	161
10.3 THE IMPORTANCE OF LEADERSHIP IN SMALL TOWN REVIVAL	163
10.4 THE ROLE OF SUPPORT AGENCIES	165
10.5 THE IMPORTANCE OF CO-OPERATION WITH THE COMMUNITY	167
10.6 THE IMPORTANCE OF PARTNERSHIPS BETWEEN GOVERNMENT AND THE PRIVATE SECTOR.....	169
10.7 THE IMPACT COMMUNITY PROJECTS ARE HAVING ON THE COMMUNITIES INVOLVED	171
10.8 THE CONTRIBUTION OF DEVELOPMENT INITIATIVES TO THE ECONOMIC WELFARE OF THE COMMUNITY	174
10.9 STUTTERHEIM, CATHCART AND KEISKAMMAHOEK - A COMPARATIVE STUDY	176
10.10 SYNTHESIS.....	177
CHAPTER 11	179
CONCLUSION.....	179
CHAPTER 12	187
REFERENCES	187

TABLE OF FIGURES

Figure 1	Tomlinson Commission Map of South Africa	Page 55
Figure 2	Racial Composition of the Amahlathi Municipality	Page 84
Figure 3	Age Breakdown for the Amahlathi Municipality	Page 84
Figure 4	Employment for the Amahlathi Municipality	Page 86
Figure 5	Annual Individual Income for the Amahlathi Municipality	Page 87
Figure 6	Population of Stutterheim from 1904 to 1996	Page 94
Figure 7	Number of Businesses in Stutterheim between 1888 and 2003	Page 99
Figure 8	Population of Cathcart from 1904 to 1996	Page 118
Figure 9	Number of Businesses in Cathcart between 1888 and 2003	Page 122
Figure 10	Population of Keiskammahoek from 1904 to 1996	Page 137
Figure 11	Number of Businesses in Keiskammahoek between 1888 and 2003	Page 141

TABLE OF TABLES

Table 1	Unemployment Rates by Area and Race in 1995	Page 30
Table 2	Potential Decentralised Jobs Created in the Former Homelands	Page 58
Table 3	Stutterheim Urban Employment	Page 97
Table 4	Rural Employment in the Stutterheim District	Page 98
Table 5	Number of Sheep in the Cathcart Region	Page 116
Table 6	Cathcart Urban Employment	Page 120
Table 7	Rural Employment in the Cathcart District	Page 121

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ACRONYMS

CCTO	Cathcart Community Tourism Organization
CDE	Centre for Development and Enterprise
CSIR	Council for Scientific Industry and Research
GTZ	German Technical Cooperation
GDP	Gross Domestic Product
GNP	Gross National Product
IMF	International Monetary Fund
LED	Local Economic Development
NGO	Non-Government Organisation
NPS	No Page Specified
RSA	Republic of South Africa
SAP'S	Structural Adjustment Policies
SBAC	Stutterheim Business Advice Centre
SDF	Stutterheim Development Foundation
SET	Stutterheim Education Trust
SCC	Stutterheim Coordination Committee
SMME	Small Medium and Macro Enterprises
UCDC	Ubuntu Community Development Centre
UECCC	Ubuntu Eastern Cape Craft Centre
UN	United Nations
WFW	Working For Water
WTO	World Trade Organisation

CHAPTER 1

INTRODUCTION

1.1 PURPOSE OF THE STUDY

Small towns have been a comparatively neglected dimension of academic research for a considerable period of time, and it is in response to this situation that this thesis was conceptualised (Nel and Hill, 1998). This study of small towns in the Eastern Cape enabled the researcher to examine key features of the historical, social, economic and developmental geography of selected towns, with a specific focus on how local development initiatives are playing a role in those towns at present, and if so whether they hold lessons for other small towns. This latter consideration was deemed relevant in light of the fact that many small towns have experienced economic decline and job loss in recent decades, placing their long-term future in peril (Southall, 1988). It is hoped that, through time, it may be possible that these development initiatives could further improve the quality of life for many individuals living in poverty in these selected small towns.

The aim of this study was to investigate the growth and decline of selected towns in the Eastern Cape from the years from the establishment of the various towns to the present date. From literature based research and personal communication with the various individuals in the selected study towns, the researcher was able to gain an understanding of the factors that influenced the rise and fall and occasional revival of these particular research towns. Background information gathered also included literature on economic and political processes and their effect and influence on these particular towns. The research also highlighted present and historical problems facing these towns, and through both the cases and literature survey, how these problems might be resolved. Ultimately this may lead towards policies and practices that could lead to the eventual growth/revival of these and other towns. We do however need to bear in mind that, despite the important role small towns play in the lives of millions of people, Nel and Hill (1998) state that, “unfortunately, the fortunes of smaller centres and rural areas tend to be ignored given the immediately apparent and politically

pressing needs which assert themselves in the largest urban areas” (Nel and Hill, 1998: 131).

As stated by Potter (*et al* 1999), the importance of historical geography is that it highlights the need for an understanding of the past events so that there can be an understanding of how these events have affected the present day sociological and economic environment. Thus with the aid of an historical background it would be possible to improve the present day situation based on the historical knowledge gained.

Small towns are key building blocks of any regional and national economy and they play a vital role as rural service and marketing centres, as points of service provision, resource processing, and industry. The movement of people and activities to larger centres and the stagnation or decline of many small towns has however been a common trend around the world. As stated by Southall (1988: 4) “what modern city life offers more of is health, education and welfare services, often hard and costly to come by, but better than those of the countryside-an indication of the essentially unequal, unfair and unjust distribution of services. There is the question of ‘city lights’ and urban excitement, over against Marx’s view of the stupid countryside”. The implications of urbanization, such as the search for a ‘better life’, often results in rural depopulation with resultant economic, social and political stagnation in rural regions and their small towns.

The frequent loss of the initial growth causing catalysts has variously led to small town collapse or to strenuous endeavours to ensure town survival through attempts to diversify the local economic base of towns through the promotion of new-found activities, such as the tourism sector. In these endeavours, national governments frequently play an active role (Southall, 1988). Small towns cannot be treated as isolated entities; instead they are impacted on by changes in their hinterlands, pressures from higher order centres in the urban hierarchy, internal factors such as resource depletion in mining towns, changes in the national and even international economy and transportation, and communications changes (Trager, 1988). “It is therefore necessary to recognize that small towns are pawns among local, national and

international forces. None of them can pretend to be independent of the nearest city or multinational corporation. If they are, they die" (Southall, 1988: 3).

The research will investigate three small towns located in the Eastern Cape; namely Cathcart, Stutterheim and Keiskammahoek. Reasons for the selection of these towns are due to their rural remoteness, history of neglect and present economic uncertainty, known development initiatives and also because all the towns reside in the same municipality; that of the Amahlathi Municipality.

Marginalization is just one of the challenges facing small towns such as Cathcart. Stutterheim and Keiskammahoek are similar in the fact that they both were founded as agricultural centres, yet as times passed Stutterheim diversified its economy while Keiskammahoek and Cathcart did not. This has resulted in a declining economy despite an increasing population in Keiskammahoek and Cathcart. Stutterheim's diversification took the form of expansion in the timber industry and in other small industries which has created employment and stabilized the economy. The geographical location of these towns does not favour these towns either. The towns are all located in remote rural regions of the Eastern Cape which affects their access to markets, large-scale employment opportunities and limits the individual's access to acquire education and adequate skills for employment opportunities.

The research looked at the history of the towns, and it also selected and identified key historical changes which have affected the town in question; be they either positive or negative. The research then evaluated the employment opportunities available to individuals in the towns based on the towns' historical legacy and as a result of current local development initiatives. The study also set out to put forward recommendations for future employment and to creating awareness among local and national government of ways of identifying possible solutions to prevent economic collapse occurring in small towns in the future.

1.2 CONTEXT OF THE PROJECT

A small town can be defined as a centre smaller than 50 000 people (CDE, 1996 in Nel and Hill, 1998). There are other definitions of how to define what a small centre is, such as the national governments definition in its Urban Development Strategy which states that a small centre is a centre which is smaller than 100 000 people, (RSA, 1995 in Nel and Hill, 1998). Yet, this definition is inadequate as “the overwhelming majority of South Africa’s urban places falls into this category” (Nel and Hill, 1998: 133), thus a more adequate definition is the one stated above, namely that a small town can be defined as a centre smaller than 50 000 people (CDE, 1996 in Nel and Hill, 1998).

The collapse or decline of many small Eastern Cape towns can be attributed to changes in the economic fortunes of the hinterland, particularly the overall decline in agricultural productivity, the loss of services and industry to bigger centres, a lack of employment opportunities, shortages of skilled and/or highly educated individuals, declining employment opportunities, and poor infrastructure. Christopher (1982 in Nel and Hill, 1998) states that the collapse of small towns can also be attributed to the declining number of services available to the community. The lack of services, coupled with the low level of employment could in turn force individuals to move to bigger towns or cities where there is a perceived better quality of life. This could then affect the farmers in the hinterland as labour potentially could leave to larger centres to find better employment.

In South Africa, many towns have experienced economic decline. Yet it is through indirect government intervention in the form of pension funds, disability grants, and single mother grants etc. that many towns have survived (Anon, 2001; Dewar and Dewar, 1990). In South Africa, a key consideration underlying the context of this research is the unemployment crisis. In the Eastern Cape and indeed in most of the developing world a major problem exists when it comes to levels of unemployment. South Africa itself is faced with an official 36% unemployment level (StatsSA, 1999). According to Department of Agriculture and Land Affairs of the Eastern Cape, “poverty statistics for the Eastern Cape indicate that 70% of households are in

poverty, the worst in the country” (Anon, 1999a: 2). This situation depresses the economies of small towns and restricts future growth prospects.

The Eastern Cape, since re-absorbing the former homelands of the Transkei and Ciskei in the last decade, has had to deal with the legacy of apartheid separation and discrimination, over and above a declining rural resource base. It is not an easy task to try and create employment and eliminate poverty in an area with minimal infrastructure, little or no industry and with remote villages far off the beaten track. The considerable level of unemployment and collapse of the agricultural economy in the Eastern Cape can be attributed to stock-theft, declining productivity and profit margins, and the general lack of an industrial activity in the Eastern Cape to absorb produce. These economic and sociological problems are coupled with political policies that historically caused the forced removal of individuals from ‘white’ South Africa to the homelands; for example to Transkei and the Ciskei (Christopher, 1994; Yawitch, 1981 and Were, 1974), which caused hardship for many of South Africa’s poor and weakened the fragile economic base. The Eastern Cape on a whole is experiencing a crisis due to the low level of labour skills and the low level of education in this province. High levels of unemployment have however, in many cases, served as a catalyst in inspiring individuals and communities to engage in local development initiatives.

A key problem facing many of the small towns in the Eastern Cape is that of the small size of the formal sector which is unable to absorb the substantial numbers of unemployed individuals within the towns and their hinterlands. The challenges of creating large-scale employment in small towns that have no industrial sector or a very small industrial sector are extremely difficult. As a result, there is a need to find new economic foci for each particular town. The research will thus also focus on the viability of creating new employment opportunities in small towns that have few employment opportunities and where future prosperity is not immediately apparent. References will also be made to a number of recent examples of local development.

A vast majority of the literature on urban planning has focussed on urban migration and its impact on the city and the surrounding areas. This is hardly surprising, owing to their rapid growth and increasing dominance. Sadly, however, these studies have

centred upon the impact of urbanization in urban areas alone while overlooking the dire consequences suffered by the rural sector and small towns. This study has hence been hampered by a lack of historical and contemporary research on the rural sphere. Although the case studies possessed valuable information pertaining to the study sites in question, they are also limited in terms of quantity and consistency.

1.3 AN INTERNATIONAL PERSPECTIVE

International literature and developmental theory illustrates the point that small towns and rural villages/towns are generally ignored by development theorists and town planners (Southall, 1988). This is further emphasized by Trager (1988) who has stated that what is missing in the discussion on small towns and rural-urban linkages “is solid empirical research on what actually goes on in small towns and cities of the Third World, and especially on the nature of the linkages between such cities and their rural hinterlands, as well as between these cities and the larger urban centres of the region” (Trager, 1988: 30).

Some of the reasons for the lack of interest in small towns can be due to the fact that many small towns in Africa and South Africa are located in rural and generally underdeveloped areas (Southall, 1988). For this reason, and for many others reasons it might seem financially irrelevant to try and uplift a town and/or a region that might not be relevant to the national economy as a whole (Forth, 2000). Other reasons might be that policies and developmental theory might indicate that these towns should rather be left to collapse than be uplifted. This can be seen in a town that once had a central economic base such as coal mining and over the years the output decreases (due to mineral exhaustion or loss of demand); as a result the main businesses related to mining become financially unviable and closes down or leaves (Mabin, 1993). Slowly the town population decreases in number as its economic base disintegrates.

Small towns can however also be seen as positive aspects of the rural economy. For the most part small towns provide services to the surrounding (normally rural) regions. Secondly, small towns are seen as areas of exploitation in which natural

resources such as gold, diamonds and coal were exploited by colonial and subsequent interest groups. In Africa through history, as stated by Burton (1988) “most small towns [in Africa] appear as the lowest rung of systems for the oppression and exploitation of rural peoples” (Southall 1979, in Burton 1988: 49). The common trend is that small towns have dominated the rural region as places that provide crucial services to the surrounding agricultural hinterland. Therefore, it is a complex task to categorise the population size, employment versus unemployment and historical establishment of any small town, both nationally and internationally.

1.4 INTERNATIONAL EXAMPLES OF THE DILEMMA OF COLLAPSING/STAGNATING TOWNS AND THE RESPONSE

The international response to collapsing towns is generally very positive. Although there is limited literature on this topic the general consensus recognises the need to improve the conditions (in small towns) through government and non-government interventions. In many instances the potential decline of small towns is often not realized until the initial decline has occurred. Some of the reasons are due to the lack of foresight on the part of many of the key individuals living in the town, those being prominent business individuals and members of the town council (Collits, 2000).

In most cases the intervention takes the form of improving agriculture and communications (Centre for Development and Enterprise {CDE}, 1996). As stated by CDE (1996: 5), in a Western, developed country there is a focus on “economic renewal, beautification, and tourism”. This is not the case in the developing countries of the world. Here there is more of a focus on initiatives by the local population, a reliance on their strengths and also on the promotion of local economic development CDE (1996).

In New Zealand, a central theme is that communities are encouraged to take charge of their own financial and economic future (CDE, 1996). In Australia there is more of a focus on the local authorities taking charge of the community (CDE, 1996) and in America there is a National Association of Towns and Townships, which provides training and study guides which help the individuals in the town to become more

skilled in order to respond to economic change (CDE, 1996). This then gives individuals a better chance of new or additional employment. It is then hoped that this will have a positive effect and assist in the revitalization of the town.

An example of a collapsing/stagnating small town is that of a Berlin, a small town in northern New Hampshire, USA. Like many other small towns in northern New Hampshire this town was established and later developed as a logging and paper mill town. As stated by Wilbur (2001), most of the businesses in the town relied on the mill directly or indirectly in order to make a living. With the alleged closure of the mill due to the owners filing for bankruptcy in 2000 many of the individuals in the town were faced with unemployment in the small town, which did not have any other employment opportunities for the newly laid off workers. As highlighted by Wilbur (2001), in larger towns or cities people do not notice if a business closes down or a new business opens up. Yet, in a small town, with a small community if a major business closes down, many of the individuals in the town are directly or indirectly affected. Despite this, in the early 1990s a number of individuals from the local community worked together to save Berlin from becoming a ghost town. Individuals highlighted the fact that the town was an old historic settlement and, as a result, individuals identified the fact that there was a possibility for creating and developing a 'heritage park,' to celebrate and explain the history and culture of the area (Wilbur, 2001).

Over a number of years, members of the public, working together, were able to successfully create a heritage park in an area near the old mill (Wilbur, 2001). The members of the park, using their knowledge of indigenous people and the cultural heritage of the region were able to attract French, Scandinavian and other ethnic cultures to the park, to use its facilities and to celebrate their cultures (Wilbur, 2000). Tours of the mill and of the town have also become popular with both tourists and the local residents. Evening programs sponsored by the Heritage Park additionally cover "such subjects as logging, history, genealogy, Native American arts, wildlife, and folklore, and have been complemented by a variety of musical presentations" (Wilbur 2000: 2).

Wilbur (2000) goes on to emphasize that the Northern Forest Heritage Park will not necessarily save the town of Berlin, but it does offer hope to small towns which are facing an economic and social decline due to the closure or the economic decline of important industries in their particular town. Wilbur (2000) highlights a number of valuable reasons why local initiatives are important for the survival of small towns:

- Local projects are most beneficial to the town and to the community as the revenue will stay circulating in the town
- It reflects the local environment and demonstrates what that region has to offer.
- While the Park highlights the heritage of logging in the region it also incorporates other facets and the different cultures of the region.
- Most importantly the Park serves as a catalyst for many other local projects. This is one of the most important aspects of the park, in that it not only creates direct employment for individuals within the park, but it also creates employment for individuals outside the park. This can take the form of people outside the park sewing traditional clothes of the region or making traditional foods to be sold in shops inside the park. As a result, the Park creates many employment opportunities that would not have been created if the Park did not exist (Wilbur, 2000).

In the United States, individuals in the small rural agricultural town of Helen in Georgia, in response to economic change, transformed their rural agricultural town into a replica of a German mountain village (Phillips, 2003). Presently millions of visitors go to Helen annually to enjoy the countryside and to partake in celebrations such as the 'Oktoberfest' (Phillips, 2003).

The town of Roswell, New Mexico was relatively unknown, but since the rumours of an alleged crashed flying saucer in 1947 circulated many individuals from around the country and world became interested in finding out the 'truth'. With the closure of the Walker Air Force Base in 1967, the town's economy started to decline (Phillips, 2003). In the early 1990s the town decided to use the stories of the UFO crash to attract individuals to the town. In 1992 the International UFO Museum and Research

Centre was opened and three years later the town created an annual UFO festival (Phillips, 2003).

In Latin America there are a number of case studies of small towns that have created employment opportunities by collecting bottles and sorting garbage for recycling. It is through this recycling scheme that a number of poverty stricken individuals have been able to create a living (Southall, 1988).

In conclusion, there are a number of different examples of what individuals and groups can do in a town to improve conditions. Most of the towns described above relied on natural resources or on some historical or cultural event to improve their quality of life. It is thus important to understand what qualities certain towns possess and use these resources in times of hardship. The relevance of international literature to this study is that it highlights the fact that there is no cast-iron developmental theory that states that if one follows certain developmental guidelines there is a high possibility that the town will improve economically. All towns have different resources and the individuals in the towns naturally have different ideas and strategies. Consequently, towns address poverty, unemployment and development differently. As a result, this thesis highlights the diverse projects, schemes and undertakings that have been implemented in the study sites in an effort to improve the quality of life for the individuals living in these small towns.

1.5 RESEARCH SITES

As stated earlier, the research will be conducted in one of the poorest provinces of the country; that of the Eastern Cape. The research will be conducted in three small towns in this region. The town that will be studied will include; Cathcart, Keiskammahoek and Stutterheim. The reasons for the choice of these different sites are due their unique historical backgrounds and unique characteristics, but which, since 2000, are all located in the same municipality.

Cathcart was established due to its past importance as an agricultural centre. Keiskammahoek is of interest because of its legacy as an old homeland centre and its

failed, large-scale irrigation scheme. Stutterheim was established as an agricultural centre. Keiskammahoek was located in the former Ciskei homeland, while the other study sites are also located in the Eastern Cape, but in the part formally known as the Cape Province and prior to that the Cape Colony; namely Cathcart and Stutterheim. Another reason for this choice is as a result of the new demarcation of towns by the Municipal Demarcation Board in 1999 (Anon, 1999b). Due to the passing of the Demarcation Act in 1998 and the implementation of this Act in 2000 viable municipalities were merged with economically non-viable, poor municipalities in an effort to address rural division (RSA, 1998). In the case of the Amahlathi Local Municipality, Stutterheim is seen as the 'capital' of the municipality and has been seen to have the resources and manpower to be in charge of smaller towns, such as Cathcart and Keiskammahoek which are now both located within the Amahlathi Local Municipality. The completed research (as shown in Chapter 10 and 11) shows that gaining a historical background of each particular research town provides the basis for understanding the present economic and social dilemmas in the research towns.

1.6 MOTIVATION

An increasing number of individuals, who have a higher than average level of skill are leaving small towns for larger towns or cities (Nel, 2001; Christopher, 1994). Due to the limited employment opportunities in small towns, these individuals are migrating to larger towns/cities in the hope of finding employment opportunities. With reference to Africa, Southall (1988: 4) states that "contemporary rural-urban migration reflects the destruction of the moral and aesthetic, as well as material, benefits of the African country side".

This out-migration has caused and is still causing a vacuum in the towns which the individuals were living in. It is normally the children and the elderly individuals who are left, and who are not able to provide adequately for the general economy of the town. Other individuals who are left are usually the unskilled and jobless people who aren't able to enter the job market in the town or in a larger town/city. This could lead to a declining or stagnating town where there are not enough middle-class individuals to keep the town financially sustainable. This, coupled with changes in the economy

of the rural areas can, over time, led to the closure of shops and businesses, and the general 'melt-down' of a town if intervention is not initiated from the outside or if local responses are not commenced. Other causes for the decline of a town's economy can be attributed to resource depletion of natural or man-made resources or a shift in the agricultural or industrial market which could have a negative effect on the economy of any small town or rural area.

Research have shown that as a town declines or stagnates, major businesses and important tertiary sector businesses, such as banks, leave (Richter and Barnard, pers. com., 2003). This may cause people to stay settled in the same town, but to acquire goods and services from other, larger towns in the surrounding areas. This has the obvious result that the small town, as a whole, is losing finances to surrounding larger towns/cities that now have a larger buying opportunity generated by individuals from these small towns. Results also show that, due to the relatively small secondary and tertiary sector of the small town's economy, many farmers normally now rely on larger towns to acquire farming implements as they are generally more affordable.

This thesis therefore aims at identify what, if anything, can be done to improve this situation (both economic and social) in selected small towns in the Eastern Cape. One view is that nothing should be done to improve the conditions of the town and its surrounding area (Forth, 2000) and thus the town should be left to its own devices, the opposing view states that, through financial and social intervention, by local and/or external forces, there is the anticipation that employment opportunities will emerge and assist individuals living in the towns to have the opportunity to create a better life.

This thesis is able to suggest to municipalities and non-government organisations key considerations in identifying the correct course of action to take when dealing with a collapsing/stagnating town. Each town in question possesses its own unique history and thus presents support agencies and the national government with unique and often complex tasks of improving the conditions of the individuals living in the towns. This study was also able to highlight the different development initiatives occurring in each town and assessed the advantages and disadvantages of each these individual initiatives. In the light of the key role which small towns have played and continue to

play in the social and economic life of the country a study into small town features and development options is deemed both valid and vital.

1.7 AIMS

1. To investigate established literature on small towns internationally and in Africa and South Africa in particular.
2. To undertake three studies of the evolving historical geography of small towns in the Eastern Cape in order to explain and understand the economic, demographic, and agricultural changes which they have experienced since their establishment and how and why these factors impinge on current development considerations.
3. To document current locality based development initiatives taking place within small towns in the Eastern Cape and to evaluate the degree to which they are generating employment and arresting economic decline and/or taking advantage of new market opportunities.

1.8 OBJECTIVES

1. To identify relevant contextual literature, details of government policies and secondary source material concerning the small town in general and those selected for study specifically.
2. Through archival research, consultation with key individuals and development agencies the research will be able to identify key historical factors (international, national, regional, and local) which could have caused a decrease or an increase in the economic, demographic, and agricultural situation of the selected research small towns.
3. To identify any defined government, community, and private sector interventions, such as the work of development agencies which are having an

impact on the towns' economy and employment bases, either positive or negative.

4. From literature, government policies, and from primary research the researcher will try to assess the achievements of local development initiatives in these towns and identify possible future policies and practices in order to respond to cases of economic decline/stagnation in these and other small towns.

1.9 CHAPTER OUTLINE

This sub-section will provide a brief overview of the key elements contained within each chapter. Following the literature review on small towns, the research will focus on the history of settlement in South Africa and highlight the various policies and practices that have altered the political and social landscape of South Africa. The focus will then move to explore the influence that these policies and practices have had on the Eastern Cape.

The dissertation will, subsequently, detail the case studies, highlighting each town's economic and social (past and present) conditions. The case studies will also provide details of the present development initiatives and efforts by local support agencies, working with the communities, in an effort to improve the lives of the poor and revive the local economy.

The final two chapters, Discussion and Conclusion, describe the lessons learnt from the literature and the case studies and provide valuable insights into the positive work done by various support agencies.

1.9.1 CHAPTER TWO: REVIEW OF THE LITERATURE

The thesis will initially deal with a review of the relevant literature, covering also the influence that globalisation and capitalism is having on small towns. The literature

review will finally discuss the relevance and importance of small town research and writings on the role of small rural towns in development.

1.9.2 CHAPTER THREE: HISTORY OF SETTLEMENT IN SOUTH AFRICA AND THE INFLUENCE OF SETTLEMENT-BASED POLICY INTERVENTIONS

Chapter 3 will highlight the history of South African settlement. This chapter will bring to light the contribution of agriculture to the economic development of South Africa, as well as government policy interventions that have historically shaped the social landscape and small towns specifically in South Africa, such as; influx control, betterment programmes and industrial decentralisation programmes.

1.9.3 CHAPTER FOUR: THE STUDY AREA AND THE HISTORICAL EFFECTS OF GOVERNMENT POLICIES AND PRACTICES

The Eastern Cape, in which the study sites are located, is a region of high poverty and limited employment opportunities, which has historically been affected by a number of government policies. Chapter 4 will highlight the demographics, levels of unemployment and the effect of settlement-based policy interventions in the Eastern Cape. This chapter includes details of historical and present problems in the Eastern Cape.

1.9.4 CHAPTER FIVE: RESEARCH METHODOLOGY

Chapter 5 details the research methodology that was used to analyse and present information that was gathered in the field. This information included interviews with businessmen, individuals involved in community development projects, members of support agencies, as well as local historians in each research town. Interviews consisted of initial interviews, as well as concluding interviews. The reason for

conducting more than one interview was so that further information could be obtained and information gathered at the initial interview could be clarified.

1.9.5 CHAPTER SIX: RESEARCH SITE: THE AMAHLATHI MUNICIPALITY, EASTERN CAPE

The need for understanding the municipality in which the study sites are located is satisfied in chapter 6. Chapter 6 highlights the population size and distribution, economic features and socio-economic characteristics found in the Amahlathi Municipality.

1.9.6 CHAPTER SEVEN, EIGHT AND NINE: THE CASE STUDIES OF STUTTERHEIM, CATHCART AND KEISKAMMAHOEK

Chapter 7, 8 and 9 examine the research sites and highlight each town's unique history of establishment, historical problems, population statistics and economic history. Each chapter also describes the various development agencies located in the towns and the work they are doing in an effort to improve the quality of life of many of the poverty-stricken individuals inhabiting these towns and the surrounding rural region.

1.9.7 CHAPTER TEN: DISCUSSION

Following the investigation of international and local literature and a presentation of the findings in the research locations, chapter 10 highlights the culmination of the all the research. This chapter emphasizes the importance of the role of leadership in small town revival, the importance of support agencies and the importance of co-operation from the local community, local businesses and the local and provincial government. Based on this evidence, the chapter concludes by presenting the way forward, according to which government, the business community and NGOs can work together to improve the lives of the poor.

1.9.8 CHAPTER ELEVEN: CONCLUSION

Chapter 11 will discuss the summary of the findings and highlight key factors that have been shown to improve the quality of life for a number of individual living in small towns, paying particular attention to utilizing the findings from the research sites in the Eastern Cape.

CHAPTER 2

REVIEW OF THE LITERATURE

2.1 INTRODUCTION

Academics and policy makers alike have generally avoided the topic of how to address problems in small towns. This can be due to the fact that in many cases small towns are seen as insignificant dimensions of the national landscape (Boraine (no date); Forth, 2000; Nel and Hill 1998). Many politicians and policy makers believe that the future of small towns is irrelevant in comparison to seemingly more important large economic centres (Forth, 2000) and their problems with poverty, unemployment, crime and future development. There is, however, some literature which suggests that small towns form an integral aspect of a country's economy, as they create an important link between rural farming regions and small urban centres, and between small urban centres and larger, urban centres (Baker, 1990 and Coleman, 1983).

Rural towns were historically established for a specific purpose; for example, as mining towns such as in the case of Indwe (Mabin, 1993). As time progresses, economic reality can alter; for example, in cases where towns were established for reasons of improving transport, more affordable and adequate routes might be found for importing goods. Other towns, such as former military towns (i.e. Grahamstown or Fort Beaufort), may lose their initial purpose in times of peace. This can lead to a town's decline. For the town to stay economically viable there will be a need to find another purpose for the town to exist. If this is not found there is a real possibility for the town to decline to the extent where it completely stagnates.

Small towns, as mentioned in Chapter One, are important intermediaries of farming economies, with agriculture traditionally being seen as the primary sector of a country's economy and, often, as its economic core. However, in a global context, small towns are often seen, in terms of economic relevance, as to be located at the bottom of the economic ladder. As mentioned by Kammeier (2003 in Boraine, no date, No Page Specified), "almost all policy makers have been so fascinated and

preoccupied with the challenges of metropolitan cities, that the lower ranges of urban settlements have been neglected and often misunderstood. On the other hand, rural planners and researchers have traditionally focused on village-level studies and regions, but within those, the role of small and medium-sized towns has then become a somewhat neglected subject” (Boraine, no date, No Page Specified). The absence of government policies and practices in relation to small towns are causing such localities to be neglected by urban policies which would normally readily provide funding and support to improve the economic and social conditions. Such as lack of policy regarding financial aid has resulted in the frequent emergence of new, innovative and locally-driven ways of creating employment and for reducing the levels of poverty and unemployment in small towns. Local Economic Development (LED) initiatives have been used successfully in some incidences to create employment in regions which possessed little or no industry and to create employment for individuals with minimal skills and little or no formal education (Binns and Nel, 1999).

The literature discussed in this chapter will broadly highlight different theoretical ideas and their practical applications and then focus on the theoretical and practical considerations regarding the rejuvenation of South African small towns. The chapter will also include sections on international experiences of LED and the relevance this can have for small towns in South Africa. The chapter will finally consider the impact of capitalism on small towns and the relevance, importance and the role of small town research and development.

2.2 THE IMPORTANCE OF SMALL TOWNS IN THE INTERNATIONAL CONTEXT

Domestic, as well as international literature states that for a settlement to be deemed a ‘town’ it must have an economic base (Nel and Hill, 1998). For a town to be financially viable, this economic base normally forms the epicentre for the town’s existence. It is from this economic base that the town initially prospers. Economic bases can take various shapes of forms: tourism (Nel, 2002), the exploitation of natural minerals (Mabin, 1993), or its use for defence purposes (Dewar, 1995), to mention just a few examples. As explained by Burton (1988: 49), “small towns have

been a vital resource for those in a position to oppress and exploit". As further highlighted by Southall (1988: 4), "small towns are usually instruments of exploitation rather than development."

A town may also provide services – mainly for the agricultural sector – in the surrounding rural area which may, in fact, be its original economic base. For a number of small towns, particularly in rural regions, development is only possible through integration with the agricultural region surrounding the town. As stated by Dewar (1995: 5), "small town development and increased agricultural productivity are fundamentally interrelated: neither can occur in a sustained way without the other". A town could provide services to the farming hinterland, such as mechanical services for farming equipment or the opportunity for farmers to acquire seed, fertilizer or farming implements. The farming hinterland, in return, could provide produce and raw materials (Dewar, 1995). In this way, the rural region works together to create a partnership. With regards to this study, many of the employment opportunities available to individuals in a small town are related to the agricultural sector. As a result, many of the development initiatives highlighted in this dissertation deal with initiatives that are related to agriculturally acquired skills, such as community gardening.

In conclusion, it is important to understand the link between the development of any small town and its surrounding hinterland. This is relevant as a town's role in the surrounding hinterland influences the economic and social structure of the region as a whole. Thus, it is important to understand the relationship between the individual businesses in a town and the influence they have on the surrounding agricultural region and the influence the surrounding region has on the town. As mentioned by McNulty (1985), "the city and countryside seem inextricably bound to one another" (McNulty 1985, in Trager 2003: 30).

2.3 THE RELEVANCE AND IMPORTANCE OF SMALL TOWN RESEARCH

As stated by Nel and Hill (1998), in the field of small town research, the relationship between small towns, their rural areas and larger towns or cities is relatively unexplored in South Africa. McCarthy (in Nel and Hill, 1998: 133) states that “small urban centres remain relative lacunae in South African urban geographical knowledge and work on the geography of these neglected urban centres should have a high priority”. The German Technical Cooperation (GTZ), (2002) also highlights that small towns and their rural surroundings are important for larger towns and cities: “without rural areas and their services, cities are not viable” (GTZ, 2002: 37).

Small town research is important to national and local governments, as it provides information about areas of research that do not often gain prominence in government circles. This lack of recognition and, consequent, support has an undeniably negative impact on the lives of the people living in small towns or in the immediate surrounding region. Consequences of failing to offer adequate levels of support often result in a lack of adequate service provisions, such a transport and sanitation.

Some of the reasons that research hasn't focused on small towns might be that there are other perceived major issues, such as labour market interventions, as illuminated by Nattrass and Seekings (1996), for example, in the form of creating higher wages for low-paid (normally) black workers. Small towns, on the other hand, do not seem to apply to either the rural or the urban sector, as they are located predominantly in a rural setting but fit the characteristics of an urban environment. This, therefore, creates difficulties when defining what characterises a small town and the role a small town can, and is, playing in the macro-economy of South Africa and other countries.

As stated by Editors Inc (1997 in Nel and Hill, 1998 133), if a small town is defined as one which has a population of less than 50 000 then “out of a total estimated population of 44,6 million in [South Africa in] 1996, approximately 45% are rural dwellers, 8% live in small towns and the remainder live in cities and metropolitan areas”. Although the number of people living in cities and metropolitan centres totals 20 million people, a significant percentage of South African individuals still live in

rural areas and small towns. The number of people inhabiting rural areas and small towns totalled 53% of the total population of South Africa in 1996 or – 23,5 million people (Nel and Hill 1998: 133), the relevance of researching these areas becomes apparent.

2.4 THE IMPORTANCE OF SMALL TOWNS IN SOUTH AFRICA

Raasch (2001) states, “many rural towns throughout the Eastern Cape have had one thing in common over the past few years – a systematic economic decline” (Raasch, 2001: No Page Specified). Some small towns include old frontier or military towns, such as Fort Beaufort, Grahamstown and Fort Hare, which have lost their initial reason for establishment. Small towns in South Africa are generally located in rural regions, which puts them at a distinct disadvantage in relation to larger urban centres in terms of access to markets and trade centres. This affects the viability of farming in these regions, which can result in a decrease in the farming community as farmers may move to regions closer to markets, giving farmers greater advantages over those located further away from markets (Collits, 2000).

In the Eastern Cape, and indeed other provinces in South Africa, small towns are experiencing the effect of individuals leaving these small towns for larger centres. This is due to the fact that small centres offer few employment opportunities, so individuals migrate to larger towns/cities where they hope to encounter increased opportunities of employment and better services/facilities. Due to the number of individuals leaving, those that are left are forced to find other forms of employment, often in the informal sector (if there is a market for them). Businesses, which normally have sufficient capital, also leave to find better markets elsewhere. This is not necessarily always the norm, as illuminated by the cases of Port Alfred, Plettenberg Bay and Knysna, which survive and prosper from the tourism industry (Peter, pers. com., 2003). Towns which rely on the tourism industry are thus not usually dependant on rural areas for the survival of their economies, a fate not shared by most rural farming towns.

2.5 THE ROLE OF SMALL RURAL TOWNS IN DEVELOPMENT

Over the last 30 years, opinions about small towns have changed dramatically. Small towns in the 1960s were seen as a positive aspect of the rural and urban economy. In fact, they were considered as “the most peripheral link of the urban system, through which innovations and urban services are diffused to the surrounding rural areas” (Pedersen, in Baker 1990, 89). It was assumed that growth would occur in these small towns, as they would continue providing services to the surrounding hinterland and, at the same time, specialize in services and grow as the surrounding hinterland expanded. However, this growth did not take place, even with the assistance of specialists and state support (Pedersen, in Baker 1990: 89).

As stated by Vwakyanakazi (1988: 85), “[s]ome stifling mechanisms are encouraged in the small urban centres, which impede the efficient circulation of goods and services between the centres and the rural areas and exacerbate the exploitation of the rural people by the small urban centres to the greatest advantage of the urban elite and of world capitalism”. An example of this is the small town of Indwe, situated in the Eastern Cape, which was exploited for its coal reserves. Since small towns often offer a number of positive aspects, they were originally exploited by early colonial powers and/or capital interests. Not only are small towns exploited for their natural resources, such as gold and coal, but, as highlighted by Southall (1988), individuals were also exploited and used in the mining towns and cities, such as Johannesburg. Small towns were either seen as a buffer between the new colonial powers and the original inhabitants of the land/country or as centers for the exploitation of natural resources and the local labour force. This led to a number of white individuals moving to small towns with the explicit purpose of exploiting natural resources. As stated by Southall (1988: 5), “where development comes from outside, the resulting urbanisation is exploitive. It is only where the stimulus to urban growth results in activity primarily by the people and for themselves that small scale urbanization may be beneficial locally”. Any process that did not deal with agricultural activities was seen as detached from the towns’ functions. As explained by Pedersen (in Baker 1990: 90), “non-agricultural activities operating in the rural areas and small towns were viewed

as part of the administrative and corporate hierarchies to which they often are attached rather than as part of the small towns or centres where they are located”.

In the 1990s, this perception of small towns changed. Small towns came to be seen as significant regions of economic growth and important centers for regional development. Small towns “here [are] seen as necessary and important to the development of the rural region. Small towns function as a link between the rural areas and the larger towns, but especially the role of the small town as a service centre for the rural region is emphasized” (Pedersen in Baker 1990: 90). As further highlighted by Southall (1998: 1), “small centers are the most strategic key to problems of rural development[,]. . . points of articulation between the national systems of marketing, distribution and policy development on the one hand and the interest and productivity of the rural poor on the other”. Small towns are also “points of articulation of incentives for greater productivity...at which local rural interests are aggregated and expressed to government and party...[,]. . . sources of new ideas and belief systems...[,]. . . what some would call ‘modernizing centers,’ sources of innovation, politicization, mobilization and national integration” (Southall, 1988: 371 in Southall, 1988). Such recognition of the importance of small towns is, however, overlooked by the South African government which has elected to focus more on creating employment and development in large towns and cities and in rural regions, thus disregarding the importance of small towns (Dewar, 1995).

Nevertheless, small towns have grown in recognition in recent years, as important aspects of not only the rural economy but of the national economy as a whole. “The small towns and their activities, therefore, may play a critical role in the development process, even though their relative importance may not grow” (Pedersen in Baker 1990: 104).

2.6 VIEWS ON SMALL TOWNS DECLINE

According to (Collits, 2000), there are at least three explanations for the decline of small towns. One view is that small town decline is inevitable (Collits, 2000 and Forth, 2000). This is owing to the fact that, with high levels of unemployment and

globalisation, many individuals are moving from small towns in rural areas to larger cities and even to other countries in search of adequate employment. Some of the reasons for the decline of small towns are also due to their location. Many small towns in South Africa are located in remote rural regions and are only kept financially viable through the services that they provide to the surrounding farming region. The mechanisation of farming equipment has also caused unemployment in the rural sector of the economy to increase, which, in turn, has led to the increased migration of individuals from rural regions to the urban sector in search of employment (Southall 1988).

