

**THE CHALLENGE OF SUSTAINABLE LAND-BASED LOCAL  
ECONOMIC DEVELOPMENT IN POOR COMMUNITIES OF SOUTH  
AFRICA: THE CASE OF GROBLERSHOOP, NORTHERN CAPE**

**A thesis submitted in partial fulfilment of the requirements for the degree of  
Masters Philosophy (Land and Agrarian Studies)**

**Gail Denise Parker**



**Programme for Land and Agrarian Studies (PLAAS)**

**Faculty of Economic and Management Sciences**

**University of the Western Cape (UWC)**

**November 2004**

## DECLARATION

I declare that *'The Challenge of Sustainable Land-based Local Economic Development in Poor Communities of South Africa: The Case of Groblershoop, Northern Cape'* is my own work. All other sources, used or quoted, have been indicated and acknowledged by means of complete references. This thesis has not been submitted for a degree at another university.

Gail Denise Parker

November 2004



Signature

.....

Supervisor: Dr. Thembela Kepe (University of the Western Cape, South Africa)

## ACKNOWLEDGEMENTS

I would like to thank those who supported me, through their advice; assistance; and prayers, during the course of this research. Thanks are due to my heavenly God and Father through whom all things are made possible.

A very special word of thanks to my supervisor, Dr. Thembela Kepe, who believed in me and kept me motivated. Dr. Kepe took time out of his very busy schedule to come to Kimberley to assist me. Most of all, I am appreciative of the support, guidance and pep talks.

Also to my husband Nathan, for encouraging me and taking over the domestic responsibilities at times. Thanks to my friend Rene Whiteman, my mother and the extended family for believing in me.



I am also particularly grateful to the mayor, councilors, municipal staff and community members of the !Kheis Municipality for trusting me and supplying me with the relevant documents. I also wish to thank the community members for allowing me into their homes and sharing their dreams and frustrations with me.

Many thanks to those at the provincial office of the department of Land Affairs in the Northern Cape who allowed me access to their files and availed themselves for interviews. Finally, I would like to thank Mr. Man Siganda, the LED manager at the Sol Plaatjie municipality, who supplied me with most of the secondary literature on the development strategies of the Northern Cape province.

## **ABSTRACT**

### **THE CHALLENGE OF SUSTAINABLE LAND-BASED LOCAL ECONOMIC DEVELOPMENT IN POOR COMMUNITIES OF SOUTH AFRICA: THE CASE OF GROBLERSHOOP, NORTHERN CAPE**

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MPhil Thesis (Land and Agrarian Studies)

Since the advent of South Africa's democracy, there have been many pressing questions; one of which has been: 'to what extent has the newly found political and civil freedoms, which is guaranteed for all South Africans, translated into an a more economically-viable life?' This research investigates whether local economic development (LED) interventions necessarily improve the livelihoods of poor communities. More specifically, the goal of this thesis is to explore some of the reasons why land-based economic development interventions often struggle to meet their main objective of improving the livelihoods of local poor people. It is hoped that the findings of this research will assist policymakers and local economic development planners in making more informed decisions.

Using a qualitative research methodology, a three- pronged approach is adopted to address the key goal of this thesis. First, a review of the literature on LED was conducted: a comparative study into its origins in wealthy, developed countries; and the experiences on the successes and failures of LED as a developmental tool. Secondly, a review was made of the experiences of the application on LED approaches in a South African context, with special reference to the policy and support of LED strategy. Thirdly, a case study of Groblershoop, which is in the Northern Cape, is presented. It focuses on LED that is based on land, and the role that it plays in the livelihood approaches of poor people. In conclusion, it is posited that while the potential of land-based LED is not disputed, the implementation of such strategies are often inconsistent with the overall objective of poverty alleviation and economic development. For this reason, local

municipalities will not be able to do this without clear policy guidance; institutional capacity-building; inter-sectoral collaboration of political ‘champions’ to drive the process; and real empowerment of the beneficiaries whom the projects are supposed to assist.



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## CHAPTER ONE

### 1.1.INTRODUCTION

As one way of redressing the racial imbalances caused by the apartheid policies, the post-apartheid government has committed itself to, amongst others, building local economies and creating jobs (ANC, 1994). In line with this commitment, the new government – which is led by the African National Congress (ANC) – has put in place the legislative framework that should enable people to create better lives for themselves. As the country enters its second decade of democracy and freedom, it is perhaps the most appropriate time to evaluate whether the government has made any significant gains in its goal of improving the lives of its poorest citizens. A crucial question since the advent of democracy in South Africa is ‘to what extent has the newly found political and civil freedoms, which is guaranteed for all South Africans, translated into a more economically-viable life?’ If the remarks of the Minister of Finance (1994 to 2004 and then appointed to serve another five-year term in 2004), Trevor Manuel, are true, in which he stated that “the policies have thus far not generated the anticipated levels of development,” (Sunday Times, January 2000, as quoted by Nel and Binns, 2001), then there is a need to investigate why this is the case.

It is common knowledge that the ANC-led government inherited a country with a very skewed economy. Most, if not all, of the crucial economic resources of the country are concentrated in urban areas, while very few economic activities and resources are found in their rural counterpart. This has led to minimal or no growth taking place in rural towns. It is therefore not a surprise that almost 70 percent of the country’s poorest people reside in rural areas (Aliber, 2002). Poverty manifests itself in various forms in communities. However, what is very common to all poor communities in South Africa is the fact that they have limited opportunities for economic development and have thus become trapped in a poverty circle (Tickamyer,

1990). The only way of addressing poverty is economic growth. Hence the response of government to this “retarded economic development” (Binns and Nel, 2002), became the policy of local economic development (LED). This policy gives life to the mandate given to local municipalities by the Constitution, which is “to promote social and economic development” (Section 152 of the Constitution of the Republic of South Africa, Act 108 of 1996). According to Mokate (2002), it is based on the assumption that intervention by local governments; its communities; and private sector partners, can assist in creating an environment and infrastructure that is conducive for soliciting investment that could enhance economic growth. The challenge that this research wishes to explore is to what extent this is in fact possible or even true. In other words, this study seeks to establish whether LED interventions can necessarily bring about improved livelihoods of poor communities. A further challenge was to determine the extent of successful achievement of local economic objectives in towns where land and an abundance of unskilled labour are some of the very few resources that are available for improving local economies. These questions were asked in the context of studies that show that “local economic development strategies can, and often do, fail poor communities” (Mokate, 2002:6). This is in spite of the fact that LED is regarded as *the* tool to develop poor communities. This notion originates in countries in the northern hemisphere (Nel 2001), where it was seen as a “response to the so-called development impasse. Countries in the southern hemisphere, South Africa in particular, adopted a similar approach. Today, LED “enjoys wide acceptance and credibility” (Nel, 2001).

The Northern Cape is the poorest province in the country and is outdone only by the Eastern Cape and Limpopo provinces. It therefore serves as the case study area best suited for this investigation. Amongst other things, this province has abundant land that is sparsely populated (Makweya, 2004). It therefore made sense that land-based local economic development strategies should be the focus of this study. The study made the assumption that when local municipalities develop their Integrated Development Plans (IDP), as prescribed by the Municipal Systems Act (Act No. 32

of 2000), insufficient consideration is given to the potential that land has in stimulating and sustaining the local economy. At present inadequate resources are channeled into land and land based economic activities (Andrew, Shackleton & Ainslie, 2003). If “land reform will play a major role in increasing the abilities of rural people to become economically productive,” (Department of Constitutional Development, 2000), then surely there is enough reason to ensure that LED interventions are sustainable.

Given the fact that local economic development is still relatively new to local municipalities and is somewhat “fashionable” (Binns and Nel, 2001), the questions that this research proposes to answer are:

- How do municipalities ensure sustainability of local economic development initiatives in poor rural communities where land is one of the very few available resources?
- Are there any success stories that could be used as best practice models for local rural municipalities to emulate?
- What opportunities are there and what challenges face land-based local economic development strategies in small rural towns?

## **1.2. AIMS AND OBJECTIVES**

With the background presented above, the main aim of the study is to explore some of the reasons why land-based economic development interventions struggle to meet their objectives of improving the livelihoods of local people. In exploring this, specific reference is made to the town of Groblershoop in the Northern Cape province.

The following specific objectives were set for this study:

- To document the livelihoods profile of the local community and determine whether land-based livelihood strategies are key to their survival strategies;

- To determine to what extent the Northern Cape province’s provincial economic growth strategy incorporates land-based local economic development;
- To present a review of the local economic development strategy of the local municipality of Groblershoop and to document and analyze aspects that largely rely on use of agriculture and related activities; and
- Based on the review of existing projects, this study examines key opportunities and factors that impede the successful attainment of land-based local economic development objectives

### **1.3. RESEARCH DESIGN**

#### **1.3.1. Rationale for the Choice of the Case Study Area**

Groblershoop is a small farming town. It is situated approximately 320 km North West of Kimberley, which is the provincial capital; and 120 kilometers from Upington<sup>1</sup>. The area falls under the Siyanda District Municipality, which is fondly referred to as the “Green Kalahari”. Groblershoop is situated in the middle of the three main districts of the Northern Cape. These are: the Karoo, which is well known for its lamb exports; Siyanda, which is a grape exporting region; and the Frances Baardt region, which is well-known for its diamond exports.

The survival of the local economy of Groblershoop is straddled between the irrigation of lucern and grapes, as well as sheep and goat farming. The local municipality together with the provincial government has attempted numerous projects to stimulate the growth of the economy in the area –which is largely based on land and agricultural activities – in order to address the problem of unemployment and chronic poverty<sup>2</sup>. These projects have had mixed results. While some are barely succeeding in providing jobs to a small number of people, others have failed dismally.

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<sup>1</sup> Upington, which is the seat of the district municipality, is well known internationally for its grapes that are exported to Europe.

<sup>2</sup> Households or individuals are understood to be in chronic poverty when their condition of poverty endures over a period of time (Aliber, 2001).

Groblershoop therefore provides a microscopic view of what is generally happening in towns throughout the Northern Cape, with regard to local economic development and poverty alleviation interventions.

It is my opinion that an in-depth study of the situation in Groblershoop and a thorough understanding of what is happening at the level of planning and implementation of LED initiatives, would provide valuable lessons for all who are working in the Northern Cape province in the area of LED. During my initial information gathering in preparation for this thesis, it was conveyed to me that the district municipality of Siyanda had recently commissioned a consultancy company to develop a local economy strategy for the district. The consultants found that !Kheis municipality, in which Groblershoop is located, was the most problematic municipality to work with. It is hoped that, through further investigation and research, a better understanding will be gained of the underlying problems that may frustrate development.



Having worked in Groblershoop for a while, there already existed a relationship between myself and the local community leaders. The consultants that have been commissioned to develop the LED strategy had also expressed their willingness to share the information they gathered from their own research. An added advantage was the fact that I had worked with both the mayor and municipal managers of !Kheis and Siyanda respectively. This background was of valuable assistance to the study. The target group for the research was community members involved in various government (i.e. local, provincial) LED initiatives; elected members of the local; and district municipalities, as well as the officials who worked on these projects.

It was expected that the study that was conducted by the consultants, which will become a public document when the district municipality council adopts it, would be a valuable resource. However, this was not the case as the documents were not ready at the time of completion of the research. Other studies that were conducted on the

area and its LED potential are the provincial economic development strategy (when adopted officially), as well as the studies conducted by the provincial departments of Housing and Local Government. The provincial department of Agriculture has also developed an agricultural economic development strategy. As much as these studies may not have specifically focused on Groblershoop, it was expected that they would have looked at the Siyanda District Municipality and would have given some insight as to what the long-term plans are for LED in the area. Regrettably, this was not the case. It then limited the study to draft strategy documents and interviews with the relevant stakeholders.

### **1.3.2. Summary of Methods**

This study relied extensively on the qualitative research method. It included:

- A review of literature on Local Economic Development;
- A review of provincial and local governments' LED plans and strategies;
- A review of Integrated Development Plans (IDP) of the Siyanda District and the Groblershoop local municipalities;
- A review of project plans and evaluations;
- Semi-structured interviews with target groups (e.g. project beneficiaries, government officials, municipal manager, town mayor, etc);
- A focus group-style interviews with key stakeholders; and
- Internet searches for information on the case study area and additional information on LED

An initial literature review was done in order to place into perspective the argument of the potential of LED to stimulate economic growth and thereby alleviate poverty. A brief reflection was also made on the international experiences of LED interventions and the current local practices within South Africa.

The method used was most suited for the research as it allowed for “analysis early in the research project, while still collecting data,” (Neuman, 2000). By analyzing the data as it was collected, the researcher was guided into further data collection. Some insights gained from political leaders in the Groblershoop area on the available information were not as clear and concise as expected. This necessitated some changes in the approach used. The researcher was therefore compelled to compare the information gained from political leaders with the documented LED plans as presented in the IDP of the municipalities.

The purpose of group discussions was to get a better understanding of what people really felt about land-based LED initiatives as they are being implemented by government. It also allowed for the understanding as to how community members perceived the successes or failures of such projects. Since land is a highly emotive issue, the qualitative research approach was able to uncover the people’s emotions and their thoughts on the potential of land to facilitate LED in their specific area.

As cautioned by Strauss and Corbin (2001), researchers who use qualitative research methods must be “flexible”, which is what this researcher has tried to be. There were no rigid questions set out before the commencement of the interviews, rather some thematic areas were covered such as: the value of land in the Groblershoop community; and LED focus areas in the region and in Groblershoop in particular; etc. The initial interviews held with politicians and municipal officials greatly assisted the researcher with further guidance on questions to be asked in interviews with the specific target groups.

#### **1.4. SIGNIFICANCE OF THE STUDY**

Politicians, government officials, and community leaders alike are grappling with the problem of stimulating local economic development throughout the Northern Cape

Province. Many projects are started and significant amounts of resources are pumped into them. Yet it has become a phenomenon in the province that as soon as these projects are launched, they collapse without producing any outcomes. Alternatively, the custodians of these projects – which in this case is the government – have to constantly provide more funding so as to ensure the continuation of these projects. Furthermore, land is one of the resources that the province has in abundance. It is believed that although the Northern Cape only constitutes 2% of the country's population, it accounts for 30% of the landmass of the Republic of South Africa (Census 2001). Due to this fact, development practitioners in the province generally include land and land-use as the basis for many economic development projects.

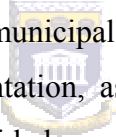
This study is aimed at shedding light on the reasons why land-based LED projects in the Northern Cape Province are not as successful as policy makers and planners had envisaged. Hopefully, the findings will assist policy makers and LED planners in making more informed decisions. The provincial Department of Agriculture and the regional office of the Department of Land Affairs are currently collaborating on land reform projects that would enable poor communities to create sustainable livelihoods for themselves. It is further intended that this study should assist the said departments by identifying the factors that impede on the successful implementation of projects for the achievement of objectives. Community leaders and non-governmental organizations alike may also find the findings of this study useful. Not only does it hope to highlight the objective reasons for the failure of projects, but this study also attempts to identify the attributing subjective reasons (community relations and dynamics).

## **1.5. LIMITATIONS OF THE STUDY**

The study faced several limitations. Firstly, it was premised on the assumption that a comprehensive economic development strategy exists at both the provincial



government and local government levels. Furthermore, since the province of the Northern Cape is predominantly rural and much of the economic activities of the small rural towns are based on agricultural activities, it was expected that these economic development strategies would make mention of land and land-use in stimulating LED. As it will further be elaborated on in Chapter Four (See Sections 4.2 and 4.3) of this thesis, it was discovered that these documents do not exist both at local and provincial levels. While the provincial government does have a draft provincial economic development strategy, this document is currently being reviewed as part of the Provincial Growth and Development Strategy process. This has limited the extent to which the questions regarding the provincial government and municipality's recognition of the potential of land-based LED could be answered.

Secondly, the study was conducted at a time when there was immense fluidity and insecurity at both political and administrative levels in government. A considerable part of the research focused on  municipal officials responsible for economic development planning and implementation, as well as local political leaders who were responsible for LED. This provided a possible threat that the new incumbents would completely discard the plans of their predecessors, which will in turn impact on the degree of continuity and assessment of the project. An advantage is, however, that there will be no local government elections for at least 18 months<sup>3</sup>.

Thirdly, the fact that 2004 and 2005 respectively, are years when national and local elections were and will be conducted, some community members could have seen this research as an electioneering attempt by government and therefore possibly not truthful in their responses when interviewed. While some were very positive towards the government, others were very outspoken about its failure to deliver on its election promises and continued support for community initiatives. However, the researcher

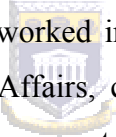
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<sup>3</sup> The next local government elections are expected to be held in 2005 (date to be announced by the President).

has tried to do everything possible to fully explain the purpose of the study before any interviews were conducted.

Fourthly, this study relied extensively on government reports of projects implemented by particular departments. Since government departments are known for not being too responsive when requested to avail information (especially when projects have failed), some difficulty was experienced in obtaining the relevant information.

Fifthly, in the absence of a higher education institution and a decent library in the Northern Cape, a significant limitation was experienced in doing a literature review. Since LED is relatively new in South Africa, it was difficult to find literature that provided some assessment of the failure and successes of, in particular, land-based local economic development initiatives.

Finally, the fact that the author has  worked in the Groblershoop community as an official of the Department of Land Affairs, community members expected her to respond to questions of continued government funding and support for existing LED projects. She was also required to make certain commitments on behalf of the department of Land Affairs that more land will be purchased for the communities.

Due to the nature of the subject matter of this research and the potential limitations mentioned above, this study has limited itself to qualitative research methods such as interviews with specific target groups and reviews of secondary documents.

## **1.6. THESIS OUTLINE**

The thesis is divided into five chapters. Following this introduction, which comprises the **Chapter One**, a summary of key issues discussed in each of the remaining five chapters is presented. These are as follows:

**Chapter Two:** This chapter discusses poverty alleviation strategies, by exploring in some detail the strategy of Local Economic Development. More specifically, it reviews LED as reflected through international experience and current local practice in South Africa, highlighting issues that either enhance or impede successful implementation in poor areas.

**Chapter Three:** This chapter gives a detailed description of the case study area, Groblershoop, and the locality on which empirical components of this thesis is based.

**Chapter Four:** This chapter gives a description of the Northern Cape provincial government's economic development strategy, and then locates the economic development strategy of Groblershoop within the regional and provincial strategy. Finally, the chapter looks at specific examples of land-based economic development projects in Groblershoop.

**Chapter Five:** This chapter presents a summary of the issues that emerged from the study conducted. It also presents the research and policy implications emerging from the study.



## **1.7. CONCLUSION**

This introductory chapter has described the context in which this study was conducted. It also gave a brief background on the need for local economic development and why it has to be linked to land in rural towns. The challenge for local municipalities is to ensure that the design and implementation of land-based LED projects meet their intended objectives. With the advent of the second decade of democracy, the emphasis of government will be placed on 'delivery' and local municipalities will do well to bear this in mind in their local economic development initiatives.