A second view is that while it may be true that some small towns will decline, there is still a need for assistance to be provided to small towns. “While towns may be losing population and economic activity as a result of the forces of globalisation and of competition from larger centres and the city, remaining residents still have the right to a certain standard of living” (Collits 2000: No Page Specified). A third view is that small town decline is not inevitable and can be reversed by members of the local community or by the community as a whole (Ferreira, pers. com., 2003). Any town, even under extreme circumstances, can uplift itself. These positive expressions from Ferreira (pers. com., 2003) show that with a positive attitude there is always the possibility to uplift and revitalize small towns, such as the case of Stutterheim. The case studies dealt with in this thesis show that, through leadership and tapping into social capital it is possible to create employment opportunities and strengthen the community and, in so doing, uplift towns.

2.7 SMALL TOWN DECLINE RELATIVE TO LARGE CITIES

Generally, small towns have been seen as service centres to the larger towns and the cities. These main services include the supply of farm products in the form of food stocks and, historically, labour for the mines in the larger cities (Nattrass 1996 and Christopher, 1994). Technology, however, has caused the relative decline of small towns, due to the fact that mechanisation of farm equipment is causing unemployment levels to rise in farming communities, causing recently unemployed individuals to move to larger towns/cities to look for employment. As stated by Southall (1988: 4),

“it is only the degenerate life of the countryside, penetrated by commodity production and capitalist ethics, which makes the life of the city (often mistakenly), seem preferable”.

There are a number of factors that can, and often do, affect the decline or revival of a small town. Some of these factors include those of increased technological advancements (as mentioned above), a change in transport routes, change in international markets, which would affect the prices of produce and farming implements, and transportation (Dicken, 1986). In the case of South Africa, the change of prices, such as that of wool, affected the national market and also the local agricultural region where sheep were bred. “Until 1970, cotton was still a relatively minor crop in South Africa, but since 1974, the area under cotton production increased by more than three fold” (Anon, 2003c: No Page Specified). The influence from ever changing prices of commodities, such as wool, affects many small towns, especially small towns located in the Karoo, where most of South Africa’s wool was/is produced. The change in the international market in the 1970s and a move away from using natural fibres to synthetic fibres, such as nylon, affected the wool industry greatly (Handley, 1988).

Internationally, market shifts can affect a whole country’s economy, as exemplified by how changes in the gold price can have an effect on South Africa’s economy or how the fluctuations of the oil price in the Middle East can affect economies all over the world. The influence of increased oil prices can increase the transportation costs of transporting goods from agricultural regions to urban regions. This can then affect small towns, as they are generally located in rural regions, further from markets than their competitors. There are many factors that can affect the future of a small town, showing that small towns are vulnerable to external pressures.

2.8 DIFFICULTIES FACED IN SMALL TOWN REVIVAL

As stated by Wilbur (2000) and Ferreira (pers. com., 2003), the solution to small town survival could lie in diversification. In the case of Indwe, at one point, over half of the town was directly dependant on the coal mining industry (Mabin, 1993). Yet, as

stated by (Wilbur, 2000), there are a few obstacles that can cause development to occur gradually or not to occur at all. It might be because change may not seem possible; people find it very hard to change, people don't like the obvious options for change and lastly, people are afraid of change (Wilbur, 2000).

In some cases, employment options or development is not possible. In some towns, the major source of employment may be generated from an organization that is not based in the town/city, such as banks, insurance and mining companies. In this case the outside company, which has no affiliation with the town, may unexpectedly leave, causing unemployment in the town. A town could also offer very few employment opportunities, or potential employment opportunities, which could cause individuals to move from the small town to larger towns/cities in the hope of finding employment. However, as stated by Wilbur (2000), some people find it very difficult to move, as their job is not just a job but a part of their culture or their heritage (Wilbur, 2000). This can be the case for individuals in the agricultural sector facing bankruptcy due to drought or shifts in the market.

People also don't like change; in a number of small towns in the Eastern Cape, and indeed in the rest of South Africa, the older generation are generally not interested in changing their employment options, even if such a change would increase their income (Wilbur, 2000). For many of the older, more traditional population in small towns, change for the better is not an option that is often sought. In the case of new technology, such as computers, many individuals are hesitant to use new technology to improve their businesses and would rather use traditional methods that they have been using for many years. Thus, even for individuals with a good education and experience in certain fields, it is often difficult to adjust to a different and technologically dependent world. The lack of desire for change in the older generation causes little development or progress to occur in small towns, as older individuals aren't normally interested in mobile phones, computers etc. In some cases, even though technology could potentially improve the economic and social conditions of a town, individuals would rather work with items they are familiar with than with new technology Wilbur (2000). Lastly, as stated by Wilbur (2000), people are afraid of change. In some cases, small towns are not interested in creating new businesses or trying something new as they are so used to their traditional ways.

In a number of small towns in the Eastern Cape, and indeed in the rest of South Africa, people are cemented in their traditions and ways of thinking. This can result in the economic failure or stagnation of small towns, as towns need to evolve and adapt to new, national and international trends in order to stay competitive.

2.9 THE BASIC ELEMENTS FOR THE DEVELOPMENT AND UPLIFTMENT OF SMALL TOWNS

Small towns are seen as important regions in a country's urban landscape, as they provide a crucial link between the farming community and the urban markets; they provide labour for a large amount of the agricultural sector, and they are seen as key building blocks of any regional and national economy. In this respect, it is important to understand the importance of development and what the basic elements of development are particular with respect to its impact on such centres.

According to Singh (1986), there are at least three basic elements when exploring the 'real' meaning of development. As highlighted by Singh (1986), the three elements of development are: life-sustenance, self respect and freedom. Life-sustenance deals with the requirements for the basic need of survival. These include: "food, clothes, shelter, health care, and security[;] when any of these are absent or in critically short supply, we may state that a condition of 'absolute underdevelopment' exists" (Singh 1986: 19). These needs are critical for the basic survival for those living in poverty. Self-respect is related to an individuals' honour or dignity; "absence or denial of self-esteem indicates a lack of development" (Singh 1986: 19). In this respect, Singh (1986) highlights the point that individuals need a certain level of honour/dignity for development to take place. Freedom, is this last factor, in this context it refers to "political or ideological freedom and freedom from social servitude. As long as a society is bound by the servitude of men to nature, ignorance, other men, institutions, and dogmatic beliefs, it cannot claim to have achieved the goal of 'development'" (Singh 1986: 19).

These three elements are the cornerstone for development to take place. Individuals need these essential tools in order to have some form of existence. Consequently, for

there to be effective development and upliftment in small towns, there is a need to address the basic elements of development, namely those of: life-sustenance, self-respect and freedom.

2.10 POVERTY IN RURAL AND SMALL TOWN SOUTH AFRICA

Poverty in South Africa has come to the attention of institutional and governmental bodies due to the seriousness of the situation in South Africa's small towns. Naturally, large urban areas have problems with poverty, but small towns in rural areas are far worse off, due to the fact that, generally, small towns are located in rural areas which lack basic infrastructure and have a limited employment sector. Delius and Schirmer (2000) have argued that Data Research Africa's 1995 statistics show "that 68,3% of rural people and 56,9% of rural households were in poverty" (Delius and Schirmer, 2000: 1). Delius and Schirmer, (2000) have also stated that in the former homelands, 70% of the population is living in poverty (Delius and Schirmer, 2000). These figures show the high level of poverty in South Africa and further highlight the fact that the level of poverty is higher in the rural regions than in the urban areas.

There are also a number of other difficulties that the poor face in rural towns. Not only are there structural problems with the poor quality of roads etc. (as mentioned above), but there are also other problems, such as food insecurities, as highlighted by Delius and Schirmer (2000), where it is mentioned that malnourishment amongst children in the former homelands is as high as 60% (Wildschut and Hulbert 1998 in Delius and Schirmer, 2000). Unemployment is also a major problem in these rural towns where people generally have low levels of education and marketable skills, making it even harder to compete in a tight labour market.

Table 1 Unemployment Rates by Area and Race in 1995

Settlement	Asian	Coloured	White	African	Total
Rural	n.a.	10.3	3.5	41.8	40
Urban	10.1	26.6	4.4	34.6	25.7
Metropolitan	12.7	18.7	4.6	34.3	21.5

Source: Bohrat and Leibrandt, 1996 in Delius and Schirmer, 2000

According to Delius and Schirmer (2000), small towns are included within the 'Rural' category employed in Table 1. Based on the figures presented in Table 1, it becomes clear that there is a large percentage of the rural poor in South Africa who are unemployed. However, it is important also to point out that small town inhabitants have opportunities for job creation in the informal sector, which is a sector that doesn't require many formal skills or high levels of education. In general, however, in rural areas there are much fewer opportunities for employment and this is one of the reasons that the rural unemployment level is so high.

2.11 THE ROLE OF SOUTH AFRICAN GOVERNMENT PENSIONS AND THE IMPACT THEY HAVE ON SMALL TOWNS

The main aim of the pension scheme, past and present, is to provide financial assistance to those individuals who are retired and lack an income. Yet, one aspect of the pension scheme could be having a potentially negative effect on the population of small Eastern Cape towns. This is the fact that a number of the towns in the Eastern Cape consist of large percentages of old and very young individuals and only few individuals are in-between due to out-migration, and urbanisation (Municipal Demarcation Board, South Africa, 1996). Towns thus rely partially on the income generated by pensions and disability grants to help keep the towns economically alive making them vulnerable and dependent.

If there was not a government pension plan, South Africa would be in serious financial and economic difficulty. This is because there are a large number of individuals, and even whole towns, that rely on the government pensions to live and survive (Burgess pers. com., 2002). If the pensions were withdrawn, a large number

of rural people would not be able to afford food or shelter. Small towns, such as Indwe and Cathcart, where there are large numbers of individuals who have retired, remain economically afloat by the existence of the pension scheme. (Feni and Burgess pers. com., 2003).

At the same time, “pension funds create jobs; they pay benefits in the form of pensions, disability income, retrenchment, resignation and death benefits to beneficiaries, to a large proportion of the population who would otherwise look to the job market and government for support” (Anon, 2001: No Page Specified). The implication of this is that the various pensions/grants provide financial support to towns and cities that otherwise have few employment opportunities; the government pensions/grants thus provide a stable, albeit artificial, market component for the economy of South Africa.

2.12 CHARACTERISTICS OF SMALL TOWNS IN SOUTH AFRICA

All towns are seemingly unique in their historical establishment and economic situation. Yet, there are also some similarities found which shows that there are indeed some common characteristics. As shown by Dewar and Dewar (1990), as well as in research conducted in the various study sites, the following characteristics have been identified:-

- (i) There is usually a small white population which is generally more prosperous than the larger (and in some cases increasing) black population.
 - (ii) The white population consists mainly of individuals older than 40 years of age and a number of senior citizens. The black population, on the other hand, consists of individuals of all age groups.
 - (iii) A town’s economy is based on providing services, mainly to the farming population, and there are very few examples of industry.
 - (iv) Education and literacy skills are relatively weak amongst the black population, while the white population are normally educated.
 - (v) There is a relatively high percentage of unemployment and some of the unemployed individuals rely on government pensions or grants to survive.
- (Dewar and Dewar, 1990).

The implications of such characteristics can affect a town negatively. With the better-educated white population aging and leaving, there is little anticipation that employment will increase as time progresses. This is owing to the fact that a large number of the black population are already unemployed and lack basic education and skills to secure the few jobs that there are. Judging from the characteristics listed above, it should be clear that, in future, there, will be an urgent need for outside intervention, counterbalancing small town difficulties and preventing economic degeneration.

2.13 THE IMPORTANCE OF LEADERSHIP IN THE DEVELOPMENT OF SMALL TOWNS

As highlighted by Collits (2000), the need for positive leadership is vital for there to be economic and social upliftment in small towns; “leadership is especially important in smaller communities which often lack infrastructure, skills, and resources for economic development” (Collits 2000: No Page Specified). For small towns to change from economic and social stagnation they need positive leadership and role models within the town to create confidence in the town and join the inhabitants of the town together in a common goal, namely that of improving the economic and social conditions of the town.

The development of small towns is seen as critical in uplifting not only a particular town, but the country as a whole. For there to be leadership in small towns, there is a need not only for there to be one individual who could make change occur, but in most cases, there is a need for a number of individuals who are willing to lead the town to economic and social upliftment (Collits, 2000). Additionally, there is a need not only for local leadership but, as argued by McKinsey (1994 in Collits 2000), there is a need for regional leadership as well.

In an article by Collits (2000), McKinsey (1994) states that for economic upliftment to occur there is a need for leadership. A number of common regional leadership tasks include:

- the identification of a region's competitive advantages;
- the creation of an economic vision for a region;
- uniting the various interests of a region in pursuit of its vision;
- the assignment of specific tasks to key players to ensure that the vision is achieved;
- the promotion of the region to the outside world (McKinsey 1994: 42 in Collits 2000).

2.14 THE IMPORTANCE OF NGO ASSISTANCE IN SMALL TOWN REVIVAL

The importance of NGOs in development is due to the fact that provincial and national governments do not have sufficient man-power and training capacity to adequately improve the lives of the poor in rural regions and in small towns. In most cases, the provincial or national government has sufficient funding, but lacks the time and commitment to adequately address the needs of the poor. Thus, there is a need for the government and NGOs to work together to help and improve the lives of the poor. As stated by Potter et al. (1999: 181), “the relationship between NGOs and state will be critical in determining the prospects for inclusive and sustainable development in the future”. The central theme is that, with economically and socially declining towns, many governments and NGOs have assisted the rural poor in creating employment, normally in the form of self-employment. Yet, with limited funds and resources available only a restricted amount of assistance can be achieved.

2.15 INTERNATIONAL DEVELOPMENT

The importance of development in South Africa, and in the context of this thesis, is related to the fact that development is seen as a possible poverty alleviator in a country with large-scale unemployment and with large numbers of individuals lacking basic, and sometimes crucial, employment skills. Lack of development in the South, based on Western models of development caused an impasse in developmental thinking. Identified in the mid-1980s, this impasse is the result of a disillusionment

with the conventional development practices of the day. There was a need for a new focus in the practical application of developmental theory. A call was made for more 'bottom up', as opposed to 'top down', approaches to development. The need for change in developmental thinking can be accounted for by "the widening gap between the rich and poor, a short rather than long-term policy focus in many developing countries, a series of economic and environmental catastrophes, and the delegitimisation of socialism" (Binns and Nel 1999: 391).

Recent developmental theory, such as the 'Basic Needs Approach', was created in an effort to tackle poverty in developing countries. It initiated a shift from large-scale projects down to more focused, community-based projects. Additionally, it focused on improving public services such as health and education, as well as income improvements so that people could afford their basic needs. Small-scale technology, as well as agricultural and land reform were introduced in order for people to help themselves by growing crops and in that way combating over-reliance on outside sources. Yet, the cost and large-scale implementation of such a scheme was prohibitive. Remote areas in the South were almost impossible to gain access to due to bad road networks and (civil) war, or there were just too many people that needed assistance and not enough individuals and resources to help.

A more recent theory of development, the 'development from below' approach, is based on the idea that people should use their own initiative for self-reliance and self-help with limited support coming from the government or the outside. Putting into practice this theory of development was seen as the best approach to tackling unemployment, poverty, and under-development in the 'Third World' (Hunt, 1989). In small towns, its implementation can be seen where there has been an emphasis on creating self-employment (i.e. through community gardens) and using the natural resources of the town and its surrounding areas to create self-employment.

The notion of 'local self reliance' in less developed countries stems mainly from their previous record of relying on dependant development, which caused an increased reliance on imports, resources and expertise from outside of the country. Development was mainly initiated from outside and, increasingly, it was also adjusted towards the outside, at times completely excluding local needs (Hunt, 1989). Within

Africa, where the majority of people live in rural areas and small towns, self-reliance, based on local initiatives, produces an attractive alternative to those who are struggling to escape poverty (Mabogunje, 1980).

In conclusion, one can see that through the application of developmental theory there has been many attempts to 'assist' those that need help. This has usually taken the form of 'developed countries' helping 'underdeveloped countries'. This has ranged from top-down, international (i.e. U.N., World Bank and IMF) and local government intervention to that of grassroots, community-empowered intervention. Theorists and Governments alike have all been sincerely attempting to create employment and eliminate poverty. Yet, many unforeseen difficulties have emerged and, over time, theories and their practical applications changed, reflecting an effort to remedy the flaws of theories past (Binns and Nel, 1999). What we are left with today are more people-centred approaches to development, which have often proven to be more effective. The lessons that have been learnt are that it is important to understand the individuals that will potentially benefit from development. It is essential to consider the political and economic circumstances that these people live in. One of the most 'successful' strategies, that of encouraging the self-reliance of the grass-roots movements, has been relatively successful at addressing the needs of the individual, focusing on empowering the community to be self-reliant.

2.16 SOCIAL CAPITAL

Due to the lack of employment in South Africa, there is not only a need for outside help and for individuals to help themselves, but also for the community to work together to create a better and more productive community. In small towns and in rural regions where there is limited employment, there is a need for the community to work together to create a higher standard of living. This has occurred in a number of towns where individuals within the town have worked together to create a higher standard of living for themselves (Wilson, 1996).

The idea of achieving community development through empowerment is linked to the notion of 'social capital'. Social capital is a mindset that can be created by

community based social activities. It is through activities like these that communities will experience a feeling of team bonding, camaraderie and synergy (Wilson, 1996). This then helps the community to work together to achieve common goals. It is from these 'team bonding exercises' that people no longer see themselves as individuals but rather as part of a larger community. It is from this perspective that one can see the potential benefits of social capital: communities learn to empower themselves and create employment, normally with the initial aid of an outside organization (NGOs or Government).

Social capital helps communities realize that, with the help of others in the community; one can create a 'living' and fight poverty even in remote towns. This can be seen in projects such as community gardens and also irrigation projects in which the community works together to create a livelihood. "Social capital is coming to be seen as a vital ingredient in economic development around the world. Scores of studies of rural development have shown that a vigorous network of indigenous grassroots associations can be as essential to growth as physical investment, appropriate technology, or ... 'getting the prices right'" (Putnam 1993b: 38 in Fine 1998: 7). It is through discussing and building social capital that individuals and communities have been able to work together to create employment. This is to be seen in the number of co-operatives that are found in many small towns, such as community gardens, sewing co-operatives and brick-making.

2.17.1 LOCAL ECONOMIC DEVELOPMENT

The importance of Local Economic Development, or LED, is that it is a framework that can stimulate job creation in regions or towns that are in desperate need of economic upliftment and rejuvenation. According to the World Bank (2001), LED can be defined as "the process by which public, business and non-government sector partners work collectively to create better economic conditions for all" (World Bank 2001: 1). In the North, LED can be defined as "the process in which local governments or community-based organisations engage to stimulate or maintain business and/or employment. The principal goal of LED is to stimulate local employment opportunities in sectors that improve the community, using existing

human, natural, and institutional resources” (Blakely 1994 in Binns and Nel 1999: 392). Alternatively, as stated by Nel (2001), “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” (Nel 2001: 1005).

LED has evolved in the North to include a number of different ‘instruments’. Some of the most common ones include: “financial support, land, and building development, information, and marketing assistance, new planning, and organisational structures and training and development” (Nel, 2001: 1007). Some of these involve state support in helping communities ‘help themselves’, but most of them are independent. Yet, the involvement of the state does not necessarily mean that LED will work. As mentioned by Nel (2001), there is a life cycle of projects. Projects normally start off with enthusiasm but if progress is limited, it can result in dependency, which, in turn, can destroy the hopes of the community finally causing a situation worse than at the outset of the project (Nel, 2001). The United States, during the 1980s, applied a number of different LED policies in order to improve employment levels; these included the deployment of growth initiatives such as infrastructure and land development programs (Green *et al*, 1996: 609). Yet, the basic findings show that LED has not worked in creating wide-spread employment and “that local development initiatives have yielded diminishing returns as their use has become more widespread” (Green *et al*, 1996: 623).

On the other hand, the South interpreted LED as a way of creating employment from the ‘bottom-up’. “With the decline of the nation-state, the region or locality emerges as the relevant economic space” (Rogerson 1995: v). There is a change in focus from government intervention, to more local grassroots intervention in order to create jobs or self-reliance and to eliminate poverty. Therefore, the emphasis on LED in the North has been on creating large-scale employment, while the South has been focusing on local development initiatives which have been implemented mainly as a means of survival. “Local development initiatives may be seen as a partial response, which is steadily gaining in prominence, possibly because of the support which free-market ideology accords to the notion of independent economic action, and the basic reality that poverty, particularly in the South, encourages individuals and communities to take charge of their own destiny” (Binns and Nel, 1999: 390)

Binns and Nel (1999) state that, instead of focusing on the globalized world, it is important to focus on how “notions of ‘self-reliance and local equivalents of Local Economic Development (LED) appear to be the few realistic development options available to the ‘poorest of the poor’, who seem to have been all but abandoned by the Western-dominated global economy” (Binns and Nel 1999: 390). LED in the South is regarded as more of a survival strategy than as an employment and upliftment policy. The main aim is to provide no more than basic upliftment schemes that are able to generate employment and eliminate poverty. The future of LED in the South looks promising and the integration of local governments and/or NGOs working together with the community shows that it is the correct way to empower the individual.

The literature on LED in the South highlights the fact that many of the development initiatives come in the shape of community-based, people-centred development (Potter *et al* 1999). The reason for this approach is due to the fact that many of the older, ‘top-down’ development strategies have failed to assist development in the South. The reasoning behind such thought stems from the knowledge that in order for individuals in the South to succeed, there is a need for community development to occur from within. With the financial assistance of outside aid agencies, such as NGOs, many communities can learn to empower themselves. The need for development to occur in the South is vital for the improvement of many of the rural regions and small towns, as it is these areas that lack development and are in desperate need of it. The need for LED in small towns is crucial for the upliftment of the community. The work of many development agencies, using LED, has been shown to improve the lives of the poor through community-based initiatives.

2.17.2 LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICA

“The LED vision is of enabling South African cities and towns to help themselves. Yet the problem for certain poorer cities and small towns is that they lack the resources or planning capacity to actually formulate and implement LED strategies”

(Rogerson, 1998: 196)

LED has emerged in recent years in the South and indeed in South Africa. Nel (2001) states that a number of economic reasons led to the implementation of LED in the South, in the hope of creating economic upliftment. These events included: “the debt crisis, the effective inability of many states to intervene at the local level, imposed structural adjustment, massive currency devaluation and the series of natural and political shocks” (Nel 2001: 1004).

Due to the poor state of the economy and of rural areas, a number of employment-related policies and development strategies have been developed in order to address this state of affairs. “One which has enjoyed considerable attention, through it has yet to really prove itself in practice, is that of Local Economic Development” (Nel 2001: 1003). When dealing with LED in South Africa, one first needs to look at the history of the country and the history of past developmental practices to understand the relevance and the need for LED/self-reliance and basic needs approaches in this country.

As stated by Christopher (1994), South Africa’s apartheid era has left a heritage of poor economic growth. Local Economic Development has, as a result, been identified by the South African government as a key strategy through which poverty alleviation can be addressed by the local governments (Christopher, 1994). LED has the potential to become a useful tool in eliminating poverty by creating employment, especially in the former homelands, where poverty and unemployment are high. The creation of ‘homelands’ in South Africa (segregating different races during the apartheid epoch) has caused problems that the current government is struggling to deal with. “Officially, unemployment stands at nearly 40%, although figures of up to 80% have been recorded in certain rural districts” (Nel 2001: 1003). Other factors affecting the rural poor include: lack of housing, infrastructure, water and electricity supply and poor quality of road networks.

It is only in recent years that LED has become prominent in South Africa. Much of the literature identifies LED as being in its 'infancy' in South Africa. This, as we already explained above, might likely be a result of LED necessarily having to be re-interpreted in a Southern context. As stated by Rogerson (1998), there has been a lot of focus on LED in the hope that it is capable of promoting growth: "the impact of LED initiatives will be important in terms of restructuring the contours of the future post-apartheid space economy. The essence of LED is that it charges local government with new responsibilities for LED planning, which often occurs in the form of partnerships with other local actors, including the private sector, communities, unions and NGOs" (Rogerson, 1998: 194).

Implementation of LED in South Africa (and in the North) necessitates a number of formal and informal approaches. As cited by Nel (2001), formal categories include top-down government intervention (Nel 2001). Informal categories can include intervention by community-based organisations and NGOs, which are more of a bottom-up nature (Nel, 2001). The importance of LED lies in the fact that it attempts to emphasise the usage of local natural resources and the teaching of basic skills as a survival strategy, rather than focusing on the creation of large-scale industry.

2.17.3 CONCLUSION AND CRITICISM OF LED

According to recent research, the shift of policies to include LED reveals that this development approach is becoming an increasingly important aspect of government and NGO philosophy. The idea of community-based poverty alleviation is becoming particularly important. Yet, as highlighted by Nel (2001), there are many barriers that need to be overcome if LED is to gain respect as a practical theory, not only in the eyes of government but also in the eyes of the general public.

As some of the literature suggests, LED has made slow progress in addressing job creation and poverty elimination. As stated by Nel (2001: 1017) "despite the attention paid to the concept by policy-makers after a decade of experience, results are rather limited". Such as in the case of Stutterheim (see chapter 7) where, "an innovative programme of community reconciliation and LED was launched in 1990, less than

100 permanent jobs had been created after the first 6 years of intervention” (Nel 2001: 1017). Other examples include that of many mining towns where, when the mine closed down, tens of thousands of people lost their jobs. Yet, even with the introduction of LED, only a few dozen unemployed miners have regained employment in small businesses while most of the former employees are still without employment (Stiftung, 1999, in Nel, 2001: 1017).

By contrast, there are also a number of towns that have used their foresight and have successfully adopted the policies of LED, creating jobs and raising living standards for many of their inhabitants. There are a number of critical factors that result in the effective implementation of LED in creating employment. In the example of Utrecht, Kwa-Zulu Natal, there were a number of key individuals who understood the need to create alternative employment opportunities. It was the involvement of these key individuals who were able to recognise the correct channels for funding and were able to contact local government in order to receive the financial aid that brought about positive change. This was then also encouraged by the municipality who got involved with the community and donated land (Nel, 2002). But it is not always the case that there are key individuals who have the foresight to recognize future unemployment problems or local leadership which recognises individuals who have the ability to successfully apply for funding.

Other general criticisms are that there is the possibility of the out-migration of skilled people (Nel 2001: 1017). Policies and practices of the LED cannot prevent this from occurring but should keep this in mind. The reasons for out-migration are obviously caused by the town’s declining economic base in the first place. In the case of Utrecht, when the main mines closed, many of the key individuals could have left the town before the situation worsened; fortunately for the community as a whole, some of the key individuals did not leave but had the insight to stay and try and create employment (Nel, 2002).

In conclusion, it is apparent that LED is able to provide employment to the unemployed, but that the level of employment it does generate is finite. This is exemplified by towns which have lost their main employment base and are then – even with a successful LED plan – been unable to provide similar levels of

employment. A town such as Welkom, in the Free State, had tens of thousands of people employed on the mines in its hey-day; as it presently has very few mines operational, large number of people are without work. Without large scale industry, many of the laid off workers will not be able to find work, even if a successful LED intervention is implemented.

2.18 THE CAPITALISTIC SYSTEM

2.18.1 INTRODUCTION OF CAPITALISM: A BRIEF OVERVIEW

“In the dying years of the twentieth century we live in the shadow of a seemingly irresistible consensus. This is the belief that laissez-faire capitalism has so clearly demonstrated its superiority over all imaginable economic systems that any deviation from it is ultimately untenable and unsustainable” (Shutt 1998: 1).

This section will deal with the history of capitalism and its influence on the developing world, with a particular focus on small towns in the Eastern Cape. It is important to highlight the emergence of capitalism, especially because the capitalistic system was only introduced to South Africa during the period of colonisation. In the South African context it is thus a relatively modern system, but its influence has been felt on many aspects of South Africa's rural and urban landscape, including its small towns.

Capitalism emerged out of the Dark Ages and the dominant system of ‘Feudalism’ (Shutt, 1998 and Hooker, 1996). It was capitalism that dominated Europe, which then slowly become adopted and adapted in other areas of the world. The Voyages of Discovery created new and expanding markets with the acquisition of natural resources from the acquired territories. Colonial powers, over time, exploited the natural resources of many of Africa’s countries including South Africa. In South Africa, the exploitation of natural resources included that of mining (Tapela, 2002). Combined with exploitation, there was an increase in the use of technology (in the eighteenth and early nineteenth century), in the form of stream power, which revolutionised transportation (Lord, 1923). This then influenced the speed and rate

that exploitation could occur in many of the counties of the colonized world. The emergence of new technology provided a constant cycle of investment of capital; this took the form of investing finance into the development of “electricity, petroleum, chemicals, and the internal combustion engine” (Shutt 1998: 11). This, in turn, caused technology to advance at a rapid pace.

With the invention of the steam train, colonial powers were able to exploit the colonies more efficiently. Advancement of technology also caused development to occur in the interior of many of the colonies. As railways moved inland, small towns were created as settlements for the increasing population. Some small towns would not have existed today had it not been for the steam train. Towns such as Indwe would not have prospered in the nineteenth century had it not been for the steam train (Mabin 1993 and Preston 1976). Indwe was formally established in 1895 by colonial powers for the sole purpose of exploiting its natural coal resources (Mabin, 1993). With the invention of the steam engine, the opportunity of exploiting such a natural resource so far inland became possible. As a result, the town of Indwe prospered for a number of years. At the turn of the century, the coal mines were producing over 100 000 tons per annum and about 60 whites and 1100 black individuals were employed by the mining company, and for a period of time there were seemingly unending profits (Mabin, 1993).

In the developing world, it has become abundantly clear that capitalism has been able to provide a financial and economic base structure on which the countries economy can grow. Yet, capitalism has also marginalized the unskilled and uneducated individuals, especially in developing countries (Vwakyankazi, 1988). This can be seen in small towns where individuals with a lack of education and skills are forced to work for minimum wages because there are no other employment opportunities available to them (Vwakyankazi, 1988).

2.18.2 THE INFLUENCE OF CAPITALISM ON THE THIRD WORLD AND EASTERN CAPE TOWNS

“Present techniques of development by major international donors, or multinational investors, cannot, in the present structure of African nations and economies, promote beneficial rural development by developing small towns as a stimulus, because those groups are already committed to a contradictory overall operation which makes this impossible” (Southall 1988: 4).

The expansion of capitalism in the ‘Third World’ has generally not been a positive development for the poor. With the problems associated with unserviceable debt, Structural Adjustment Policies (SAP’s) and the World Trade Organisation (WTO), many of the ‘Third World’ countries have had to repay debt, using a large percentage of their Gross National Product (GNP). In some countries, they are repaying up to 40% of their GNP (Shutt, 1998).

The large population explosion that is occurring in the Third World does not ease matters. Increasingly populations are moving from the rural farming areas to small towns or to cities in search of formal or informal employment (Anon, no date). The problem with this is that there are not enough employment opportunities for these individuals, which in turn leads to an increase in criminal activity, increased informal settlements, and a lack of resources in the form of government services, i.e. sanitation, running water and shelter.

The history of capitalism, as mentioned above, shows that there will always be a gap between the rich and the poor, and a gap between the ‘First’ and the ‘Third World’ due to SAP’s and the WTO, to name a few causes (Shutt, 1998). The social and economic factors that have gripped the ‘Third World’, in the form of unserviceable debt, globalization, degradation of the public market and environmental decay, have affected the poor in the ‘Third World’ more drastically than any other social group (Shutt, 1998). The reason that the situation is worse in poor areas, such as many of rural parts of the Eastern Cape, is because there are very limited resources available to the poor, in terms of electricity, running water and shelter, in the first place. This can, amongst other reasons, be attributed to the legacy of the colonial powers and the apartheid government.

During the colonial periods, small towns were seen as areas of exploitation, as stated by Pedersen (1990) “they (small towns) were ... seen as points of exploitation through which the capitalistic system in general and especially the colonial powers sucked resources out of the rural areas” (Pedersen in Baker 1990: 89). The absence of new technology in small towns and surrounding rural areas and increasing populations have often resulted in environmental degradation in the form of deforestation, overgrazing and over cultivation. “This not only creates a vicious cycle of declining land productivity and further rural impoverishment but leads to wider environmental damage through increasing flooding (and even as is now widely believed climatic change” (Shutt, 1998: 157). The reasons for the decline of cultivated land, grazing pastures and deforestation are wide and varied. The lack of technology, such as gas stoves and electricity, has led individuals to over-use natural resources, which has led to the degradation of the land in terms of deforestation. Farming practises used in some rural poor areas are outdated and inefficient, which increases the possibility of increased erosion, and land degradation. The capitalist way of life has caused many individuals to move to the city in the hope of increased employment opportunities and a better way of life.

2.19 CONCLUSION

As some of the literature on small towns suggest there is only limited research being done in small towns by local and national governments to address job creation and poverty elimination.

Finally, this chapter dealt with the relevance and importance of small towns and the role that they play as building blocks in the urban system; how they play a vital role as rural service and marketing centres, as points of service provision, resource processing, and industry. Yet, small towns are also centres of exploitation and neglect. With this in mind, there is a need to view small towns as important entities on the urban and rural landscape and thus, there is a need to address the economic and social stagnation of many of the small towns in South Africa.

CHAPTER 3

HISTORY OF SETTLEMENT IN SOUTH AFRICA AND THE INFLUENCE OF SETTLEMENT-BASED POLICY INTERVENTIONS

3.1 INTRODUCTION

This chapter will provide a brief overview of the political and economic history of South Africa. There have been a number of policies and resulting practices that have changed the social and economic landscape of South Africa, which have had an undeniable impact on many small towns. The relevance of this chapter, therefore, is to highlight and provide an understanding of the broader historical factors influencing small towns in South Africa.

South Africa has experienced an historical power struggle between the different races; the resulting biases and conflicts led to the indigenous population of this country being classified as inferior and backwards by colonial powers. It was this bias that also caused racial conflict and segregation to occur in South Africa (Christopher, 1994). The dynamics of racial conflict and segregation caused different laws and policies to be implemented, which in turn affected many small towns. The effect of betterment planning, to cite just one example, caused individuals to be moved to pre-selected regions, thus bringing about demographic change in many small towns.

This chapter will also examine the importance of agriculture in South Africa and the historical effects of various government policy interventions on the social and economic landscape of South Africa and more particularly on small towns. Such policy interventions include: influx control, betterment planning and industrial decentralisation programmes.

3.2 THE HISTORICAL CONTRIBUTION OF AGRICULTURE TO THE ECONOMIC DEVELOPMENT OF SOUTH AFRICA

Due to the need for a 'refreshment station' in the Western Cape, European settlement and agricultural production subsequently followed. Yet, it was only with the discovery of the mineral wealth of the county that agriculture was able to increase

dramatically. As stated by Wickins (in Coleman, 1983: 57) the construction of railways “constructed to meet the needs of the mines facilitated the movement of farm produce”. Since the establishment of the refreshment station and the further arrival of settled immigrants it seemed logical that the South African population should focus on agriculture to assist in the growth and prosperity of the country’s future (de Kiewiet 1957). The process of achieving agricultural prosperity was one of initial hardship and experimentation, this owing, to the fact that many of the early farmers had no previous experience with the climate and weather patterns of the South Africa (Agriculture in South Africa, 1978). As further highlighted by Were (1974: 136) “in a new land and an unfamiliar climate numerous experiments had to be discovered and produced on a reasonable scale. The success of pastoralism depended on the success of such experiments”.

Over time small agricultural centres were created and used to provide agricultural produce for the larger, more urban centres (Southall 1988). Some of these small centres/towns grew into influential agricultural centres such as the case of Stutterheim (Anon, 1984). Wickins (in Coleman, 1983) highlights the fact that there is a very close link between the agricultural sector of the economy and the level of economic development of small towns. In dealing with the importance of agriculture, wine was the most important export. This lasted till the time of the beginning of the Great Trek, when wool began to make a significant contribution to the export market (Agriculture in South Africa, 1978). The production of wool, from about 1840 was the initial basis of South Africa’s economic development (Agriculture in South Africa, 1978). Were (1974: 138) states that “wool continued to dominate the economy until 1869 when diamonds were discovered in Kimberley. Even then wool, now replaced by diamonds as the leading single export commodity, continued to play a leading role in the country’s economic development”. With the importance of wool in the South African growing economy, a number of farmers, particularly in the Karoo areas started to farm sheep more intensely, in order to gain larger profits. This resulted in a number of small towns becoming substantial agricultural centres (Were, 1974).

As participation in the agricultural sector by the white population decreased in the late 19th century, participation by the coloured and black populations was increasing (Wickins, in Coleman, 1983). Decreases in white people being involved in

agriculture were in part due to the growing manufacturing and mining sectors, including gold, diamond and coal mining (Wickins, in Coleman, 1983). As highlighted by de Kiewiet (1957: 249), “had it not been for the mines South Africa would certainly have had to face a generation earlier the problem of the greater inefficiency of the agricultural and pastoral industries. The great development of diamonds and gold mining had deferred an inevitable land crisis”.

The influence of World War I and World War II also played a role in the agricultural history of South Africa. Small towns, such as Indwe, were affected, as the South African government bought farms surrounding Indwe for individuals returning from World War II (Mabin, 1993 and Burgess, pers. com., 2002). A number of white-owned businesses were also affected by World War II (1935 – 1949) (Wickins, in Coleman, 1983).

The black population did, however, increase in number in the agricultural sector after World War II and up until the 1960s. According to Wickins (in Coleman, 1983: 38), the black population continued to increase, “not only in the areas reserved to them [homelands], but also in those areas where only whites enjoyed full legal rights of residence and land-ownership”. This increase in the number of black individuals involved in the agricultural sector can be attributed to certain government policies, such as the 1936 Native Trust and Land Act, which forced many white farmers to sell their land (Bonner *et al* 1993). As whites sold farms, they were converted into trust settlements for the black population (Houghton and Walton, 1952), such as in the farms surrounding the town of Keiskammahoek in the former Ciskei (Chapter 9). Additionally, the increase of the black population can be attributed to the increase of farm workers on white owned farms.

The decrease of the white agricultural population in small towns and rural regions can also be attributed to class divisions between white individuals who generally had a better education and the black population, who had little or no formal education (Christopher, 1994). Many white individuals in small towns had the financial capacity to educate their children, while most of the black population could not afford education for their families (Christopher, 1994). As further highlighted by Wickins (in Coleman, 1983: 38), “it was the younger country dwellers who tended to move

away, in all probability the better educated”, which resulted in a decrease in the population of small towns in South Africa.

Between 1911 and 1975 the agricultural sector decreased dramatically with reference to its contribution to the Gross Domestic Product (GDP) (Wickins, in Coleman, 1983). In 1911, the contribution of agriculture to the national GDP was as high as 21% but has since 2000 decreased to only 3,2% (Tshilamatanda, 2002). The relative decrease in the agricultural sector can be attributed to the increase of other sectors of the economy, such as the increase in the manufacturing, service and mining sectors (Agriculture in South Africa, 1978) and, as further indicated by Wickins in Coleman (1983: 43), it “was mining, not agriculture, which had, moreover, to receive considerable support from the rest of the economy”. Undeniably, such a decrease in the agricultural sector negatively affected the economy of many small towns (Burgess, pers. com., 2002).