The next chapter therefore investigates LED as a developmental strategy in more detail. It looks at the international experiences of LED and make a comparison with similar approaches in South Africa.



## **CHAPTER TWO: LOCAL ECONOMIC DEVELOPMENT (LED): A REVIEW OF THE CONCEPT**

### **2.1. INTRODUCTION**

In the previous chapter the research problem, as well as the aims and objectives of this study were presented (See Chapter One). That chapter highlighted the challenge of poverty which continues to haunt many South Africans, and how alleviating it, through various strategies, constitutes one of the key policy goals of the post-apartheid government. This present chapter seeks to continue the discussion on poverty alleviation strategies, by exploring in some detail the strategy of Local Economic Development. More specifically, the chapter reviews LED as reflected in international experience and current local practice in South Africa, highlighting issues that both enhance or impede successful implementation in poor areas. While recognizing that a range of factors mediates any success or failure of a LED strategy, including geography and social and political issues of people involved, an exploration of global common trends could prove helpful in understanding local practice.

This chapter is divided into four main sections. The next section presents a global overview of the emergence of LED, in both wealthy and poor countries. The second section looks at the realities of using LED approach for uplifting poor communities. The third section reviews broader principles of LED approaches in South Africa. This is followed by a section focusing on land-based local economic development strategies in South Africa's poorest areas. The last section presents conclusions.

## **2.2. THE EMERGENCE OF LOCAL ECONOMIC DEVELOPMENT: A GLOBAL OVERVIEW**

Local economic development, which is a relatively new development strategy in South Africa, has been practised for a while in wealthy countries around the world (e.g. the United States of America and the United Kingdom). While the reasons for the adoption of local economic development strategies in both wealthy and poor countries are many and varied, Nel (2001:1004) traces this move to “the so-called development impasse”. More specifically, this came about as a direct result of the slump in the economic growth of industrialized countries after World War II (Geddes, 2004). The downward spiral of the economies of these industrialized countries placed a lot of pressure on governments, especially local government, to become more innovative in trying to attract investment. According to the Municipal Services Project (2001), the decline in economic growth in the global economy, which started in the 1970’s, necessitated local authorities to become more entrepreneurial. This resulted in a phenomenon that is referred to as “place marketing”. “Place marketing” generally encourages local government structures to compete with one another in order to attract investment from outside by promoting their respective economic advantages.

The Municipal Services Project (2001) further argues that, since the traditional top-down planning policies and initiatives of government have failed to achieve meaningful national development objectives, a shift in policy has changed the focus to target disadvantaged, underdeveloped areas. The intention of the policy shift was to create favorable conditions such as subsidies and grants, aimed at luring investors to areas that were once deprived of direct investment and subsequent economic growth and development. This approach was commonly known as “smoke-stack chasing”. However, this approach failed to achieve its intended objectives. Instead, according to Ewers and Allesch (1990, in Nel, 1994), it left behind “cathedrals in the desert”. According to Nel (1994), private investors remained reluctant to invest in

poor areas, resulting in a situation where these local governments had to make a further policy shift. This shift focused on local leaders and members of the communities playing a more pro-active role in determining the form and content of local economic development initiatives. In countries such as Britain, the notion of community-based bottom-up LED became more prominent and widely acceptable in the early 1980's (Turok, 1989 in Nel, 1994).

According to Geddes (2004), local economic development in the United Kingdom and the European Union emerged in the 1980's as a response to the growing problems of unemployment caused by economic restructuring and industrial decline in old areas. This took the form of closer interaction and co-operation between local government, community-based groups, and trade unions. This interaction was premised on the notion that greater government and social interaction would promote sustainable job creation. As a result, co-operatives and community businesses were established. A number of enterprise zones, urban development corporations and enterprise councils were established. These initiatives were all underpinned by comprehensive training for community members in various disciplines of business and skills development. In the early 1990's these LED initiatives were further entrenched by the establishment of government funds such as the "Single Regeneration Budget and the City Challenge" (Geddes, 2004).

Geddes (2004) continues to argue that the European LED approach focused on three key principles. Firstly, it emphasized the stimulation of community-based enterprises. Secondly, it envisaged government having a particular role of providing resources for these local initiatives. Thirdly, extensive training underpinned most of these community-based initiatives.

The experiences in North America were not very different from those of Europe. According to Dewar (1998), LED emerged and became fashionable in the USA in the early 1970's as a response to a decline in economic growth, and also as a tool to

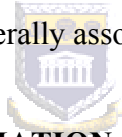
stimulate economic growth. These initiatives were especially directed at areas situated outside large cities. Intervention programs initiated by government took the form of loans, grants and tax breaks. Many important lessons can be learnt from the USA experience, some of which will be elaborated upon later in this chapter (See section 2.3 for more details).

While LED in African countries has very much taken the same evolutionary route as in the wealthy countries (Nel, 2001) where the lack of external investment and declining economy necessitated an inward looking approach, the African experience of LED is premised on the strategy of self-reliance. According to Nel and Binns (1999), the importance of local control and empowerment, together with a reliance on local initiative and resourcefulness, are some of the key characteristics of LED initiatives in African countries. While LED between the “two worlds” (rich and poor) appears to be very similar, there are differences in so far as the scale and focus are concerned. In the wealthy countries, for example, LED focuses on investment, big business support and large project development undertaken by relatively well-resourced local agencies. On the other hand, LED initiatives in many Third World countries often take the form of “community-based initiatives, utilizing indigenous skills and seeking primarily to ensure survival, rather than participation in the global economy,” (Nel and Binns, 1999). Nel and Binns further argue that the reasons why the self-reliance approach adopted by many African countries proliferated as a means to stimulate local economic growth, was a basic response to the structural adjustment; debt crisis; drought; war; civil strife; and the failure of top-down development schemes as experienced in these countries. These issues have forced many African countries to look at their own resources and skills to cope with the harsh realities of poverty and underdevelopment.

This notwithstanding, developing countries in Africa are further challenged by the impact of globalization and decentralization on the LED policies that they adopt. Ballard and Schwella (2000: 737) argue that while “globalization could facilitate



economic and social upliftment in the communities served by local government”, their study of seven metropolises in South Africa showed that local government in South Africa has been isolated from international relations for a long period. Their findings reveal that many of these metropolises have not developed specific strategies on globalization. Additionally, some metropolitan municipalities “were still debating as to whether to proceed with an international relations policy ... as it was felt that the focus should be placed on local economic and social development (2000: 745). If this is true for large municipalities that have relatively better skilled staff, more resources and less developmental backlogs, it would be unrealistic to expect small rural local municipalities to develop policies and strategies on globalization and how they intend to harness the opportunities it presents. As it is shown later in this thesis, rural municipalities are struggling to develop coherent policies on dealing with foreign investors who are constantly looking for opportunities within specific municipal areas. Consequently, these municipalities are not benefiting from the potential economic gains that are generally associated with globalisation.



### **2.3. LED AND POVERTY ALLEVIATION: A REALITY CHECK**

Local economic development is generally accepted to have the potential to stimulate growth and create the much needed job opportunities in poor communities. However, international experience indicates that there are relatively few instances where it has led to poverty alleviation (Rogerson, 1999). This is further illustrated by the findings of Dewar (1998), in her evaluation of LED programs in the United States. In this evaluation of the Minnesota Economic Recovery Fund, she argues that such programs do not achieve their explicit goals and have little influence on the level or distribution of economic growth (Dewar, 1998). A more alarming finding is that areas designated as distressed areas are less likely to benefit from these programs or interventions. While some explanations for this failure centers around the lack of understanding on how to stimulate growth, Dewar (1998) argues that this is not completely true. Her analysis points to particular political imperatives that determine where funding would

be channeled. According to Dewar, the requirements of public office prompts elected officials to act in ways that are inconsistent with achieving the explicit goals of programs to encourage economic growth or to redistribute growth to poor areas. Even though politicians feel responsible for their constituencies, and support programs that will bring about real economic growth, they are not able to influence the employment and income of workers. This is the onus of business owners, who decide where they will locate their businesses; the levels of investment; the number of people they will employ; as well as how much people will be paid (Dewar, 1998). This exposes the politicians to the danger of becoming pawns of business leaders and thereby perpetuating the skewed economic development.

The Minnesota case study is particularly important because it highlights the need for politicians to be vigilant and to make wise choices. LED can be used as a tool for politicians to ensure their re-election, or it can be applied to truly benefit the people whom the program purports to be assisting (Dewar, 1998). Another danger, as shown in the Minnesota example, is that if local economic development initiatives do not respond to the needs of the political leaders, they stand to lose their funding (See Cousins and Kepe, 2004). Due to the fickle nature of politicians, and the fact that they are very dependant on popular support, it is very easy for programs to be stopped or changed at any sign of public opposition (Dewar, 1998). However, Nel (2001) shows that when LED initiatives develop as an endogenous response to market failures, it can ensure the economic survival of poor communities. Although LED does not have the ability to “propel” poor communities into the mainstream economy, Nel (1994) acknowledges that “in areas with limited economic prospects,” it can provide much needed employment opportunities, which can become sustainable if they are supported adequately.

## 2.4. LED IN SOUTH AFRICA

The post-apartheid government has inherited a national economy that had been stagnant for many years (Makweya, 2004). The government's anti-poverty strategy was first articulated in the White Paper on the Reconstruction and Development Program (RDP) in 1994. It proposed several areas to be addressed in order to achieve notable transformation of the South African society. This development strategy was premised on the principle of community-based development. It stressed the importance of empowering local communities in all areas of the country, in order to undo the skewed development created by years of Apartheid development strategies (Government of South Africa, 1994a). It is also important to note that the principles of LED are contained in the RDP (See Nel, 1997; Government of South Africa, 1994a).