Agriculture may either contribute greatly to the economy of a country as a whole, or it may only contribute marginally, depending on the economic and social structure of the economy. In the case of South Africa, agricultural production was uneven; “for a long part of its history [South Africa] ... was barely able to provide the produce [required] to sustain a growing population; it did not set up a strong demand for manufacturing goods ...[and] labour released from farming for industry was sufficient neither in quantity nor in quality” (Wickins, in Coleman, 1983: 43). There were also problems with plants and animal disease, which threatened to completely destroy agricultural production (Agriculture in South Africa, 1978: 1).

As farming intensified, agricultural land, over time, decreased in productivity due to prolonged, intensive farming. This situation was found in most of South Africa, but in particular in the former homelands, where it was believed that poor farming practices and resettlement, coupled with overgrazing, overpopulation and erosion, led to a decrease in the productivity of the land. “The inadequacy and inferiority of the land set aside for African occupation [homelands] and farming adversely affected the yield and quality of African agriculture” (Were, 1974: 138). Ultimately, this state of affairs led the South African government to implement a number of Acts and state intervention in an effort to improve the agricultural situation.

Policies were now aimed at; firstly, controlling the number of individuals moving or migrating to the larger urban regions in search of employment (Peberdy, [no date]). Secondly, at improving farming and farming methods by training farmers to utilize the land and resources at hand to improve the overall productivity of the land on which the farmer is farming (de Wet, 1995). Thirdly, to create employment for individuals in the rural regions by introducing businesses to small urban regions using government incentives to attract companies and organisations to move to these places (Marquard, 1962).

This affected a number of small towns located in or near the former homelands, such as Peddie, King Williams Town and Keiskammahoek. These (and other towns) were affected both positively and negatively by the new policies, as they caused employment to increase (Peberdy, [no date]) and agricultural shifts (de Wet, 1995). Some towns, such as King Williams Town, were earmarked for industrial development, which was expected to improve the town as employment would increase. Thus some towns gained industry, attracting labour from other small towns, adversely affecting their populations and economies (Christopher, 1994).

As time progressed, agriculture in South Africa came to be seen as a secondary sector to the other main sectors of the economy. Yet, its importance is still recognised as being a crucial sector of the economy, as it provides employment to many individuals lacking formal education and provides a sustainable lifestyle to those that would otherwise be unemployed. The significance of agriculture in small towns also arises from the fact that many small towns rely on the income generated from the agricultural sector to sustain themselves. Small towns play an important role in the agricultural sector, as they provide farming materials and labour for the farmers in the region surrounding small towns.

3.3 HISTORICAL SETTLEMENT-BASED POLICY INTERVENTIONS

There are a number of unique policies and practices that shaped much of the economic and social aspects making South Africa what is today. Many of the policies and interventions of the South African government were based on providing a labour



force for the mines and other large-scale employers in the larger cities of South Africa. As a result, urbanisation in South Africa did not occur naturally, due to economic and social pressures, but was influenced by legislation from above (Christopher, 1994). This section will deal with those policies and practises of the South African government in the 20th century that had an effect on towns and cities and their surrounding hinterland. The section will also look at the influence of influx control, betterment programmes, industrial decentralisation programmes, the homelands development policy and their effects on South Africa's social and economic make up. It is important to review these various policies because they have individually, and collectively, shaped the racial landscape of South Africa.

3.3.1 INFLUX CONTROL

Influx control "was established in the states repertoire of 'Native' policies by the time the National Party came to power in 1948" (Posel, in Bonner *et al*, 1993: 412). The Native Urban Areas Act No 21 of 1923 regulated and controlled the movement of individuals from the rural regions to the towns or cities (de Wet, 1995). Thus, influx control was implemented to decrease the rapid black urbanisation occurring in major cities in South Africa (Posel, in Bonner *et al*, 1993). Previous urbanisation had caused overcrowding in many of the big cities, such as Johannesburg and Cape Town, as a result there was a perceived need to control the number of people moving and/or migrating to the city (Bonner *et al*, 1993).

Influx control restricted the increase in the number of individuals in the urban regions; however, overcrowding occurred in the rural regions as a result (de Wet, 1995). The effect of influx control on small towns resulted in the population there remaining relatively stagnant as individuals, especially in the homelands were not allowed to migrate to the towns/cities. In time, 'betterment' was introduced, which was aimed at improving the conditions in the rural regions caused by overcrowding (Yawitch, 1981). These conditions included unemployment and land degradation which was a result of poor farming methods.

3.3.2 BETTERMENT PLANNING

“Betterment Planning or ‘rehabilitation’ has given rise to one of the most widespread forms of resettlement in South Africa. It refers to attempts, started in the 1930s by successive South African governments, to combat erosion, conserve the environment, and improve agricultural production in the black reserves [or homelands]” (de Wet, 1995: 39 and de Wet *et al*, 1997). According to Collinson and Wittenberg (2001: 1), “the homelands were subject to a form of indirect rule, in which ‘traditional’ systems of governance and land holding were propped up. Nevertheless, there were massive interventions in the social fabric of these areas, including the creation of betterment villages”.

Due to the deterioration of the natural land, as a result of overpopulation and overgrazing in the homelands, the South African government initiated the Betterment Programme to try and improve the condition of the land by resettling individuals and their livestock to different areas (Yawitch, 1981). This thinking was mainly a result of the evidence contained in the Report of the Native Economic Commission of 1930, which suggested that large parts of the reserves were overstocked and eroded, with conditions being the worst in the Ciskei (UG22, in de Wet, 1995). This then led the South African government to resettle individuals into different categories, according to the quality of the land, i.e. residential, arable and grazing (de Wet, 1995 and Yawitch, 1981). The aim of this was to use good quality land for the betterment of the community; the less arable land would then be used for the resettlement of the community into villages. Some have argued that the real reason for the Betterment Programme was not the preservation of the land but the moving people to villages would provide a supply of migrant labour (McAllister, 1991). “This re-organisation of locations was accompanied by low-level agricultural interventions, which in most instances have not succeeded in improving agriculture” (de Wet, 1995: 39). Ultimately, Betterment served to increase the number of individuals in small towns, as many of the small towns in South Africa were located in rural agricultural regions (McAllister, 1991).

3.3.3 PRE-APARTHEID ACTS

Various pieces of legislation were implemented in order to carry out the racial segregation in South Africa. The most important of these included the Land Act of 1913, the Native Urban Areas Act of 1923, the Native Trust and Land Act of 1936 (as mentioned in Chapter 9, in the case of Keiskammahoek), the Group Areas Act of 1950 and the Population Registration Act of 1950 (Were, 1974: 168).

The Land Act of 1913 was passed so that South Africa could be divided into two districts, 'Native' and 'Non-Native' (Were, 1974: 142 and Yawitch, 1981). "By the same Act Africans were forbidden to reside outside their designated districts ...[,] they were, however, allowed to live away from their areas when working for Europeans" (Were, 1974: 142). The Native Urban Areas Act of 1923 gave the South African government the authority to control the number of blacks living in urban areas. This gave municipalities the power to "set aside locations and assured the natives of a measure of local self-government and security of tenure short of freehold" (Walker, 1928: 596) and to limit immigration from rural areas.

The Native Trust and Land Act were created in order to give additional land to the African population (Were, 1974 and Christopher, 1994). Yet, large black populations continued to inhabit relatively small areas of land, leading to a decrease in the productivity of the land and, in some cases, forced individuals to move to urban regions. In 1950, the Group Areas Act was introduced, which stated that members of each individual race must be segregated into their own areas. "It also classified the racial groups as whites, coloureds and natives. It was also during this year that the Population Registration Act was implemented. This Act stated that all black individuals, after a certain age, were forced to carry an identity card on which, among other things, their race was written" (Were, 1974: 169).

3.3.4 THE TOMLINSON COMMISSION

The Tomlinson Commission laid down the framework for the social and economic development of the homelands in the 1950s (Christopher, 1994; de Wet, 1995 and

Yawitch, 1981). As further highlighted by Verkuyl (1971), the Tomlinson Commission “was given the task of developing a blueprint for the policy of forced segregation on the basis of the ideology of apartheid”(Verkuyl 1971: No Page Specified). The appointment of the Commission was due to the fact that the Native Reserves were sources of labour for ‘White South Africa’, but at the same time were “remarkably fragmented with few consolidated blocks of scheduled land to provide any respectable territorial basis for the partition” (Christopher, 1994: 67).



Figure 1: Tomlinson Commission Map of South Africa

Source: After South Africa (1955) in Christopher, 1994

Figure 1 shows the blue print laid out by the Tomlinson Commission to divide South Africa into ‘white’ and ‘black’ regions. The Tomlinson Commission thus, over a period of 4 years (from 1950 to 1954), conducted an investigation into “the rehabilitation of the Native Areas with a view to developing within them a social structure in keeping with the culture of the Native and based on effective socio-economic planning” (Houghton, 1956: 1). One aspect of the commission’s work was to create industry in the homelands to prevent the migration of individuals from the homelands to the (white) cities (Hyslop, in Bonner *et al*, 1993). Yet, until 1960, there was very little inclination from the South African government to finance black areas

(Christopher, 1994). A change came about in 1960 through the support of the Permanent Committee for the Location of Industry; later, in 1971, it became known as the Decentralization Board (Hyslop, in Bonner *et al*, 1993). “The object was to develop industrial areas in White South Africa, adjacent to the homelands, so that black workers could commute on a daily basis between their homes and places of work” (Christopher, 1994: 87). This led to the Border Industry Programme which, was aimed at creating employment for individuals in the former homelands and preventing them from migrating to (white) cities (de Wet, 1995; Christopher, 1994 and Were, 1974).

The overall conclusion by the Tomlinson Commission was that either the people of South Africa become entirely integrated or that they should remain separate; for example ‘Europeans’ and ‘Bantu’ should remain in separate regions (Lazar, in Bonner *et al*, 1993). The Tomlinson Commission thus created and laid down the basis for the social and economic development of the homelands, which in turn accelerated the forced removal of individuals from other regions of South Africa into the reserves. This led to overcrowding in many of the homelands, which negatively impacted on the quality of the land and forced many individuals to migrate to the cities in search of employment (Lazar, in Bonner *et al*, 1993). The forced removal of individuals from one region of South Africa to another also caused the population of small towns and cities to fluctuate.

3.3.5 INDUSTRIAL DECENTRALISATION PROGRAMMES IN SOUTH AFRICA

During the 1960s various ‘homelands’ were created in South Africa and in most cases, were seen as an employment resource base (Christopher, 1994). This “led to the introduction of industrial decentralisation policies which were maintained from 1960 until the early 1990s” (van Zuydam, 1998: No Page Specified). Industrial decentralisation programmes were comprised of a “complex range of political and economic pressures that have, at different times, shaped the South African state's

dispersal policies” (Glaser 1987: 48). They focused on creating employment in regions of South Africa with high unemployment levels and poverty; such regions included the homelands of Bophuthatswana and Venda. The problem was that the majority of the homelands were rural; thus, due to a lack of large-scale industry, unemployment and poverty prevailed (Christopher, 1994). This led to some individuals migrating to the cities to be employed in the mines or in other industry; those that remained, however, found it very difficult to gain employment (Christopher, 1994).

A number of policies were thus introduced to provide employment to those individuals that had been resettled, in an effort to justify the existence of the homelands and to slow down urbanization in South Africa (Nel, 1997). The industrial decentralisation programmes or policies were set up to implement industries along the fringes of the homelands (industrial zones) in the anticipation of job creation. These border industries inevitably affected small towns in South Africa and in the former homelands, as either factories were introduced to increase employment, or individuals (mainly males) were forced to leave small towns and find employment at these sources of industry (Christopher, 1994).

Table 2 Potential Decentralised Jobs Created in the Former Homelands

Period	Potential jobs created	Average jobs per annum
1960 – 70	87, 000 +	8, 700
1971 – 74	37, 930	9, 483
1975 – 79	44, 883	8, 977
1980 – 81	23, 213	11, 607
1982 – 90	580, 372	72, 547
1991 – 1998	150, 265	21, 466

Source: van Zuydam, 1998: No Page Specified

The impact of industrial decentralisation programmes was initially very positive in as can be seen in Table 2. “[In] terms of statistical scores, the rapid growth in the number of industrial enterprises (rising to 554) and employment opportunities (over 80,000) achieved by 1991 is a clear indication of apparent success” (Nel, 1997: 20). Yet, the policies dealt mainly with industrial business relocation from urban areas (such as Johannesburg) to the borders of the Transkei and the Ciskei and other homelands, or within them. Companies moved mainly due to the fact that the South African government offered a number of incentives, causing many companies to move because it was financially viable. The termination of the incentives in the 1990s led to many companies relocating to the cities (van Zuydam, 1998). As a result, the industrial development policies of the South African government were ineffective in providing long-term employment. Thus, individuals who were employed by the industries lost their jobs, causing mass unemployment to occur in the former homelands (Christopher, 1994).

3.6 CONCLUSION

In conclusion, many small towns in South Africa have been influenced by the political, social and economic changes in the South African economy. The various Acts and policies regulated and controlled the movement of individuals from the rural regions to the towns or cities. Thus, the various Acts have undoubtedly influenced the demographic and economic aspects of many small towns in South Africa and thus have influenced their present day circumstances. The Acts have caused populations to be forcibly relocated to other regions which resulted in population decline and an economic instability which negatively affected the town in question. Since certain population groups were selected for removal, gaps in the labour force became apparent which caused a number of businesses to be effected by the forced removal and thus whole towns were negatively affected by the Acts.

CHAPTER 4

THE STUDY AREA AND THE HISTORICAL EFFECTS OF GOVERNMENT POLICIES AND PRACTICES

4.1 INTRODUCTION

This section will focus on the history and influence of the South African government's policies and practices on the Eastern Cape, as well as the former

homelands of the Ciskei and the Transkei located therein. This chapter will highlight key national government Acts and legislation and the impact that they have had on the sociology and economy of small towns, especially in the Eastern Cape. Acts, such as the 1936 Land Act, and other resettlements Acts affected the population of the Eastern Cape both positively and negatively.

The Eastern Cape is the second largest province in South Africa. "The Eastern Cape comprises 13.9% (169, 580 km²) of the total area (1, 219, 090 km²) of the country, while 15.7% (6, 481, 300) of the total population (41, 244, 430) of South Africa live here. Its population density of 38.2 persons per square kilometre is higher than the average of 33.8 for the RSA" (Statistics South Africa, 1997: No Page Specified). The Eastern Cape, since re-absorbing the former homelands of the Transkei and Ciskei in 1994, has had to deal with the legacy left behind by the apartheid government. It will not be an easy task to successfully create employment and eliminate poverty in an area with minimal infrastructure, little or no industry, and remote villages after decades of racially based marginalization.

4.2 THE POPULATION OF THE EASTERN CAPE

According to Statistics South Africa (StatsSA, 1999) the population breakdown of the different races in the Eastern Cape in 1995 consisted of 86% African, 7% Coloured, 5% White and less than 1% Indian (StatsSA, 1999). In 1995, 90% of the Eastern Cape's white population and 85% of its coloured population lived in urban areas, while only 27% of the African population lived in urban regions (Qaba and Mafela, 1998). This shows that the majority (73%) of the black population live in rural regions.

4.3 AGE DISTRIBUTION IN THE EASTERN CAPE

It was estimated that by 1995 the black population under 15 years of age consisted of more than 44% of the total black population in the Eastern Cape (Qaba and Mafela 1998: 10). As a result, a large proportion of the population is relying on the older generations to support a growing population. This can cause great financial strain on

the older generations, especially when it is considered that 41% of the population of the Eastern Cape is unemployed (as is shown in the following section).

4.4 EMPLOYMENT AND UNEMPLOYMENT IN THE EASTERN CAPE

The level of unemployment is higher in the Eastern Cape than nationally (StatsSA, 1999). In 1995, it was estimated that 41% of the economically active percentage of the population were unemployed as compared to a national unemployment level of 29% (Qaba and Mafela, 1998). In the Eastern Cape, 45% of the employed population worked in the formal sector, while 14% of employed individuals worked in the informal sector, compared to a national figure of 12% (StatsSA, 1999). This shows that there are fewer opportunities in the Eastern Cape to find formal employment which normally requires some level of education or skill. This has resulted in many people finding and creating employment in the informal sector, or migrating to other regions/towns in the hope of gaining employment there (Cross, 1988).

4.5 THE IMPORTANCE OF THE INFORMAL SECTOR IN THE EASTERN CAPE

Due to the lack of formal employment in the Eastern Cape, and indeed in the rest of South Africa, many people have taken it upon themselves to create their own employment. This has resulted in the emergence of the informal sector, self-reliance and the parallel incidence of LED initiatives in recent decades. Informal employment, in recent decades, has been dubbed 'the informal sector' (IS), which describes economic activity that takes place outside the formal norms of economic transactions established by the state and formal business practices (Cross, 1988). Generally, the term applies to small or micro-business that are the result of individual or family self-employment.

Women predominate at the lowest rungs of the informal sector in South Africa, where they are clustered in highly competitive, low profit and overcrowded sectors. The majority of women engaging in informal sector activities are survivalists (Gray and Charmaine, 2001). Women survivalists engage in low-profit, petty trading activities,

such as the hawking of fruit and vegetables, which have been described as an extension of their domestic role. They participate in these activities because of the low entrance barriers (Gray and Charmaine, 2001). In the Eastern Cape many of the development initiatives, such as community gardens, craft work and sewing have all been dominated by women, who are working together with various development agencies to improve the quality of life for themselves and their families. This informal sector economy can be seen in many small towns, such as Cathcart and Stutterheim, as it has proved to be relatively successful in creating employment (Feni, pers. com., 2003). Generally the informal sector has played, and will continue to play, a vital role as the survival strategy of individuals in areas that have no other form of employment (Cross, 1988; Gray and Charmaine, 2001).

4.6 THE EFFECT OF POLICY INTERVENTIONS ON THE EASTERN CAPE

In the Eastern Cape, many of the government policies, such as Betterment Planning, the 1913 Natives Land Act, the 1936 Natives Trust Act and industrial decentralisation programmes, significantly affected the former homelands of the Ciskei and the Transkei. The different policies resulted in widespread racial displacement, which resulted in migrant labour and resettlement occurring in many parts of the Eastern Cape (de Wet, 1995). With many people being forced to live in newly created reserves (homelands), social, economic and environmental decay occurred. As discussed in the last chapter, the South African government attempted to address these problems through various border industry programmes or industrial decentralisation programmes, which served to improve employment in the short-term, not the long term (Christopher, 1994). Consequently, the Eastern Cape and its former homelands were affected by a number of South African government Acts and policies which still scar the land and the individuals living within. Having detailed the national picture in Chapter 3, the following section will deal with various Acts and policies of the South African government and their direct (or indirect) effect on small towns in the Eastern Cape.

4.6.1 THE NATIVES LAND ACT OF 1913 AND 1936 NATIVES TRUST ACT

In the early part of the 20th century, the main aim of government policies was to divide the country according to the different racial groups. In the Eastern Cape, two reserves were created to house the black population, namely those of the Transkei and the Ciskei (Nel, 1999). “Under the Natives Land Act of 1913 some 8,9 million hectares were defined as Native Reserves” (Christopher, 1994: 32). The Act of 1913 also did not allow the black population to purchase land outside of their allocated reserves, except in the Cape Province (Christopher 1994, Claassens, 1991 and Were 1974) In time, these homelands came to be seen as sources of cheap labour, places to where undesired excess populations could be removed. In 1936, the Native Trust Act extended the amount of land allocated for blacks living in Native Reserves or in Trust Lands. This Act extended the amount of land initially allocated in 1913; thus the Cape Province received an additional 1, 389, 760 hectares (Platzky and Walker, 1985).

The various Acts thus prevented the black population from owning land outside the reserves and prevented them from living outside their allocated ‘native reserves’ unless they were employed by their European counterparts (Were, 1974 and Walker, 1928). This resulted in the pursuit of migrant labour by many black males from the ‘native reserves’ to larger towns and cities in search of employment, as there were very few job prospects in the homelands. As highlighted by Platzky and Walker (1985), the effect of the various Land Acts caused unemployment to rise, as there was very few employment opportunities in the homelands, “the average unemployment rate is 30% [in 1985] and the overcrowded, desolate Ciskei accommodates thousands of people who have been moved from the cities and towns of the Western and Eastern Cape into closer settlements and townships in the Ciskei since the early 1960s” (Platzky and Walker, 1985: 55).

In more recent years, the effect of the Land Acts has exacted its toll on the people of the Eastern Cape. For example, as mentioned by Platzky and Walker (1985), 400 families from the Tsitsikamma reserve near Humansdorp were forcibly removed in 1977/78 (Platzky and Walker, 1985). They were moved to a settlement known as

Elukhanyweni, 300 kilometers away in the Ciskei, and it was here that they became “a landless people, totally dependent on the migrant labour for their survival” (Platzky and Walker, 1985: 189). Another case of forced removal of individuals was from the farm of Klipfontein, near the Eastern Cape holiday town of Kenton-on-Sea. It was from here that 200 African families were forcibly removed in 1977 to Glenmore, a settlement in the Peddie district of the Ciskei (Platzky and Walker, 1985).

The Natives Land Act of 1913 and 1936 Natives Trust Act have had many negative consequences for individuals living in the Eastern Cape; many examples show how individuals have been forced off the land and made to settle in other regions in which the population was often worse off than they were before the re-settlement. In the case of the two examples cited above, the region of Tsitsikamma and the town of Kenton-on-Sea both experienced a decrease in their population, which negatively affected their local economy (Platzky and Walker, 1985). The new regions people were settled in also experienced land degradation, overpopulation, lack of housing and underemployment (Platzky and Walker, 1985).

4.6.2 BETTERMENT PROGRAMMES

Betterment Planning occurred from the 1930s, in an effort to manage the land. Many areas of the former Ciskei and Transkei were divided up into areas of land allocated for farming and for villages (de Wet and Whisson, 1997; de Wet, 1995 and de Wet *et al.*, 1989). Betterment affected a number of small towns in the Eastern Cape, including Keiskammahoek (Kimemia, 2001 and de Wet *et al.*, 1989). Eastern Cape towns were affected as betterment moved individuals into different regions and opened up other regions for agriculture. This affected the population and social structure of many towns (de Wet, in de Wet and Whisson, 1997). In the case of Keiskammahoek, a number of black individuals were forcibly resettled from the former Ciskei’s rural areas to Keiskammahoek (de Wet and Whisson, 1997; de Wet 1989). As stated above, land was divided into areas for farming and areas for villages. Thus individuals were moved, so that arable land could be utilised for farming and land that was not of high quality would be allocated for settlement (de Wet *et al.*,

1989). Therefore, a number of small towns and small settlements were affected, as individuals were moved off arable land and relocated into small villages, or small towns such as Keiskammahoek.

4.6.3 RESETTLEMENT AND MIGRANT LABOUR

The South African government aimed at resettling the majority of the black population into allocated reserves. "The provisions of the 1913 Natives Land Act and subsequent measures were directed towards reducing black occupation levels on white-owned lands" (Christopher, 1994: 80). According to Christopher (1994), the South African government had two main aims when dealing with resettlement. The first aim was to remove the Black population from 'White South Africa' (Christopher, 1994; Walker, 1928 and Yawitch, 1981). The reason for this was because the white population complained about the Black population outnumbering the white population by three to one in 1921 and then by nine to one in 1960 (Christopher, 1994). Thus, by 1960 there was a mass outcry that 'White South Africa' was becoming 'Black'. The second aim was to increase the number of Black individuals in the reserves, thereby becoming the responsibility of the homeland governments (Christopher, 1994 and Were, 1974).

The result of the forced resettlement, often with the coercion of the police, was the large scale forced removal of the Black population from 'White areas' to be relocated into 'Black areas' or homelands. The forced removal of such populations affected the populations of many small towns, as a substantial amount of the surplus labour force was relocated from these small towns, which limited their potential growth. Examples of this are the forced removal of individuals from the Tsitsikamma reserve to Elukhanyweni, as well as the forced removal of individuals from the farm of Klipfontein to the settlement of Glenmore, as mentioned above.

The need for a large labour force by the various mining companies resulted in a large-scale migrant labour system which was implemented by the "mining industry in the last third of the nineteenth century" (Christopher, 1994: 25). The migrant labour system resulted in black males migrating from the homelands to the various mining

regions, such as Kimberley and the Witwatersrand while the family or wife remained at home (Yawitch, 1981). When male breadwinners returned home, and the capital that they brought back often wasn't sufficient. This resulted in many women/wives seeking some form of employment to compensate (Christopher, 1994).

4.6.4 INDUSTRIAL DECENTRALISATION PROGRAMMES IN THE FORMER HOMELANDS

Industrial decentralisation programmes were aimed at providing employment to individuals that had been resettled in the former homelands. In the homelands, these various programmes resulted in the expansion of pre-existing or newly established towns and central industrial points, such as King Williams Town. These towns were created to provide businesses the opportunity to relocate to the homelands. Industrial decentralisation programmes began with the support from the Permanent Committee for the Location of Industry, which later, in 1971, became known as the Decentralization Board (Christopher, 1994). Initially, these programmes concentrated on areas that were most likely to succeed. The board offered financial and other incentives to attract industry to different areas (Christopher, 1994 and Clark, in Bonner *et al*, 1993).

In 1968, the South African government passed the Promotion of Economic Development of the Homelands Act, "which provided for the controlled introduction of White capital into the homelands" (Christopher, 1994: 90). Through this Act, a number of industrial decentralisation points were identified. In the Transkei, Butterworth and Umtata were identified as growth points while in the Ciskei, Dimbaza and Sada were identified as such (Christopher, 1994; Platzky and Walker, 1985). Through various incentives, such as "foundation grants, labour, power and transportation subsidies and tax holidays" (Christopher, 1994: 91) the employment rate increased. Yet, as highlighted by Christopher "the long-term economic viability was rarely a consideration for many industrial concerns" (Christopher, 1994: 91). In time, the subsidies decreased and finally stopped. This caused the majority of the industries to leave, which in turn caused the unemployment rate to increase.

The various programmes impacted positively on the homelands for a time, as many people in the homelands had employment; yet, when the subsidies decreased, and eventually stopped, unemployment was once again a major problem facing the homeland governments. The impact that the programmes had on small towns was that individuals were attracted to these selected towns in search of employment; this, in turn, led to an expansion of many towns and townships (Clark, in Bonner *et al* 1993). With the closure of many of the industries, the majority of newly-unemployed individuals remained in the towns looking for new employment. To date, many of these small towns in the Eastern Cape and in the former Ciskei and Transkei face a legacy of unemployment caused by changes in past state programmes.

4.2.1 PRESENT AND FUTURE DEVELOPMENT PLANS FOR THE EASTERN CAPE

Presently, there are a number of development plans aimed at improving living conditions in the Eastern Cape such as the Provincial Growth and Development Plan (PGDP) which is aimed at developing the Eastern Cape economy over the next ten years (2004 – 2014) (Anon, 2003d). Ultimately the PGDP is aimed at “economic growth, employment creation, poverty eradication and income redistribution” (Anon, 2003d: 1). The Rural Upliftment Programme, the Draft Integrated Rural Development Strategy and the various Integrated Development Plans (IDPs) of the local municipalities are all aimed at improving the present state of the Eastern Cape by creating sustainable livelihoods for disadvantaged communities, improving social services such as housing, education, health and welfare, as well as safety and security (Anon, 2003e). In addition to uplifting the Eastern Cape through social services, local economic development projects such as tourism, agriculture and forestry and small business development are aimed at creating economic upliftment and long-term employment (Anon, 2003e).

4.2.2 GENERAL PROBLEMS FACING THE EASTERN CAPE

It could be said that the homelands of the apartheid era were neglected by the apartheid government (Christopher, 1994). This resulted in negative growth in these

areas in terms of employment levels, as well as and an increase in poverty levels. Even in the 'new' South Africa, there has been little progress in the decade since apartheid has been abolished. People are still living in poverty stricken rural areas and unemployment levels are high. It must be noted however, that there is a state of general rural decline in the whole of the Eastern Cape and not just in the former homelands. There is thus an urgent need for intervention in the former homeland areas specifically, and in the whole of the Eastern Cape in general, to improve situation of the unemployed, poverty-stricken individuals that reside therein.

4.2.3 CONCLUSION

In conclusion, we can see that due to past political Acts and legislation, the Eastern Cape Province has been adversely affected. Small towns have been affected by certain policies, such as Betterment Planning, which have caused a marked increase in population size in some towns, and also caused a decrease in some rural villages. The overall situation shows almost a century of population upheaval and resulting changes in population sizes and dynamics. The problems now facing the present government are very real and it will take careful intervention to correct the problems of the past.

CHAPTER 5

RESEARCH METHODOLOGY

This chapter will discuss the rationale for adopting a qualitative research paradigm, and why the study was based on such a paradigm instead of a quantitative research paradigm. The chapter also highlights the researcher's research design and explains why historical literature was collected as primary data and used in conjunction with secondary data. Key information was obtained through interviews and in this process

three rounds interviews were conducted: the initial and second interviews were used to gather basic, broad data; and a third, concluding interview was to gather more detailed data. Two different interview techniques were used to gather secondary data, which also served the purpose of triangulation. A particular research design was chosen, as this investigation deals with a qualitative approach, with its main focus on small towns and the individuals living within them and in the surrounding rural region. Finally, this chapter will also explain the procedure and the techniques used in the interpretation of data collected.

5.1 THE RESEARCH DESIGN

A research design is important, as it is used to structure the research and show how all the elements of the study interact with each other in order to address the central aims and objectives.

5.1.1. THE RESEARCH SETTING

The research setting of this study included three small towns: Stutterheim, Cathcart and Keiskammahoek. All three research towns are located in the Eastern Cape and are located within the Amahlathi Municipality. The chapters and case studies dealing with each town depict the economic and social history of the town but, more importantly, were aimed at investigating and evaluating development initiatives occurring within these towns.

5.1.2 THE TIME DIMENSION

Due to the nature of small towns and the development initiatives occurring within them, it was important to investigate each town over a long period of time. This was important as many small towns have a distinctive history; thus, it was important to this study to provide an accurate account of their past to illustrate their present day economic and social conditions. Therefore, the research conducted in the three towns in question took place over a period of one year; but the investigation of their history dates back to their initial establishment. The towns were visited in three phases: the initial visits were utilized to gain a broad understanding of the development initiatives

occurring. Subsequent visits were to evaluate the impact of development initiatives in each town, to establish how the initiatives were developing or evolving and what else could be done to improve the lives of the poor in these small towns.

The initial visits to the small towns were introductory visits to investigate and meet key local individuals and stakeholders involved in the various development projects. The second round of visits to each town occurred three months later; they were used to interview key individuals involved in community upliftment and to interview the community members involved in the projects/initiatives. The third and final round of visits, which occurred five months later, was to evaluate the progress of the initiatives, or lack thereof, and to investigate future plans of key individuals in each small town in question.

The research conducted in each small town was also compared to the development initiatives occurring in the other towns. In this respect, the researcher was able to understand and draw conclusions why certain projects were conducted in certain towns and not in others and also to conclude which development initiatives are found to have had the greatest success rate and what this could mean for the future of development of small towns.

5.1.3 THE UNIT OF ANALYSIS

The main themes of this study are: the historical context, local development initiatives, local economic development and poverty alleviation. The individuals interviewed included key informants, which included individuals that had lived in the town for substantial periods of their lives, local leaders in the community (including representatives of established agriculture, industry and commerce, community leaders, councillors and individuals such as ministers and headmasters) and participants in various development endeavours.

4. THE PURPOSE OF THE RESEARCH

The purpose of the research was to investigate the history of the three towns, to investigate if development initiatives were occurring and to assess the need for development.

The primary aims of this research was to document current locality-based development initiatives taking place within the research sites and to evaluate the degree to which they are generating employment, arresting economic decline and/or taking advantage of new market opportunities. Thus, the research needed to assess and discuss the history of these towns, as well as the present development initiatives occurring within each town. Furthermore, the research discussed the advantages and/or drawbacks of each one. The knowledge gained from these development initiatives have the potential to serve as an example for a similar course of action that other small towns could pursue in the hope of creating a better future for that town and the individuals living therein

5.2 METHODOLOGICAL APPROACH

An understanding of current development opportunities and challenges facing selected small towns is shaped by the evolving historical geography of those locations, taking into account also economic, social and political changes over time at the local, regional, national and international levels. The theoretical and practical examination of the problems facing small towns was shaped by available historical documentation of the towns, which included population and agricultural census data, as well as relevant developmental theory concerning poverty alleviation and job creation.

The following sections will show how the research was conducted and the various research techniques used to gather the primary and secondary data.

5.3 QUALITATIVE AND QUANTITATIVE RESEARCH METHODS: THE ADVANTAGES AND DISADVANTAGES AND THE CHOICE OF INTERVIEW TECHNIQUES

Qualitative and quantitative research differs greatly from each other. Quantitative research is largely focused on gathering numerical information or statistics. This type of research is focused on finding general patterns, what the statistics show of the population studied, and how this can be generalized to the larger population. Some of the research techniques included in quantitative research include questionnaires,

surveys and the collection of statistics dealing with a certain percentage of the population (Kitchin and Tate, 2000).

This research was conducted using a qualitative research paradigm, as the data gathered included that of the history of small towns and was also based on personal interviews. Qualitative research is “the investigation in which the researcher attempts to understand some larger reality by examining it in a holistic way or by examining components of that reality within their contextual setting” (Key, 2002: No Page Specified). The importance of this approach lies in the fact that the researcher wanted to understand the history of the towns and various projects/development initiatives that were occurring within them. By listening to and interviewing key individuals and by observing the towns and individuals living therein, the researcher was able to gain a detailed understanding about the history of the town, the present social and economic situation and what is being done to improve the lives of the individuals still living in the towns.

The research, through interviews, focused on gathering details on personal life histories, the life history of the towns and people’s view points. The importance of qualitative research to this study was in the detail it provided of the towns’ history and the life histories of individuals living in these small towns, as well as providing an understanding of why the towns are in their present economic and social situation.

The primary ways of collecting data for qualitative research was through interviews and observation. These approaches form part of the traditional scientific perspective, and in this process, “it is assumed that the researcher is an objective scientist producing data in a neutral fashion and for no purpose than to increase understanding of a particular phenomenon.” (Kitchin and Tate, 2000: 212)

The most common research technique used when dealing with qualitative research is that of the interview. The interviewer can use a number of different interviewing techniques to gather information. All the different techniques have advantages and disadvantages; thus the researcher usually uses a combination of these to ensure that the most detailed and valued information was gathered. Interviews can consist of

structured, semi-structured and unstructured question types, using focus groups, informal conversational interviews, as well as group interviews.

Structured, closed-ended questioning techniques are used for accessing bulk data, but have limited relevance when interpretation and insight is sought from the respondents. As such this approach was not utilized in this investigation.

Unstructured, open-ended interviews are normally regarded as revealing the most information because “open-ended questions mean that the interviewee’s responses are not constrained to categories provided by the interviewer; respondents can give whatever answer they wish. It is hoped that open-ended questions better reflect a person’s own thinking” (Kitchin and Tate, 2000: 213). Unstructured interviews are unstructured in their approach to interviewing. “Firstly it provides qualitative depth by allowing interviewees to talk about the subject in terms of their own ‘frames or reference’. This allows the meanings and interpretations that individuals attribute to events and relationships to be understood. Second, it thereby provided a greater understanding of the subject’s point of view” (May, 1993: 94). Yet, this technique has a weakness in the fact that it might be too unstructured and this can cause there to be a lack of flexibility on the part of the interviewer.

The semi-structured interview can be defined as an interview that is conducted within a fairly open framework and which allows for focused communication (May, 1993). Semi-structured interviews have many advantages over the structured or closed-ended interview, mainly because the questions are more ‘open’ to discussion. The “questions are normally specified, but the interviewer is more free to probe beyond the answers in a manner which would often seem prejudicial to the aims of standardization and comparability” (May, 1993: 92). As a result, there can be standardized questions which concern the selected group the researcher is dealing with. These questions could include that of ‘How old of you?’, or ‘How long have you lived in this area?’ After these questions are asked, the interviewer can then ask more detailed questions about previous questions, like asking “‘Why did you move to this location?’, ‘Was it due to unemployment and poverty?’” . “These types of interviews are therefore said to allow people to answer more on their own terms than

the standardized interview permits, but still provide a greater structure for comparability over the focused interview” (May, 1993: 93).

The last type of interview is that of the group interview. The group interview is important in certain circumstances; these can be when people feel safe expressing themselves in public, often because of the realization that within the group other people feel the same way or in situations. Alternatively they have a role where the interviewer is asking historical questions to a group of individuals who, only collectively, have a complete knowledge of the town’s history. In the case of Keiskammahoeek, a group interview was conducted, as many individuals knew only certain sections of the history of Keiskammahoeek, but with many of the townsfolk present, it was possible to gain a detailed history of the town.

5.4 THE RESEARCH PROCEDURE

The first part of the research procedure was to gather background literature, including archival records, in order to gain an historical understanding of the selected towns and also to gather a general history of the Eastern Cape. Literature was also gathered to understand the role played by LED as a method of creating employment and eliminating poverty. The importance of this part of the research was that the researcher had the opportunity to gain a good theoretical understanding of what was being studied.

The second part of the research was to collect primary data. This consisted of interviewing individuals who are key managers/teachers/agents of change in the towns. These individuals included members of the municipality, key members of NGOs working in each particular town and individuals that have created employment (whether formal or informal) and the municipality. It was the officials who were also of key importance, as these individuals had knowledge of the town in question, as well as of any employment and development initiatives that have been taking place in the area. Other key individuals interviewed included managers from local businesses and members from associations or co-operatives involved in job creation. These individuals were vital, as they provided insight into how employment was created (or

could be created), the aspects that have caused the initiative to be 'successful' in job creation, the paths followed that produced a successful initiative and the problems that the individuals experienced along the way.

5.5 THE RESEARCH SAMPLE

The research sample consisted of semi-structured and unstructured interviews with key individuals from the study sites. Stutterheim individuals interviewed included: Mr Ferreira (the past vice-chairman and executive director of the SDF, 1994/1995), who has considerable insight into the economic situation and development challenges and options in Stutterheim, Cathcart and Keiskammahoek; Mr Claassen, a member of the SDF and counsellor at the Stutterheim Business Advice Centre; Mrs Barnard, a teacher in Stutterheim who is employed by the Stutterheim Development Foundation to teach in schools in Keiskammahoek; Mr Dyantyi, the manager of the Stutterheim Business Advice Centre; Mrs Peter, a member of the economic committee at the Stutterheim Development Foundation; Mr du Randt, Administration Officer of the Amahlathi municipality and Mrs Harvey, secretary to the General Manager of the Amahlathi Municipality. Businesses that were interviewed included: the local Absa Bank, the Amatola Spar (grocery store), C J Rance (a timber manufacturing company) and Boardman Bros (a manufacturing company).

In Cathcart the key individuals interviewed included: Mr Feni, who is the chairman of the Ubuntu Community Development Centre; Mr Bara, the vice-chairman of the Ubuntu Community Development Centre, Mrs Richter, caretaker of the C. M. van Coller Museum in Cathcart and local historian. Individuals from development initiatives included: Mrs Matshoba, chairman of the Siyakhula Women's Sewing Project; Miss Henge, technical teacher at the Fundani High School in the Kati-Kati Township; Mr. Gawulani, chairman of the Sibanye Catholic Sewing Project and Mr Schried, minister of the Catholic Church in the Kati-Kati Township. Businesses that were interviewed included: the local Absa Bank, the Cathcart Business Centre, the Cathcart Spar (grocery store) and the East Cape Agricultural Co-op.

In Keiskammahoek, key individuals included: Mr du Plessis, general director of the Siyakholwa Development Foundation; Mrs du Plessis, administrator of the Siyakholwa Development Foundation; Mr Mpawgeva, technical director of the Siyakholwa Development Foundation; Mr Tywabi, former farmer and present regional director of the Siyakholwa Development Foundation and, finally, Mr Sebetha, local farmer and vice-chairman of the Keiskammahoek Farmers Co-operative. In terms of co-operatives, Miss Jessila and Mrs Mqamelo were interviewed, as they are employed by the Siyakholwa Development Foundation to rear rabbits. Businesses that were interviewed included: the Ezibeleni General Wholesale Store, the Keiskammahoek Hotel and the local Pep Store (clothing shop).

From these interviews the author was able to gain an understanding of the present economic conditions in each of the respected study sites and was able to triangulate the information gathered with the interviews from the various development foundations.

5.6 RESEARCH TECHNIQUES

A key facet of the research was the literature analysis, which dealt with an in-depth historical account of international, South African and Eastern Cape literature on small towns and the efforts made to improve the lives of the individuals living within them. The literature was used in an effort to gain a detailed understanding of the political, economic and social structures that have affected small towns over time, as well as investigating what has influenced their present situation.

Primary data was collected to provide credibility to the literature already collected on the economic history and present economic situation of each research town. For example, secondary data about the Keiskamma Irrigation Scheme in Keiskammahoek was obtained from the South African Archives in Cape Town and various articles and books written by de Wet, Leibbrandt and Palmer (1989), Houghton and Walton (1952), and Kimemia (2001). Primary data was then collected through interviews with two farmers, Mpawgeva and Sebetha (pers. com., 2003) who had worked on the

scheme from its beginnings in the 1970s to its collapse in 1994. In this respect, the interviews were used to gain clarification and contextualization, i.e. triangulation.

5.6.1.1 INITIAL INTERVIEW

There were a number of general questions that were asked during the initial interviews in each town which were asked in a semi-structured fashion as discussed above. The reason that the interviews were conducted in this fashion was because the researcher had no prior knowledge of the different political, economic and social situations present in each town; thus, the questions needed to be broad and gather initial, relatively general information. In each town the following questions were asked:

5.6.1.1.1 GENERAL QUESTIONS DIRECTED AT MEMBERS OF THE MUNICIPALITY

1. When was this town established?
2. For what reason was this towns established?
3. What, if anything, has been done to help the unemployed and the unskilled\uneducated individuals living in this towns and its surrounding hinterland?
4. What is the financial situation of this particular town?
5. How are the local government and municipalities helping to achieve positive financial and social upliftment in the Eastern Cape?
6. How much time and what percentage of your budget is used in poverty elimination and renewal of the town and its community?
6. What can be learned from the experiences of these small towns and could it be reproduced elsewhere?

5.6.1.1.2 QUESTIONS DIRECTED AT LOCAL COMMUNITY LEADERS/MEMBERS OF ASSOCIATIONS

1. When was the project started?
2. What caused it to develop?
3. Who initiated the project, was it the municipality or the local government?
4. Does the project only focus on the local area or is the area of coverage far broader?
5. Does the project support rural-urban linkages?
6. Who were the key participants?
7. Are partnerships important in the initiative? If so, describe what partnerships exist and what the purpose and achievements of such partnerships are?
8. Who are the local leaders and what positions do they hold?
9. How did they acquire such positions?
10. What were original goals of the project? How were they agreed to and by whom?
11. What are your goals now or are they the same? If they changed, why did they change?
12. What are the key projects which have been undertaken? Do they address basic needs in the community?
13. Have participants joined or left the initiative since it was initiated – who and why?
14. Was external support secured; what form did it take?
15. If external support has been secured, how important was it to the success of the initiative?
16. How much funds were secured? Where were they secured from, what type of funds are they and what commitments do they impose?
17. Are there any other development initiatives/employment projects in the area which are benefiting the local community? Do you have a good working relationship with them?
18. Has the project allowed for the empowerment of the host community?
19. What training projects have been embarked on and who has benefited from them?
20. Is use made of resources locally available to the community in its immediate vicinity or its hinterland?
21. Has the project fostered and supported new and emerging enterprises?
22. What problems have been encountered?
23. Has the project promoted self-sufficiency? For how many people?
24. Have people learnt new and relevant skills for employment?
25. Have local people been able to take control of development initiatives?
26. Were people trained? If so, what are they now doing?

27. If there was training who undertook it?
28. Has there been external support for such endeavours?
29. Are there opportunities for community development and education?
30. What are the primary successes of the initiative?
31. What are the primary weaknesses or failures of the initiative?
32. Has the project been successful?
33. Is the project sustainable?
34. Is the project a new growth track or is it only a survival strategy?
35. What are your future plans?

(Adopted from Nel, 1999: 57)

5.6.2.2 CONCLUDING INTERVIEWS

The second set of interviews were follow-up interviews which took place on subsequent field trips (second and third round of visits) to the study sites. The reason that there were follow-up interviews was to clarify the information obtained from the initial interviews, to monitor progress and to ask more detailed questions for further understanding. Some questions were also repeated from the initial interview to validate answers already received and to also aid in triangulation. The following is a list of questions used for the follow-up interviews, and does not reflect questions re-asked from the initial interviews.

5.6.2.2.1 GENERAL QUESTIONS DIRECTED AT MUNICIPALITY MEMBERS

1. What are your and the municipalities future plans for this particular town and its hinterland?
2. Do you believe that the financial capital you receive from the South African government is adequate for the work that needs to be done here?
3. What takes priority when it comes to the financial budget?

4. If you could spend the year's financial budget what would you spend the money on; what do you believe is the most important aspect that needs to be dealt with?

5.6.2.2.2 QUESTIONS DIRECTED AT SPECIFIC DEVELOPMENT INITIATIVES AND PROJECT BENEFICIARIES

1. The income that you receive from working here is it sufficient for your livelihood, or do you rely on government pensions or some other source of income to live off?
2. What percentage of your income comes from the work that you do here?
3. If your community garden/sewing co-operative would close down for any reasons, would you be able to survive?
4. If so, what would you do?
5. Is this community garden/sewing co-operative your only source of income?
6. For how many people in this co-operative is this only source of income?

5.6 DOCUMENTARY ANALYSIS

Documentary analysis was used as a key research technique (Kitchin and Tate 2000) in identifying key historical and statistical features of each town's evolving economic history. Key focal issues included municipal and government records, details of key companies and demographic and economic data. Sources included: current municipal records, state archival sources in Cape Town and Port Elizabeth and the Cory Library in Grahamstown. The literature from the Cory Library provided valuable insight into the history of businesses in the various towns from the years 1888 to 1996. The Cory Library also provided information into demographic, agricultural, manufacturing and employment census data. The documents from the Cape Town National Archives showed important dates and details of when key developments occurred in each town. For example the establishment of a sawmill in Cathcart in 1873, as well as details on matters of farming, manufacturing, employment, commercial activity etc. which allowed broad trends in the evolving fortunes of the selected small towns to be

identified. Primary source documentation was used to identify national trends and other factors impacting on the local areas. Based on this material, the researcher was able to present a detailed economic, demographic and agricultural history of each particular town, providing a detailed explanation for the towns' present economic state.

5.7 DATA ANALYSIS

The information gathered from secondary research (research from various archives, articles and books), and from primary researcher (interviews) was analysed to develop a comprehensive picture of economic change in each town and to establish how current local government and development policy were responding to such change and the current development needs of each area. The information was then correlated with information already gathered from various secondary sources (i.e. government archives) to clarify, validate and provide triangulation for the primary information.

5.8 CONCLUSION

The importance of the this chapter is that it highlighted the theoretical and practical techniques that were used in gathering historical and present day data of selected small towns in the Eastern Cape. Based on these findings and the review of international and South African literature highlighted in the literature review, key conclusions regarding the evolving history of small towns and development options were then discussed.

CHAPTER 6

RESEARCH SITE:

THE AMAHLATHI MUNICIPALITY, EASTERN CAPE

6.1 INTRODUCTION

This chapter will provide a brief introduction to the towns in the Amahlathi municipality. The chapter will also cover a broad outline of the characteristics of this municipality. The following will be covered: the study area, population size and distribution, and economic and socio-economic characteristics. This will provide some background to the area, in order to be able to understand the status of each town before dealing with the case studies.

Literature was obtained from the Municipal Demarcation Board (1996) and from the Amahlathi Integrated Development Plan (IDP) (2002). The Amahlathi IDP was initiated by “the Municipal Systems Act (Act No. 32 of 2000) [, which] requires that every Municipality in South Africa must compile an Integrated Development Plan (IDP) in respect of its area of jurisdiction” (Amahlathi Integrated Development Plan 2002: 2). The main purpose of the IDP is to “speed up delivery of basic services and to ensure that such delivery is appropriate in terms of scale and standard of service; and to provide a financial, institutional and spatial framework for economic and social development” (Amahlathi Integrated Development Plan, 2002: 2).

The Amahlathi IDP contains basic information about the municipality, such as its geographic location, its socio-economic indicators, basic infrastructural services and social needs. The IDP also details more important issues, such as development and local economic development objectives (Amahlathi Integrated Development Plan, 2002). This information provides a background of the municipality as a whole and thus provides a backdrop for the research towns, located within this municipality: Cathcart, Keiskammahoek and Stutterheim.

6.1.1 THE STUDY AREA: CATHCART, KEISKAMMAHOEK AND STUTTERHEIM

The Amahlathi municipality extends over an area of 4266 square kilometers and consists of 20 wards (Municipal Demarcation Board, 1996).

6.1.2 POPULATION SIZE AND DISTRIBUTION

According to the Municipal Demarcation Board (1996) there are approximately 137 618 individuals living within the municipality, of which 73 167 are females, while 64 451 are males (Municipal Demarcation Board, 1996). Information from the Municipal Demarcation Board (1996) indicates that over 96% of the population of the municipality is African, Whites consists of 2 %, while Indians, Coloured and 'Other' make up just over 1% (Municipal Demarcation Board, 1996). Figure 2 highlights the fact that there are very few groups that make up a significant percentage, other than the dominant African population.

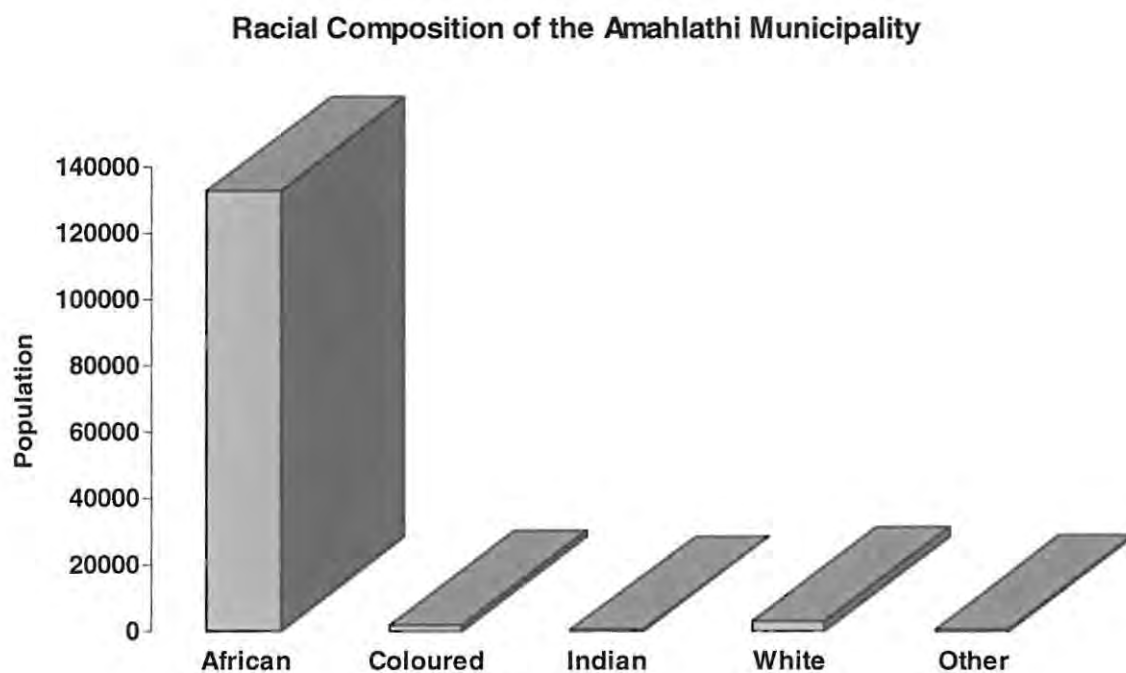


Figure 2: Racial Composition of the Amahlathi Municipality

Source: Municipal Demarcation Board, 1996

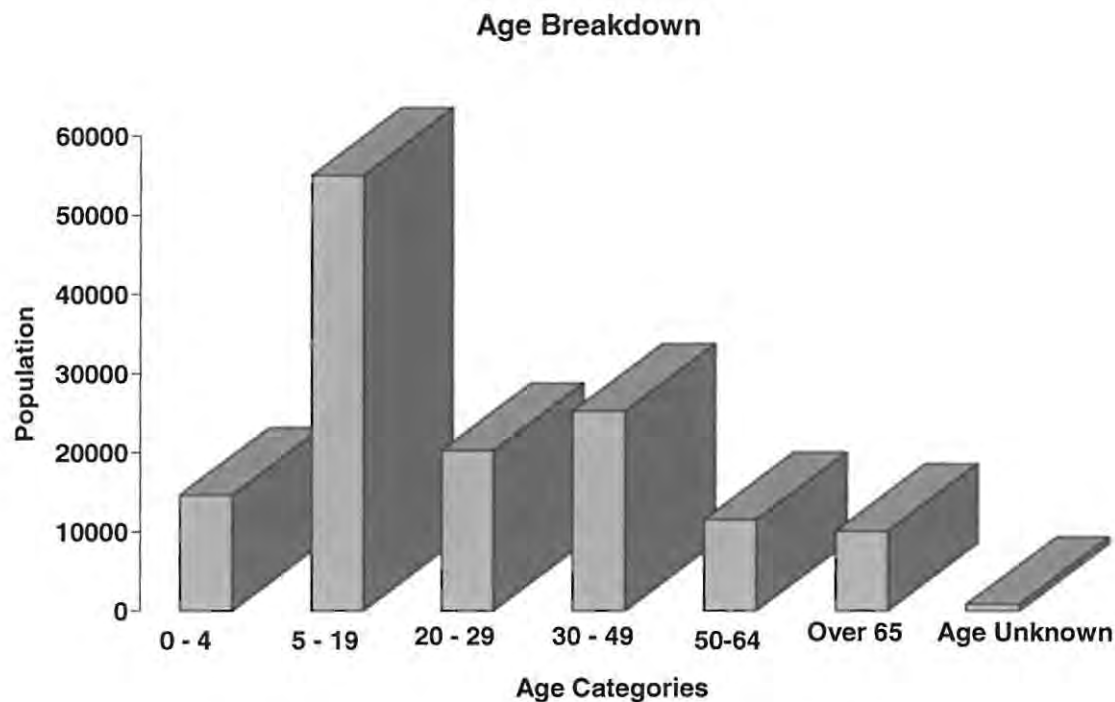


Figure 3: Age Breakdown for the Amahlathi Municipality

Source: Municipal Demarcation Board, 1996

Figure 3 shows that there are a large percentage of individuals in the municipality younger than 20 (50%) and those individuals older than 50 also make up a large percentage of the total (15%) (Municipal Demarcation Board 1996). Thus, there is only a limited population (25%) between the ages of 21 and 49 (i.e. the primary working group). This could mean that there are very few employment opportunities in the municipality, so that are part of the primary working group have moved to other provinces in search of employment.

6.1.3 ECONOMIC CHARACTERISTICS

According to the Municipal Demarcation Board (1996), there are a large percentage of individuals unemployed. Judging from the 1996 census, it is believed that of a total of 86 607 potentially employable people 18 130 are unemployed; the category 'Under 15' was not taken in to consideration when calculating the employment and unemployment levels of the Amahlathi Municipality (Municipal Demarcation Board,

1996). Figure 4, shows the breakdown of employment/unemployment, as detailed from the Municipal Demarcation Board (1996).

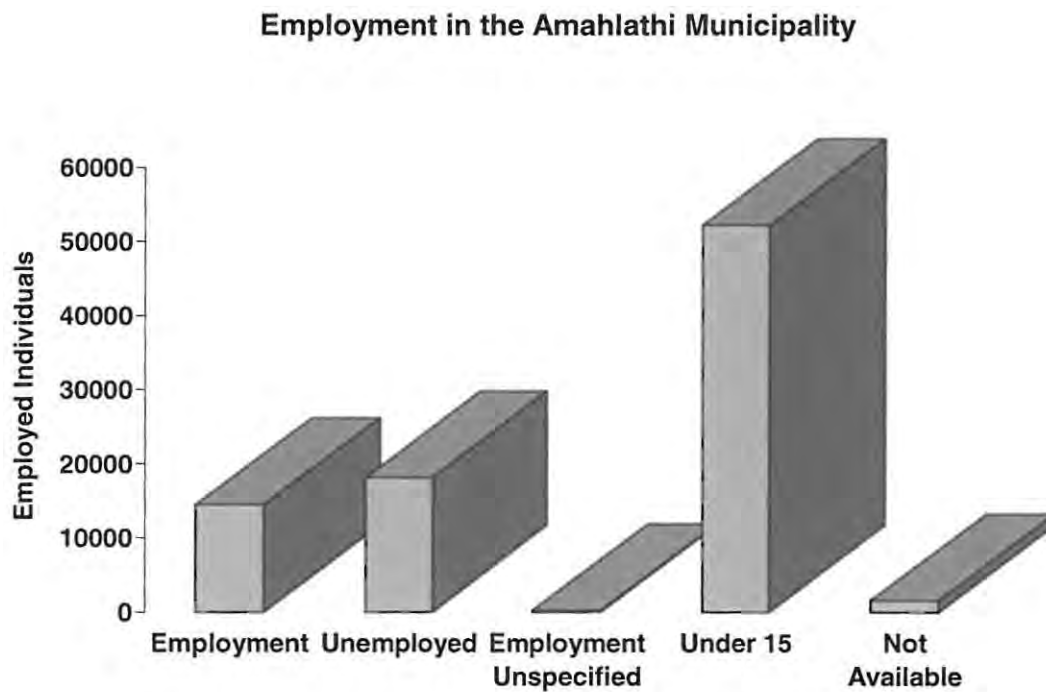


Figure 4: Employment for the Amahlathi Municipality

Source: Municipal Demarcation Board, 1996

6.1.4 SOCIO-ECONOMIC CHARACTERISTICS

The annual income of the individuals living in this municipality shows the existence of considerable poverty. Figure 5 shows that as many as 75% of individuals in the municipality do not have an 'official' income (Municipal Demarcation Board, 1996). It is conceivable that there are a number of individuals who live a subsistence lifestyle, receive government grants or work in the informal sector.

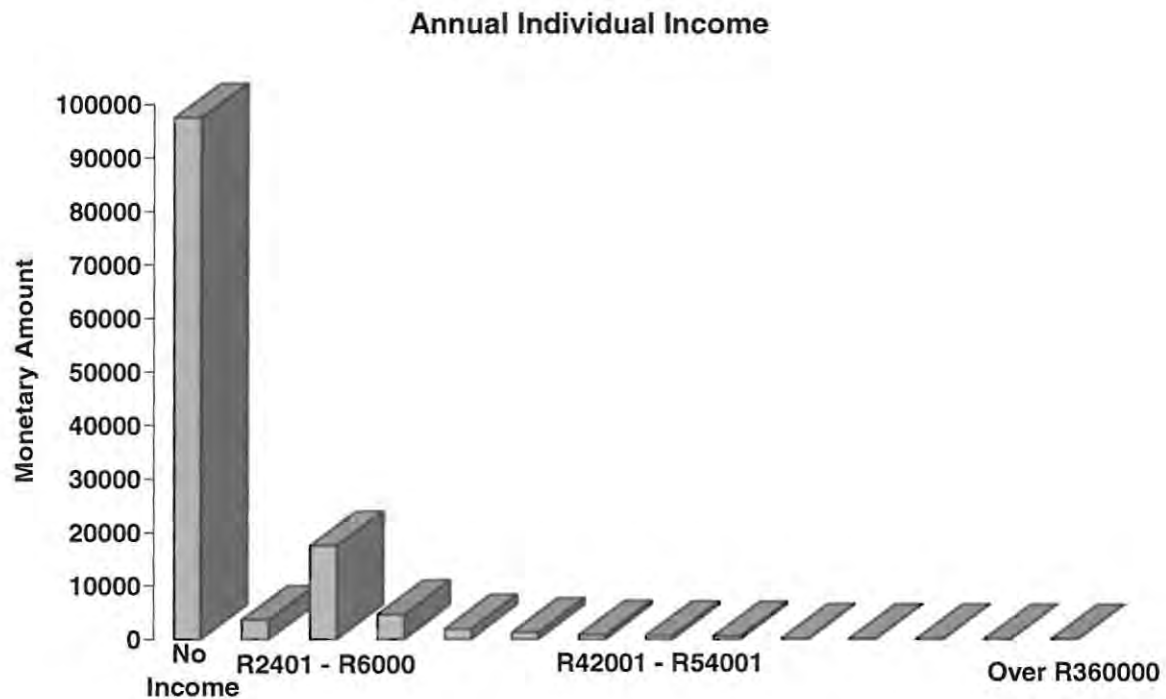


Figure 5: Annual Individual Income for the Amahlathi Municipality

Source: Municipal Demarcation Board, 1996

6.1.5 INTEGRATED SPATIAL DEVELOPMENT STRATEGY

As stated above, the Amahlathi IDP is focused on improving the municipality through various project and development initiatives. As stated by the IDP, the integrated spatial development strategy is to “focus investment and upgrade existing rural settlements, villages and towns on a phased basis according to available resources and development priorities” (Amahlathi Integrated Development Plan, 2002: 25), as well as “economic upliftment and employment creation through LED, agriculture, SMME’s [Small Medium and Macro Enterprises] and industrial programmes” (Amahlathi Integrated Development Plan, 2002: 25). In terms of local economic development, the municipality has identified a number of areas in the economy that require assistance, these include small business support, tourism development and, lastly, food security and local agriculture development (Integrated Development Plan, 2002: 25).

In the research sites, the Amahlathi IDP is focused on improving the economy through various development initiatives/projects. In the case of Cathcart, the Cathcart Tourism Craft Centre, now known as the Ubuntu Eastern Cape Craft Centre (mentioned in Chapter 8), R320 000 has been proposed for the construction of a building (Integrated Development Plan, 2002). In terms of small business development in Cathcart, Keiskammahoek, Stutterheim and Kei Road, R460 000 have been earmarked for the development of local market places (Integrated Development Plan, 2002). In the cases of Cathcart and Stutterheim, R125 000 has been proposed for the promotion and support of annual cultural events (Integrated Development Plan 2002). In Keiskammahoek, there are also a number of projects focused on agriculture and the settlement of land claims (Integrated Development Plan, 2002).

6.1.6 CONCLUSION

From the information above, one is able to gain a general understanding of the economic and social conditions of the municipality in question. The Amahlathi Municipality shows that there is large scale unemployment, standing officially at 23%. As a result, the literature shows that there is a crisis in terms of the availability of present and future employment and that there is a only a small employed group of the population supporting the large young, unemployed or retired percentage of the population. This situation presents a glimpse of the future conditions which, according to the literature, will not improve without an increase of government intervention or an increase in employment opportunities for the majority of the population in the Eastern Cape.

With the assistance of the Amahlathi IDP, a number of projects/initiatives have been identified that have the potential to improve the lives of the individuals in the municipality. The IDP also mentions various structural upgrade programmes, such as tarring or upgrading roads, introducing or improving street lights in the towns, as well as a number of housing projects aimed at providing housing to all the members of the Amahlathi Municipality (Integrated Development Plan, 2002). With the guidance of the IDP, members of the local municipalities have a good understanding of the needs

of the community and what the basic needs are that will ultimately lead to economic and social upliftment in the Amahlathi Municipality.

CHAPTER 7

THE CASE OF STUTTERHEIM

7.1 INTRODUCTION

Stutterheim was originally established by white Berlin missionaries in 1837 and later settled by three regiments of a British-German Legion in 1857 (Standard Encyclopaedia of Southern Africa, 1974). Due to the availability of good quality land, the small town of Stutterheim started to flourish as an important forestry centre and became an important link between the rural farmlands of the area and larger towns and cities in other parts of the country (Standard Encyclopaedia of Southern Africa, 1974).

The political and social history of Stutterheim is scarred by radical segregation between the different races and the resulting neglect of most of the black population living in the townships on the outskirts of Stutterheim. The neglect of this poor population caused much upheaval in the late 1980s leading to strikes, town marches and boycotts, to name just a few events. Through the work conducted by the local leaders of Stutterheim and members of the townships surrounding Stutterheim, social and economic upliftment was made possible from the early 1990s (Ferreira, pers. com., 2003). The creation of the Stutterheim Development Foundation (SDF) in 1992 spearheaded the response to the need for economic and social development in the town and in the surrounding region. The SDF, in conjunction with the local government, was able to identify areas of the economy that required assistance. An account of Stutterheim's past is significant, as it shows how cooperation and respect between different groups can develop. This chapter will focus on the historical and economic history of Stutterheim and what is being done, at present, to improve living and social conditions of the town, as well as what can be learnt from this experience. In this case, the research will highlight development initiatives created by the local municipality, in conjunction with the Stutterheim Development Foundation.

7.2 ESTABLISHMENT OF STUTTERHEIM

“The first white people to settle in the area were missionaries of the Berlin Mission Society who established the Bethel Mission Station here in 1837. At the same time, a fort was built and named Dohne Post” (Anon, 1984: 2). Later German settlers settled in this region in the 1850s, as a result of promises made by the English Government to individuals fighting in the Crimean War, that on the completion of the war, land would be available to them (Anon, 1984). The town was named after General von Stutterheim, who was in command of the 3rd regiment of the British German Legion. It was von Stutterheim who, on March 23rd in 1857, settled with a number of families around the Fort of Dohne Post (Anon, 1984). Over time, a large number of the Germans moved off to other areas of the country, but the few that stayed became successful farmers. As time progressed, a number of English and Dutch settlers also settled in the area and, by May 1879, Stutterheim was proclaimed a Municipality (Anon, 1984).

In the 1880s the railway line was completed from East London to Queenstown (Anon, 1984). The railway line did not pass directly through Stutterheim, but its proximity resulted in increased opportunities for individuals in Stutterheim to sell their goods and produce to further markets, thus increasing profit margins. In 1942, the railway line was rerouted, linking Stutterheim to the already existing East London-Queenstown route; this resulted in the establishment of the new Stutterheim station, which was opened in September 1942 (Anon, 1984).

Forestry, and the related timber industry, has been the source of many employment opportunities in Stutterheim. Industries such as Rance Timbers re-located from Alice to Stutterheim in 1960 (Gebe, pers. com., 2003). Newden Products, a light manufacturing business, was established in 1969 (Anon, 1999c). Initially, Newden Products consisted of only a packing operation but, has expanded to include a candle manufacturing plant and a nail factory (Anon, 1999c).

7.3 POPULATION CHANGE IN STUTTERHEIM THROUGH TIME

Stutterheim's population increased dramatically between 1904 and 1996. Statistics from the government census records show that the population (as a whole) increased from 1 220 individuals in 1904 (RSA, 1970) to a population of 20 000 in 1996 (Municipal Demarcation Board, 1996d). Some of the possible reasons for this increase include Stutterheim's location approximately half-way between East London and Queenstown, which meant that it served as a mid-point transport centre. In addition, the prosperous timber and agricultural resources of the sub-region led to direct economic and demographic growth in the town. Due to its location and positive aspects of its economy, Stutterheim has, over time, attracted new residents, who transformed the once rural centre into a thriving small town.

Over the years, the white population in Stutterheim has been steadily decreasing. In the 1970 census, the white population numbered 1 800 (RSA, 1970); in 1996, this number had reduced to 1 311 (Municipal Demarcation Board, 1996d). The black population, on the other hand, has been increasing dramatically. In 1904, the black population numbered 563 (RSA, 1970); in 1996, this population had increased to 18 869 (Municipal Demarcation Board, 1996d).

Population of Stutterheim from 1904 to 1996

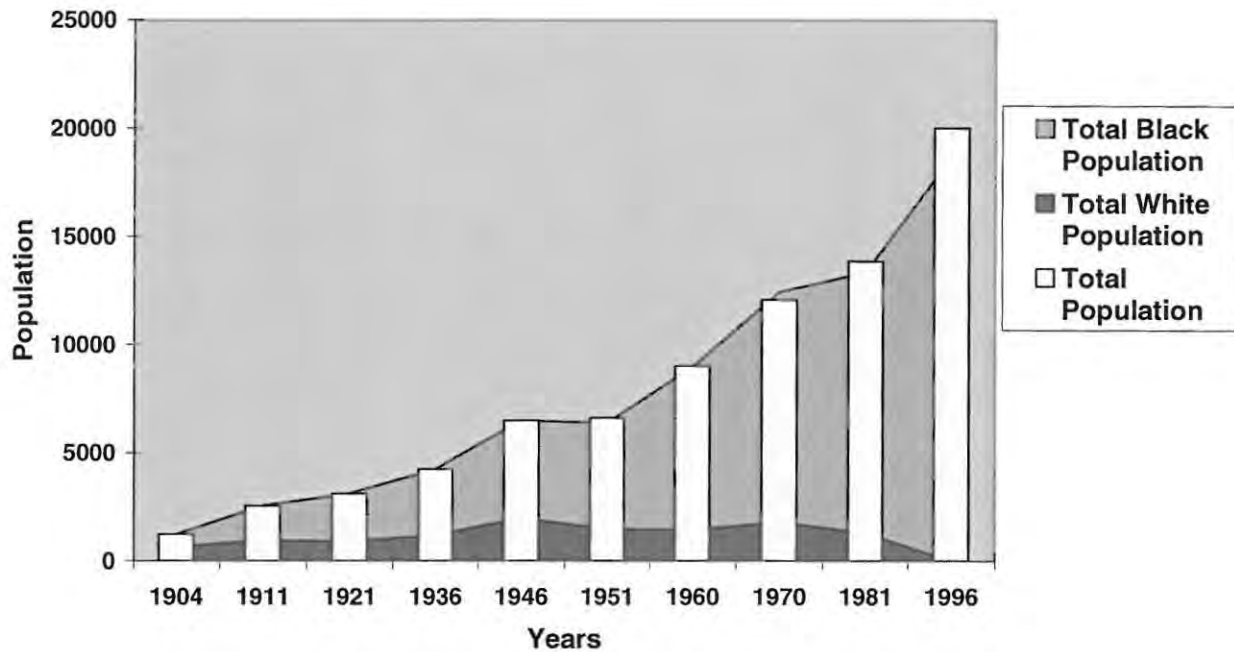


Figure 6: Population of Stutterheim from 1904 to 1996

Source: RSA, 1970; RSA, 1982; RSA, 1985b; RSA 1991; RSA, 1992; StatsSA, 1999

As one can see from Figure 6, the population of Stutterheim has been increasing as a whole. While the white population has been decreasing, the black population has increased dramatically.

7.4 RECENT HISTORICAL PROBLEMS FACING STUTTERHEIM, 1960s ONWARDS

The recent history of Stutterheim was marked by racial conflict between the black population located in the townships surrounding Stutterheim, and the white population living in the town of itself (Ferreira, pers. com., 2003). As stated by Nussbaum (1997), the township located outside Stutterheim was regarded as uncontrolled, unregulated; and it was considered one of the most neglected townships in South Africa (Nussbaum, 1997). The Daily Dispatch (April 1st, 1977 in Nussbaum, 1997), highlighted some of the problems facing the main township (that of Mlungisi); these problems included the fact that only “twenty five taps serve water to 4 000 people of the township, and yet, the Bantu Affairs Administration Board intends to

spend only R240 on washing facilities in the coming year [1978]" (Daily Dispatch, April 1st 1977, in Nussbaum, 1997: 8).

Other problems occurring in the township in the 1960s, 1970s and 1980s included that of the continual threat of forced removal of the residents to the Ciskei. This, as a result, caused unease in the township, as individuals did not want to invest in improvements in the township, due to the constant threat that they would be removed and their township destroyed (Peter, pers. com., 2003). These uncertainties, coupled with racial and political tension resulted in demonstrations in 1985, stay ways in 1986 and monthly marches "protesting about a variety of issues – unfair dismissals, and high costs of township rents relative to the quality of services provided" (Nussbaum, 1997: 9). By the end of the 1989, unrest in the township led to escalating violence, the need for drastic change and a rethink of how to address the civil unrest in the Stutterheim region. In retaliation to the threat of forced removal, a consumer boycott against white businesses started on September 13, 1989 (Ferreira, pers. com., 2003).

The boycott led to the formation of the Stutterheim Coordination Committee (SCC) which was formed to voice the problems and grievances of the township. Yet, as stated by Chris Magwangqana (the past Chairman of the Stutterheim Development Foundation 1994/1995), the boycott was "a double-edged sword – everyone suffered but the boycott created the necessity for a problem-solving apparatus and was a catalyst to getting support for a development agenda in all communities" (Nussbaum, 1997: 11).

Some of the problems voiced by the SCC included the need to lower the rents in the township, getting rid of grazing fees and bring to an end the forced removals (Peter, pers. com., 2003). The boycott led to an historical meeting between the members of the SCC, Chris Magwangqana, ANC chairman of the Mlungisi Township and Nico Ferreira, the then major of Stutterheim (Peter, pers. com., 2003; Blacklaws, 1991 and Anon, 1990). This meeting took place in May 1990; seven months after the boycott began (Ferreira, pers. com., 2003). The meeting eventually helped catalyse a series of monthly meetings of members of the SCC (individuals from the township) and residents from the town of Stutterheim (Blacklaws, 1991). These monthly meeting took on the name of the Stutterheim Forum (Ferreira, pers. com., 2003). In 1992, a

section 21 company was formed to deal with the financial demands of the Forum; the resulting section 21 company was named the Stutterheim Development Foundation or SDF (Peter, pers. com., 2003).

7.5 URBAN EMPLOYMENT IN STUTTERHEIM

Table 3 shows that there has been a marked increase in the number of individuals participating in urban agriculture, as the number of employment opportunities in that sector has increased from 334 in 1980 (RSA, 1986) to 1726 in 1991 (RSA, 1992). Construction has also increased markedly in Stutterheim, showing that the rise of employment in this sector could be related to an increase of the population of Stutterheim and the need for houses and places of work. Commerce, services and 'other' sectors of Stutterheim's urban employment have increased considerably, showing that Stutterheim's economy is growing. The 'other' sector of the economy could relate to informal employment, such as in the informal sector (i.e. hawking and selling fruit and vegetables), which increased dramatically from 1980 to 1991.

Table 3 Stutterheim Urban Employment

Stutterheim Urban Employment		
Years	1980	1991
Agriculture	334	1,726
Mining	110	125
Manufacturing	737	937
Electricity	2	33
Construction	199	415
Commerce	491	746
Transportation	240	308
Financing	77	94
Services	1,106	1,824
Other	820	3,329
Total Economically Active	4,146	9,496
Total Economically Inactive	9,769	15,063
Total	13,915	24,559

Source: RSA, 1986, 1992

7.6 RURAL EMPLOYMENT IN THE STUTTERHEIM DISTRICT

Table 4 shows that there has been a substantial decrease in the sectors of agriculture, mining, electricity and financing. The loss of employment opportunities in these sectors can be attributed to the decrease in the number of white farmers in the farming sector (Ferreira, pers. com., 2003). This loss of formal employment, mainly by black farm workers has, in some respects, increased in the 'other' sector of the economy, which includes, for example, the informal sector (Ferreira, pers. com., 2003).

Table 4 Rural Employment in the Stutterheim District

Years	1980	1991
Agriculture	4,871	1,717
Mining	1,715	59
Manufacturing	159	119
Electricity	750	11
Construction	7	71
Commerce	83	89
Transportation	110	116
Financing	112	14
Services	73	821
Other	706	1,281
Total Economically Active	1,596	4,300
Total Economically Inactive	12,539	11,260
Total	17,630	15,560

Source: RSA, 1986, 1992

This dramatic loss of farm jobs in the agricultural sector has implications for the town, in that many individuals in small towns generally rely on the farming sector to sustain secondary businesses and jobs in the towns. Should there be a loss of farming activity the local town should also be affected. In the case of Stutterheim, the more diversified nature of the town's economy has probably counterbalanced this trend.

7.7 HISTORY OF BUSINESSES IN STUTTERHEIM

Stutterheim, which was originally established as a service centre to the surrounding hinterland, has changed dramatically in the last hundred years. As Figure 2 shows, there has been a marked increase in the number of commercial businesses operating in this town, as discerned from commercial directories kept in archival repositories. At present (2003), there are a number of different non-specialized businesses in Stutterheim, which include a number of bottle stores and hardware shops. There are also a number of more specialized businesses, which include; two saw-mills, several timber plants, the Dohne Agricultural Research Station, a poultry farm, a transport

company, a Merino breeding society, the Eastern-Cape Agricultural Co-operative and a number of engineering and contract work companies. The figure shows that Stutterheim has, over a number of years, become more diversified in terms of the number of businesses and business opportunities. Diversification is important, as stated by Wilbur; the solution to small town survival, therefore could be in diversification (Wilbur, 2000).

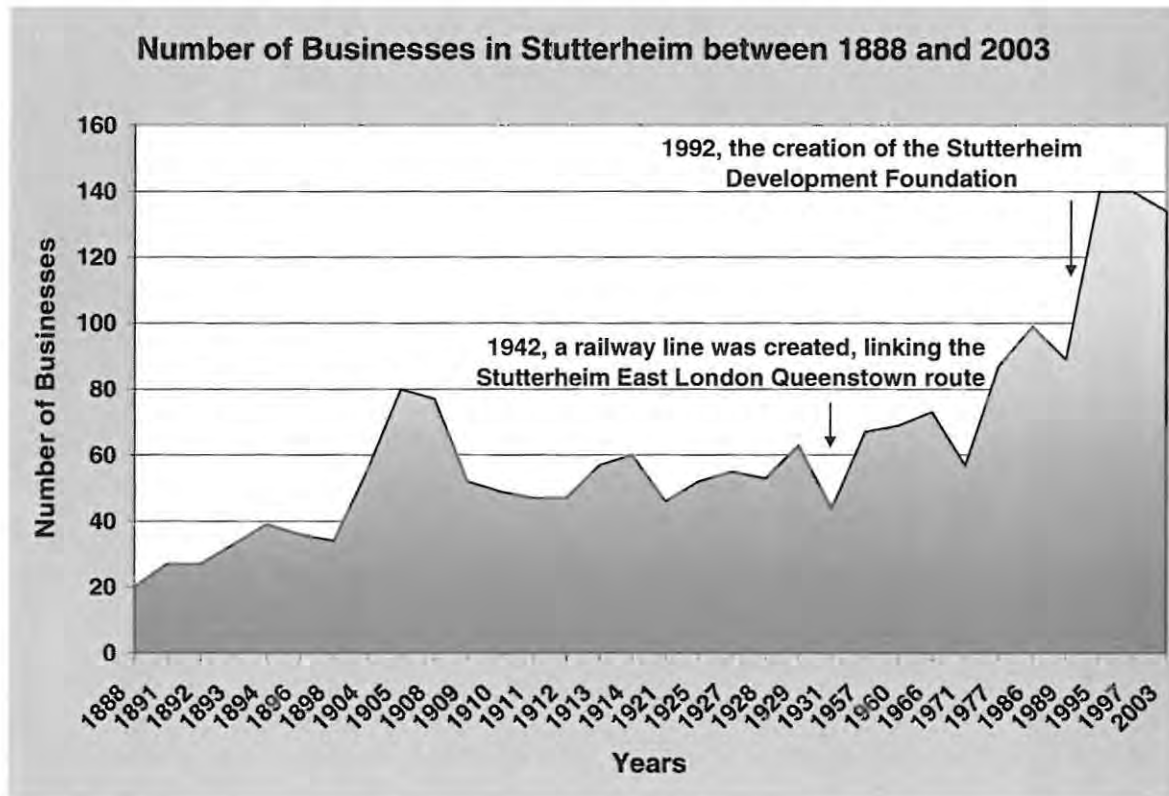


Figure 7: Number of Businesses in Stutterheim between 1888 and 2003

Source: The General Directory of South Africa, 1898; The General Directory of South Africa 1908; The General Directory of South Africa 1910; The Dennis Edwards Business Directory of South and Central Africa, 1925; Cape Times Directory of Southern Africa, 1957; Cape Times Directory of Southern Africa, 1960; Cape Times Directory of Southern Africa, 1966; The Phone Book, White and Yellow Pages: East London and Border, 1978a; The Phone Book, White and Yellow Pages: East London and The Eastern Cape Country, 1987; The Phone Book, White and Yellow Pages: East London and Border 1996; The Phone Book, White and Yellow Pages: East London and Border, 2003a.