In South Africa, the LED policy focused on joint ventures between government, the private sector and local communities. The element of survival and self-reliance on indigenous technical knowledge, production systems and livelihoods are key characteristics of the strategy (Nel, 1999). According to Nel (1999), the single most important purpose for LED in many poor (rural) communities is to make a living in order to survive, rather than to participate in the global economy. LED also features prominently in the country's Urban and Rural Development Strategies. Some of the key principles underlying the LED strategy in South Africa include the following:

- Job creation and poverty alleviation;
- Targeting previously disadvantaged people, marginalized communities in rural areas;
- Community involvement and local leadership; and
- Use of local resources and skills

There is, however, no single definition and interpretation for LED, hence the confusion in policy and implementation (Nel, 2001). Despite the fact that policy positions of government, the private sector and community groups are in place, there are not many successful LED initiatives that are documented in South Africa. The case of Stutterheim in the Eastern Cape (See Nel, 1994) is perhaps a unique one<sup>4</sup> in that its LED strategy has been noted by Nel (1994) as a success. Even then it is important to understand these different policy positions of the different sectors of society in South Africa.

Firstly, the Urban Foundation, which is a policy think-tank for the private sector, suggests that LED in South Africa should follow a similar route as wealthier countries. It calls for local authorities to abandon their traditional managerial stance, but instead to become more entrepreneurial in the manner they approach their developmental mandate (Mawson, 1997). According to Mawson (1997:68), while not in a position to directly influence policy on LED, the Urban Foundation suggests the following policies, which are based on European and North American experience:

- The establishment of Enterprise Boards to develop sector specific policies for sub-regional areas;
- The establishment of Urban Development Corporations to focus on the development of single major or 'flagship' projects;
- Privatization of local government activities to create local jobs, to promote empowerment and to promote the improved use of resources;
- Public-private sector partnerships as formalized mechanisms designed to initiate development;
- Export processing zones;

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<sup>4</sup> Stutterheim is a rural town situated on the border between the old Republic of South Africa and Transkei. In 1989 it was ravaged by boycotts and civil unrest. In 1992, with the help of the Development Bank of South Africa and community cohesion, the town managed to turn around its misfortune to a point where the annual economic growth rate reached 15,5% in 1992 (Nel, 1994)

- The creation of science and technology parks which promote the clustering of sophisticated activities; and
- The development of small firm industrial districts

Secondly, South African Civics Organization (SANCO)<sup>5</sup> also commissioned research and made its own policy recommendations regarding the implementation of LED (Mawson, 1997). This policy position places community leadership in the forefront of all local development related matters. According to SANCO, all stakeholders must be brought together to develop a common vision for the municipality around the development priorities. Community empowerment, local procurement and support for public works programs are strongly advocated. What SANCO argues is that there is no one universally-accepted strategy, but that local circumstances as well as needs and realities will influence the nature of the strategy adopted (Mawson, 1997).

Thirdly, the national government has its LED policy contained in three separate documents. These are the Urban Development Strategy (Government of South Africa, 1995a), Rural Development Strategy (Government of South Africa, 1995b) and the Draft National Policy for LED (Department of Provincial and Local Government, 2003). These documents are vague on how government intends to achieve and implement LED. More specifically, they are not clear on the role that this policy should play and the degree to which it is prepared to contribute to the process of development. Nevertheless, government assumes the role of facilitator in creating an enabling environment for LED (Nel, 1997). To illustrate this, the National Policy Framework on LED describes the role of government as that of providing funds for local projects that have the greatest commitment to the three national policy thrusts, which are the establishment of a job-creating economic growth path; sustainable rural development and urban renewal; and bringing the poor and the disadvantaged to the centre of development. The Department of Provincial and Local Government aims to

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<sup>5</sup> This is a national organization representing a number of community structures in townships all over South Africa.

give additional support to those LED activities that are more strongly focussed on *developmental* local government. This shows that apart from the promised funding, national government is not very explicit with regard to the support that is given to municipalities. Local municipalities are encouraged to develop their own policies and initiatives regarding their LED interventions.

The difference in emphasis of these three important role players in LED is perhaps one of the main reasons why there is no coherent implementation of LED initiatives in South Africa. Local municipalities are the implementing agents for LED and are therefore better placed to determine the pace, focus and scale of LED in the country. This, however, is a daunting task for many rural municipalities, who are struggling as a result of non-payment of services, high unemployment, poverty and migration of skilled labor to the cities. This situation is exacerbated by poor administration and limited opportunities for investment (Buso, 2003). Despite this adverse situation, it remains the responsibility of local government “to promote social and economic development” (Section 152 (i) (a) of the Constitution Act 108 of 1996). Rogerson (1999:514) identifies five intervention areas for local government to achieve its constitutional obligations to promote economic development. These are to:

- Set a regulatory framework (i.e. laws, regulations, ordinances);
- Access to municipal services;
- Employment creation (e.g. local procurement);
- Security and Protection from natural disasters; and
- Coordination and integration

According to Rogerson (1999), few municipalities are conscious of how their LED strategies can be designed, structured and monitored, so as to ensure a systematic strengthening in the assets of the poor and the reduction in their vulnerability. He further points out that there is a lack of capacity within local government structures and even though there is policy support for LED and considerable interest being

expressed, very few municipalities have established functional LED units. Results are limited, as rural areas in South Africa often do not appeal to external investors (Kepe, 2001). Financial assistance from national and provincial government is lacking (Ntsebeza, 2000). Additionally, staff at local level is poorly trained and counselors are also not helping much in providing direction on local economic development (Cousins and Kepe, 2004). Consequently, there are few LED interventions that are directed at poor communities. Municipalities that act on bad advice or do not make a concerted effort to conduct an audit of the skills-base of the poor people in their jurisdiction, tend to rely on the private sector and market forces to create economic growth. However, I argue that it is a foolish hope that this growth will create jobs or that it will trickle down to benefit the poor communities.

A more progressive approach that municipalities ought to take to ensure that poor communities benefit from LED initiatives is to integrate LED initiatives with other poverty alleviation strategies (Nel, 2001; Binns and Nel, 1999). This requires municipalities to work with the local poor and ensure that they supply these communities with municipal services. It also requires them to stop relying on external funding and to use creative local solutions for local problems. A comprehensive audit of the resources at hand should be the starting point. Some of the resources that are readily available in rural communities are an abundance of unskilled manual labor and land that can be used for agricultural and non-agricultural purposes as well as eco-tourism.

## **2.5. LAND-BASED LED IN SOUTH AFRICA**

In the fight against poverty, both government and development agencies are adopting an approach of encouraging people to make use of resources available in their local environments in order to improve their livelihoods. Thus economic development projects being encouraged in the fight against poverty, seek to utilize land and natural resources in ventures that range from commercial agriculture to mining; forestry; eco-

tourism; and other commercialization of natural resources. However, as a consequence of past policies and legislation, access to and control over land and natural resources by certain population groups has historically been restricted (Kepe, 2004). According to Hall (2004), land reform serves a symbolic function in the South African context. It is an attempt by the people of South Africa to undo the injustices of the past. It is further used as a tool to facilitate nation building. Hall further purports that land reform is seen as a potential instrument of rural restructuring, to transform social and economic relations in rural areas, as well as a basis for pro-poor development. Therefore, the land reform programme, which is widely acknowledged as key to rural development in South Africa (ANC, 1994), can either restrict or enhance economic development opportunities in previously poor communities. Hall (2004) maintains that land reform has under-performed in its objective to transfer land to the marginalized poor. In the first decade of democracy, she argues, South Africa's land reform programme only transferred 2.9% of agricultural land to the poor.



### 2.5.1. Land Reform in South Africa<sup>6</sup>

The main goal of land reform in South Africa is to provide re-dress for the racially based land dispossessions of the apartheid era. It is also aimed at significantly reducing the resulting highly inequitable distribution of land ownership. In addition, it seeks to create security of land tenure for all, thus providing a basis for land-based economic development. The three main components of land reform are restitution, redistribution and tenure reform (Department of Land Affairs 1997).

The *Restitution* policy aims to restore land or provide alternative forms of re-dress (alternative land, financial compensation or preferential access to state development projects) to people dispossessed of their rights to land by racially discriminatory legislation and practice after 1913 (Hall, 2004). Policies and procedures for the

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<sup>6</sup> This section draws heavily from Kepe (2002)



resolution of land-claims are based on the country's final Constitution (Act 108, 1996, Section 25) and the Restitution of Land Rights Act (Act 22 of 1994b) as well as its amendments. All land claims are against the State, rather than against people or organisations currently owning the land. A Commission for the Restitution of Land Rights investigates claims before they are submitted to the Land Claims Court for adjudication (Government of South Africa, 1997).

In 1997, the Restitution of Land Rights Act was amended, allowing claimants direct access to the Land Claims Court and giving the Minister of Land Affairs greater powers to settle claims by negotiation, rather than through legislative means. In 1998, a Restitution Review process initiated by the Minister of Land Affairs saw a closer integration of the Commission for the Restitution of Land Rights and the Department of Land Affairs. Both the legislative changes and the implementation of the recommendations from the Restitution Review process have contributed to a considerable acceleration in the settling of claims. The majority are from urban areas and are mostly individual family claims, following removals under the Group Areas Act of 1950. Resolving rural land claims – which accounts for about 90 percent of all people claiming land – has proved to be more challenging. (Hall, 2004)

With regard to the land *redistribution* programme, the government aims to re-allocate land to the landless poor for residential and productive purposes. The government is committed to providing settlement and land acquisition grants to eligible individuals and groups in order to purchase land from willing sellers, including the State. Since mid-1999, when a new Minister took over the land portfolio, there has been a policy re-think on redistribution. Priority is now being given to the needs of 'emerging' commercial farmers. But it is hoped that the new focus will speed up the redistribution programme, which has not come close to achieving its original goals of redistributing 30 percent of agricultural land within five years (from 1994).