From Figure 7, it is evident that, over the last 115 years there has been a steady increase in the number of businesses in Stutterheim. An initial post-Boer War boom is evident as is one at the time of the First World War. One key year was that of 1942, as it was in 1942 that Stutterheim was joined to the East London- Queenstown railway line. As a result, after a war-related slump, the basis was laid for a marked

increase in the growth of Stutterheim, as produce from the farms and from businesses in Stutterheim could be transported quicker and more efficiently to larger markets. The importance of the railway line is that the town was then able to expand its agricultural, commercial and industrial sectors causing the town to prosper. The former sector is discussed by Dewar (1995: 5), who states that for small town development to occur there is a need for “increased agricultural productivity”.

From interviews conducted with local businesses such as the Absa Bank (Beck, pers. com., 2004) and the Spar supermarket (Curry, pers. com., 2004) it was found that there had been an increased number of new bank members and supermarket shoppers in the last decade. This could be attributed to the influence of the SDF and the municipality which has been able to create new employment opportunities in Stutterheim over the last decade. Interviews with members of the SDF, including Mr Claassen, a member of the SDF and counselor at the Stutterheim Business Advice Centre, Mr Dyantyi, manager of the Stutterheim Business Advice Centre, Mrs Peter, a member of the economic committee and Mr Ferreira the past chairman and executive director of the SDF, confirms that the increase number of small businesses in Stutterheim can be attributed to the work done by the SDF since 1992, in conjunction with the Stutterheim Municipality and the local community.

7.8 THE STUTTERHEIM DEVELOPMENT FOUNDATION

The vision of the Stutterheim Development Foundation (SDF) is to improve the lives of all the individuals in Stutterheim and to also improve the lives of individuals living in other towns and rural communities (Ferreira pers. com., 2003). The formation of the SDF was in response to the above-mentioned grievances and the establishment of co-operation between the inhabitants of the town of Stutterheim and members of the local municipality. The importance of the SDF was that it was able to channel finances to identified community needs. Examples include the Stutterheim Education Trust (SET), the Youth Centre and Stutterheim Business Advice Centre (SBAC) (Peter, pers. com., 2003). The SDF, initially, created 10 committees, which dealt with formulating decision and the execution of projects. Yet, due to political reasons, as stated below, a number of these committees never got off the ground. Up to 1995 key

successes were achieved in terms of housing construction, school provision and job creation by the SDF (Nussbaum, 1997).

With the first local government elections in 1995, the roles and aims of the SDF changed. Prior to the local government elections, the SDF had enjoyed widespread freedom and had priority over other town meetings and town activities. With the first democratic local elections in 1995, the work conducted by the SDF was influenced by the establishment of the newly elected town council. The new town council, for example, argued that the new housing programme in which the SDF was involved should be the responsibility of the new local government and that, to some extent, the SDF had the potential to become non-viable in the future (Ferreira, pers. com., 2003). Due to this political shift, the SDF had to change to remain viable. As a result, a number of the originally intended committees were done away with and only key committees remained, for example the education committee and the committees related to economic activities (Ferreira pers. com., 2003).

The SDF has now been reduced to three primary activities:

- The Business Advice Centre
- The Kei Development Trust
- The Stutterheim Education Trust

(Ferreira pers. com., 2003)

These three primary activities were chosen as they were seen to have the most potential benefits for the community and the Stutterheim Education Trust was selected in particular as it was believed that education would be able to lay a basis for future economic growth.

7.9 PRESENT DEVELOPMENT INITIATIVES

Through the work done by the Stutterheim Development Foundation the town has derived benefit in more recent years. Not only because there has been job creation but, more importantly, because a common vision developed amongst all the racial groups in the town to work together for the common good.

7.9.1 THE STUTTERHEIM EDUCATION TRUST

The Stutterheim Education Trust (SET) was initially part of the SDF but, in 1996, the SET was registered as a separate trust which gained tax exemption (Peter, pers. com., 2003). The SET operates in all of the 52 schools in the new Amahlathi Municipality area; 90% of which are located in isolated, remote rural areas with poor infrastructure (Barnard, pers. com., 2003). The education trust relies on funding from the private sector and from the government to remain viable. This financial uncertainty could prove disastrous to the trust if future funds are not found (Peter, pers. com., 2003).

The reasons for the establishment of SET were the poor conditions of the schools and pre-schools and the lack of teachers, text books and teaching aids. As stated by Barnard (pers. com., 2003), in 1994, some of the classes had as many as 80 children per teacher and many of the schools lacked toilets, desks, chairs, running water and electricity (Barnard, pers. com., 2003). Many of these problems have been corrected, but due to limited resources assisting all the schools in the Stutterheim region is a slow process (Barnard, pers. com., 2003).

Since 1991, SET has implemented a number of education programmes. Some of these include: the Amakhaya Pre-School Programme, the English Language Upgrade Programme (the Molteno Project), the Computer Training Centre and the Maths Internship Programme (Ferreira, pers. com., 2003). The Amakhaya Pre-School Programme began with “six small home-based pre-schools in the Mlungisi Township, run by trained volunteer mothers. These pre-schools now number 32 in Stutterheim and in the surrounding rural villages” (Ferreira, 2001: 11). In 2002, the number of pre-schoolers enrolled was 2500 (Klyen, 2002).

The English Language Upgrade Programme or the Molteno Project, is aimed at improving the level of taught English in the township and small villages surrounding Stutterheim (July, 2001 and Miles, pers. com., 2003). The project was introduced into “60 schools and about 180 classrooms at primary school level” in 1992 (Succeed, 2003: 35). In 2002, the project was extended to the Keiskammahoek area where it was implemented in 13 schools (Klyen, 2002). In that year it was found that there

were approximately 6 500 learners in the projects between the grades of 1 and 6 (Klyen, 2002).

The Computer Training Centre was established due the limited use and knowledge of computers and technology in rural regions. “In 1999, learners from the 43 schools in Stutterheim began coming into the centre for basic computer skills and for computer-assisted learning programmes, such as maths and science” (Ferreira, 2001: 11). The centre also has 37 computers which are used to provide individuals with basic computer skills, which will provide invaluable in the work place (Succeed, 2003: 35).

The Maths Internship Programme was created due to the limited number of qualified teachers teaching maths and science in rural towns surrounding Stutterheim (Succeed, 2003 and Njokwana, pers. com., 2003). The programme started in 2001; it is a “2-year programme whereby selected matriculates work with maths and science teachers in a school to learn the curriculum from Grades 8 to 12, how to undertake a certain amount of administration work, extra-mural activities, and will also start their own tertiary qualification through distance learning” (Ferreira, 2001: 11).

The SET has been able to improve the level of education for many pupils and has also been able to improve the quality of the schools through financial assistance. Not only has the SET improved the pupils’ level of education through different Mathematics and English programmes, but has also introduced pupils to computers. The importance of computers and information technology to school leavers is vital, as it gives students an added advantage over many other school leavers.

Since the establishment of the SET, many pupils have gained invaluable additional education, which will assist them in finding employment when they leave school. Yet, the improvement of the educational curriculum and condition of many schools under the supervision of the SET would not have occurred without funding from the SDF. In conclusion, it is important to note that funding is vital for the SDF and for the SET to remain viable. Education is importance in small towns, as individuals, through education have learnt basic skills such as financial management, budgeting and accountancy which will improve their prospects of finding employment or assist individuals in becoming entrepreneurs. To date it is difficult to estimate how many

individuals have been able to gain employment through the education trust or if the town has benefited from these individuals receiving a higher level of education. It is argued that in the long-term the outcomes of the education trust programmes will benefit the economy of Stutterheim as more individuals will either gain employment in established businesses or create their own employment (Barnard, pers. com., 2003).

7.9.2 KEI DEVELOPMENT TRUST

The Kei Development Trust was formed in 1989 when its original objective was to improve the lives of the poor living in the former homelands of the Ciskei and the Transkei through economic development (Peter pers. com., 2003). Economic development has included creating small business development and agricultural projects which have been aimed at developing previously disadvantaged communities (Peter pers. com., 2003). Presently the trust aims at acquiring funds and grants for home loans in previously disadvantaged regions of the Ciskei and the Transkei (Dyantyi, pers. com., 2003). The Kei Development Trust is therefore not focused directly on improving the economic situation of Stutterheim but is more focused on improving the economic conditions of people in the former homelands.

7.9.3 THE STUTTERHEIM BUSINESS ADVICE CENTRE (SBAC)

The SBAC was created in 1992; its main aims were to address the high levels of poverty in Stutterheim and in the surrounding region and to assist small businesses in improving and expanding their operation. The SBAC is dependent on outside funding (Dyantyi, pers. com., 2003). As stated by July (2001), the Stutterheim Business Advice Centre's mission is to assist individuals in establishing and successfully developing a business, while at the same time, creating jobs and making a profit. The initial proposal was to create a centre where individuals from the township or from the town of Stutterheim could go to if they were experiencing difficulties in creating or improving their businesses (Tofile, pers. com., 2003). At the same time, members of the SDF understood that individuals who owned their own businesses had difficulty in expanding their operations, as they lacked formal training on how this could be done.

With the collaboration of the SBAC and members of the Stutterheim business sector, individuals were able to target what formal training needs small businesses required to improve their ventures (Peter, pers. com., 2003). Business skills courses which are run through the SBAC include: Business Skills for South Africa, ILO Start and Improve Your Own Business and the Business Outreach Training Programme (Stutterheim Development Foundation Annual Report, 2002). These courses include basic skills in operating small businesses, such as: managing finances, running a business, how to register a business and paying tax (Dyantyi, pers. com., 2003).

The following are training courses aimed at assisting individuals in becoming future entrepreneurs. Some of the present projects managed by the SBAC include carpentry, brick making, sewing, bricklaying, shoemaking, weaving and roof-tile making, to name a few (Dyantyi, pers. com., 2003). Through the work done by the SBAC, individuals such as “Richard Ntame of Savuka Classical Weaving was voted the Anglovaal Manufacturer of the year at the NIC Annual Conference [in 1999]” (Salaze, 1999: No Page Specified).

In more recent years, the SBAC has had a number of successful projects, such as the Sophumelela Sewing Co-operative (Tofile, pers. com., 2003). A number of female residents from the township started the Sewing Co-operative out of the need to improve their quality of life and provide food and clothing for their children (Nyondo, pers. com., 2003). Individuals such as Ms Nyondo and Mrs Nomkululeko wanted to start a sewing co-operative because many of them had basic sewing skills acquired from their parents (Nomkululeko and Nyondo, pers. com., 2003). Yet, without adequate funding or initial capital, the women at the sewing co-operative were not able to operate successfully (Nyondo, pers. com., 2003). In 2000, they approached the SBAC in an effort to acquire sufficient capital to successfully launch their business. The SBAC were able to liaise between the sewing co-operative and the Department of Labour, which provided basic training in sewing and in marketing skills (Nomkululeko, pers. com., 2003). Presently, the sewing co-operative provides a sports shop in Queenstown with uniforms for their employees and provides uniforms for some of the local hotels in the town of Stutterheim (Dyantyi, pers. com., 2003).

Some of the difficulties faced by the SBAC are in finding employment for individuals that have successfully completed their various courses. As stated by Dyantyi, there are only so many employment opportunities for qualified individuals in Stutterheim and there are even more limited employment opportunities in the townships surrounding Stutterheim (Dyantyi, pers. com., 2003). One of the main problems highlighted by Succeed (2003) is that many of the micro-entrepreneurs, like sewing co-operatives and craft-makers, rely on the SBAC and the SDF for financial assistance or for other types of aid. In many cases, the SBAC does not have the financial capacity (or the man-power) to assist all small businesses. As further highlighted by Succeed (2003), as a result of the skills taught by the SBAC and the SDF, many individuals are moving from rural villages and other small town in the region to Stutterheim, in the hope of gaining employment there. Thus, with the increased population in Stutterheim, it is becoming increasingly difficult for the SBAC to find ways of creating employment in Stutterheim and in the regions surrounding Stutterheim.

The future vision of the SBAC, as mentioned by Dyantyi (pers. com., 2003) and Claassen (pers. com., 2003), is to train individuals in more diverse courses. These courses include training in the use of computers, so that individuals learn basic computer skill. Not only are these courses important, but they also provide individuals with technical skills which a number of individuals in the rural villages do not have. The SBAC hopes that, in the future, they will become financially independent without having to rely on financial assistance from the SDF, as well as outside assistance.

According to Ferreira, the SDF has been able to create many employment opportunities through the SBAC and the Youth Centre, the exact number, however, is unknown (Ferreira, pers. com., 2003). Many potential employment opportunities have also been created through the different educational programmes, which will, hopefully, assist school leavers in finding employment in the future.

7.10 FUTURE DEVELOPMENT INITIATIVES

The relative success of the SDF in creating employment in Stutterheim and in the surrounding region shows that with a few key individuals, development and progress is possible. In the last 11 years, the SDF has been able to create employment by using the cultural and natural resources in the region. There is also the need to continue searching for new ideas and ways of creating employment. As mentioned by Peter (pers. com., 2003) it is becoming increasingly difficult to address the unemployment issue as there are now fewer and fewer options for the SDF to create employment in Stutterheim. This is because there are now very few employment opportunities as the economy has been saturated with trained entrepreneurs (Peter, pers. com., 2003). An interview with the Stutterheim Municipality confirmed this statement by the SDF (du Randt, pers. com., 2004) and highlighted possible future concerns facing the Municipality and the SDF.

In the SDF, Mr Charles Claassen is the individual who is employed to identify new employment opportunities in the region and thus create further employment opportunities for unemployed residents in the town and in the township surrounding Stutterheim (Classeen, pers. com., 2003 and Peter, pers. com., 2003). At present, a number of future potential employment opportunities have been identified, such as a waste management and a recycling project. These new projects highlighted below, have the potential to employment, but as stated by Classeen (pers. com., 2003) the employment opportunities will be limited to only a handful of individuals.

7.10.1 WASTE MANAGEMENT AND RECYCLING

Waste is a constant problem in South Africa despite the fact that a large percentage (60%) of that waste could potentially be recycled into useful goods or recycled to be used again (Classeen, 2003a). With a large percentage of residents living in the township on the outskirts Stutterheim, there are inadequate waste disposal sites and a lack of waste management. For this reason, there is a need to improve the conditions of the township, as the waste poses a serious health risk to both people living in the

township and to the natural resources found in and around the township, such as water and land.

In an effort to reduce the amount of pollution in the township, a number of strategies have been considered. These include educating individuals in the township about the hazards of waste material and the potential economic value of such waste (Claassen 2003a). Claassen (2003a) further highlights possible potential spin-offs from waste recycling:

- Presently, there are township tours occurring on the township, but a cleaner environment can attract more tourists to the township and, at the same time, improve the health of the township.
- Educating individuals in the township about the potential value of recyclable goods would generate benefits.
- Creating employment opportunities through recycling waste goods into finished products would be another gain (Classeen, 2003a: 2).

The importance of such a project is that it could potentially create a number of employment opportunities, albeit a limited number, for individuals that have no skills or education. The project is also good for the community, as a healthier environment encourages people to become environmentally conscious. In the Stutterheim township, Claassen (2003a) has identified a number of ways in which waste can be collected. These include creating waste deposit points, where members of the township can deposit their household or garden waste (Classeen, pers. com., 2003). Presently, there are no deposit points; this is causing the township to become a health hazard, as the municipality has no control over where people dump their waste. With the implementation of waste deposit points, members of the township would know where to deposit their waste. There are also plans to create incentives for individuals depositing their waste at the allocated sites, such as food parcels (Classeen, pers. com., 2003).

Once the municipality has collected the waste, which occurs on Thursdays, the waste is dumped, unsorted, at the local landfill site. Claassen (pers. com., 2003) and

Dyantyi (pers. com., 2003) proposed to the municipality for the waste to be deposited at a specific site, chosen by the SDF. Presently, there are two sites that have been identified as possible deposit points; one is a large warehouse in the industrial park in Stutterheim and the other is a site located opposite the industrial park next to the railway station (Claassen, 2003b). If a site is acquired and the municipality agrees to the proposal of the SDF, then waste can be sorted at the new waste deposit site. The expectations of the SDF are to employ individuals to sort out the waste into various piles, for example, plastic, glass or paper (Claassen, pers. com., 2003). Once individuals have sorted through the waste, bottles could be used for drinking glasses or lampshades, paper and plastics could be recycled and garden refuse could be used for compost (Claassen, 2003b). The recycling will not only create a few jobs in the town but will also improve the quality of life for inhabitants of the township.

7.11 CONCLUSION OF THE STUTTERHEIM DEVELOPMENT FOUNDATION

Through the vision of the SDF, potential present and future employment opportunities have been identified through the SET, the Kei Development Trust, the SBAC and the Waste Management and Re-cycling project. Through the education programmes, individuals have received an improved education compared to national schools. This improved education level will hopefully prepared learners more adequately for employment on the completion of their matric. The positive results achieved in Stutterheim, especially in its former years, is a reflection of the constructive work done by the SDF and the optimistic response from the Stutterheim community; by believing in working together, they have achieved a marked improvement in the economic and social well being of their town. With the local elections in 1995 the SDF was reduced to three primary activities which hampered the development process as the newly appointed town council was also interested in development, but worked separately from the SDF (Ferreira, pers. com., 2003).

7.12 LESSONS LEARNT FROM STUTTERHEIM

Since Stutterheim's establishment in 1837 the town has become an important forestry centre and to date the forestry industry remains an important aspect of the local economically. Yet, over time, and with increasing population, the town has not been able to create enough jobs to address the increasing unemployment level.

Stutterheim is an example of a town that was able to rise above a declining economy and rising civil unrest. In this example, one of the critical factors was that the different racial groups were able to work together during a time of political difference and racial segregation. It was the civil unrest in the townships, and the subsequent boycott, that spurred development to take place and forced white and black communities to collaborate. The residents of the township created a committee, that of the SCC, enabling the collective voices of the township to be heard.

The achievements of the SCC must not be over-looked. Since there was a divide between the different racial groups, it was a revolutionary move on the part of the Black population to come together as a single voice. The literature shows the importance of so-called 'social capital', as mentioned in Chapter 2, in situations such as this. Social capital is 'produced' from many activities, which are normally culturally based. In the case of Stutterheim, social capital was produced by the poor standard of living in the township, political unrest, and the uncertainty resulting from the threat of forced removal.

At the same time, the members of the SCC realized that there was a need for co-operation and for individuals from different races to listen to each other, so that there would be a common understanding and common vision for development. Thus, instead of demanding improvements, the committee, through meetings with the Stutterheim municipality and local leaders (such as the Mayor), was able to come to an agreement about how to improve the condition of the township and the surrounding rural areas, as well as how to create employment. Through the vision of Nico Ferreira and the (white) town council and its willingness to collaborate with the black

members of the SCC, Stutterheim has become an important example of a small town which was able to recover from economic and social decline.

As stated by Ferreira, to improve the quality of life for individuals living in small towns, or in the surrounding farming regions, there is a need to get individuals motivated because, unless there are motivated individuals, conditions in the town will not improve (Ferreira pers. com., 2003). The historical context of Stutterheim is also of vital importance in understanding the relative success of this town, in comparison to other examples. In the case of Stutterheim, there was a need to improve the situation in the township or face continual riots, political instability and increased crime. This resulted in certain members of the Stutterheim municipality, members of the public and the Mayor of Stutterheim trying to amend the situation and improve conditions in the township and the surrounding areas on the periphery of Stutterheim.

Out of the lack of developmental planning in the Third World, Local Economic Development (LED) emerges as an option. As Rogerson (1995 and 1998) states, there is clearly scope for the improvement of communities and the lives of the poor by empowering the community to help themselves. As is shown in the case of Stutterheim, there was initial cooperation from the private sector of the Stutterheim economy (that of the municipality and private businesses/companies). This initial financial injection was able to improve the conditions of the township in the form of more water taps and other basic services, such as electricity and education. From this initial financial contribution, and positive communication between the residents of the township and the inhabitants of Stutterheim, trust was formed, as members of both parties honoured their individual agreements.

The key lesson learnt from Stutterheim is that despite and perhaps because of civil and political unrest, it is possible to improve the economic and social situation if one is committed to change. The fact that Stutterheim was able to resolve issues in the township, and in some cases slowly improve the conditions therein without outside assistance, shows how important the study of Stutterheim is. Therefore, it is important to understand the factors that positively affected the political and social landscape of Stutterheim and the surrounding area.

Since the SDF's establishment in the early 1990's, a number of initial improvements have been made to Stutterheim and the surrounding region. Members of the Mlungisi Township had gone from only a few individuals having electricity to 80 per cent of the township residents receiving electricity by 1995 (Nussbaum, 1997). In terms of job creation approximately 73 jobs were created in the category of small business development from 1992 to 1995 (Nussbaum, 1997). Building development has also resulted in 405 jobs being created in that same time period (Nussbaum, 1997).

Since the founding of the SDF in 1992 many positive examples of local economic development has occurred, especially from 1992 to 1995. Since 1995 the pace of development has, however, slowed considerably. The work done by the SBAC has been limited and the education programmes have improved many school learners knowledge but only time will tell if this will positively influence the economy of Stutterheim. To date the Kei Development Trust has been able to allocate 116 home loans and 55 small business loans (Peter pers. com., 2003), but it remains to seen if these loans will positively benefit the Stutterheim and regional economy in the long-term.

In terms of small town revival the SDF has been able to improve the lives of many people through improved education, small business support, housing loans and improved living conditions. The role of the SDF has thus been important as it has been able to address the basic needs of the poor community. However, many aspects of the SDF rely on outside finances for the project/development initiatives to stay financially viable. The SDF has also been able to create a number of employment opportunities, but this success has decreased in the last few years as the local market has become saturated by the new up-and-coming entrepreneurs, which has in turn caused the success rate of the various SDF initiatives to decline (du Randt, pers. com., 2004). New problems facing Stutterheim is the increasing unemployment which has resulted from market saturation. The future of Stutterheim rests in the hands of the Municipality and the SDF in creating new and diverse employment opportunities. To date there has only been a very limited number of employment opportunities in Stutterheim and these initiatives are becoming more and more reliant on the SDF for financial assistance. As stated by Nel (1994: 374) the "tangible success, however, has depended on externally raised finance obtained from DBSA, the Regional Services

Council and IDT. This raises the question whether the initiative is replicable in other towns or even sustainable in Stutterheim in the long term without continued financial support”.

CHAPTER 8

THE CASE OF CATHCART

8.1 INTRODUCTION

Cathcart is located along the N6 highway, half-way between Stutterheim and Queenstown, in a rural region of the Eastern Cape. Cathcart was named after the former Governor, the Hon. Sir George Cathcart, in 1875 (Hart, 1997 and Preston, 1976). The town was established on the Cathcart Fountain farm. As mentioned by Joyce (1989: 76), Cathcart “was originally a military stronghold in the Frontier Wars and is now a centre of a prosperous sheep-farming area”.

In more recent years the economy of Cathcart has declined and many people have left the town in search of a better life in larger cities or urban areas. This can be attributed to decreased farming and agriculture in the region. Sheep farming has declined (see Table 5), as stated by Richter (pers. com., 2003), because of the stock left. Many farms have, in the last decade, become game farms which stock Kudu and Blesbok, which not only brings in more income than sheep, but has also caused stock theft to decrease. This change from sheep farming to game farming has had a marked effect on the population of Cathcart. Game farming is less labour intensive and requires less farming inputs, such as pesticides and fertilizers, and farming equipment, like tractors. This has resulted in increasing unemployment and the closure of farming-related shops in Cathcart (Richter, pers. com., 2003). This chapter will focus on the establishment of Cathcart, its social and economic history and what is being done, at present, to improve living and social conditions in the town, as well as what can be learnt from this experience.

8.2 ESTABLISHMENT OF CATHCART

As stated above, the town was named after George Cathcart, who was the Governor of the Cape Colony. An increasing number of English settlers immigrating to South

Africa resulted in a number of new towns being established — such as Cathcart (Richter, pers. com., 2003). The establishment of new towns was also due to the fact that there were a number of Xhosa uprisings which led to the need for more towns closer to the colonial frontier to control instability and further establish European dominance in South Africa (Preston, 1976 and Richter, pers. com., 2003).

In 1879, the railway to Cathcart from East London was completed; the railway line joining Cathcart to Queenstown was completed in 1880 (Preston, 1976). The farmlands surrounding Cathcart were mainly used for sheep farming; thus a number of trading stores opened up to trade with farmers, as wool was a valuable asset. In 1879, a small farming school was opened in the town. By 1881, it had 41 boys and 14 girls (Preston, 1976). In March 1897, there was a suggestion to build a new school, as the original school (constructed in 1897) was only constructed out of wood and iron. The new school was completed and opened in September 1900 (Preston, 1976).

During the 1880s, there were a surprisingly large amount of hotels in the town of Cathcart, most likely a result of increasing number of people sleeping the night on their way to and from East London. These hotels included the Fitzgerald's Inn, which dates back to 1859 (when Cathcart was only a small rural centre and had not been formally established); the inn's name was changed to Cathcart Hotel in 1881 (Preston, 1976). There was also the Central Hotel, located on the present site of the railway goods yard, the Railway and Commercial Hotel, which was opened in 1883 and the Phoenix Hotel, built in 1889, the name of which later changed to the Grosvenor Hotel (Preston, 1976). The reason for the large number of hotels can be attributed to the railway line, which linked the town to East London and Queenstown. As stated by Richter (pers. com., 2003), there were increasing numbers of people using the trains in the frontier who were on their way to other town/cities and who would spend a night in Cathcart (Richter pers. com., 2003).

1880 was an important year in the history of Cathcart, as this was when a branch of the Standard Bank was established, which still operates in Cathcart today (Preston, 1976). It was through the financial assistance of the Standard Bank that many residents of the town were able to finance their enterprises in the town and

surrounding region. In the 1885 one of the first farmers associations was formed, that of the Bontebok Farmers Association (now known as Upper Cathcart Farmers Association). It was this association that first introduced windmills to the area in conjunction with the South African Well Boring Company (Preston, 1976). These windmills were used to bring water to the surface, as Cathcart is located in a dry rural region.

Wool was not the only product that performed well in the region. Wheat, grown with irrigation, was also a reliable and important crop to many of the farmers in the region. In 1890, the first steam mill was started in Cathcart, which was used to crush wheat (Preston, 1976). Fruit also grew well in this region. By the early 1900s Cathcart was starting to become a well-known and respected town. It was Mr. F.C. Harris who, in 1901, stated that he had the “most complete and up-to-date Mill on the Frontier” (Preston, 1976: 117). Mr Harris’s mill started operating in November 1906. “For about the first thirty years of this century the Mill was the major industry in the little town, giving employment to many of its people” (Preston, 1976: 117). The mill was so successful that it had its own railway line so that the maize and wheat could be loaded directly into railway trucks, instead of having to take the produce to the loading zone. The mill played a vital role in the economic dynamics of the town, and with the closure of the mill in the late 1940s, as stated by Richter (pers. com., 2003), a number of primary and secondary businesses closed, as they had been dependent on the mill as a source of income. The effect of the closure of the mill can be seen in section 8.7 (History of Businesses in Cathcart), which shows that the number of businesses decreased from 57 business in the late 1950s (Cape Times Directory of Southern Africa, 1957) to 46 in 1960 (Cape Times Directory of Southern Africa, 1960) to a low of 26 in 1966 (Cape Times Directory of Southern Africa, 1966).

As time progressed a wool wash was introduced (in 1916) which was used extensively by the wool farmers in the surrounding region. After the First World War was over, Cathcart was able to acquire its first motor vehicles. “In 1915, the Cape Argus reported: Cathcart is another flourishing little place. It is three times the size of Stutterheim and has made pots of money out of wool. By 1915, too, the Cathcart Chronicle mentions a few motor cars for hire” (Preston, 1976: 128).

In 1925 Cathcart's electricity supply was put into operation (Anon, 1978b). With the supply of electricity, Cathcart attracted a number of individuals to the town from the surrounding farming lands (Richter, pers. com., 2003). By the 1960s Cathcart was still a prosperous town; according to the Daily Dispatch (Anon, 1968), in 1968, Cathcart had: electricity, water from many dams and reservoirs, a tarred carriageway, a high school with boarding facilities, a provincial hospital and a main railway line passing through the town (Anon, 1968).

During the period from 1918 to the early 1990s an annual Agricultural Show was held in Cathcart, run by the local Agricultural Society. In 1923, the name of the show changed to the Cathcart Horticultural and Industrial Show (Richter, pers. com., 2003). The show prospered for a number of years, due to the large number of farmers living in the surrounding region of Cathcart (Anon, 1981). The termination of the show in the early 1990s, as stated by Richter (pers. com., 2003), was because many of the farmers had left the region, and also because many of the remaining farmers in the region had changed to game farming, due to the increase in stock theft of sheep in the Cathcart region. The dramatic change in the local economy is shown in Table 5, which shows the decrease in the number of sheep owned by farmers in the region.

Table 5 Number of Sheep in the Cathcart Region

Years	Number of Sheep
1980	234, 629
1983	235, 635
1988	218, 870
1993	193, 330

Source: RSA, 1985a, 1987, 1988, 1993.

The closure of the mill and the scaling down of farming were clear blows to the town and its economy. Despite this, some hope appeared to exist. In 1982, there were plans to build a charcoal factory and steel window factory in Cathcart (Richter, pers. com., 2003). Yet, feasibility study found that there was insufficient water in the Sam Meyer and Koch Dams for the factories to be viable.

Limited employment relief came in the 1980s with the establishment of a Pep Clothing Store in 1985, and with the opening of the Cathcart Spar in the early 1990s (Feni, pers. com., 2003). In 1989, a trout hatchery was established outside Cathcart by a number of farmers, in an effort to create a local market and provide employment opportunities for unemployed residents in the townships. Yet, due to technical difficulties, it was forced to close in 1995 (Richter, and Feni, pers. com., 2003). During more recent times, the town's economy has stabilized but the town still relies a great deal on agricultural production in the surrounding areas.

The case-study of Cathcart will focus on what (if anything), is being done to improve conditions for poor residents in the town and surrounding areas, and what further steps could be taken to improve the conditions and eliminate poverty in the town and the surrounding region. The research will also look at the state of businesses and farms in the region and evaluate if businesses or farms are declining, increasing or stagnating.

8.3 POPULATION CHANGE IN CATHCART THROUGH TIME

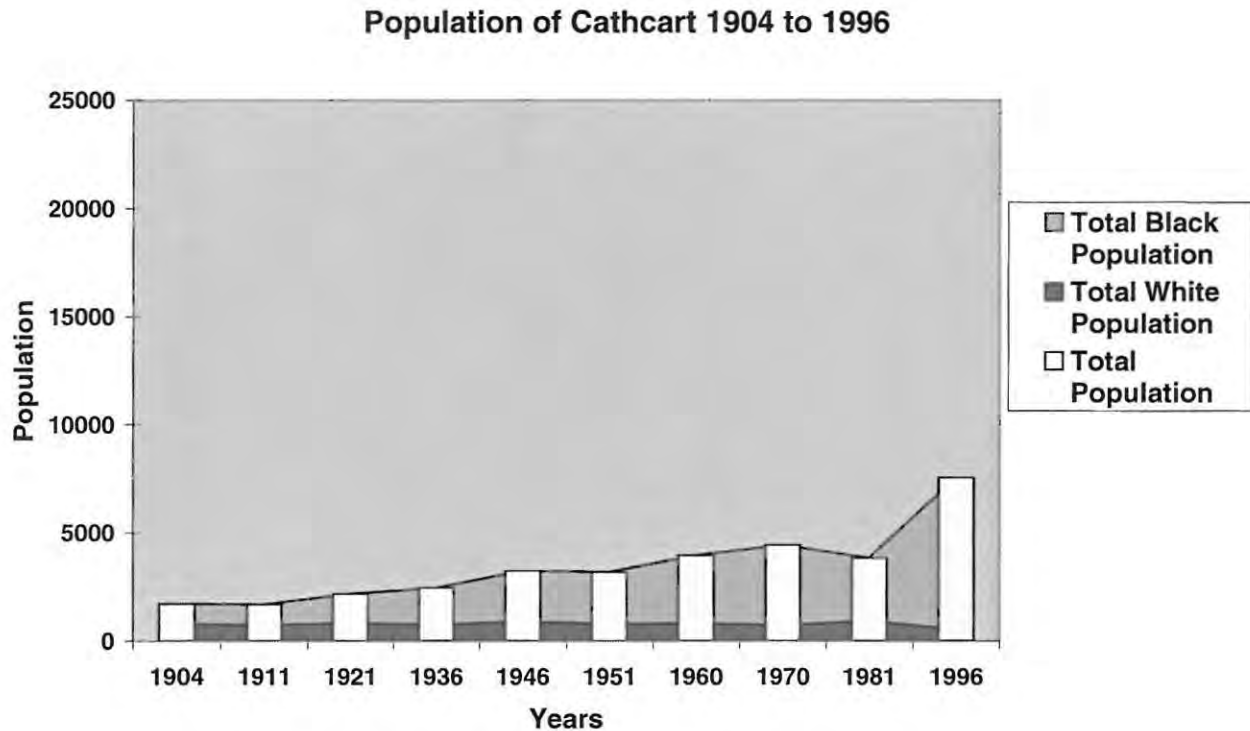


Figure 8: Population of Cathcart from 1904 to 1996

Source: RSA, 1970; RSA, 1982; RSA, 1985b; RSA 1991; RSA, 1992; StatsSA, 1999

The population of Cathcart has experienced a general increase in total numbers over the 92 years depicted in Figure 8. In 1904, the white population totalled 781 (Municipal Demarcation Board, South Africa, 1996a), by 1996 the white population had decreased to 544 (RSA, 1970). The black population on the other hand has increased from 933 (RSA, 1970) to 7021 (Municipal Demarcation Board, 1996a) in the same time frame. This out migration of white individuals could be explained by a decrease in employment opportunities in Cathcart, as Cathcart offered very few specialist businesses and the loss of farming in the district and related activities in the town (Feni, pers. com., 2003). With the lack of employment opportunities, many individuals who had the financial capacity (mainly white) have left Cathcart in search of better employment opportunities elsewhere.

8.4 GENERAL PROBLEMS OF A HISTORICAL NATURE FACING CATHCART

Due to Cathcart's location, it is at a disadvantage in relation to other small towns. As stated by Collits (2000), small towns located in remote rural regions have a great disadvantage, as they are further away from markets. Since Cathcart is located a fair distance from other larger towns and/or cities, many whites living in the town of Cathcart have, over the years, moved out to larger urban centres, as they would be able to offer more (and better) employment opportunities, better services and a wider variety of products. In addition, Cathcart has progressively lost its key role as a service town to the surrounding hinterland.

As noted above, due to the incidence of stock theft occurring on farms surrounding Cathcart a number of farmers have converted their farms into game farms (Richter, pers. com., 2003). This is having a detrimental effect on the employment base in Cathcart, as game farming requires fewer employees and thus, converting sheep farms into game farms is having a negative effect on the employment opportunities for unemployed individuals in Cathcart and in the surrounding townships (Feni pers. com., 2003). In the last decade, a number of farmers have bought other farms to expand their original land; thus the number of small farms and farmers has decreased; at the same time, the size of existing farms has increased (Richter, pers. com., 2003).

8.5 URBAN EMPLOYMENT IN CATHCART

Table 6 shows that there has been a decrease of approximately 50% in the number of jobs in the urban agricultural sector of Cathcart. According to government sources (RSA, 1986), urban agriculture includes the statistical region of Cathcart, which includes the town and the rural area (RSA, 1986). There has also been an 80 % decrease in the transportation category. Yet, there was an increase of 53% in the 'Other' sector. This 53% increase could indicate that individuals are creating their own employment through the informal sector by selling local items, such as traditional clothing. The other sectors remained mostly unchanged. According to

Doyonas (1999), the unemployment level in Cathcart in 1999 was as high as 75% (Doyonas in Raasch, 1999).

Table 6 Cathcart Urban Employment

Years	1980	1991
Agriculture	106	47
Mining	15	6
Manufacturing	54	22
Electricity	5	5
Construction	142	143
Commerce	264	258
Transportation	227	50
Financing	34	31
Services	664	687
Other	470	888
Total Economically Active	1,981	2,138
Total Economically Inactive	3,369	3,690
Total	5,350	5,827

Source: RSA, 1986, 1992

8.6 NON-URBAN EMPLOYMENT IN THE CATHCART DISTRICT

As Table 7, shows there have been some marked differences in the various sectors of the economy; for example, most of the sectors have shown a large decrease in employment potential. Agriculture, which plays a major role in creating employment, decrease by approximately 80% from 1786 participants in 1980 to 206 in 1991. Unfortunately, more up to date information is not available, but judging from interviews with individuals in Cathcart, the non-urban agricultural sector has decreased in the last 10 years, due to farmers changing from sheep to game farming (Feni, and Richter, pers. com., 2003). Nearly all the other sectors decreased dramatically. For example, mining decreased from 48 people in 1980 to 1 in 1991, commerce decreased from 77 in 1980 to in 24 1991 and, finally, finance from 530 in 1980 to only 5 in 1991.

Table 7 Rural Employment in the Cathcart District

Years	1980	1991
Agriculture	1786	206
Mining	48	13
Manufacturing	11	9
Electricity	20	1
Construction	13	17
Commerce	77	24
Transportation	11	65
Financing	530	5
Services	526	588
Other	1,387	262

Source: RSA, 1986, 1992

8.7 HISTORY OF BUSINESSES IN CATHCART

Cathcart has always had a relatively small number of businesses; over the last 115 years, with the average number of businesses being around 53. In 1898 there were only 37 businesses (The General Directory of South Africa, 1898), but in 1908, there was a large increase to 85 businesses (The General Directory of South Africa, 1908). This large increase can probably be attributed to the opening of the Magnet Flour Mill in 1901. As stated by Preston (1976: 117), the mill “was a major industry in the little town, giving employment to many of its people”, which also resulted in the establishment of a number of related industries, in turn increasing employment levels. For many years, till its closure in the 1940s, the mill gave employment to many residents (Richter, pers. com., 2003 and Marshall, 1988). In the literature from 1908, one can see that there were a number of businesses related to the mill. These included an increased number of traders, general merchants and accountants (The General Directory of South Africa, 1908). In the period when the mill closed in the late 1940s there was a decrease in the amount of businesses from 85 in 1908 (The General Directory of South Africa, 1908) to 50 in 1957 (Cape Times Directory of Southern Africa, 1957), as shown in Figure 9.