The third aspect of land reform is *land tenure reform*. Tenure reform aims to address issues such as insecurity of tenure, and overlapping and disputed land rights resulting from apartheid-era policies. Rural areas in the former Bantustans are the most affected by these problems, as they bore the brunt of land-related apartheid laws. In many of these areas the land is still nominally owned by the State and held in trust for the occupants. Most of the land is held ‘communally’, and in many areas is still under the jurisdiction of traditional authorities. A number of laws have been enacted to facilitate tenure reform. Lahiff (2001) argues that although tenure reform alone will not be able to solve the deep-rooted problems of poverty in the former homelands, it will facilitate inward investment; more effective use of natural resources; and the protection of community and individual rights. Lahiff (2001) concludes that land reform has failed to bring about the expected transformation of land-holding. It is therefore important to realize that in order to achieve its objective; government’s land reform policy must be more robust in its approach and tackle rural and urban areas with the greatest need.



### **2.5.2. Challenges of Land Reform and its Role in Poverty Alleviation**

It has now been widely accepted that land reform faces many challenges. Besides the widely cited slowness in implementation and political uncertainties, several studies show that land reform has not yet achieved the goal of decisively contributing to economic development in poor communities (Lahiff, 2001; Kepe and Cousins, 2002; Hall, 2004).

Firstly, because of the relatively small grants<sup>7</sup> given to individuals for land acquisition, a group of often unrelated individuals are forced to be business partners in farming ventures, something which results in numerous conflicts (Hall, 2004). Eventually these conflicts serve as seeds for failure in these projects. Secondly, many

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<sup>7</sup> These grants started at R16000, 00 per individuals in 1994 and currently (2004) it stands at R20 000.00 per individual.

land reform projects, including redistribution and restitution projects, have achieved less success due to lack of post-settlement support from government and other agencies (Lahiff, 2001; Hall, 2004). Thirdly, the reluctance of white commercial farmers to sell productive land for the purpose of land reform results in the land that is redistributed being of a poor quality (Mokgope, 1999). Fourthly, others have argued that black people in South Africa lack the required skills and motivation to engage in commercial farming (Tomkova, 2004).

### **2.5.3. Commonages in LED**

Since land has been identified as key to rural development, municipalities are placed under tremendous political pressure to make commonage land available to emerging farmers (Benseler, 2003). 'Municipal commonage' refers to land granted by the State to towns for the use and benefit of its residents (Anderson and Pienaar, 2004). This concept was recognized by the post-apartheid government as an opportunity for land reform. Consequently, by 2002, new commonage accounted for 31% of all transferred land within the redistribution programme (Anderson and Pienaar, 2004). According to Benseler (2003), since 1995 the Department of Land Affairs' policy was to use commonage as a nurturing ground for emergent commercial farmers. She continues to argue that municipalities suddenly inherited an extra responsibility without being allocated the required resources to implement the administration of commonages for commercial farming.

According to Benseler (2003), there are three main types of commonage users in South Africa. Firstly, there are subsistence farmers who keep very few livestock. These farmers usually do not have ambitions of owning large enterprises. Then there are the so-called 'emerging farmers' who have acquired livestock above subsistence level. Often they have the intentions of expanding their herds as the opportunity arises. Finally, there are the 'proto-commercialists' who already have accumulated

substantial livestock numbers and are in need of extra land to carry forward their commercial farming ambitions.

However, the use of commonages to achieve the goal of encouraging emerging commercial farming in municipalities is facing many challenges. One of the challenges is the fact that local authorities still do not see land reform as part of their responsibility – especially given the demands for housing and other service provision that they face at local level (Anderson and Pienaar, 2004). Other problems relating to the difficulties of using commonage land for LED vary from area to area. This thesis, particularly Chapter Four, explores some of the dynamics of commonage use in Groblershoop, Northern Cape.

## **2.6. CONCLUSION**

By way of conclusion, this chapter has introduced the concept of local economic development and how it has emerged in both wealthy and poor countries. While there are similarities in the emergence of LED, less wealthy countries, like South Africa face additional challenges in relation to the implementation of this policy. Amongst these is the weak economic base of local municipalities. Lessons from international experience show that South Africa can learn several lessons from how LED has been implemented in wealthy countries. Firstly, LED strategies need to be in line with the interest of the community members, which contribute to the sustainability of the approach. Secondly, external support in the form of donor agencies remains crucial. Thirdly, a strong and legitimate political leadership to encourage popular participation is important.

In the case of South Africa, this chapter shows land has potential to contribute to LED. More specifically, commonage land has a key role to play in LED. This makes the land reform programme a crucial undertaking, because local authorities face multiple challenges, which range from human resources to financial shortages. In the

next chapter a closer examination is made of the town of Groblershoop and the importance of land in the local economic development strategies of the municipality.



## **CHAPTER THREE: DESCRIPTION OF THE CASE STUDY AREA**

### **3.1. INTRODUCTION**

The previous chapter of this thesis continued the discussion on poverty alleviation strategies as adopted by both international and South African government and agencies. A more in-depth look was taken at Local Economic Development strategies globally, as well as in South Africa, with a specific focus on those strategies that are based on the utilization of local land. Given the importance of land in LED strategies in South Africa, the previous chapter also presented a brief discussion of the land reform programme in South Africa. The objective of this chapter is to take the discussion further, by giving a detailed description of the case study area, Groblershoop, the locality on which empirical component of this thesis is based. Finally, the chapter gives a brief account of the civic and government organization of the community of Groblershoop, particularly on how these may be relevant to local economic development.



This chapter consists of two sections: an overview of the Northern Cape Province, with the geographic, social and economic information of the province; and an account of Groblershoop with the physical, socio-political, demographic and, more importantly, economic breakdown.

### **3.2. OVERVIEW OF THE NORTHERN CAPE<sup>8</sup>**

The Northern Cape is one of the nine newly founded provinces of the Republic of South Africa following the general elections of 1994<sup>9</sup>. The area currently occupied by the Northern Cape was formerly part of the Cape Province and thus was part of the Cape Provincial Administration, prior to the 1994 elections. With the elections of 1994, the ANC won the majority of seats and appointed the first premier of the province.

The province has by far the greatest landmass of all the provinces, being more than ten times the size of Gauteng province. It covers 29.7% of South Africa's land surface at 361,830 square kilometers (Stats SA, 2000). In terms of positioning, the Northern Cape is bounded by the Atlantic Ocean on the west, Namibia and Botswana to its northwest and north respectively. It is fringed by the Swartberg mountain range on its southern border with the Western Cape province in the Calvinia district.

The Northern Cape is a dry region, with fluctuating temperatures and differing topographies. The weather is typically that of desert and semi-desert areas. January temperatures in the Northern Cape usually reach between 33 and 36 degrees Celsius. Although not common, summer temperatures in the Northern Cape can exceed 40 degrees Celsius. During the winter months (June – August), day temperatures are as mild as 22 Celsius, while the evenings are often cold (below 0 degrees Celsius), after dew and frost have cooled the earth's surface. In winter, snow can often be found on the mountains surrounding Sutherland, which is one of the coldest towns in Southern Africa.

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<sup>8</sup> This section of the thesis relies heavily on information obtained both from Statistic South Africa and the official website of the Northern Cape.

<sup>9</sup> The 1994 election was the first democratic elections held in the South Africa. This was the first time in the history of South Africa where all South Africans older than 18 were allowed to vote in the country's general elections

The average annual rainfall is never high (50 mm to 400 mm) and is always lower than the rate of evaporation. The western areas of the province, which includes the Namaqua region and small sections of the Green Kalahari, receive rainfall during the winter months. These rains bring to life the glorious displays of wildflowers that decorate these regions from late August until the end of September. The central and eastern parts of the province get their rain during the summer months (December to February). These summer rains are often accompanied by heavy thunderstorms.





Figure 1 Map of the Northern Cape



Most towns of the Northern Cape province have their origins either in the region's colonial past, having been strategic military or dominion outposts; it's mineral largesse, such as with the founding of O'Kiep, where copper is still mined to a certain extent; or pastoral fortunes, as with Upington itself which lies along the fertile banks of the Orange River.

By 2000 the official census of the human population of the Northern Cape was 840,000. This was comprised of Coloured people, which according to the statistics are the majority group (435,000), followed by Africans (279,000), Whites (112,000) and people of Indian (2,300) and Chinese and other (12,000) decent. Minor cultural

groups also occur in scattered settlements throughout the Province. These comprise mostly the Nama, San, Khoi, Xu! and Khwe communities. These groups were classified as coloureds by the previous government.

Afrikaans is widely spoken by almost all racial groups, followed by Setswana speakers at 20% and isiXhosa at 6.3%. English, follows a distant fourth at 2.4%, then to lesser proportions is isiZulu. About 70% of the population is urbanized while the rest is rural. Females outnumber males by four per cent, being 51% and 47% respectively (Stats SA-2000).

### **3.2.1. Districts of the Northern Cape**

The Northern Cape has five administrative districts and these are Pixley Ka Seme, Frances Baardt, Siyanda, Namaqua and Kgalagadi<sup>10</sup>. Pixley Ka Seme, with its district capital in De Aar is a semi-arid area. This area has a wealth of historical artifacts relating to the South African War of 1879. It is also the site of South Africa's first diamond find which precipitated the diamond rush the region is also rich in farmland especially for merino and fat tailed sheep.

Frances Baard, with its capital in Kimberley was formerly known as the Diamond Fields. Kimberley is the capital town of the Northern Cape Province and is the economic hub of the province. Fifty percent of the province's population resides in this town. During the South African war (Anglo-Boer War), Kimberley was besieged by the British army for four months. The area is rich in history and was one of the battlefields of the South African war. One of several conflicts on Methuen's northerly march, the Battle of Magersfontein ranks as one of the Boers' greatest victories and one of Britain's most humiliating military defeats. The town was finally relieved by General John French's cavalry on 15 February 1900. For many, the events on the Diamond Fields in the late 19th century, obscures the fascinating and hard-fought

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<sup>10</sup> These districts have been renamed after the first democratic local government elections in 2000

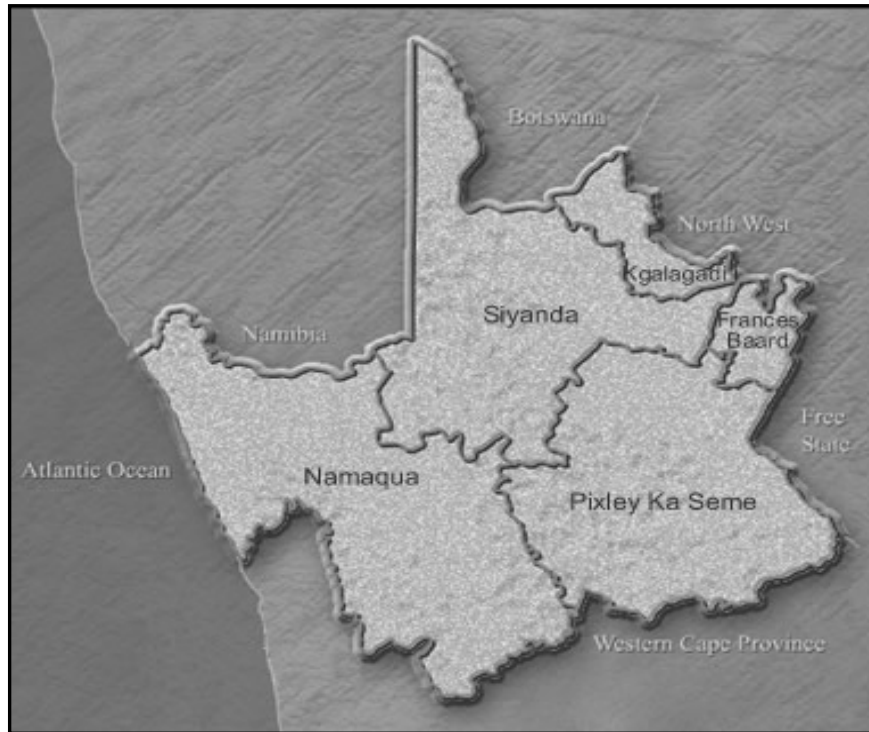
struggle of South Africa's indigenous peoples to forge their own identities. The legacy of the Griqua people continues to live on in Griquatown, which is 120 kilometres west of Kimberley.

Siyanda District, which is the district in which the case study area is located, includes large sections of the Kalahari Desert. The capital of the district is Upington. This area was formerly known as The Lower Orange, which was a rich farmland area. It is traversed by the Orange River from the east to west. Along its banks, welters of vineyards and domestic food farms have been established over the years. These farms are predominantly owned by white commercial farmers. The capital of Upington serves both as an administrative and commercial centre. The Siyanda region is the part of the province that borders Namibia on the northwest, Botswana on the northeast and Angola further north.

The Namaqua region, known for its minerals and seasonal flowers, has Springbok as its capital. The region is known more for its extravagant perennial spring flower display between August and October of each year. It is currently one of only six world plant sites, namely the Cape Floral Kingdom. However, scattered communities of indigenous Khomani-San have made their home in parts of vast Kalahari desert, which stretches into the area from the northeast as well as from Botswana and Namibia. The area also has rich mineral deposits of diamonds and other precious stones.

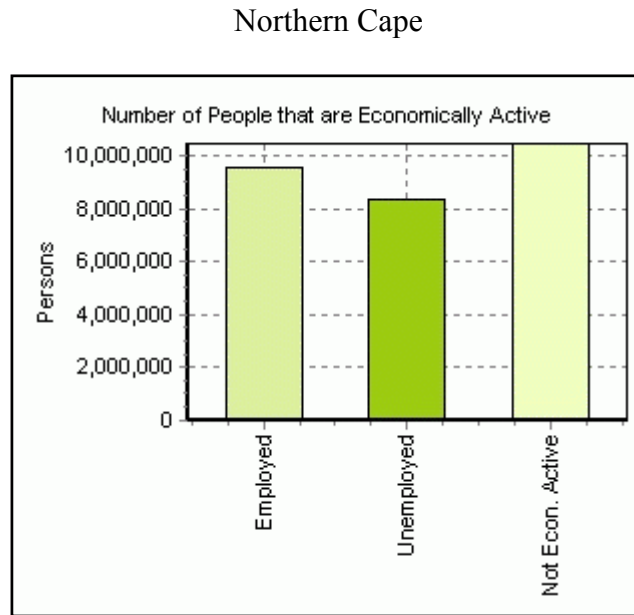
Kgalagadi, which is a cross-border area with the North West Province, has Kuruman as its capital. The Kgalagadi is a region of dramatic contrasts, where semi-desert dunes are found together with vineyards and farmlands. The winemaking area, which is commonly known as the green valley, is found in this region. The Kgalagadi region borders on both Botswana and the North West Province, with Kuruman as the main town.

**Figure 2. Map of the five regions of the province.**

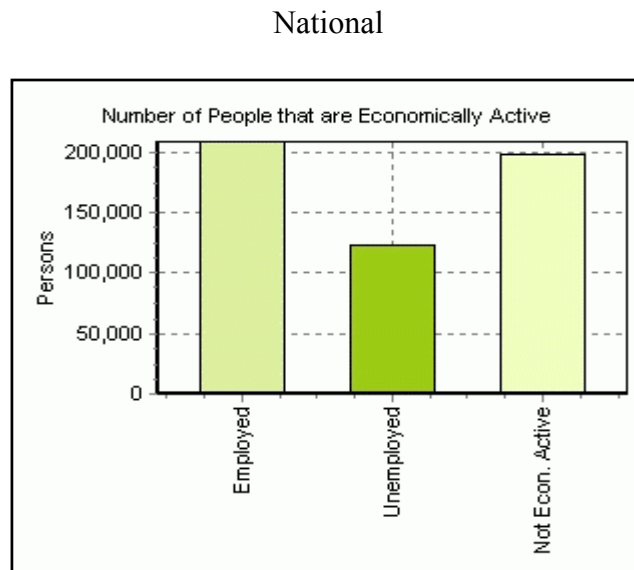


Below (Figure 3 and 4), a comparison is made of the economically active population of the Northern Cape and that of South Africa at large. These statistics were obtained from the 2001 National Census. In comparing the information as illustrated below, it is evident that the unemployment figure in the Northern Cape is higher than the national average. This information is important as it illustrates the greater need for employment creation in the Northern Cape than in the rest of the country. This information gives further impetus to the need local economic development in Northern Cape province.

**Figure 3.** Economically Active Population, 2001



**Figure 4.** Economically Active Population, 2001



Source Census 2001

Below is a statistical analysis of the employed and unemployed people in the Northern Cape province compared to the rest of the country. These figures enable a broader understanding of the levels of unemployment in the province, which also manifests in the case study area as depicted in the IDP.

**Table 1: Employment statistics in the Northern Cape**

<b>Northern Cape Province</b>	<b>Persons</b>
Employed	208745
Unemployed	104578
Not Economically Active	216519
<b>Total Labour Force</b>	<b>313323</b>

Source: Statistics SA (2003)



**Table 2. Employment statistics in South Africa**

<b>National</b>	<b>Persons</b>
Employed	9583762
Unemployed	6824075
Not Economically Active	12019290
<b>Total Labour Force</b>	<b>16407837</b>

Source: Statistics SA (2003)

### **3.3. GROBLERSHOOP: THE CASE STUDY AREA<sup>11</sup>**

The area that is today known as Groblershoop was initially inhabited by a Khoisan group under the leadership of captain Willem Bostander and Klaas Springbok. In 1879, the British colony in the Cape expanded and annexed the area and incorporated it into the Cape Colony. In 1936, the town was formally named after the Minister of Agriculture at the time, Mr. Piet Grobler (Gateway to the Green Kalahari, 2004).

<sup>11</sup> Demographic and historical information obtained from the municipal integrated development plan

!Kheis Municipality was previously a municipality, composed in terms of the Provincial Proclamation No. 46 of 1994 and amended by Provincial Proclamation No. 64 of 1994 (!Kheis IDP, 2004). Since November 2000, after the demarcation of municipalities as determined by the Municipal Demarcation Act, No 27 of 1998, Groblershoop formed part of the !Kheis Municipality (NC084). The settlements Boegoeberg, Gariep, Grootdrink, Kleinbegin, Opwag, Topline, Wegdraai form part of the municipal area. !Kheis, which is a category B municipality<sup>12</sup> was incorporated into the Siyanda District Municipal Area after the local government elections of 2000. Groblershoop is the main town in the !Kheis municipality. Groblershoop is situated 110km east of Upington and 300 km west of Kimberley. According to current census statistics, it has a population 14 121. Coloured people are the majority and total 12 469. White people are the next largest population group (1 098) and Africans are the smallest in number (401). There are currently 12 schools (4 high schools and 8 primary schools) and 4 health clinics in the area.