Interviews conducted with the local Absa bank revealed that in the last decade the number of members at the bank had increased only marginally (Snyman pers. com., 2004). Figure 9 confirms what has been learnt from the Absa Bank in that business growth in the last decade has been effectively stagnant. Discussions with the manager of the local Spar supermarket revealed that since its establishment in the early 1990's, the supermarket has not increased in size and the population frequenting the supermarket has not increased (Snyman pers. com., 2004). Even though there are a number of smaller, cheaper shops and corner stores in Cathcart many of the residents in Cathcart prefer to shop at the Spar (Feni, pers. com., 2004).

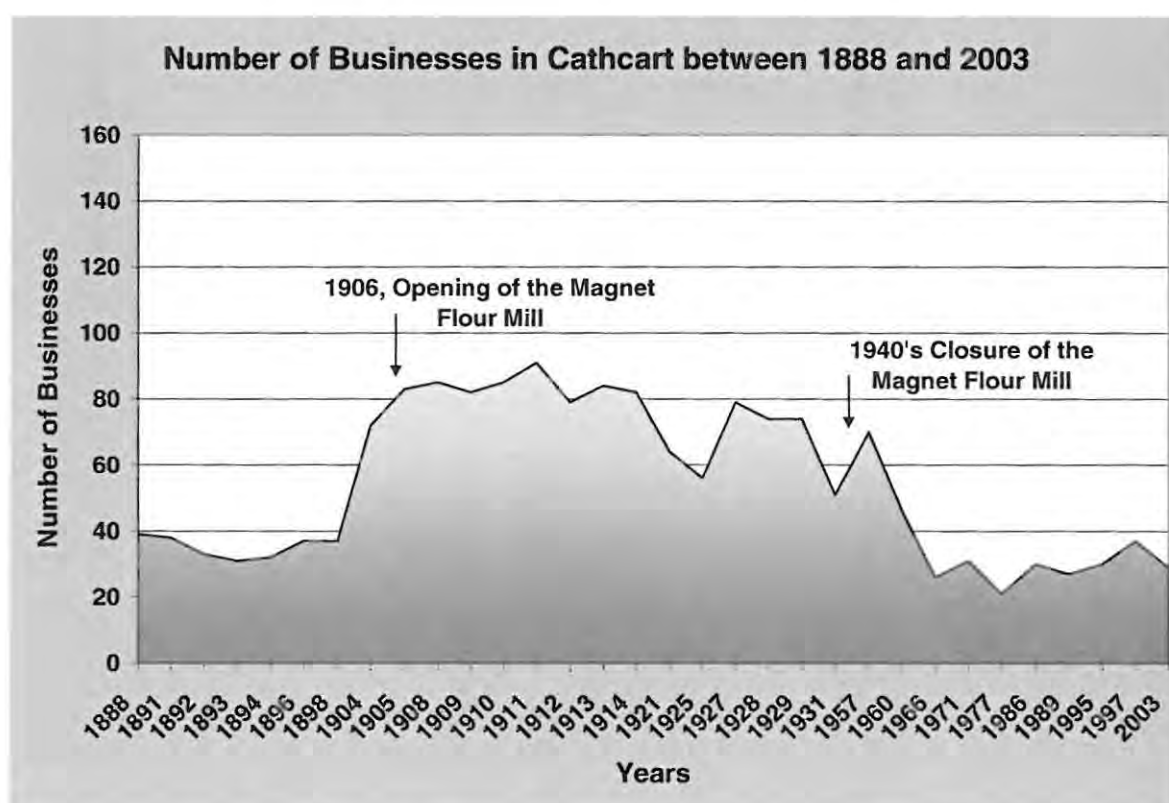


Figure 9: Number of Businesses in Cathcart between 1888 and 2003

Source: The General Directory of South Africa, 1898; The General Directory of South Africa 1908; The General Directory of South Africa 1910; The Dennis Edwards Business Directory of South and Central Africa, 1925; Cape Times Directory of Southern Africa, 1957; Cape Times Directory of Southern Africa, 1960; Cape Times Directory of Southern Africa, 1966; The Phone Book, White and Yellow Pages: East London and Border, 1978a; The Phone Book, White and Yellow Pages: East London and The Eastern Cape Country, 1987; The Phone Book, White and Yellow Pages: East London and Border 1996; The Phone Book, White and Yellow Pages: East London and Border, 2003a.

8.8 PRESENT DEVELOPMENT INITIATIVES

Community development schemes and community gardens have increased in number in Cathcart in recent years. This is due to the inactive economy of Cathcart and the limited opportunities for residents of finding formal employment in Cathcart or in the surrounding region. This has led to a number of individuals becoming self-employed, in an effort to improve their quality of life. In many cases, people have grouped together, in an effort to reduce the costs of setting up and running community businesses. With the personal and financial assistance of the Ubuntu Community Development Centre in Cathcart, many sewing projects, community gardens, craft centres and a catering service have been created in Cathcart to help establish jobs and eliminate poverty. The SDF from Stutterheim assisted by creating a satellite business centre in Cathcart and by employing Mr Feni to initiate training programmes to assist the local unemployed community (Peter, pers. com., 2003). This section details key local initiatives.

8.8.1 THE UBUNTU COMMUNITY DEVELOPMENT CENTRE

The Ubuntu Community Development Centre (UCDC) was started in 1998 with the assistance of the SDF from Stutterheim, as a satellite business centre for the town of Cathcart (Feni, pers. com., 2003). The reason Cathcart was selected as a satellite business centre was because of the poor economy of Cathcart and the rural townships surrounding Cathcart, namely those of Kati-Kati and Daliwe. The UCDC has focused on assisting the poor communities in the townships by developing more businesses and expanding established businesses.

The UCDC was established when 12 residents of the townships were invited by the SDF to work together with them to identify ways in which employment creation could be achieved in Cathcart, while taking into consideration the natural resources of the area and natural talents of the individuals in the townships surrounding Cathcart. At this meeting, a number of potential employment opportunities were identified. These included sewing co-operatives, community gardens and formal teaching courses, which could be used to create further employment (Feni, pers. com. 2003). The establishment of the UCDC resulted out of this meeting. The Stutterheim

Development Foundation currently gives Mr Feni a monthly incentive of R2 000 to work in the UCDC and assist with community development projects.

Yet, out of the 12 initial members only 2 remained to actually form the UCDC. These are Mr Mpumelela Feni and his colleague, Mr Siyabonga Bara. Between them, they received start-up funds from the provincial Department of Economic Affairs amounting to R50 000 in 1998. In the same year, they received R10 000 from the Amatola District Municipality (Feni, pers. com., 2003).

In 1998, with some of the finances, Mr Feni acquired the old Cathcart municipal buildings located in the Kati-Kati Township, on the outskirts of Cathcart. The remaining money was ear-marked for training and for starting development initiatives (Feni, pers. com., 2003).

During the initial years of the UCDCs existence additional support was only received from small businesses in the region according to Feni (pers. com., 2003). Larger businesses were not interested in joining the UCDC or assisting with training or finance. It was only small businesses that, in general, needed the training and the financial assistance offered by the UCDC and were willing to work with it. The training offered by the UCDC includes business management skills, such as marketing, record-keeping, business plan development, market identification and training in general business principles (Feni, pers. com., 2003). The courses offered by Mr Feni are run over a four-week period and cost only R20. The reason for charging a small fee, as stated by Feni (pers. com., 2003), is because previously people would attend lectures at the beginning of a course but then lose interest and not return, a direct result of the UCDC not charging trainees. With the compulsory charge of R20, individuals are seen to be more committed to finishing the course, as they know that they have invested their own finances (Feni, pers. com., 2003).

There are a number of development initiatives taking place in Cathcart; most of these projects have been undertaken with, and assisted by, the work done at the UCDC, with the help of Mr Feni and Mr Bara. Without their work in identifying employment opportunities, gaining funds from outside donor organisations and through teaching and training, many unemployed residents of Cathcart would still be unemployed and living in poverty. Through the work done in the UCDC in creating community

gardens, sewing and craft cooperatives and a youth catering project, many of these individuals now harbour hopes and aspirations about their future prospects.

A key challenge for the area, as stated by Feni (pers. com., 2003), is that there are as many as 88 farms surrounding Cathcart, which only contribute fractionally to the local economy of Cathcart, as many of the farms sell their produce to cities like East London and Port Elizabeth (Feni, pers. com., 2003). As a result, a large percentage of the income generated by the farming community does not get re-invested in the local economy.

In terms of future plans, Mr Feni has been in negotiations with the municipality and with the local farming community about building a wool-wash factory in the town or in the surrounding area. Feni (pers. com., 2003) justifies the establishment of such a factory on the belief that all the sheep farms in the surrounding region send their wool off to Port Elizabeth, where the wool is cleaned and processed. Feni (pers. com., 2003) believes that if the local or district municipality were to build a local wool-wash factory, a number of people in the township could be trained (in Port Elizabeth) and gain employment in the local factory. Not only would the local community gain from increased employment opportunities, but also the farmers will profit, as it will be cheaper to send their wool to be processed locally than to send it off to Port Elizabeth (Feni, pers. com., 2003).

8.8.2 THE SIBANYE CATHOLIC SEWING PROJECT

The Sibanye Catholic Sewing Project was started in 2001 in the Kati-Kati Township and is managed by Father Schried. Father Schried came to Cathcart in 2001 and has striven to improve the quality of life of the inhabitants of the Kati-Kati Township (Schried, pers com., 2003). The project itself was initiated by Miss Gawulani, who had had formal training in sewing and wanted to improve the lives of the members of the Kati-Kati Township by training women to become self-employed and thus become self reliant. The sewing project comprises 12 members, who are all women (Gawulani, pers. com., 2003).

When it was started in 2001, none of the women had had any formal training in sewing, except Miss Gawulani, and thus needed to be trained, so that they could produce good quality clothing and beadwork. They approached Ubuntu Community Development Centre (UCDC) in 2001 to gain further training. Yet, due to other commitments, the UCDC was unable to assist but instead contacted the Department of Labour – but to date there has been no reply (Gawulani pers. com., 2003). As a result, they presently are involved in crocheting and beadwork, as they do not have the skills or equipment to produce any items of clothing. As stated by Feni (pers. com., 2003), project participants have approached him, and in the near future he will be running a course to improve their beadwork skills. This is because they do not have any formal training in beadwork, and the beads they use are made locally and are of poor quality (Feni pers. com., 2003). They are not as glossy or shiny as the ones used by other sewing co-operatives/project. Thus Feni and Gawulani have since acquired beads from Cape Town which are shiny and, as a result, are more sought after by buyers.

The project's future plans are to design and make clothing for the inhabitants of the Mlungisi Township. Participants are planning to make non-traditional clothing, as they believe the market for traditional clothing in Cathcart and in the surrounding region is too small to justify such production. Yet, without machinery, the project has very little hope of making clothes and will continue to have to rely on beadwork for an income (Gawulani, pers. com., 2003).

8.8.3 THE SIBANYE CATHOLIC COMMUNITY GARDEN

The Sibanye Catholic Community Garden was started by Father Schried in 2001 (Feni, pers. com., 2003). A meeting was held with the UCDC in September 2001, in which residents of the Kati-Kati Township were promised training and support by the Department of Labour in creating and maintaining community gardens (Schried, pers. com., 2003). They were also able to use land allocated by Father Schried for their community garden, as the land is located on the same plot as the Catholic Church (Schried, pers. com., 2003). In the beginning, 40 members of the community worked in the garden. They bought their seeds and fertilizer locally and grew cabbage, spinach and potatoes in the garden (Schried, pers. com., 2003). They used most of the

harvested crop for their own consumption and to feed their families, as well as selling the surplus at the Church (Schried, pers. com., 2003).

One of the problems facing the project is that in order for them to make a larger profit, they need more land on which they can farm. A larger plot of land also means that more unemployed inhabitants of the township could join the project (Feni, and Schried, pers. com., 2003). Finally, they need new equipment, as the old gardening equipment is becoming ineffective (Schried, pers. com., 2003). Presently there are still the 40 original participants involved in this community garden. More members of the community have asked to join but, due to the limited land available, they were turned away (Feni, pers. com., 2003). In the last six months, the individuals at the Sibanye Catholic Community Garden have been able to make greater profits (Schried, pers. com., 2003). This could be owing to the fact that they now know what vegetables individuals in the Kati-Kati Township want (Schried, pers. com., 2003). The individuals involved in the community garden have also been able grow sufficient food for their families (Schried, pers. com., 2003).

8.8.4 SIYAKHULA WOMEN'S SEWING PROJECT

The Siyakhula Women's Sewing Project was started in 2001 by Mrs Matshoba who moved to Cathcart from Johannesburg (Feni, pers. com., 2003). She was interested in establishing a sewing project to create employment for a number of unemployed women in the Kati-Kati Township (Matshoba, pers. com., 2003). In 2001, she met with Mr Feni of the UCDC, in an effort to investigate the possibility of establishing sewing training at the centre and to acquire a work place where individuals would be able to create various traditional items of clothing (Matshoba, pers. com., 2003). With the assistance of Mr Feni, the Siyakhula Women's Sewing Project was established.

Presently, the project consists of eight women who work in a room in the UCDC building (Matshoba, pers. com., 2003). They obtained sewing training from the UCDC and have acquired eight sewing machines with the help of funding from the Department of Labour (Matshoba, pers. com., 2003). The project gets its materials

from Queenstown through the UCDC and its beads from Cape Town (Matshoba, pers. com., 2003). They are able to produce traditional dolls, clothes and bead work, which is sold locally and nationally with the assistance of the UCDC; and they were invited to sell their wares at the National Arts Festival in Grahamstown in 2003 (Matshoba, pers. com., 2003). The problems that they have encountered include disputes amongst the ladies. These disputes, according to Matshoba (pers. com., 2003), are caused by personal differences and could have a detrimental effect on the future of this sewing project. Future plans include having their own sewing factory with new equipment. This, according to Feni and Matshoba (pers. com., 2003), would offer the group security, as they would have their own place and their own sewing equipment.

8.8.5 SIYAKHULA YOUTH CATERING PROJECT

The Siyakhula Youth Catering Project was started in 2001 by the members of the Anointed Worshipers Gospel Group. The reason that it was started was because of the high unemployment rate amongst the youth in Cathcart. These high levels of unemployment are, according to Feni (pers. com., 2003), causing the youth of the region to move to other towns and cities, where there are better, perceived employment opportunities. The gospel group, led by Mr Feni, thus started a youth catering project to help prevent the youth of Cathcart from moving to other regions. Presently, there are 12 members of the catering project (Feni, pers. com., 2003). They are able to gain food stuffs from a local cafe in the Kati-Kati Township on credit and then, once they have been paid by the client, they repay the owner of the cafe. Mr Feni, who is in charge of the project, uses the services of the catering project to cater for various workshops and conferences that are held at the UCDC (Feni, pers. com., 2003).

They presently have no formal training, and only have some informal training, which is sufficient to enable them to make sandwiches for morning tea and roast chicken or a beef stew for lunch during a conference or workshop (Feni, pers. com., 2003). The problems that the youth project has encountered include the lack of co-operation from many of the local businesses in Cathcart. According to Feni (pers. com., 2003) many of the local businesses are not interested in the catering project and would rather deal

with one of the other more established catering businesses. Equipment is also another problem; the project does not have its own pots and pans. When there is a workshop or conference they are catering for, members of the project bring their own kitchen equipment from their homes (Feni, pers. com., 2003).

For the time being, the youth catering project has been able to befriend a few local businesses, which has helped the project to remain, to some extent, viable. The long-term prospects of the project however remain doubtful because there are not enough businesses in Cathcart to warrant a catering service; thus it remains to be seen whether such a project will remain profitable in the long-term (Feni, pers. com., 2003)

8.8.6 THE UBUNTU EASTERN CAPE CRAFT CENTRE

The Ubuntu Eastern Cape Craft Centre (UECCC) was started in 2003 by Mr Feni and his wife, and is run from the UCDC. The UECCC was started so that there is a place where community projects could sell and market their wares. With the large number of projects that are run with the assistance of the UCDC, Mr Feni and his wife came to the realization that many of the projects were not able to sell their products locally, and they did not have access to markets further afield than Cathcart (Feni, pers. com., 2003). With the establishment of the UECCC, individuals had the assurance that their products, when finished, would be handed to Mr Feni, who would then sell them. Mr Feni hopes that the UECCC will grow as the number of community projects increase; ultimately he is hoping to be able to sell the products on the international market (Feni, pers. com., 2003).

The products that he is buying from the various projects and co-operatives at present include: traditional clothes, dolls and beadwork. According to Feni (pers. com., 2003), most of the items are sold to different shops in Cathcart, Queenstown and King Williams Town (Feni, pers. com., 2003). Not only does this give hope to the community projects (as it makes the projects profitable) but, at the same time, it keeps the UCDC viable.

As stated by Feni (pers. com., 2003), in the future he hopes to create a permanent market, so that individuals know that the work they do in the various projects will be rewarded, as their products will be sold. At present, the UECCC has not been able to provide a permanent market for many of the various sewing co-operatives in the town of Cathcart. Yet, with the opening of the Cathcart Community Tourism Organisation in 2003 (mentioned below), it is hoped that individuals from the various co-operatives would be able to sell their products and thus provide a sustainable financial income for some residents the township.

8.8.7 THE CATHCART TOURISM CRAFT CENTRE

The Cathcart Community Tourism Organisation (CCTO) was first established in 1998 but is now known as the Cathcart Tourism Craft Centre (CTCC). Funds were received from the Amatola District Council in 1998 to the amount of R160 000 which assisted with the establishment of a craft centre in the old railway station building (Raasch, 2000). Later in 2002, R320 000 was offered by the Amahlathi Municipality for the construction of a new building (Integrated Development Plan, 2002). To date the money has not been received but it is hoped that the construction will commence by July 2004

The CCTO initially identified a number of potential ideas, such as a craft centre, a hiking trail and an annual Heritage Festival to be established in Cathcart; yet they lacked a building and the required funding for their goals to be met. With the opening up of the Cathcart Tourism Craft Centre in 2003, many of the aims of the CCTO could finally be achieved (Raasch, 2003). The CTCC has not, however, moved into the station building yet, as there is still work to be done in the one section which is to be turned into a kitchen. Mr Feni (pers. com., 2003) has identified various uses for the station building; this will include: an information centre, a curio shop, which will sell local crafts made by the various community projects, a craft workshop, which will accommodate people that have graduated from the UCDC, a kitchen where the youth catering project will work from and a conference centre (Feni, pers. com., 2003).

The Cathcart Tourism Craft Centre will be the culmination of five years of work by Mr Feni. There will now, finally, be a place where individuals that are trained at the UCDC can sell their wares (Feni, pers. com., 2003). In addition, the youth catering project will have their own kitchen with their own equipment to prepare their food for tourists, workshops or conferences.

Through the work of the CTCC, there is now an annual heritage festival held in Cathcart every September. The aim of the festival, as highlighted by Feni (pers. com., 2003), is to celebrate the history and cultural heritage of the town. It also is an opportunity to showcase the work done by the various craft and sewing projects, such as the Sibanye Catholic Sewing Project, the Siyakhula Women's Sewing Project and the Siyakhula Youth Catering Project (Feni, pers. com., 2003).

8.9 FUTURE DEVELOPMENT INITIATIVES

Future projects identified by Feni (pers. com., 2003) include that of a hiking trail and creating a resource centre in the UCDC. The hiking trail was identified as a possible attraction to tourists, as 13 kilometres from Cathcart is situated the village of Goshen, which has a rich history of German settlers and German graves (Feni, pers. com., 2003). Mr Feni is also, with reference to the hiking trail, organising a Bed and Breakfast in the village, which would function as a resting place along the hiking route (Feni, pers. com., 2003). The resource centre in the UCDC, as stated by Feni (pers. com., 2003), will be used for the pupils at the local high school as a place where they can come and read newspapers and books for enjoyment or for research on school projects.

To date none of these new projects have commenced and as a result it was difficult to assess the impact that these future development initiatives would have on the Cathcart community. In terms of the number of employment opportunities that could possibly be created Mr Feni stated that approximately 10 permanent jobs would be created (Feni, pers. com., 2003).

8.9.1 ASSESSMENT OF DEVELOPMENT INITIATIVES

The above-mentioned projects were created in an effort to improve the quality of life for those who were unemployed. The UCDC has been able to create 72 permanent employment positions in Cathcart, but it is evident that they have become reliant on the UCDC for funding which is a major problem and shows that the projects would not be sustainable in the long term without the UCDC assistance.

In conclusion a few employment opportunities have been created in Cathcart and the long list of development initiatives and cooperatives shows that the community has responded positively to the work of the UCDC. This is a promising sign, but the dependency of the initiatives on the UCDC is a major problem and is one that needs to be addressed. In terms of addressing the stagnant economy of Cathcart, these development initiatives have only been able to assist a small percentage of the population, and thus, this has not had as dramatic an impact on Cathcart's economy as a whole as would be hoped. From interviews with local businesses it was evident that the work done by the various initiatives has, unfortunately, been too insignificant to alter the economic situation of the town.

8.10 LESSONS LEARNT FROM CATHCART

Since Cathcart's establishment the town has relied heavily on agriculture for its economic base. With the increased stock theft in the region in recent years many of the farms surrounding Cathcart have changed to game farming. This has caused unemployment to rise and farming related businesses in the town to close down. The present economic and social condition on Cathcart can be a direct result of the shift in agriculture in the region and to a lesser extent the rural remoteness of Cathcart.

With the economy of Cathcart stagnating in more recent years, there has emerged an urgent need to address the level of unemployment. Through the vision of the Stutterheim Development Foundation, the Ubuntu Community Development Centre was established in 1998 in an effort to address the issues of rising unemployment. With the leadership of Mr Mpumelela Feni and his college, Mr Siyabonga Bara, of the

UCDC, unemployed individuals in the town and in the township were able to work together to identify ways in which they could create employment. In the last five years, since the opening of the UCDC, there have been over 72 jobs created and, according to Mr Feni, there are new, future ideas that could provide even more employment opportunities to unemployed inhabitants of Cathcart.

From the various community projects and initiatives it can be deduced that a few individuals have gained permanent or temporary employment in Cathcart. The work done by Mr Feni and his colleague at the UCDC shows that it is possible to address the issue of unemployment. Yet, the number of individuals that have gained employment is only as handful of the few thousand who are still unemployed in Cathcart. As a result, Cathcart still has a major unemployment problem and the work initiated by the UCDC is unfortunately not enough to ensure the town's revival. For economic revival to occur in Cathcart there would need to be the introduction of large-scale industry or the widespread initiation of micro-projects. Yet, due to Cathcart's remoteness and the absence of any significant industrial sector the former is very unlikely to occur.

CHAPTER 9

THE CASE OF KEISKAMMAHOEK

9.1 INTRODUCTION

The establishment of Keiskammahoek can be attributed to conflict between European colonists moving east and indigenous people moving west, which resulted in the need for a defensive town on the frontier (Houghton and Walton, 1952). Keiskammahoek is located in what was to become the Ciskei, a homeland created by the former apartheid government. Throughout the 19th and first half of the 20th century it flourished as an agricultural service center, similar to Cathcart. Subsequent land expropriations in terms of the Land Acts severely weakened this agricultural base. Following Ciskei's self-government proclamation, due to the lack of employment opportunities available to individuals in the Ciskei, a number of schemes were later created in the Ciskei. One such scheme was the Keiskamma Irrigation Scheme which was started in the 1970s (Sebetha, pers. com., 2003). Yet, by the 1990s the scheme lacked a central authority and had become dispersed and decentralized amongst farmers, resulting in its collapse in 1994 (Holbrook, in de Wet and Whisson, 1997).

This chapter will focus on the history of Keiskammahoek and what is currently being done to improve living and social conditions of the town, as well as and what can be learnt from this experience. Since its economic collapse in the early 1990s, the town of Keiskammahoek has lacked alternate large-scale employment opportunities and has declined economically. This chapter will highlight the problems faced by the population of Keiskammahoek and their need for employment. The chapter will then examine what has been done to improve the lives of the individuals that live in the town of Keiskammahoek and in the surrounding region. Given the very small size of the town and the limited scope for employment in the town, it is inevitable that the only economic opportunities which exist are tied to the surrounding rural areas. As this chapter suggests, agricultural-related projects are a key dimension of economic life and survival for the people of Keiskammahoek.

9.1 ESTABLISHMENT OF KEISKAMMAHOEK

Before the arrival of the Europeans, the indigenous population in and around Keiskammahoek mainly led a self-sufficient agrarian life (Houghton and Walton, 1952). This changed with the establishment of trade and commercial agriculture by the early European settlers. Overland trade routes were established to Grahamstown and the then Port Natal (Durban) (Houghton and Walton, 1952). In parallel with the increasing trade in ivory and other wild animal products, missionaries started to trade with indigenous people, hoping to improve their lives by trading “useful goods, such as spades, iron pots and European clothing” (Houghton and Walton, 1952: 65), in an effort to westernize the indigenous people.

With the arrival of the 1820 British settlers it became clear that one of the main interests of the colonialists was to acquire land. This was because both the British and the non-British were relying on the acquisition of large areas of land for the grazing of their livestock. “Land was of the utmost importance both to the African tribes and to the white settlers” (Houghton and Walton, 1952: 1).

The town lies in the region between the Keiskamma and Kei Rivers which was once known as British Kaffraria (Houghton and Walton, 1952), after it fell under military rule in the 1847, when the British had sought to introduce western ideals and ideologies to the people residing in this region (Houghton and Walton, 1952). As a result, “in 1848 the first of the military settlements for whites were established in British Kaffraria, and five years later (1853) the Governor of the Cape Colony established Keiskammahoek as a centre for the military occupation of the area” (Houghton and Walton, 1952: 2). As stated by Houghton and Walton (1952), Keiskammahoek was described as ‘a European town’; this was owing to the fact that the town was founded by Europeans and planned as one. As emphasized by de Wet *et al* (1989: 78), “the general understanding of such matters, [was] definitely European – in origins, lay-out, architecture [and] services”.

During the 19th century, Keiskammahoek, formerly known as Keiskamma Hoek, was a town that experienced the effects of the Frontier Wars (Metrowich, 1968).

According to Godlonton and Irving (1962), during the time of the 8th Frontier War, there were as many as 600 armed men stationed in Keiskammahoek (Godlonton and Irving, 1962). The 8th Frontier War was initiated by Xhosa warriors who attacked soldiers on their way to Keiskammahoek on December 24th, 1850 (Metrowich, 1968). In the early years after the establishment of Keiskammahoek, the population was composed mainly of non-Europeans and a minority of Europeans consisting mainly of “German Legionaries and peasant immigrants who were settled in the area after 1854” (Houghton and Walton, 1952: 9).

The 1913 Land Act and 1936 Native Trust and Land Act were aimed at dividing the country according to different (indigenous) racial groups. The various Acts prevented the black population from owning land outside the reserves, and preventing them also from living outside their allocated ‘native reserves’, unless they were employed by their European counterparts (Were, 1974). The implementation of the Acts resulted in the South African government buying white owned farms in the Ciskei to make provision for the arrival of the black population. This resulted in a gradual decrease in the white population in the region, as white farms were then converted into trust settlements for the black population (Houghton and Walton, 1952). The Acts negatively affected the town for a short period, as many white farmers had relied on Keiskammahoek for their farming implements and as a market to sell their produce. Yet, when the land was given to the resettled black population, the new, black farmers required farming implements and a market.

Since the town of Keiskammahoek was located in what became the Ciskei, a former homeland, Keiskammahoek was greatly influenced, both economically and politically, by the thinking of the Ciskeian and South African governments. “Tribal authorities were formed as the local government in the late 1950s, Self-Government and the formation of political parties came in the 1970s, with homeland style ‘independence’ in the 1981” (de Wet, in de Wet and Whisson, 1997: 14). The recent history of Keiskammahoek has been influenced by a number of South African and Ciskeian Government policies and practices and, as a result, Keiskammahoek has had a complicated history. This chapter will highlight the problems faced by the town of Keiskammahoek, what has been done, and what still needs to be done, to assist in the town’s upliftment to avoid economic and social stagnation.

9.2 GENERAL PROBLEMS OF A HISTORICAL NATURE FACING KEISKAMMAHOEK

Present day problems facing Keiskammahoek include high levels of unemployment, coupled with the fact that Keiskammahoek is located in a rural setting with the closest sizable town (King Williams Town) being located 40 kilometers away. As a result of the resettlement Acts, implemented in 1913 and in 1936, the population of Keiskammahoek increased, due to forced relocation. Since there was a generally high level of unemployment in the region, the Ciskei Government initiated an irrigation scheme, aimed at reducing the high level of unemployment (Sebetha, pers. com., 2003). As stated by Christopher (1982, in Nel and Hill, 1998) the result of the collapse of many small towns can be attributed to the declining number of services available to the community. In the case of Keiskammahoek, its rural location and absence of many basic facilities, such as a bank are real barriers to development (Barnard, pers. com., 2003).

9.3 POPULATION CHANGE IN KEISKAMMAHOEK THROUGH TIME

The population dynamics of Keiskammahoek over the last 92 years show different characteristics from the other towns researched. As shown in Figure 10, the white and Black populations have been on the decrease since the 1970 census. Before that, the Black population was slowly increasing while the white population was on the decrease, with only one white individual being registered in the 1996 census (Municipal Demarcation Board, 1996c). This overall decrease of the population and the economy can be attributed to whites being evicted, the collapse of the irrigation and other schemes (e.g. the sawmill), a lack of services and its rural location.

The white population fell dramatically in the 1920s. This can be attributed to the “Depression [which] initiated a process of slow demographic decline among whites in the Hoek [Keiskammahoek] which was part of the general process of ‘depopulation of the platteland’” experienced by whites in border areas (de Wet *et al*, 1989: 85). The inferior quality of soil and years of poor farming methods led some white individuals

to leave Keiskammahoek in the 1950s to find work elsewhere. As stated by Were (1974: 140), “in 1950 about 30% of [working age] women in Keiskammahoek had gone to towns”. According to de Wet *et al* (1989) the above-mentioned Land Acts only started to affect Keiskammahoek and the surrounding region in 1956 (de Wet *et al*, 1989). The Acts, prior to this time period, had only affected the white population, which led to “the ‘resettlement’ of the agricultural segment of the white population ... [, which] largely accounts for the 27% reduction in their number between 1961 and 1970” (de Wet *et al*, 1989: 87).

Population of Keiskammahoek from 1904 to 1996

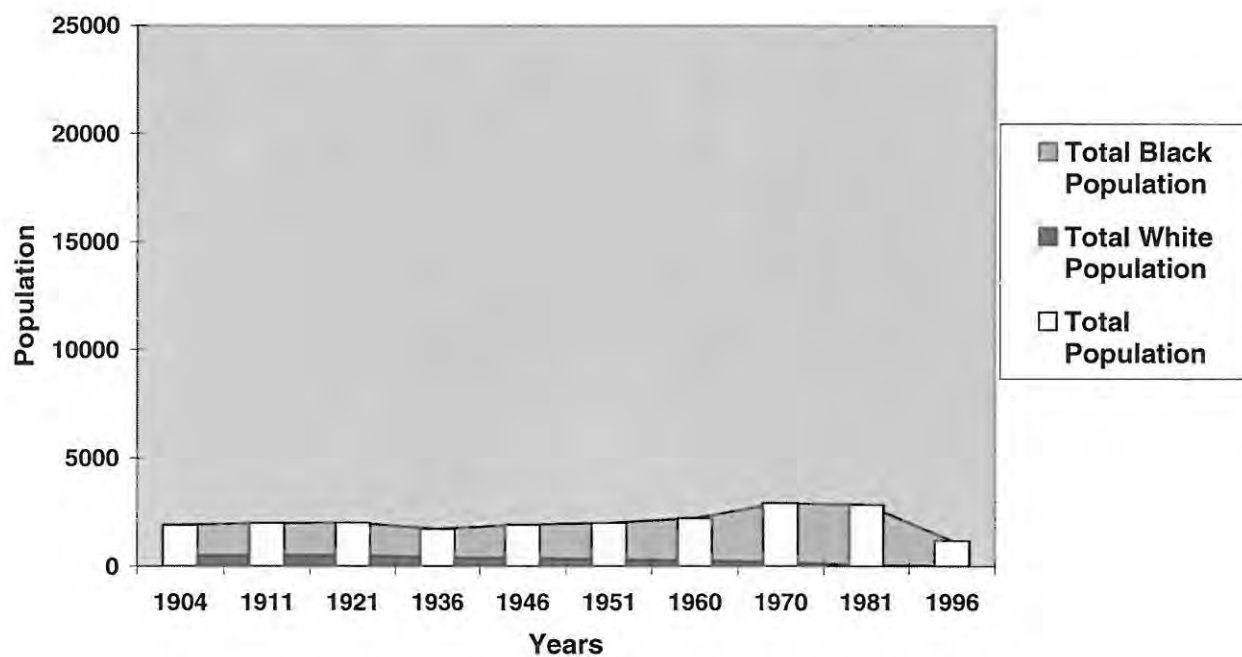


Figure 10: Population of Keiskammahoek from 1904 to 1996

Source: RSA, 1970; RSA, 1982; RSA, 1985b; RSA 1991; RSA, 1992; StatsSA, 1999

9.4 THE RECENT HISTORY OF BUSINESSES IN KEISKAMMAHOEK

In the case of Keiskammahoek there is very little historical information about the different businesses that were established in the town. As is evident from figure 11, there are two booms that occurred in Keiskammahoek in 1904 and 1905 and well as 1912 and 1913. It is however only in the recent history of Keiskammahoek that we are able to gain a detailed history of the different businesses.

During the early 1970s, there were a number of projects and businesses that emerged in the region surrounding Keiskammahoek which influenced the town as a whole. These projects/businesses included the dam projects of Chatha and Sandile, a sawmill, a furniture factory and the irrigation scheme (which will be discussed in greater detail in section 9.5). These developments positively impacted on the economy of the town and not only increased local employment opportunities but also improved the economy of the town. The dam projects created short-term economic growth. This was due to the fact that many of the individuals working on the dams were white and stayed in the local hotel. According to Palmer (in de Wet and Whisson, 1997: 303), individuals working on the dams and staying in Keiskammahoek caused “a significant but short-lived economic boom, especially for the hotel”.

In 1973, one of the first new sources of employment in several years was established, this being a sawmill. This sawmill, according to Palmer (in de Wet and Whisson, 1997: 304), “at its height ... employed up to 330 unskilled black and coloured workers and a staff of 11 whites”. Yet, due to its location in relation to the forest and timberlands of the Amatola Mountain range, the sawmill “was forced into closure in the early 1990s” (Palmer, in de Wet and Whisson, 1997: 304). From information reflected in Figure 11, one can see that the closure of the sawmill could have had a negative impact on the population of Keiskammahoek, as a large number of unskilled black and coloured workers had worked at the mill.

There was a marked decrease in the population, both in the white and especially the black population, between the 1981 census (2857 total population) to the 1980 census (1188 total population). This can be attributed to, at one level, the closure of the sawmill: since, as stated by Palmer (in de Wet and Whisson, 1997: 305), in “the late 1980s the population of the compound and its social life [had] dwindled with the closure of the sawmill”. The decrease of the white population can also be attributed

to the collapse of business. As shown in Figure 10, the white population decreased from the mid 1970s to the present (Palmer, in de Wet and Whisson, 1997).

A furniture factory relocated to Keiskammahoek soon after the sawmill was established. The factory produced yellow and blackwood furniture for the mass market (de Wet *et al*, 1989) and employed two white managers and 30 coloured and black, semi-skilled workers, which later increased to “four white cabinet-makers and 54 black workers” (de Wet and Whisson, 1997: 304). In 2003, the factory was still in operation (du Plessis, B., pers. com., 2003).

Both the sawmill and the irrigation scheme provided a number of employment opportunities to a few of the many unemployed individuals in the Keiskammahoek region. The sawmill and the irrigation scheme both assisted in creating employment, but as can be seen in Figure 11 the town was already in decline and these projects provided only temporary relief.

As with many other small towns, Keiskammahoek functions as a service centre and as a market town for the surrounding hinterland. Literature from 2003 shows that businesses currently in operation include: one general dealer, one shopping center, one clothing store (PEP), one car petrol/repair station but only one specialized industry – the saw mill (Anon, 2003a).

Interviews with a number of small businesses, such as the Ezibeleni General Wholesale Store (Mabulu pers, com., 2004) and a Pep clothing shop (Ntusi pers, com., 2004) showed that the Keiskammahoek economic is not experiencing growth at the moment and that it has be stagnant for a number of years. An interview with an employee of the Keiskammahoek Hotel confirms what has been stated by the local businesses (Jobela, pers. com., 2004); the hotel has had very few guests in recent years which, as stated by Jobela (pers. Com., 2004) can be a result of the lack of tourists or businessmen due to the rural remoteness of Keiskammahoek.

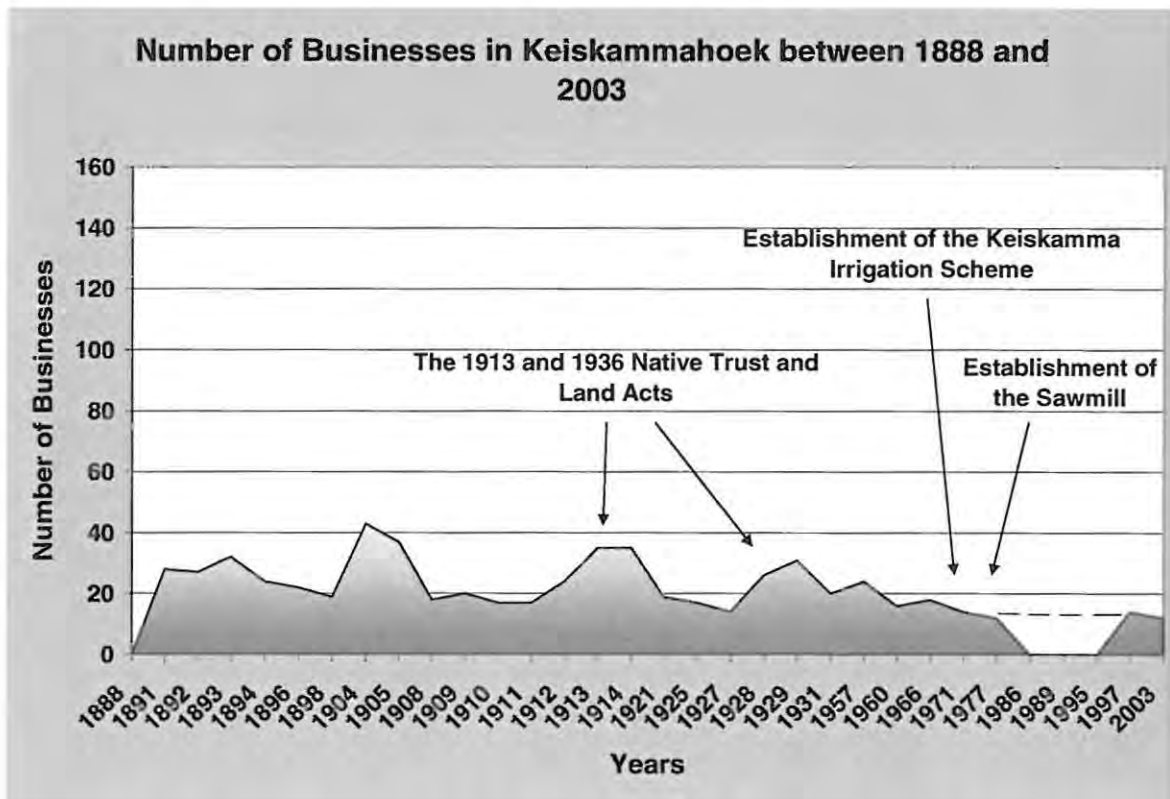


Figure 11: Number of Businesses in Keiskammahoek between 1888 and 2003

Source: The General Directory of South Africa, 1898; The General Directory of South Africa 1908; The General Directory of South Africa 1910; The Dennis Edwards Business Directory of South and Central Africa, 1925; Cape Times Directory of Southern Africa, 1957; Cape Times Directory of Southern Africa, 1960; Cape Times Directory of Southern Africa, 1966; The Phone Book, White and Yellow Pages: East London and Border, 1978a; The Phone Book, White and Yellow Pages: East London and The Eastern Cape Country, 1987; The Phone Book, White and Yellow Pages: East London and Border 1996; The Phone Book, White and Yellow Pages: East London and Border, 2003a.