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<sup>12</sup> Municipalities are divided into various categories as determined by the Municipal Structures Act. Municipalities are categorized according to their capacity to deliver services.

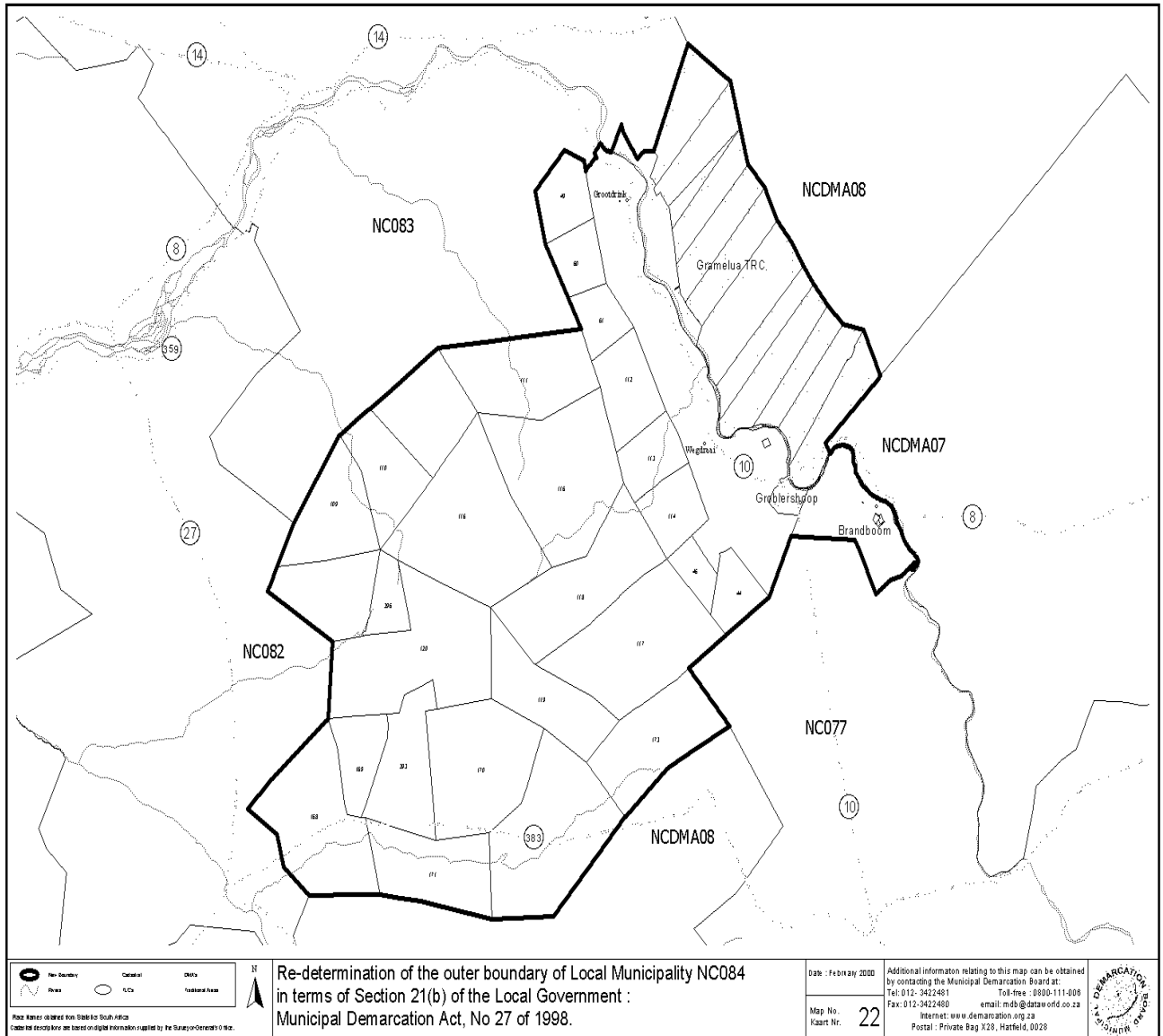
Figure 5. Map showing the location of the case study area



Source: Northern Cape Tourism Authority



**Figure 6.** Map of the municipal borders of the case study area



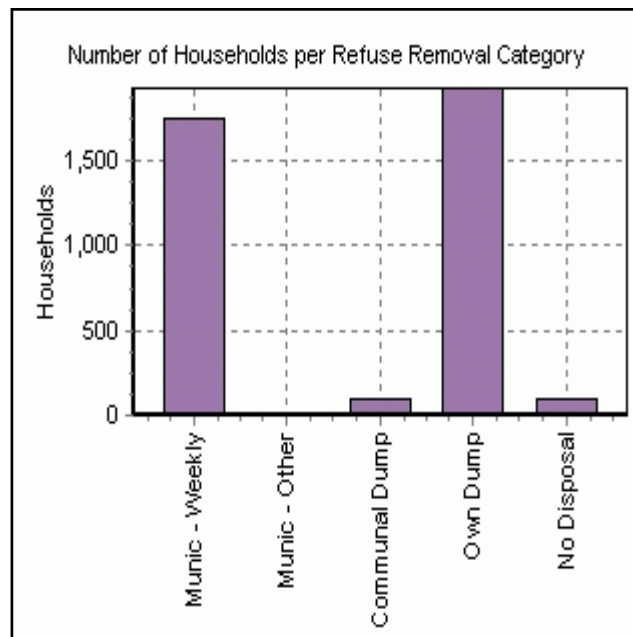
(Source : !Kheis Municipality IDP Second Review 2004)

### 3.3.1. Availability of Municipal Services

The availability of municipal services to the general population of Groblershoop sheds light on the economic activities, as well as the extent of poverty in the area. The income levels of residents are especially important in determining the type of services, which would be delivered to the community, as well as the affordability thereof. Income levels are indicating the economic abilities of a community as well as the poverty levels within a respective community. A large number of residents are dependant on government pensions, implying that a large part of the residents of !Kheis earn less than R 1 200 per month and this in itself has a negative influence on the payment of services (!Kheis IDP, 2003). In total 76% of the community is subsidized by the services subsidy scheme. Below (Figure 5 and 6) are some indicators of the municipal services provided by the !Kheis municipality. The information was obtained from the Census 2001 data.



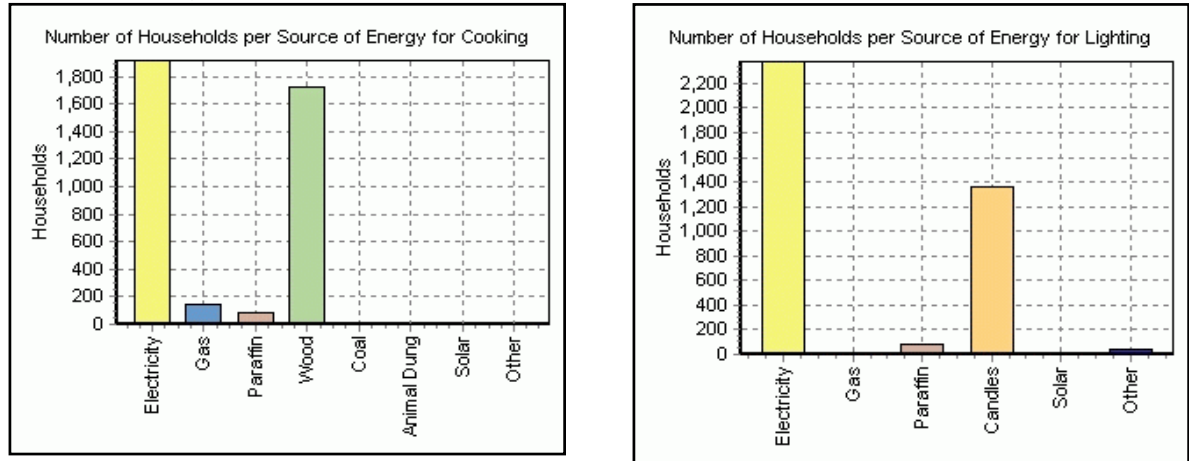
**Figure 7.** Percentage Households with Refuse Removal by Municipalities, 2001



(Source Census 2001)

**Figure 8.** Dominant Energy Source for domestic use, 2001

(Source Census 2001)



The above figures show that a large number of people use electricity for both cooking and lighting purposes. While this is indicative of the level of service provision by the municipality, it also puts a high burden on people to be able to pay for these services. With a 30% unemployment rate in the area, combined with the fact that many of the households are dependent on State grants such as the disability grant, child support grant, old-age pension grant (!Kheis IDP, 2004), the level of payment is not very high. However, there are a substantial number of households that use wood for cooking and candles for lighting. This illustrates that households employ various livelihood strategies. It would be a fair interpretation of the figures that while electricity is available; households cannot afford to pay the services and therefore have to rely on a diversified strategy to make ends meet. This information shows that there is still a reliance on land-based livelihood strategies for survival.