9.5 THE KEISKAMMA IRRIGATION SCHEME

As stated above, after the Land Acts of 1913 and 1936, the white population in the region sold their land to the government. It was on some of these farms that were bought by the government, that a large irrigation scheme was planned. The scheme was initially devised by the Ciskei Government in an effort to increase employment and, at the same time, improve the economy of the Ciskei (Sebetha, pers. com., 2003). Keiskammahoek was chosen as the site for the scheme due to its fertile soils and high unemployment rate (Tywabi, pers. com., 2003). The irrigation scheme was established to create fertile pastures on which cattle would graze; the resulting milk would either be pasteurized or used to make yogurt (du Plessis, B., pers. com., 2003). A number of the farmers who joined the Keiskamma Irrigation Scheme came from

resettled families (Sebetha, pers. com., 2003) moved from areas such as Grahamstown, Herschel, Hankey and Tsitsikama (Holbrook, in de Wet and Whisson, 1997 and Tywabi, pers. com., 2003).

In the 1970s the Ciskei government decided that the farmers should not continue living in villages because many of the farmers did not trust each other which was causing conflict and unease, which the government believed could result in the collapse of the irrigation scheme (Holbrook, in de Wet and Whisson, 1997). This conflict, as stated by Tywabi (pers. com., 2003), was because the farmers were from different regions and thus did not trust each other. In consequence, all the farmers were given their own separate accommodation on the farms. As a result “participating farmers, whose main activity would be dairy farming, lived in basic 4-roomed houses, each on a 4 hectare plot of irrigated land” (Holbrook in de Wet and Whisson, 1997: 97). The irrigation scheme was a top-down government initiative with Loxton, Venn and Associates managing the scheme with the assistance of Ulimocor (the Ciskei Agricultural Corporation), while the Ciskei government provided the financial support (Sebetha, pers. com., 2003). Ulimocor was an agricultural para-statal focusing on creating employment through agricultural development (du Plessis, B., pers. com., 2003). Loxton, Venn and Associates was an agricultural development company, established in 1965, which focused on developing natural resources, agriculture, forestry and rural development (du Plessis, B., pers. com., 2003). Loxton, Venn and Associates trained local farmers in the correct procedures and skills required in dairy farming. The training included a 12-month course followed by an interview; if an individual passed, then they were granted a two-year lease on a farm (Sebetha pers. com., 2003). In total, Loxton, Venn and Associates trained 122 farmers; but presently, there are only 21 left on the land (Tywabi, pers. com., 2003).

Not only did the scheme receive financial support in the form of government aid but also in the form of international aid from Israel. Israeli representatives, due to their country's then foreign policy, came to South Africa to assist in rural upliftment. In Keiskammahoek, between 1977 and 1994, they assisted farmers in growing crops and also built the local hospital (du Plessis, B., pers. com., 2003).

The irrigation scheme consisted of a number of farms, which were classed into different sections. These sections were referred to as 'units' (Sebetha, pers. com., 2003) and included Units 1, 2, 4, 5, 6, and 11; Unit 3 was the central unit where the main equipment was located for storing milk, producing yogurt and pasteurizing milk (Tywabi pers. com., 2003). All the farms had their own satellite milking stations. After the cows were milked at the various satellite stations, the milk was then transported to the central unit, Unit 3 (Sebetha, pers. com., 2003). The fertilizer and seeds for the farms could be purchased from the local farming co-operative, while cattle dips and veterinary services were provided free of charge, by the Ciskei government. This arrangement ended in 1992 (Tywabi, pers. com., 2003).

During the 1980s problems emerged regarding the feasibility of the scheme, as discussed in de Wet and Whisson (1997). Holbrook states that "demographic pressure, political competition, and [the subsequent] doubt about the scheme's economic future made for changes in the organization of production" (Holbrook in de Wet and Whisson, 1997: 99). The main reason for this change was due to the fact that the Ciskei Government was decreasing its annual subsidies, as it was starting to believe that the scheme was becoming unprofitable (Sebetha, pers. com., 2003). The decrease in government subsidies led to the restructuring of the scheme, which resulted in a reduction of the number of farmers and farm size. This, in turn, led to farmers losing their land or being forced to reduce the size of their herds (Holbrook, in de Wet and Whisson, 1997 and Sebetha, pers. com., 2003). Farmers who lost their land due to the restructuring were given R5 000 for their farms (Tywabi, pers. com., 2003). In 1983 it had been anticipated that there would be 350 black settlers on the scheme, but by 1986, there were only 27 black families employed by the scheme (de Wet *et al.*, 1989: 101).

In the 1990s the scheme deteriorated further, as individuals on the scheme became "dispersed and decentralized" (Holbrook, in de Wet and Whisson, 1997: 100). In 1991, Ulimocor left the irrigation scheme, after a number of cows were killed, linked to increasing political unrest in the Ciskei and in Keiskammahoek (Sebetha, pers. com., 2003). This resulted in Ulimocor's management leaving, and being replaced by ACS (Agricultural Computer Services) from Stutterheim (du Plessis, B., pers. com., 2003). Even with the political turmoil ACS were able to pasteurize milk and produce

yogurt, until the end of 1994, when the irrigation scheme was closed down by the Ciskei Government (du Plessis, B., pers. com., 2003).

The small size and remoteness of Keiskammahoek meant that it became highly dependent on the scheme and the other projects in the area. With the closure of the sawmill in 1991 (which moved to Stutterheim) and the continuing problems associated with the irrigation scheme (du Plessis, B., pers. com., 2003) the town and the district were severely affected. This had a negative effect on the population left behind. As stated by Sebetha (pers. com., 2003), when the management of the irrigation scheme left the only individuals left were the farmers themselves and they were not able to manage the scheme, as they had no prior knowledge of management or of running the irrigation scheme (Sebetha, pers. com., 2003). The result was that 18 months after the management left the irrigation scheme had ceased to function (Tywabi, pers. com., 2003).

The scheme's productivity decreased from 1991 till the end of 1994. With the disintegration of the irrigation scheme, the South African government granted loans to the farmers, on the condition that the farmers convert the farms (used for dairy cows) into vegetable farms. The land had originally been owned by the Ciskei Government but, due to the failure of the irrigation scheme, the government allowed individuals to buy the land (Sebetha, pers. com, 2003). Since many of the farmers did not have sufficient finances to buy the land, loans from the South African Government, to the amount of R30 000 each were made available (Sebetha, pers. com, 2003).

The change from dairy farming to vegetable farming presented problems for the farmers, as the farms (formerly used by the irrigation scheme) were ideally suited for dairy farming. Still, many farmers accepted the conditions of the loan and began growing vegetables, but unfortunately, there was no market for vegetables in Keiskammahoek and it proved too costly to transport their produce to King William's Towns, 40 kilometers away (Sebetha, pers. com., 2003). The failed transition from dairy farming to vegetable farming thus resulted in most of the farmers not being able to pay back their loans. This led to a number of farmers selling their farms to pay back loans, while others took out further loans to pay back their initial loan (Tywabi, pers. com., 2003).

Between 1994 and 2000 very little occurred in Keiskammahoek in terms of agriculture or state intervention. It was only in 2001 that the private sector showed any interest in reviving the scheme. This took the form of the company Dairy Belle which took all the remaining farmers to Cape Town for training courses; however, they terminated their involvement that same year, owing to 'internal restructuring' (du Plessis B., pers. com., 2003). In the following year, the scheme received a total of R6.5 million in financial support, which was aimed at reviving the old scheme; R1 million of the financial assistance came from the South African Land Bank, in the form of a ten-year loan to the farmers of Keiskammahoek, while the remaining R5.5 million came from the Departments of Agriculture and Public Works and the Amahlati Municipality (Sebetha, pers. com., 2003). The R5.5 million was earmarked for inputs into the scheme, for example seeds, fertilizer, veterinary services or milking equipment (du Plessis, B., pers. com., 2003). At present the scheme is not operating, but with financial backing from the government, it is anticipated that a major national dairy company (see below), will begin operations in early 2004.

According to Majezi (pers. com., 2003), the permanent secretary of the provincial Department of Agriculture, there are plans to rehabilitate the scheme in conjunction with the district municipality and local farmers (Majezi, pers. com., 2003). There are also plans for a major national dairy company to assist the Department of Agriculture and the district municipality in creating job opportunities through the rehabilitation of the scheme (Majezi, pers. com., 2003).

The aim of the Department of Agriculture and the major national dairy company (who will be in charge of the scheme) is to introduce 350 new milking cows, at a cost of R1.7 million, in 2004 (Majezi, pers. com., 2003). These new cows would populate the pastures surrounding Unit 3 for three years and then, if the scheme was proven to be financially successful, the cows would be moved onto the different units. Hopefully, over time, the scheme will function as it did in the past (Tywabi and Sebetha, pers. com., 2003).

The future of the scheme seems to be reasonably financially secure as there is financial backing in the form of the government and private sector. Yet, there is a belief that many of the issues that caused the scheme to collapse in the early 1990s

have not been adequately addressed, such as mistrust. Through interviews conducted with a number of local farmers, members of the Siyakholwa Development Foundation and the Department of Agriculture, the following issues became apparent.

Firstly, all the farmers involved in the scheme are the original farmers who were involved in the establishment of the scheme in the 1970s. Thus, most of the farmers are in their 50s or 60s. This could prove disastrous for the scheme in the years ahead; as the farmers retire and there is no younger generation to replace them. Secondly, most of the land involved in the scheme is owned by various banks as farmers took out loans to buy these farms, and have not yet paid the loans back. This could have an effect in the years to come, if the original debt is not re-paid. There is also a great fear amongst the farmers involved that, if the scheme is unsuccessful, they would be held liable for paying back the loan from the Land Bank.

Thirdly, as stated by a number of farmers, there is very little trust amongst members of the farming community and, as in the past, there have been many cases where farmers would steal cattle from each other and mislead other farmers (Tywabi, Jessila and Mqamelo, pers. com., 2003). Since the same farmers involved in the establishment of the initial scheme in the 1970s are to be involved in the future scheme, there could be a lack of cohesion and retarded social capital development, which could result in the scheme running below optimal level or cause the scheme to cease functioning entirely. Fourthly and lastly, the scheme requires long-term investment for there to be long-term profit. The present loans from the Land Bank, and grants from various other sources will only be able to provide initial and short-term financial assistance but long-term investment is still uncertain.

In conclusion, the Keiskamma Irrigation Scheme was able to provide a number of employment opportunities for individuals from the mid 1970s to the early 1990s. These employment opportunities assisted some farmers to learn new techniques and to become more efficient dairy farmers, but when the scheme closed down in 1994, the farmers were not able to use their newly-acquired skills. With the eventual closure of the scheme in 1994, many of the individuals involved in the scheme lost their jobs. This can be owing to the fact that they were not able to manage the scheme on their own and, additionally, the farmers became reliant on the scheme for an income.

When the scheme closed down, farmers still had the cows and the land but were not able to sell sufficient milk in Keiskammahoek to make a living (due to the small market and lack of finances of the local community). Many of the farmers thus resorted to a subsistence lifestyle, using the land and the cows to provide for themselves and their families.

The renewed interest from the government and private sector in reviving the scheme gives hope that the scheme could be economically viable in the future and that the scheme will provide future employment opportunities for farmers and other inhabitants of Keiskammahoek. Positive interest from various private sector companies shows the potential for the revival of the scheme and for it to be profitable, at least in the short-term. Yet, interviews with local farmers and individuals from the town shows that the imminent future for the scheme could be as follows: it will either provide employment and financial improvement for the Keiskammahoek local economy, or employment will be created, but the bulk of financial proceeds will be swallowed by the private companies involved. Sadly, according to Mqamelo and Sebetha, the latter is all the more likely to occur (Mqamelo and Sebetha, pers. com., 2003).

The irrigation scheme is essentially a rural scheme which is located on the outskirts of Keiskammahoek. The relevance of the scheme to the town is important, as in the past it was a major source of income for a number of farmers who worked on the scheme and it also provided secondary business for individuals who lived in the town.

9.7 PRESENT DEVELOPMENT INITIATIVES

Development initiatives in Keiskammahoek currently focus on a wide range of different development options. Keiskammahoek is located in a rural region, far from a large urban centre and has also, historically, been subject to a number of government interventions (i.e. Betterment planning, forced removal and the Keiskammahoek Irrigation Scheme), which have not, in the long run proven to significantly improve the quality of life of residents in the town or the surrounding region. A number of possible alternative development options have come in the form

of education programmes, creating an urban market for the agricultural sector and the attempted revival of old government interventions, such as the irrigation scheme. Pupils in a number of schools in Keiskammahoek have benefited from the education programmes; the urban agricultural market, however, has not proven to be successful. The revival of the irrigation scheme, on the other hand, will, potentially, have the most beneficial effect on the poor population of Keiskammahoek.

9.7.1 EDUCATIONAL PROGRAMMES INITIATED BY THE STUTTERHEIM DEVELOPMENT FOUNDATION

Through the intervention of the Stutterheim Development Foundation (SDF), Keiskammahoek has benefited from a number of education projects run by the SDF in Keiskammahoek. These include the English Language Upgrade Programme (the Molteno Project), the Maths Upgrade programme and a number of small meetings that are aimed at encouraging entrepreneurial skills for the unemployed (Barnard, pers. com., 2003). The SDF became involved in Keiskammahoek as it falls in the Amahlati Municipality of which Stutterheim was the municipal centre, and because the SDF identified Keiskammahoek as a small town that required development support (Peter, pers. com., 2003).

These programmes started in 2001 due to the fact that a number of teachers from Keiskammahoek contacted the SDF in Stutterheim and requested SDF assistance with educating the Keiskammahoek community (July, pers. com., 2003). Through a number of meetings with the school teachers in Keiskammahoek and members of the SDF, a number of education programmes were identified as possible options to meet the needs of the pupils in Keiskammahoek (Peter, pers. com., 2003). Initially, a few teachers from Stutterheim were employed by the SDF to run workshops and assess the level of education of pupils, as well as to critically examine the teaching techniques of the teachers in the schools in and around Keiskammahoek (Barnard, pers. com., 2003). An examination of the teachers involved showed that, sadly, there were a number of key flaws in their teaching techniques. As highlighted by Barnard (pers. com., 2003), complicated sections in the syllabus were overlooked and challenging concepts were ignored by the teachers (Barnard, pers. com., 2003). This led to a

number of teaching workshops, where teachers from Stutterheim taught complicated sections of the syllabus to teachers from Keiskammahoek. In time, the teachers from Keiskammahoek were able to improve their teaching techniques, which helped improve the overall teaching ability of the teachers (Peter, pers. com., 2003). One of the most beneficial teaching programmes is that of the entrepreneurial programme started by the SDF in 2001. The importance of this programme is that it not only stimulates economic development (through various entrepreneurial project/initiatives), but can also lay a basis for long-term economic development.

The entrepreneurial course is run with the use of an American 'game' called Business Ventures – Focusing the Future (Peter, pers. com., 2003). A workshop is run once a week for Grade 7 (Standard 5) pupils in 12 different schools in the Keiskammahoek region by Mrs. Barnard, a teacher from Stutterheim who is also employed by the SDF. The entrepreneurial game is run as a reality game in which students identify items that could be bought and sold, thus generating a profit. The game relies on pupils identifying items that could be sold, then acquiring capital and resources to produce the item, and finally, selling the items, making a profit, and in the long-term saving money that could be used for buying clothes, paying for school fees, etc. (Barnard, pers. com., 2003). For example, a student in the class could suggest selling sandwiches to schoolteachers at break times. The individual would need to 'acquire' the necessary items from the shops, make the sandwiches and sell them at a higher price than what was used to buy the items. As stated by Barnard (pers. com., 2003), initially individuals in the classrooms would make a loss, as they did not have previous practical knowledge of buying and selling goods (Barnard, pers. com., 2003). In a matter of months however, individuals had identified examples, such as selling fresh fruit and vegetables, chips and sweets as well as some cooked products, from which they were able to generate an income.

The use of this game has, in theory, encouraged a new mindset amongst the Grade 7 students in the 12 different schools. In practical terms, a number of students have been able to earn enough money to pay for their transport fees to their various schools and, in one case, a student has been able to pay for his school fees through the business skills obtained from the entrepreneurial project (Barnard, pers. com., 2003). Due to the actual and potential success of the entrepreneurial project there are plans to

hold a market day at the schools, once a term, where Grade 7 students would have the opportunity to put theoretical skills learnt in the class room into practice. The goal here, as stated by Barnard (pers. com., 2003), is for individuals to have first hand knowledge of what it takes to run a successful business. It is hoped that through practical skills, such as those taught in the entrepreneurial project, individuals at school will not only gain theoretical, but also practical skills, which they will benefit from and which will, hopefully, cause long-term economic development of the town.

The education programme shows the potential success of teaching and training school pupils about the importance of financial management skills. The importance of this programme is that, although it does not presently create socio-economic development in the town, it has the potential to lead to future socio-economic development, which may in turn lead to reversing the economic decline or stagnation of Keiskammahoek

9.7.2 SIYAKHOLWA DEVELOPMENT FOUNDATION

The Siyakholwa Development Foundation was started in 2000, its main aim being to improve the quality of life for individuals living in Keiskammahoek and in the surrounding region (du Plessis, J., pers. com., 2003). The founders of the foundation were a married couple, Mr and Mrs du Plessis from Johannesburg, who believed they were 'called' to create employment opportunities through development in Keiskammahoek. With the assistance of farmers from the surrounding region, they established a Section 21 development company. Its establishment came about due to the funding they received from the provincial Department of Environmental Affairs and Tourism. The Foundation's main aim is to improve the lives of residents in Keiskammahoek, and in the surrounding region, by identifying key development opportunities relevant to the town's geographical position, climate and natural resources (du Plessis, B., pers. com., 2003).

The couple had no theoretical or practical experience in development. Mr du Plessis was formerly employed in the Information Technology (IT) field while Mrs du Plessis was a housewife. They left Johannesburg in 1998 and moved to Keiskammahoek, where they initially assisted farmers by organizing seed supply from East London and

were able to get loans from the Land Bank (which are different loans from the ones mentioned in sub-chapter 9.5) (du Plessis, B., pers. com., 2003). In 1999, the couple began writing business plans and sending them to various government agencies and non-governmental organizations, in the hope of raising funds. In January 2000, they received R1 million worth of funding from the provincial Department of Environmental Affairs and Tourism (du Plessis, B., pers. com., 2003). With the funding, they were able to establish their own Section 21 Company, which they named the Siyakholwa Development Foundation (du Plessis, J., pers. com., 2003). The Foundation is located in an old military base which is leased, at no cost, from the Department of Public Works.

In the running of the Foundation it was found that the major stumbling blocks with development in the region of Keiskammahoek were poor communication and transportation. Communication was, and still is, a problem, as many residents of Keiskammahoek do not have access to communication networks, such as mobile phones or landlines (du Plessis, B., pers. com., 2003). As a result, communication is very difficult and often entails farmers walking great distances to learn when the next farmers' meeting would be held, or to find out any new developments with the scheme. Not only does the lack of communication networks affect farmers, but also those individuals involved in development initiatives, such as the Siyakholwa Development Foundation. Transportation is another problem, as many farmers cannot afford their own form of transportation, thus they have to rely on walking or taxis to get from place to place. The Siyakholwa Development Foundation also had problems with transportation, as it only had one car. With the arrival of funds in 2000, they were able to purchase a motorcycle, which has assisted the Foundation, as some of the employees of the Foundation could work on one project, while others could be in a different region, working on different projects (du Plessis, J., pers. com., 2003). Over the three years that the Development Foundation has been operating, the ideas and perceptions of development, in general, have changed for the individuals involved. Initially, the Foundation believed that "development was a quick, timeless process that involved minimal financial and social investment" (du Plessis, B., pers. com., 2003); as time progressed, individuals at the Development Foundation came to the realization that development took time, patience and in most cases, a considerable amount of financial and social investment (du Plessis, J., pers. com., 2003).

According to du Plessis (du Plessis, B., pers. com., 2003), there were two main areas through which they thought development would occur. Firstly, there is a need to start small and to be flexible in the adoption of new ideas (du Plessis, B., pers. com., 2003). If development was taking place, the aim was then to slowly expand and take on further responsibilities and greater challenges as time progressed. In this respect, it is important to note that many theories of development tend to argue that there is a need to work with the whole community and address all relevant issues at the same time. However, the belief that one needs to address certain issues and then, if successful (or unsuccessful) in one sphere, move on to another project is, perhaps, a more feasible way of addressing development. Secondly, it is important to use local labour and local resources (du Plessis, B., pers. com., 2003). In this respect, development does not only positively affect the individuals being targeted, but it also assists other individuals not directly involved in a project. In the case of the Siyakholwa Development Foundation, many local businessmen and entrepreneurs in Keiskammahoek have gained financially from the various projects and schemes run by the Foundation (Sebetha, pers. com., 2003).

The money acquired from the provincial Department of Environmental Affairs and Tourism was allocated to four projects identified in the Foundation's initial business plan. These projects are: a wattle growing project, a rabbit breeding project, a maize plantation scheme and an education project, which will now be discussed in turn.

9.7.2.1 WATTLE PROJECT

The wattle project was started in February 2002; its main aim being to create awareness of the economic potential of growing and selling wattle trees (du Plessis, B., pers. com., 2003). The reason for the initiation of the project was because there are a number of wild wattle groves in the Keiskammahoek region. In conjunction with the Working for Water (WFW), a government programme which aims at eliminating non-indigenous trees (Mardon, pers. com., 2003), the Siyakholwa Development Foundation highlighted the potential financial gains of removing wattle trees to the local communities. According to Mardon (pers. com. 2003), the assistant project manager for the Working For Water Programme in the Albany District, many

small towns have contract workers who are contracted by the WFW to fell the trees and sell the wood. In the case of Keiskammahoek, it has been arranged that the proceeds of wood sales would then go back to the local community (Mardon, pers. com., 2003). In a number of local communities located near wild wattle groves in Keiskammahoek, the Siyakholwa Development Foundation was able to show that in the long-term, wattle plantations could provide valuable financial gains. As pointed out by Mr du Plessis (pers. com., 2003), in July 2002, one community gained R6,500 from a 13 hectare plantation of wattle trees (du Plessis, B., pers. com., 2003). From this example, the Foundation was able to gain the attention of many communities which are located close to wild wattle groves. The Foundation showed the communities that by growing wattle trees until they were seven years old, and then selling them to the Working for Water Programme, they could improve their lives by just maintaining the original wattle groves. The Working for Water Programme also stated that they would sell wattle seedlings to the communities and buy the trees back in seven years, when they were mature. The cut trees in Keiskammahoek are sold to Rance Timbers in Stutterheim and the financial proceeds go back to the community (du Plessis, B., pers. com., 2003).

According to Mrs du Plessis (pers. com., 2003), the WFW hire local contract workers, such as Mr Kulati to fell wattle trees in Keiskammahoek (du Plessis, J., pers. com., 2003). Mr Kulati was an unemployed individual living in a small community outside Keiskammahoek, but he was able to gain employment with the Working for Water Programme (Kulati, pers. com., 2003). According to Mardon (pers. com., 2003), WFW is only allowed to cut trees that are closer than 30 meters to rivers, streams or dams (Mardon, pers. com., 2003). This is because it is these trees that are affecting the water table the greatest; thus, if these trees are cut down, the water table will rise to its natural level (Mardon, pers. com., 2003). In the case of Keiskammahoek, the trees that are not cut down are left to grow and, with the assistance of outside contractors, such as Mr Kulati, can provide future financial proceeds for the local communities.

9.7.2.2 RABBIT BREEDING PROJECT

The rabbit-breeding project was started in 2000 with the idea of breeding, and subsequently selling rabbits to Port Elizabeth and exporting them to Asia, via East London's harbour, for human consumption (du Plessis, J., pers. com., 2003). The idea came from individuals in Howick, Kwa-Zulu Natal, who were selling rabbits to Asia for culinary purposes. Initially, the Foundation started off with only four female and one male rabbit, but in August 2003, the Foundation acquired 40 female and 10 male rabbits from Howick (du Plessis, J., pers. com., 2003). The Foundation started breeding rabbits in September 2003. To accommodate the rabbits, the Foundation has built two buildings in different areas on the outskirts of Keiskammahoek. Both are managed by local women who also have community gardens on their properties. The reasons that these individuals were chosen by the Foundation are because they had already taken the initiative to create community gardens and were willing to assist the Foundation in breeding the rabbits (du Plessis, J., pers. com., 2003). Participants also use the manure from the rabbits to fertilize their gardens (Mqamelo, pers. com., 2003). Community gardens were created in 1999, without outside assistance; the produce that is grown is used for household consumption and the surplus is sold in the town, so that participants can earn money to buy new seed (Jessila and Mqamelo, pers. com., 2003).

A future plan for the project is to build a small abattoir in Keiskammahoek, which would lower overhead prices and, at the same time create, employment opportunities for residents of Keiskammahoek. Through follow-up interviews, it was learnt that the Siyakholwa Development Foundation was working in conjunction with the Department of Agriculture and the Department of Veterinary Services to acquire the financial assistance to establish such a small abattoir in Keiskammahoek (du Plessis, J., pers. com., 2003). In concluding interviews, conducted in November 2003, it was established the Foundation had located a local market in which to sell the rabbits for consumption in Port Elizabeth (du Plessis, J., pers. com., 2003). Most of the buyers consisted of continental butchers, who were selling the rabbits to foreigners living in South Africa.

The rabbit breeding project was mentioned to highlight the point that development in small towns and in rural regions does not have to follow rigid paths or guidelines. The rabbit breeding project shows that there are many different paths to choose when initiating development. Even though this project only commenced officially with the purchase of the rabbits in August 2003, the fact that such an unusual development initiative is taking place in Keiskammahoek warranted its inclusion in this study.

9.7.2.3 MAIZE PLANTATION SCHEME

The maize plantation scheme works in conjunction with the education project (du Plessis, J., per. com., 2003). The maize scheme started in 2002 and was aimed at assisting communities to grow their own maize, sell it and generate a profit, which could be used to uplift the community (du Plessis, B., per. com., 2003). With the purchase of a tractor in 2001, the Foundation was able to plough the designated land and provide the initial seeds needed to grow the maize. The tractor was purchased in King Williams Towns, using funds from the provincial Department of Environmental Affairs and Tourism (du Plessis, J., pers. com., 2003). Originally the Foundation had planned to plough 50 hectares in 2003 but have only managed to plough 35 (du Plessis, J., pers. com., 2003). Presently there are 60 individuals involved in the scheme and, so far, the scheme has provided a better quality of life for those involved (Mpawgeva, pers. com., 2003). The maize that is produced each season is milled at the Siyakholwa Development Foundation's mill.

The maize mill was purchased with funds from the provincial Department of Environmental Affairs and Tourism (du Plessis, J., pers. com., 2003). The milled maize is then taken to the market in King Williams Town, where it is sold. The profit that is made is then halved and half goes to the community which uses it as they see fit, while the other half is kept by the Foundation till the next year to pay for seeds and other unforeseen costs (Mpawgeva, pers. com., 2003). The idea of holding half the profits is planned to continue for a few years until the Foundation believes that the community has sufficient financial skills to work with their own money, remembering that there is no bank in Keiskammahoek and for individuals to access money they need to go to King Williams Towns (Mpawgeva, pers. com., 2003).

9.7.2.4 AN EDUCATIONAL PROGRAMME OF THE SIYAKHOLWA DEVELOPMENT FOUNDATION

This education project by the Siyakholwa Development Foundation is a separate programme and is not related to the education programme done by the SDF. The reason for the differences is because the SDF is focused on improving school learner's level of education through educational programmes, such as Maths and English. The Siyakholwa Development Foundation, on the other hand, is focused on improving individual's financial skills which would help them with the source of their livelihoods, namely maize cultivation.

The education project, which is a financial management course, was started in 2002. It is aimed at teaching financial life skills to community members involved in the maize plantation scheme. The training consists of a one-week course, which is free of charge, and highlights the importance of loans, budgeting and maintaining capital. The course has three educational levels; the first level is a basic foundational level, which consists of comic strips in Xhosa; the secondary level is for individuals with a Standard 8 and above; the advanced course is for individuals with a diploma or a degree. The main aims of the course are to highlight the positive and negative aspects of loans, buying items on hire-purchase and the effects of having to pay interest on bank loans and bonds (Mpawgeva, pers. com., 2003). The reason that the course is run in conjunction with the maize scheme is so that the individuals involved in the maize scheme can understand the importance of how much items cost and what inputs are required to grow and maintain a good yield of maize at the end of the season. The importance of integrating the maize scheme with the education project is because many inhabitants of Keiskammahoek have not received a formal education and thus have very little knowledge about business and financial management.

9.8 FUTURE DEVELOPMENT INITIATIVES

The future development plans of the Siyakholwa Development Foundation are to continue the present projects and schemes, while at the same time expanding and innovating where possible. In terms of the rabbit project, the Foundation is still

attempting to acquire an international market; research undertaken by the Foundation shows that there are possible markets to be exploited. The maize plantation scheme is expected to expand and incorporate other communities in Keiskammahoek and the surrounding region. The education project will work alongside the maize plantation scheme in providing practical and theoretical skills to the communities involved in the maize scheme.

9.8.1 ESSENTIAL OILS

Future plans include growing herbs for the production of essential oils. The idea is the result of a meeting held in Pretoria with the CSIR (Council for Scientific Industry and Research), in which it was learnt that, in years to come, selected herbs and essential oils might be covered by Medical Aid schemes (du Plessis, B., pers. com., 2003). In this regard, the Foundation became interested in developing herb gardens, as these have the potential to create employment opportunities for individuals in Keiskammahoek. In September 2003, one quarter of a hectare that was being used as a trial herb garden.

Yet, in follow-up interviews conducted in November, it was learnt that another development agency in another part of the country learnt of the proposed essential oils project and used their influence to gain the financial aid required to start an essential oils project (Anon, pers. com., 2003). As a result, the Siyakholwa Development Foundation has not been able to gain further aid, which has resulted in the suspension of the project. This example highlights a certain dimension of development, in which development agencies/NGOs and local governments compete against each other in an effort to gain the financial aid necessary to assist in their project or development initiative.

9.9 CONCLUSION OF THE SIYAKHOLWA DEVELOPMENT FOUNDATION

The above mentioned initiatives show the efforts by the Siyakholwa Development Foundation and the Stutterheim Development Foundation in attempting to create a better life for many of the individuals living in Keiskammahoek and in the surrounding region. There have been a limited number of jobs created in Keiskammahoek, all of which have been permanent positions. What has been very positive about the Siyakholwa Development Foundation is that they have tried a number of very different development initiatives in order to uplift the community. Their success has been limited but their effort to try new ways of creating development shows innovation which could be the key to economic development.

9.10 LESSONS LEARNT FROM THE KEISKAMMAHOEK EXPERIENCE

Keiskammahoek has had an interesting past, which has been well researched. The Keiskammahoek area has been studied in-depth since 1952, for example in the Keiskammahoek Rural Survey (Houghton and Walton, 1952). Aspects which have merited attention include its role as a site for resettled people (Houghton and Walton, 1952), the effects of externally induced socio-economic and political changes (de Wet *et al*, 1989), the effects of apartheid and social change (de Wet and Whisson, 1997) and credit accessibility and rural development (Kimemia, 2001).

Keiskammahoek is an example of a town that has experienced a number of different development initiatives, such as the Keiskamma Irrigation Scheme. Yet, due to political unrest, management problems and the dwindling annual budget from the Ciskei Government, the scheme was all but abandoned in 1994. Presently, there are plans to revive the scheme, mainly using finances from the private sector, which will hopefully help revive the agricultural sector of the Keiskammahoek economy.

The assistance of the Siyakholwa Development Foundation in creating employment in Keiskammahoek has shown that, through intervention and financial assistance, it may be possible to create employment. Not only has the Foundation created employment

opportunities through the various projects, but it has also improved the quality of life for a number of individuals through education courses that have improved the people's potential for gaining employment. One of the most beneficial projects, so far, has been the maize plantation scheme, which was set up in conjunction with the education project. This project is presently the most successful, as it provides communities with a sustainable livelihood, and, at the same time, provides individuals with a basic, yet important, knowledge of business and business practices. This project is one of the few projects mentioned in this thesis that might be sustainable in the future without the financial assistance from the outside.

The work done by the Siyakholwa Development Foundation and the SDF in improving the lives of a number of individuals in Keiskammahoek show positive, albeit limited results. In terms of arresting economic decline and addressing small town revival, the work done by both foundations has not been enough to improve the overall economic condition of the town. Interviews with various businesses confirm that there has been very little economic growth in Keiskammahoek in the last decade and the assistance of the two development foundations has only brought relief to some individuals, and has not been enough to change the present stagnate economy of Keiskammahoek. For there to be true economic upliftment in Keiskammahoek the introduction of large scale industry would be needed to create employment to the large number of unskilled/uneducated individuals still living in Keiskammahoek.

CHAPTER 10

DISCUSSION

“Development is a process not an event”

(Ferreira, pers. com., 2003)

Small towns play an integral part in the rural regions of South Africa. They can be seen as building blocks in any regional and national economy and, consequently, play a vital role as rural service and marketing centres, as points of service provision and as points of resource processing and collection. For these reasons, and more, there is a need to fully understand the role and importance of small towns on a provincial and national scale. Due to the importance of small towns, and the role they play in creating a link between rural and the city populations, greater emphasis should be placed on the revival of many of the small towns in South Africa. Many of them not only play a vital role economically, but also historically and socially. Small Towns are also places where there is large scale unemployment and poverty. This can be because many individuals move from the rural regions to towns and cities looking for employment and a better quality of life (Southall, 1988). People also move to urban areas as it is here that they are able to access medical facilities and are also able to receive various government grants or pensions easier than in the rural regions (Anon, 2001)

This chapter will outline the significance of the various factors that are required when attempting to assist in small town revival, based on the case studies examined. In all the study sites a number of central themes became apparent. This chapter will therefore detail these themes and answer the task set out in the aims and objectives and relate this back to the general literature in an effort to understand what is required to achieve small town revival.

10.1 PROBLEMS FACED BY SMALL TOWNS

Internationally and nationally many small towns are faced with a number of problems which have caused them to become marginalised and seen as unimportant aspects of the urban landscape (Forth, 2000). Large urban areas have problems with poverty, but small towns in rural areas are far worse off, due to the fact that, generally, small towns are located in rural areas which lack basic infrastructure and have a limited employment and economic base. Their rural remoteness has caused many individuals to leave these small towns and move to bigger towns or cities in the hope of a better future and also because larger urban areas have better health, education and welfare services (Southall, 1988). Small towns often have limited employment and job creation opportunities, especially for those that have limited education (Southall, 1988). This could then affect the farmers in the hinterland as labour, potentially, could leave to larger centres to find better employment. For small towns to survive in the ever changing economic landscape, they need to diversify and change. In international examples of diversifying small towns, many towns have used their traditional heritage to try and attract business and tourism (Wilbur, 2001).

Other issues which this study has established or hinted at include: the out-migration of the skilled, the aging and declining, usually skilled, white population, the increasing but impoverished black population, the absolute decline in the number of businesses in the towns and commercial farms in their hinterlands, the loss of municipal independence, deteriorating infrastructure, rising unemployment and economic stagnation or decline. The enormities of these challenges are clearly grounds for pessimism regarding the future of small towns. Within this context, however, any moves to arrest and possibly reverse decline are noteworthy since, even though they might not revive a small town to its previous levels of affluence, they are providing hope, some relief and potentially laying a foundation for future action.

In the case of the Stutterheim, Cathcart and Keiskammahoek the problems of small town decline or stagnation came as a result of the closure of major industries and businesses which employed a large number of the towns unskilled and uneducated individuals or the decline of the agricultural sector in the town's hinterland. As a

result the towns needed to adapt to the new economic environment in order to remain economically viable. Stutterheim diversified its economy while Keiskammahoek and Cathcart did not. This resulted in a declining economy despite an increasing population in Keiskammahoek and Cathcart. Stutterheim's diversification took the form of expansion in the timber industry and in other small industries which has created employment and stabilized the economy. All the towns are also located in remote rural regions of the Eastern Cape which affects their access to markets, large-scale employment opportunities and limits individual's access to the means to acquire education and adequate skills to take advantage of employment opportunities.

10.2 PROBLEMS EXPERIENCED IN SMALL TOWN REVIVAL

As stated by Wilbur (2000), the solution to small town survival could lie in diversification. There are a few obstacles that can cause development to occur gradually or not to occur at all. It might be because change may not seem possible; there is a lack of financial aid to initiate development, people find it very hard to change, people don't like the obvious options for change and lastly, people are afraid of change (Wilbur, 2000).

Research from the various study sites shows that there are a number of common problems facing small towns. In an effort to improve the quality of life in these small towns, support agencies have highlighted a number of common problems which have inhibited the revival of such towns. Problems such as; a change or collapse in the economic base of the town, poor transportation and communication, low skills base, the lack of financial aid and the lack of an adequate local market to sell goods/items have hindered revival (Feni and du Plessis, B., pers. com., 2003). The change or collapse of the town's economic base can lead to a rapid and irreversible decline in any small town. This is because many small towns rely on only one or two main industries to keep the town economically viable. It was thus important to this study to examine the history of each town in order to establish past businesses and industries to establish what had driven prosperity in the past and what has since changed to affect the economic base of the town. From this, it is possible to understand the present economic and social circumstances of each research town.

Since these small towns are located in remote rural regions, their lack of infrastructure inhibits effective development. Many of the small towns lack adequate roads; in the case of all the study sites, many of the support agencies are located in townships and the only way of getting there is on dirt roads. Development initiatives and communities are also often located in these isolated rural hinterlands. Lack of communication also caused problems, as many members of the community could not afford mobile phones or landlines. In many cases, this has resulted in much confusion over when development initiatives would occur, when important community meetings/workshops would be held and who would be responsible for informing the community what the agenda would be. As mentioned by Mr du Plessis (pers. com., 2003), miscommunication and confusion amongst members of the community has resulted in delays in the projects, confusion over where meetings would be held and, in some cases, the postponement of certain projects on the basis that correspondence with the various communities proved ineffectual (du Plessis, B., pers. com., 2003).

Financial aid is indispensable in the revival of small towns. In all cases, support agencies were able to acquire financial aid from the South African government, the private sector and from international donors. This aid is used to purchase equipment, such as farming implements, and educational programmes, as well as assist in the running of support agencies. Presently, all the development initiatives are reliant on grants, this is a major concern as without the assistance of financial aid many of the present development initiatives would not succeed, or would only succeed at a very basic level. Even though these development foundations have been able to provide financial aid and created employment, a number of the development initiatives have become reliant on the development foundations to remain successful. Without the financial aid of international and national government and NGO's many of the projects would fail. In the case of Stutterheim, Nel (1994: 374) states that development initiatives would fail in the long term "without continued financial support". Grant dependency does raise concerns over the long-term sustainability of projects and by implication of the future of the small towns as well.

Lastly, a major factor hindering small town revival in the study sites is the lack of a local market to sell goods/items in (or the lack of money to buy goods) in the host community. In all the projects, where individuals were producing items for sale, such

as traditional clothes, craft items and beadwork, there was no local market to sell them in. In all cases, it is the local support agency that assists the community by transporting and selling the items to markets further afield.

10.3 THE IMPORTANCE OF LEADERSHIP IN SMALL TOWN REVIVAL

Leadership is one of the most important catalysts that can lead to upliftment of a community or small town. It is through leadership that people unite and strive together for the common good of the community as a whole. The majority of international and domestic examples of small town revival (or attempted small town revival) have rested in the hands of only a few individuals (Collits, 2000). It is these individuals, or groups of individuals, who are capable of creating a better life for themselves and for other individuals within their community (Ferreira, pers. com., 2003).

In the case of the small towns dealt with in this thesis there are only a few individuals who initiated the development or who have tried to work with the community to create a better standard of life through projects. This is mainly because people are only interested in taking care of their own financial and social situation (Ferreira, pers. com., 2003). The previous job descriptions of the leaders found in the cases studied included a former mayor, a past chairman of the Stutterheim Development Foundation and an ex-Information Technologist. All these individuals wanted to create a better life for those individuals living in poverty in their respective towns.

In the case of the town of Stutterheim, the main individuals involved in assisting the community were Nico Ferreira and Chris Magwangqana. The reason these men met and worked together was because of their skills and vision which enabled them to meet and look beyond the prevailing upheaval. Through this period of unrest, it was these two individuals who worked together, crossing racial lines, for the betterment of the community. Through their work together, they were able to identify a number of key issues that needed to be addressed in the community. The result of their initial meetings culminated in the creation of the Stutterheim Forum, which, in time, resulted

in the establishment of the SDF. Leadership from the individuals involved in the SDF resulted in the upliftment of the community

In the case of Cathcart, leadership came in the form of Mr Mpumelela Feni, an individual from Cape Town, who was interested in assisting and uplifting the local community of Cathcart. Mr Feni was employed by the Stutterheim Business Advice Centre (a section of the SDF), in the hope of creating a satellite business centre in the town of Cathcart. This resulted in the establishment of the Ubuntu Community Development Centre, in 1998. Mr Feni, with the financial aid of the SDF and from the local government, has been able to create a number of employment opportunities for residents of the townships of Cathcart and in the town of Cathcart itself. Soon after the establishment of the UCDC Mr Feni employed Siyabonga Bara. Before the establishment of the Ubuntu Community Development Centre (UCDC), there was very little development occurring in the region of Cathcart, the only major source of employment was being employed on one of the farms surrounding Cathcart. Without the assistance of Mr Feni and Mr Bara, and the creation of the Ubuntu Community Development Centre (UCDC), Cathcart's unemployment level would be a lot higher than what it is today. Even though there have only been 72 jobs created in Cathcart, without the leadership and initiative of Mr Feni and Mr Bara even these employment opportunities would not have materialized. In the case of Keiskammahoek, leadership came from Brian and Jeri du Plessis, a married couple that moved from Johannesburg to Keiskammahoek to assist in improving the quality of the lives of local residents. Both of them had no experience in development, but believed that they could find a ways of assisting the poor to have a better quality of life.

For the first two years of their involvement, this couple assisted farmers in acquiring seed for their crops and farming implements from King Williams Town. In the third year, they obtained financial aid from the provincial Department of Environmental Affairs and Tourism, with which they established the Siyakholwa Development Foundation. Through this financial aid the Foundation has been able to purchase a tractor which is used to plough the community fields, and a motorbike, which is being used to visit communities and assess their economic and social conditions. Not only has the leadership of the Siyakholwa Development Foundation created hope for the residents of Keiskammahoek, but so to has the leadership of the Stutterheim

Development Foundation. Through the vision, initiative and leadership of the SDF, a number of schools in Keiskammahoek and in the surrounding region have benefited from a number of education projects. These include an English Language Upgrade Programme, a Maths Upgrade programme and a number of small workshops that are aimed at creating entrepreneurial skills. Through the vision of the members of the Siyakholwa Development Foundation, four development initiatives have been identified and are presently being explored. Future development initiatives identified by Brian and Jeri du Plessis will, hopefully, create more employment opportunities for the individuals living in Keiskammahoek and in the surrounding region.

Without the assistance of Mr Ferreira and Mr Magwangqana in Stutterheim, Mr Feni and Mr Bara in Cathcart, and the du Plessis's in Keiskammahoek, there would have been a lot more people looking for employment. These individuals had no experience in development and basically learnt as they went along, except for Mr Ferreira and Mr Magwangqana from Stutterheim. Yet, they all had the courage and determination that they could make a difference. Through the vision of the members of the three development foundations, a number of individuals in small towns have gained direct employment through the various projects, or have gained indirectly through the education programmes. The three development foundations are fortunate to have individuals purely interested in assisting the lives of the poor, who have drive, determination and a vision to persevere despite serious odds. In all cases the individuals were not working for the development foundations for their own personal gains but were driven by altruism.

10.4 THE ROLE OF SUPPORT AGENCIES

The role of support agencies in rural or urban development is crucial for development to occur (Potter *et al.*, 1999). Support agencies can make available invaluable financial and social support and provide crucial training and education to improve the quality of life of the poor. The reason that there is a need for support agencies such as NGOs is because the local, provincial and national governments do not have sufficient man-power, financial capacity and training to adequately improve the lives of the poor in rural regions and in small towns (Ferreira, pers. com., 2003).

In many cases, community development cannot occur without financial aid and guidance. The role of the Stutterheim Development Foundation, the Ubuntu Community Development Centre in Cathcart and the Siyakholwa Development Foundation in Keiskammahoek are all examples of such support agencies. Through these support agencies, a few underprivileged individuals in their respective regions have been able to create a new and improved life, which would not have occurred without the guidance and financial assistance of such support agencies. In the case of Stutterheim, the formation of the SDF in 1992 laid the pathway for the future economic and social development of Stutterheim and the surrounding rural areas. The SDF identified a number of different sectors of the Stutterheim economy that were in need of assistance. With this knowledge, the SDF formed the Stutterheim Business Advice Centre (SBAC) and the Stutterheim Education Trust (SET), which were linked to the SDF but function as separate sections of the Stutterheim economy (Feni, pers. com., 2003).

The relative success of the SDF in Stutterheim led to the belief that, through the ideas and aims of the SDF, there was a possibility that the work done in Stutterheim could be reproduced in other small towns, such as Cathcart and Keiskammahoek (Ferreira, pers. com., 2003). With this in mind, the SDF, through the SBAC, created a satellite centre in Cathcart, now known as the Ubuntu Community Development Centre. With the appointment of Mpumelela Feni by the SDF in 1998, and later Siyabonga Bara, the foundation was laid for potential development and employment generation in the region of Cathcart (Peter, pers. com., 2003).

In the case of Keiskammahoek, the SDF implemented an education programme. Not only is the Stutterheim Development Foundation involved in Keiskammahoek, but there is also another development foundation that is now located in Keiskammahoek. The establishment of the Siyakholwa Development Foundation in 2000 has created a few employment opportunities that would not have occurred if the Siyakholwa Development Foundation had not been established.

As shown by the support agencies above, the need for financial aid and social support is critical for 'successful' development to occur. There is a clear need for leadership to help assist individuals and to identify development challenges and ways in which to

address them. In parallel, the availability of monetary aid is paramount for development to occur effectively. However, it is important to note that in all the case-studies the towns have become dependent on the financial assistance offered by the various support agencies. The role of the SDF in Stutterheim resulted in the establishment of the Ubuntu Community Development Centre in Cathcart and also played a role in an education programme in Keiskammahoek. In this respect, there is a need to assist the community but, at the same time, the support agencies should create community projects that do not rely blindly on support agencies in the long-term.

10.5 THE IMPORTANCE OF CO-OPERATION WITH THE COMMUNITY

For development to occur at all there is a need for the community to desire development to take place. Early developmental theory stated that it was a possibility for technology to increase opportunities for individuals that needed development to happen, improve their chances of employment and improve their quality of life (Binns and Nel, 1999). In some of these cases, outside, top-down government development initiatives have occurred without the general consent of the community, which have often not been sustainable (Rogerson, 1998). In these cases, the development that has occurred has often not been what the community needed but what the government or NGOs believed was what the community needed (Rogerson, 1998). Thus, there has been a change of focus: from the theoretical standpoint that outside assistance knows best to the view that there is a need for interaction with the community and for the community to state their problems and state what they believe possible solutions to these problems are (Nel, 2001 and Rogerson, 1998).

In the case of Stutterheim it was local individuals in the Mlungisi Township surrounding Stutterheim that caused initial development to occur, when they protested against the poor living conditions in the township in the late 1980s. This in turn, led to riots and a seven-month shopping boycott (Ferreira, pers. com., 2003). The boycott caused the white residents of Stutterheim to become conscious of the poor conditions that prevailed in the Mlungisi Township. There was then a realization by the Stutterheim Municipality that more could be done to improve the conditions of

individuals living there, not only in terms of the poor living conditions but also in terms of improving the lives of the poor through education and business skills. This resulted in the eventual formation of the SDF, whose aims are to uplift the local community. Without the co-operation of all sectors of the Stutterheim community, development would not have occurred in Stutterheim. It was the community that wanted development to take place, and to improve their quality of life.

The case of Cathcart deals with the fact that it was outside assistance that identified the need for development and upliftment to occur, especially in the townships surrounding Cathcart. However this was not a top-down intervention as the community was closely involved in the planning and initiation of development projects. The number of community projects that have taken place since the establishment of the UCDC in 1998 demonstrate the need and the want from the community to create employment in any form, in the hope of attaining a better life. The township community, in the last five years, has created a number of projects through the UCDC, which has resulted in 72 full-time employment opportunities for individuals who would not have been employed without the assistance of the UCDC (Feni, pers. com., 2003). Due to the limited number of employment opportunities available to individuals in the region of Cathcart, people needed the opportunity to create employment not only for their individual needs but also for the town. All the employment opportunities were created through the UCDC, but the response from the community, through various workshops and meetings was a positive one which has resulted in the number of full-time jobs. The number of employment opportunities created in the Cathcart townships shows that individuals in the townships needed, and were willing to, work, as many of them responded positively to the establishment of the UCDC.

In the case of Keiskammahoek, little was occurring in terms of development until the establishment of the Siyakholwa Development Foundation in 2000. With the failed irrigation scheme, many people had either left for other towns to find employment, or had taken over the land and made a living through subsistence farming (Sebetha, pers. com., 2003). The Foundation was able to assist individuals in improving their quality of life. In this respect, the community of Keiskammahoek was eager to learn and apply new ideas, in the hope of attaining a better future. For example, the maize

plantation scheme, in conjunction with the education programme, has proven successful as, through time, it has helped to create a community with greater independence and financial means. The Foundation has assisted a number of community and privately owned gardens by providing seed, fencing and gardening advice. The number of positive results derived by the towns' researched illustrates the point that many individuals in these towns were eager to adapt and learn. As stated above, it is also through the notion of social capital that communities can improve their quality of life.

In all three cases many of development initiatives were the result of the development foundations creating employment with or without the assistance of the community. In these cases the community members did responded positively to the work by the development foundations through meeting and workshops but it was the different foundations who lead the way forward and created the various development initiatives.

10.6 THE IMPORTANCE OF PARTNERSHIPS BETWEEN GOVERNMENT AND THE PRIVATE SECTOR

Successful development often relies on an initial impulse for development, generated by civil society wanting to improve their economic and financial situation. For this development to succeed there is also the need for financial assistance. In the research sites, there were a number of government bodies and private businesses that assisted various projects or Foundations in creating employment and improving the conditions/lives of many individuals, which might not have been successful without their financial assistance. In the case of Stutterheim, co-operation came mainly from 30 private donors, such as First National Bank, the Liberty Life Foundation and the Standard Bank Foundation, which have contributed positively to the work done by the SDF (Peter, pers. com., 2003). As a result, the SDF is able to pay its employees, maintain existing projects and have the financial capacity to create new employment opportunities.

In the case of Cathcart, the UCDC acquired the old Cathcart municipal buildings located in the Kati-Kati Township, on the outskirts of Cathcart, in 1998, which were donated by the Cathcart Municipality in 1997 (Feni, pers. com., 2003). Through the work done by Mr Feni, financial assistance came in the form of R50 000 from the provincial Department of Economic Affairs in 2000 and, in the same year, the UCDC received R10 000 from the Amatola District Municipality (Feni, pers. com., 2003). Yet, to date, the only regular financial assistance comes from the SDF, which pays Mr Feni's and Mr Bara's salaries.

In the case of Keiskammahoek, the Siyakholwa Development Foundation would not have been established without the financial assistance of the provincial Department of Environmental Affairs and Tourism. It was through this financial aid that all of the development projects and initiatives could take place.

Financial assistance is important, since with it, development projects can move forward. In the cases of Stutterheim, Cathcart and Keiskammahoek, they were all able to acquire, or had the financial capital to acquire, a building from which to operate. In all three cases the finances that were acquired assisted in purchasing/renting a place to operate from, but, more importantly, the government and private sector provided the finances because they acknowledged that the future of these development agencies and the upliftment of communities relied on economic assistance. The key for development is firstly for individuals to want development to occur and secondly financial assistance is vital for development to have a decent chance of succeeding. Unfortunately, all the development foundations have become reliant on local and foreign governments as well as NGOs to remain financially viable. It is with this money that the foundations are able to buy equipment, run educational programmes and pay the salaries of the individuals working at the different development foundations. Since outside support is for poverty relief and small scale job creation it will not, realistically, generate enough financial income to address all dimensions of the required economic revival of the towns in question.

In terms of government intervention, there is very little evidence of government partnerships with the private sector. The only reference to a private sector/government partnership in the area is highlighted by the Amahlathi

Municipality IDP (all the cases studies are located in this municipality). According to this document, shared funds were allocated to each town to improve basic infrastructure, such as roads, street lights, sanitation and housing (Amahlathi Integrated Development Plan 2002). In this respect, the private sector collaborated with the government in fulfilling the promises of the IDP. Relative to international experience however, the poorly developed nature of these partnership will clearly be a barrier to small town development and revival in the study area.

10.7 THE IMPACT COMMUNITY PROJECTS ARE HAVING ON THE COMMUNITIES INVOLVED

The importance of development is that it positively affects individuals involved in projects or community initiatives. In all the cases investigated, the various development ventures resulted in positive financial and social gains for the individuals involved, but these weren't sufficient to revive the town as a whole.

In the case of Stutterheim, individuals involved in the education programmes gained a higher level of education that could possibly assist the individuals in gaining future employment. This is because the education programmes target specific areas in their education and training that will enhance students' chances of gaining employment, such as advanced maths and science skills. In the period from 1992 to 1995, as many as 403 individuals were trained in technical skills and business skills while 109 individuals were trained in educational programmes (Nussbaum, 1997). To date that number has increased as many more schools have been identified as schools that require assistance (Peter, pers. com., 2003). Unfortunately the number of individuals that have gained employment through this higher level of education is not known, but it is believed to be low, this is because of the limited employment opportunities available in Stutterheim and in the surrounding region (Peter and Dyantyi, pers. com., 2003). Interviews with a number of businesses in Stutterheim and with the Stutterheim municipality it was found that the work done by the SDF had made a difference to a number of individuals, in terms of access to water, housing and sanitation, but the various development initiatives had only benefited the individuals involved and not the economy as a whole (Harvey and Dur Randt, per. com., 2004).

Through the SBAC, individuals gain education that could assist them in becoming entrepreneurs. The educational skills and support offered by the SBAC include that of assisting individuals in establishing, and successfully developing, a business and, at the same time, creating jobs and making a profit. The skills learnt assist individuals in managing finances, running a business, understanding how to register a business and paying tax. In the period from 1992 to 1995, 521 individuals gained employment through various job creation initiatives, such as small business development and building development (Nussbaum, 1997). Presently, the SBAC provides training courses that assist individuals in carpentry, brick making, sewing, bricklaying and shoemaking (Peter, pers. com., 2003). These training courses are aimed of enabling individuals to be able not only to create and maintain their own businesses but to also create new business opportunities (Dyantyi, pers. com., 2003). It is not known how many employment opportunities have been created since 1995, but it is thought to have decreased because of market saturation (Peter, pers. com., 2003).

In the cases of all the individuals interviewed who are involved in the various courses or training programmes, the majority have gained financial success that can be directly attributed to the programmes offered by the SBAC (Peter, pers. com., 2003). The importance of skills training, especially in the form of practical skills, such as sewing or brick making is that it is targeted, and that these skills make it easier for individuals to create their own business. In many small towns, employment opportunities are very limited, especially for individuals with limited formal education or skills training (Peter, pers. com., 2003). The role of the SDF in Stutterheim has thus been focused, predominantly, on providing theoretical and practical skills, such as the education and entrepreneurial programmes, as well as training in brick making and sewing. In most cases, however, the emphasis has not been on providing direct employment opportunities but on laying as basis for self-employment. In the cases of Cathcart and Keiskammahoek, many of the skills taught are practical ones, such as sewing, craft making, as well as rearing rabbits and maize planting.

In the case of Cathcart, individuals from the townships have also gained from the invaluable skills training offered by the UCDC, these include business management skills, such as: marketing, record-keeping, business plan development, market identification, and general business principles (Feni, pers. com., 2003). It is through

these skills that individuals have an improved chance of gaining employment and, according to Feni (pers. com., 2003); it is believed that about 25 individuals have gained directly from the training courses. Due to the fact that Cathcart is more remote and there are far fewer employment opportunities available, the UCDC has helped to create employment opportunities for individuals, based on the use of local culture and natural resources. This has taken the form of sewing projects, community gardens and craft centres (Feni, pers. com., 2003). The UCDC has identified that, by creating traditional items previously disadvantaged individuals are able to create a living. As many as 72 individuals have gained permanent employment as a result of the involvement of the UCDC (Feni, pers. com., 2003). The reason for focusing on tradition skills is because many of the individuals interviewed stated that they have previous knowledge of making traditional clothing and craft goods. Thus, with the establishment of the UCDC, and with their financial assistance, they were able to buy beads and cloth, which were used to create items of clothing, craft-work and various types of beadwork. Community gardens were created, as they have been proven, in many cases, to improve the quality of life for those individuals living in rural regions that do not possess the means to gain formal employment. In the townships surrounding Cathcart, many community gardens have been created with the assistance of the UCDC and the Catholic Church. In the Kati-Kati Township, many individuals are now able to support themselves and their families by providing food and a small income from the sale of the surplus yield.

In the case of Keiskammahoek, many individuals in the schools, in town and in the surrounding region have gained theoretical skills that are assisting pupils in gaining an additional understanding of business management and in becoming an entrepreneur. The school-based education programmes have positively influenced the lives of pupils, and have given them a greater chance of gaining employment, or self-employment. The importance of these education programmes lies in the fact that there are only a limited number of employment opportunities available to school leavers in Keiskammahoek. Pupils, through the education programmes, now have prior knowledge of business and entrepreneur skills that could assist them in acquiring self-employment, if other employment options prove unsuccessful. Even though it is hoped that pupils will gain employment as a result of the educational programmes there is very little evidence of such occurring yet and if individuals have a higher level

of schooling it is evident that they are moving to other towns that can offer a improved possibilities of employment and a better quality of life (Sebetha and du Plessis, B., pers. com., 2003). The Siyakholwa Development Foundation has also assisted in the support of sustainable livelihoods programmes through the maize plantation scheme, which is run in conjunction with the business education project.

The development that has occurred in the towns mentioned has had a positive effect on a few of the individuals directly involved in the various projects. The practical skills offered by the Stutterheim Development Foundation, the Ubuntu Community Development Foundation and the Siyakholwa Development Foundation have given individuals the confidence and determination that they can create a better life for themselves. The theoretical skills (i.e. the various business courses and education programmes) have not been as successful, the reason being that there are very few job opportunities available in the small towns for individuals to gain employment. Yet, the skills learnt at the SBAC, the UCDC and the Siyakholwa Development Foundation mainly focus on helping individuals to become entrepreneurs and for people to have the possibility of gaining employment for which they would otherwise have to move to a larger town or city.

In conclusion, the various projects and training courses run by the different support agencies in the various towns have either assisted individuals in increasing their chances of gaining employment through direct project involvement, or have given individuals self-employment through the various sewing or craft co-operatives, or through the community gardens. It is thus important to note that, by using traditional culture and/or natural resources, communities can improve their quality of life.

10.8 THE CONTRIBUTION OF DEVELOPMENT INITIATIVES TO THE ECONOMIC WELFARE OF THE COMMUNITY

In every research site, it was found that only the individuals directly involved in the various projects are gaining financially and socially. Thus, only a very small percentage of the community has benefited from the various development initiatives. Many community projects are seen as closed systems, in which individuals involved

are able to gain both financially and socially, while individuals out of the system do not gain (Nel, 2000). The solution would be for projects and development not to be closed systems but to assist the individuals in the community as a whole, as it is all individuals within a community that should, ideally, gain directly or indirectly, from a project.

During interviews with individuals involved in the various projects, it was found that these individuals used their profits to buy new implements and consumables, such as household commodities and foodstuffs. Thus, the money acquired from the various projects is either filtered back into the local community or spent outside of it. Only a small percentage of the profits filter back into the town, but it is usually already established businesses that tend to profit from the projects.

In the case of Stutterheim, the SDF has recently created employment for five youths in Stutterheim; yet, research has shown that the influence of such a development project has not impacted on individuals that are not directly involved in the project. In Cathcart, the Siyakhula Youth Catering Project employs 12 individuals and more are involved in the many community gardens and the various craft and sewing projects, which all contribute to the local economy of the town, as well as the townships. Not only do individuals gain from selling their wares to the local market but also through the UCDC, many of the wares are sold further afield, such as in Grahamstown and Cape Town. In the case of Keiskammahoek, many of the projects provide self-employment to a number of communities. Such examples include that of the maize plantation scheme, the community gardens and the rabbit project. The various education programmes, however, create potential employment skills for pupils in schools, which, in future, could contribute to the economic welfare of the community.

Thus, the community projects have had a positive effect albeit very limited. The various projects still do not positively affect the majority of poor residents that are not involved in them. As a result, the impact of these community project and development initiatives, though positive, does not make a significant impact on the economies of the towns, and greater economic revival is required. The projects only provide a basic standard of living for a very small percentage of the towns' population

and thus the economies of the towns are not dramatically impacted on. One of the main aims of this thesis was to assess the influence that the development foundations are having on the towns' economy on a whole. From the above discussion it has become clear that the work by the foundations, though praiseworthy, is not enough to improve the economy of the towns in question; they are only able to improve the lives of a very small percentage of the population

10.9 STUTTERHEIM, CATHCART AND KEISKAMMAHOEK - A COMPARATIVE STUDY

The three towns studied all provide unique insight into present day developmental thinking, in that their approaches deal with bottom-up, grassroots initiatives. In all three cases, the need was identified to further assist communities in gaining a better education through various programmes. The aim was to improve communities' education so that individuals in the community would have better chances of gaining employment. The education programmes highlighted the need to improve individuals' English language skills, which would assist individuals in the community in acquiring employment. The educational programmes also assisted the community to learn to become entrepreneurs. The importance of becoming an entrepreneur is because there are very few employment opportunities available in small towns, especially to individuals who lack a basic education. Projects also highlighted the need to use natural resources or indigenous knowledge. In many cases, communities made a living by creating gardens in which they produce foodstuffs for themselves, and sell the surplus to buy new seed and farming implements, such as hoes.

The development opportunities created by the Stutterheim Development Foundation show what can be created if a community/town follows the right paths towards development. With the financial backing the Foundation has secured, they are able to assist individuals not only in their own town but in other towns as well. The Foundation has assisted other development foundations in establishing themselves, such as the Ubuntu Community Development Centre in Cathcart, and has also assisted the Siyakholwa Development Foundations in Keiskammahoeek in establishing development initiatives there (du Plessis, B., pers. com., 2003).

In terms of the most effective development initiatives, the research shows that community gardens are receiving the least amount of external assistance, while, at the same time, providing the highest rate of employment opportunities, although the short and long-term profits are low. The positive aspect of community gardens is that they can provide enough profit to buy new seed and fertilizer, thus the projects, if managed correctly, can become sustainable. The use of various educational programmes offers pupils an added advantage when leaving school, and thus it is possible that when these pupils leave school they might have a better chance of finding employment. The other projects presented in this thesis deal with initiatives that are more complex and rely, to some degree or another, on external support to remain sustainable, such as the craft and catering projects. In conclusion, there is a need for small towns and agencies to support development initiatives that are sustainable and are not reliant on external support to remain operational.

10.10 SYNTHESIS

In conclusion, there are a number of factors that need to interact in order for there to be the possibility of small town development occurring. The main factors outlined in this chapter show that there is, firstly, the need for an individual, or a group of individuals, to work together for the common good of the local community, for without co-operation from the community, development will not occur (or will only occur at a very basic level).

There is also the need for financial assistance from the government, business or from NGOs. It is with this financial assistance that the community, or agencies supporting the community, can improve the lives of individuals. It is important to note that the different cases dealt with in this thesis handled creating employment, or potential employment, differently. In some cases, the approach was to improve the lives of the poor through education, business skills and training, while in other cases it was found that by using traditional culture and natural resources, in conjunction with practical skills training, individuals were able to improve their quality of life through direct involvement in the various project.

The main stumbling block highlighted in this chapter is that it would be financially and practically impossible to assist all individuals in a community. As stated by Buckland (1998: 238), “a common criticism of NGOs is that they are small-scale and consequently cannot seriously affect widespread poverty”. This is also the case for many support agencies, as there is not enough finance, manpower, resources or time to improve an entire community. Furthermore, support agencies can cause communities and community development projects to become dependent on external sources for financial and social support. In many of the development initiatives the communities have become completely reliant on the development foundations for funding. This is clearly a negative feature of the development foundations studied in this thesis. As mentioned by Carvajal (in Wilson, 1996: 617), “having empowered the low-income residents the NGOs have made them dependent on outside assistance, even when assistance itself is focused on providing the rod and not the fish”. In conclusion, for community development to occur there is a need to “build community from the inside out, i.e. from the individual’s realisation of self-efficacy and interconnectedness with the larger community” (Wilson, 1996: 617).

CHAPTER 11

CONCLUSION

“The problems of the rural poor, in the final instance, cannot be solved by anyone but themselves, and all solidarity efforts must be aimed at strengthening their own capacity for independent action” (Sethi, 1983 in Burkey 1993: 40).

In this research investigation, there were three main aims: firstly the research aimed to identify established literature on small towns internationally, in Africa and, particularly, in South Africa. Secondly, the research was undertaken in three small towns in the Eastern Cape and was aimed at studying the evolving historical geography of these small towns in order to explain and understand the economic, demographic and agricultural changes which have affected them since their establishment. Thirdly, the research aimed at documenting current, locality based, development initiatives taking place within these small towns, and evaluating the degree to which they are generating employment and arresting economic decline and/or taking advantage of new market opportunities. In terms of content, the third aim received the most coverage. This thesis has investigated and discussed all three aims. The literature context has been discussed, salient features in the historical geography of the three towns have been outlined and the various development initiatives in the three small towns have been discussed and evaluated. In this, the final chapter, key considerations with respect to the experience of the three towns studied and the general concept of small town revival are considered.

The three study sites: Stutterheim, Cathcart and Keiskammahoek have all shown limited improvements in their response to their former economic and social situations. Stutterheim was able to quell a seven-month boycott, which was in response to the poor health conditions in the township and also due to fears of forced removal (Ferreira, pers. com., 2003). In reply to the boycott, members of the Stutterheim Municipality worked with the community to reach a compromise, which in turn led to trust and comradeship developing amongst the mixed races residing in Stutterheim (Peter, pers. com., 2003). This trust then led to the establishment of the Stutterheim Development Foundation in 1992, which has assisted the Stutterheim community as

well as other communities in creating actual employment, through educational programmes and through the establishment of a business advice centre (Ferreira, pers. com., 2003).

In Cathcart agriculture decreased due to stock theft, which led to an economic crisis. With the assistance of the Stutterheim Development Foundation, the Ubuntu Development Foundation was established in 1998 (Feni, pers. com., 2003). It was able to create a number of employment opportunities for the community of Cathcart by using natural resources, such as community gardens and by using skills/knowledge of the inhabitants of Cathcart, they were able to manufacture a variety of craft items, which has improved the lives of the participating individuals living in the town (Feni, pers. com., 2003).

In Keiskammahoek, the closure of a mill and the failure of a large scale irrigation scheme caused large-scale unemployment, which in turn led to the outmigration of many individuals to other towns in search of employment (Mpawgeva, pers. com., 2003). Assistance came to Keiskammahoek in the form of the Siyakholwa Development Foundation, which was established in 2000 (du Plessis, B., 2003). The Foundation has generated an income for many individuals through the use of natural resources, such as community gardens (du Plessis, B., 2003).

Cathcart, Keiskammahoek and Stutterheim all provide evidence of a variety of development initiatives initiated to address unemployment in their respective towns. As stated by Southall (1988) and Wilbur (2000) diversification could be the only survival mechanism for small towns experiencing small town decline/stagnation. As shown from the case studies many different development initiatives were undertaken in an effort to create employment. The only difference is that Cathcart and Keiskammahoek have used the natural resources available to them in the creation of development initiatives. Community gardens are one such initiative using natural resources, and, at the same time required limited outside assistance. Stutterheim, on the other hand, has focused attention on implementing a number of educational programmes, which are aimed at improving the level of education for school leavers, and thus improving their employment opportunities when completing their formal education at school.

International literature on the demise or stagnation of small towns is limited. In many instances, the collapse of a small town is seen as a natural progression from start to finish. In the case where towns were created due to a natural resource availability that had subsequently been depleted, it is a reality that some of these towns could decline and ultimately collapse (Southall, 1988). International literature states that where there has been a collapse of the major economic industry of the town, the town must be able to create a new source of income that can sustain the town if it is to survive (Trager, 1988). Yet, in many instances, the decline of small towns is not realized until the initial decline has occurred. Some of the reasons for this situation are due to the lack of foresight on the part of many of the key individuals living in the town, those being prominent business individuals and members of the town council. Many of the international examples state that a town will have to use its natural resources or historical significance to improve the town's present day economy (Wilbur, 2000 and Phillips, 2003). This can take the form of creating a heritage park to show-case its history or creating tourism based on the legacy of the town. There is also a trend to use indigenous knowledge to produce traditional items of clothing (which has been shown in some of the case studies), or showcase tradition through music, theater or published literature. In an African context, when attempting to improve the economy of stagnating/collapsing towns, many individuals go 'back to basics' and deal with what they know instead of relying on new technology and new development initiatives (Southall, 1988). This can be seen in the various community gardens, the maize scheme and the creation of traditional craft and cloth items, mentioned in the case studies.

The case of Stutterheim shows that, through co-operative work with the community, positive steps could be undertaken to uplift the poverty stricken township on the outskirts of Stutterheim. The history of Stutterheim, as mentioned above, depicts a racially segregated community instituted by the South African apartheid and earlier governments. The work done by the SDF and the Stutterheim Municipality, with the assistance of financial aid from many local, and international donor agencies, shows that there has been a limited improvement to only a number of individuals in the Stutterheim region. The SDF has also been able to assist other towns such as Cathcart and Keiskammahoek in creating employment.

The case of Cathcart shows great similarities to that of Stutterheim, because it was through the work of the SDF that the Ubuntu Community Development Centre was established in the Kati-Kati Township outside Cathcart in 1998 (Peter, pers. com., 2003). The UCDC was created as a satellite centre by the SBAC. This was because the SDF realized that there was an urgent need for social and economic upliftment in Cathcart, as the unemployment level was high and without outside assistance, the situation would get worse (Feni pers. com., 2003). Through the early intervention by the SDF, in the creation of the UCDC, there has been limited social upliftment. Since its establishment, the UCDC has created over 72 employment opportunities and many other employment spin-offs (Feni, pers. com., 2003).

These employment opportunities have been created through the vision of the two permanent members of the UCDC who have incorporated local indigenous knowledge, in the form of traditional clothing and beadwork, traditional farming (to create community gardens) and traditional cuisine, to improve the lives of many of the individuals of the Kati-Kati and Daliwe townships which surround Cathcart (Feni, pers. com., 2003). Some of the projects highlighted by the UCDC include: the Sibanye Catholic Sewing Project, the Sibanye Catholic Community Garden, the Siyakhula Women's Sewing Project, the Siyakhula Youth Catering Project, the Ubuntu Eastern Cape Craft Centre, and the Cathcart Tourism Craft Centre (Bara, pers. com., 2003). Through these projects/centres/community gardens individuals have been empowered and have become inspired to believe that there are employment possibilities, even for individuals without adequate skills or education (Feni, pers. com., 2003).

This positive response from the community shows that there are real, but limited, possibilities for communities that are in need of employment creation. In the case of Cathcart, the role played by the UCDC is critical for the survival of the many projects, as it is through the UCDC that many of the sewing and craft co-operatives are able to sell their wares; for example, without the financial assistance of the UCDC, the many craft items and traditional clothes would not have been sold at the Grahamstown Arts Festival in 2003.

The case of Keiskammahoek differs from Stutterheim and Cathcart, as the Siyakholwa Development Foundation was established in 2001 without the assistance of the SDF. Hence, the Foundation's creation and development was spawned through the organisation and development initiatives of two, initially inexperienced, individuals. The uniqueness of this example shows that the possibility of creating development, even without prior experience, is possible. Since the establishment of the Development Foundation, its members have created employment opportunities through the use of the natural resources available, using and them to create an income. Some of these development initiatives include that of community gardens, maize schemes and growing exotic trees.

The three case studies of Stutterheim, Cathcart and Keiskammahoek show that there is a need for a central organisation or group that will provide assistance, both financial and social to assist the disadvantaged population in acquiring employment. But the financial assistance of the development foundations must not cause the community or development initiatives to become reliant on this aid. In Stutterheim, the Stutterheim Development Foundation's aim was to potentially improve the lives of many of the people living in the region of Stutterheim by improving education levels, marketing skills and by improving the lives of individuals through community health programmes and urban and rural development. The Ubuntu Community Development Centre in Cathcart offers training courses which have been shown to positively improve the lives of the individuals taking part in the courses. The Foundation has also used natural resources to create community gardens and traditional knowledge to create traditional clothing and craft items. The Siyakholwa Development Foundation in Keiskammahoek assisted the community by running financial management programmes and using natural resources to provide potential sustainable development initiatives such as the various community gardens and maize schemes.

In all the cases there have been positive results for the individuals that were directly involved in the projects, but this is ultimately only a very small percentage of the towns' population. With this in mind and from the evidence above, the different development foundations have not been able to address the real issue of small town revival. The study of small towns in the Eastern Cape has revealed that these towns

generally have an unstable economy which is reliant on only a very few major businesses. With the closure of a major business or a change in the agricultural sector, the economy of the town could decline causing unemployment to rise resulting in the out-migration of the unemployed to other towns/cities in search of work. The study has shown that small towns have been overlooked as places of academic study and also as an important link between the rural farming regions and the larger cities. The various foundations have been able to address the needs of only a very few individuals compared to the many thousands of individuals still unemployed and living in poverty. With this in mind it will be very difficult for development agencies, the national government and NGO's to improve the lives of the majority of the individuals living in small towns around the country. Future policies and practise will have to focus on introducing large-scale industries or other forms of employment as these would be the only way of improving the lives of the poor.

When visiting some towns, one can see that there is very little occurring in terms of industry and that it is slowly stagnating and the town itself is becoming dilapidated. The people living in these towns believe that only money from outside can save the town and it is believed that only with financial assistance from government or from N.G.O's that something will happen. Yet, this is only partially true, there is a clear need for money, but more importantly, there is a need for the community to work together to improve the town and improve the lives of the people living in the town. Money can only get people so far, and then it is up to the people in the town whether they will be able to make the changes that are needed if the town is to survive in the future.

One of the most important aspects is the need to listen to the people of the town and find out what they believe is the problem with their town is. Once this has occurred, then there is a need to identify ideas and solutions, highlighted by the community, which can then be used to improve the situation of the town. It is then imperative to listen again to the needs of the community and once ideas and solutions have been identified, the community must agree and listen to each other so that they can work together to uplift their lives and the life of the town. This can be seen in Stutterheim, where residents from the town of Stutterheim listened to the inhabitants of the townships and as a result, all the members of the town and township derived some

degree of benefit. Not only is it important for the community to listen to each other, but it is also important for the community (civil society) to listen to the government and vice versa, for very little will occur if the government does not listen to the community and if the community does not take note of the ideas and solutions that the government could provide for the community.

One of the most valuable aspects of small town development is the need for the community to work together to improve their lives. The situation of a town will not improve with only one person, even if there is a lot of money. There is a need for the community to understand what needs to be done to encourage upliftment, as each town represents a unique challenge. Only through tapping into social capital can individuals of a town improve their present situation and cause economic and social change. Survival is the key strategy for many of the worlds poor. South Africa has had a long history of racial discrimination and inequality. This prolonged history of racism has caused, in many parts of the country, a lack of basic services and infrastructure. This, in turn, has led to the decline of rural areas and small towns and caused rural poverty to increase.

The lessons that have been learnt up to the present are that there must be an understanding between external support agencies and the community who will potentially benefit from development. At the same time, development must carefully consider the political and economic circumstances that people live in. A broader framework is needed for community-based empowerment, and the idea that the NGOs and/or government can work together with the community to eliminate poverty must be promoted.

In the light of the fact that small towns are generally located in rural regions and are characterised with a high population and a low level of employment there is a need to improve the economic conditions of the town through large scale initiatives. In the case studies the development initiatives have not been able to assist the town as a whole in its economic upliftment and have only financially assisted the individuals involved in the projects. As a result, the national and local government should focus there energies in creating larger projects which might incorporate the use of

traditional clothing and craft work. This is because there is presently a national and international market for African traditional items (Feni, pers. com., 2003).

For the government, NGOs, or support agencies to work in South Africa, and indeed in the Eastern Cape, there is a need for a long-term vision. In the past, projects have been shown only to become 'successful' if a project has been going for a number of years. There seems to be no shortcuts in poverty alleviation and the upliftment of small towns; the only way of being successful is in the form of a partnership between the community and outside assistance.

The key to success for development agencies is that they are not focused on one development initiative; they must diversify so that there are many potential employment opportunities available to individuals involved in a development project. What has been learnt from this study is that the development foundations studied are successful in creating employment and potential employment for only a small number of individuals. They, as well as the national and local government have not been able to address the unemployment needs of the many thousands living in small towns and rural areas.

There are many problems facing South Africa when it comes to poverty elimination and the creation of sustainable 'employment', be it formal or informal job creation. This research has, through the investigation of small towns, focused on a few points that can be addressed to assist small towns in the future. It is not an easy task to uplift small towns in South Africa; in some cases, due to poor road infrastructure, lack of resources and the lack of hope by local residents, the task is almost impossible. The utilization of natural resource in the creation of employment opportunities is starting to assist communities to help themselves in slowly becoming self-sufficient. This is an encouraging sign: development and job creation are possible as long as development follows certain paths, but one must always remember that when intervening in a community there is a possibility of disturbing its dynamic – and not always positively.

CHAPTER 12

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