### **3.3.2. Economic Activities**

Groblershoop is a successful livestock-farming and wine production town in the region. Development in the region was really kick-started by the construction of the Boegoeberg dam and water channels in 1929. The project was used by the government of the time to create jobs for hundreds of very poor white people. Those who lost their jobs on the mines and elsewhere flocked to the construction sites and with the wages earned they rented some land and later settled in the area (Green Kalahari, 2004). Groblershoop is currently a main source of export for table grapes and sultanas. A modern abattoir with 130 employees processes livestock from surrounding farms, while the local wine cellars have an annual intake of 12 000 tons of grapes (Green Kalahari, 2004). An average of 73% of the households in the !Kheis municipal area earn less than R19 600 per annum (!Kheis IDP, 2003). This is as a result of the high unemployment rate, which is quoted in the IDP as 30%. This presents a huge challenge for the municipality to devise means to create jobs and to stimulate local economic development.



### **3.3.3. Land uses in Groblershoop**

Agriculture is the most important economic sector in Groblershoop. Sheep farming is one of the key economic drivers of the municipal area, and white commercial farmers mostly undertake this. However, there are a fair number of emerging farmers who also engage in sheep and goat farming. Livestock and its products are marketed in major centers such as Upington, Johannesburg and Cape Town. Cotton, maize, wheat, tomatoes, peanuts, muskmelons and pumpkins are cultivated under irrigation from the Orange River (IDP, 2003). A slaughterhouse in the town of Groblershoop currently provides work for 180 permanent employees. In the irrigation sector of agriculture, focus is placed on the cultivation of table grapes. The town boasts of two wine cellars that produce wine and grape juice. While most of this wine is marketed locally, some is exported to Japan and the European Union (Oranjerivier Wine Cellars, 2004). Lucerne production is another agricultural activity that provides permanent jobs in

the area. The Northern Cape province is a relatively dry province and is prone to droughts. Stock farmers in the province have to purchase lucerne on a regular basis to supplement feeds for their herds. This provides the irrigation farmers on the banks of the Orange River the opportunity to supply the market on a regular basis.

### 3.3.4. The use of Municipal Land for Local Economic Development

The municipality of !Kheis is currently using its agricultural land for low-income households who want to use it for food security and subsistence farming. In Chapter Four, this practice will be further examined and more detail will be provided of the number and different kinds of agricultural projects that the municipality is involved in. The !Kheis municipality currently has about 12 291 hectares of commonage land (Benseler, 2003), which comprises a total of 5 farms. Table 3 (as seen below), shows the number of farms as well as the extent of each farm in hectares. The municipality owns a total of 12 291 hectares of commonage land.



**Table 3.** Extent of municipal land within !Kheis municipality

<b>Community/Settlement</b>	<b>Extent of commonage land</b>
Deurhoek (Brandboom)	3 800 ha
Dassiekop (Groblershoop)	3 000 ha
Opkomende boere (Groblershoop)	600 ha
Topline	4 500 ha
Wegdraai	391 ha
<b>Total extent of land</b>	<b>12 291 ha</b>

### 3.4. POLITICAL STRUCTURE OF GROBLERSHOOP

With the elections of 2000, the ANC won the majority seats in the municipality and appointed its first mayor, Mr. I.T. Ruiters, who is currently the mayor of the !Kheis Municipal Council. He is supported by 4 ward councilors and three councillors from the Democratic Alliance party, elected from the Party Representative list. Two people from the !Kheis Municipal Area, also represent the Council in Siyanda District Municipality. There are only two political parties in the area that enjoy substantial support from the people, which is the reason for the current political stability in the area.

**Table 4.** Political structure of the !Kheis Municipality

<i>Type of municipality</i>	Plenary executive with ward participation
<i>Number of wards</i>	4
<i>Number of councilors</i>	7
<i>Majority party</i>	African National Congress
<i>Formal Opposition party</i>	Democratic Alliance

Other civil society organizations that exist and that are very active in mobilizing the community in Groblershoop are SANCO, the Independent Democrats<sup>13</sup> and the Democratic Alliance. During the interviews that were conducted with members of the community, no serious tension amongst the various organizations was ever alluded to. It was however mentioned by a few of the community members that they have experienced problems with the involvement and availability of councilors in the issues of LED. More information will be given on this matter in Chapter Four of this thesis.

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<sup>13</sup> The Independent Democrats is a new political party that was formed in 2004. This party has not contested local government elections yet, however, it is currently recruiting members in the !Kheis area and is currently very vocal around local government matters.

### **3.5. CONCLUSION**

This chapter has provided a general background on the Northern Cape province and Gbblershoop as a town. It went further to give a description of the geography, political, economic and political structures of both the province and !Kheis local municipality, particularly that of Gbblershoop. The next chapter discusses in detail the land based local economic development initiatives in the case study area.



## **CHAPTER FOUR: LAND-BASED LOCAL ECONOMIC DEVELOPMENT STRATEGIES IN GROBLERSHOOP**

### **4.1. INTRODUCTION**

In the second chapter of this thesis, a theoretical background to the evolution of LED in wealthy and less wealthy countries was provided. An attempt was made to place land-based economic activities within the context of local economic development. In Chapter Two, issues were highlighted that either enhance or impede the successful implementation of LED in poor areas such as the majority of South Africa. Chapter Three gave a geographic description, socio-political, as well as a description of the economic activities in the case study area.

This chapter is important because it provides an analysis of the unemployment figures in the province. It is particularly important to note this because these unemployed are the people who are in search of self-employment opportunities who are to benefit from the LED strategies implemented. By implication, these unemployed people represent the number of people for whom the LED strategies of the local municipalities have to provide alternative livelihood strategies. This present chapter gives a description of the Northern Cape provincial government's economic development strategy, and then locates the economic development strategy of Groblershoop within the regional and provincial strategy. Finally, the chapter looks at specific examples of land-based economic development projects in Groblershoop.



## 4.2. THE NORTHERN CAPE LED STRATEGY<sup>14</sup>

The cabinet of the Northern Cape province came up with a five-year development strategy in 1994. This was commonly known as the Witsand document<sup>15</sup>. The Witsand document encompassed both the social and economic development strategies of the province. A review regarding the provincial government's ability to achieve the objectives set in the Witsand strategy was conducted in 2003. This process formed part of the national government's "10 year review" process. The review highlighted that since the ANC took over government in 1994, the Northern Cape's local government allocated most of its budgetary resources to social development. While this has resulted in improved human development indicators that have contributed to improved quality of life (illustrated by a significant increase in life expectancy from 55.6 years in 1996 to 58.8 years in 2002)<sup>16</sup>, the economic development needs in the province received a relatively smaller share of the Provincial Budget. As a consequence, development in the economic sphere of the province has not been as well as those experienced in the social sphere (Northern Cape Government 10 Year Review, 2004).

In addition, the ten-year review document points out that in 1994 the economy was mainly confined to primary production, in the form of mining. However, this sector of the provincial economy has been unable to yield sufficient jobs. Mining also has a limited lifespan and jobs that are created are, therefore, not sustainable. Diversification of the economy has thus been identified as a matter of paramount importance to the province. In this regard, agriculture has been identified as an economic sector that will be given specific attention in the current term of government. In particular, secondary economic activities such as agro-processing and

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<sup>14</sup> The Northern Cape province is at present reviewing its Growth and Development Strategy. The information contained herein is from the current development strategy, which was developed in 1994 and reviewed in 1999.

<sup>15</sup> This is not the official name of the document, the document was drafted in a place called Witsand and was subsequently colloquially referred to as the "Witsand Document"

<sup>16</sup> These figures are quoted in the Northern Cape Provincial Government Ten Year Review document published in April 2004.

mining beneficiation, has been identified for local economic growth stimulation. Hence, the province, under the newly elected leadership, following the third democratic elections in April 2004, is reviewing the 1994 (reviewed in 1999) strategy. The premier, Dipuo Peters, in her inaugural speech, sketched out some of the economic development imperatives that her administration will be focusing on for the next five years. These objectives, which are also found in the African National Congress (ANC) election manifesto for the 2004 elections include the following:

- Reduce unemployment by half through new jobs, skills development, assistance to small businesses, opportunities for self-employment and sustainable community livelihoods;
- Reduce poverty by half through economic development, comprehensive social security, land reform and improved household and community assets;
- Provide the skills required by the economy, build capacity and provide resources across society to encourage self-employment with an education system that is geared for productive work, good citizenship and a caring society;
- Position South Africa (and the Northern Cape in particular<sup>17</sup>) strategically as an effective force in global relations, with vibrant and balanced trade and other relations with countries of the South and the North, and in an Africa that is growing, prospering and benefiting all Africans, especially the poor. (ANC, 2004)

It is clear that the current political leadership has placed economic growth very high on its priority list for the next five years. Agriculture and mining are the cornerstones of the Northern Cape economy. They form an integral part of the economic development strategy of the province. This strategy, formulated in 1994 and reviewed in 1999, identified the following sectors that provide substantial opportunity for development in the province (Northern Cape draft Provincial Development Strategy, 1999):

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<sup>17</sup> This is reminiscent of the place-marketing strategy (see Chapter 2, Section 2.2)

- Oil and gas-fields exploration;
- Technology development to reduce problems of water shortage to accelerate the rate of agricultural growth;
- Expansion of agricultural production;
- Expansion of fisheries and mariculture;
- Increased processing of agricultural produce;
- Eco-tourism

It is very clear from the sectors identified in the Northern Cape economic development strategy, that agriculture and related activities are identified as important for the sustained development of the local economy. Another priority area identified was the marketing of the area in order to attract investment. This priority area is reminiscent of the “smoke-stack chasing” approach (See section 2.2, Chapter Two), which was proven not be very successful in a developmental economic development approach. The ultimate objective of such expansion ventures is to create “labour intensive, cost effective and sustainable” farming practices (Nel, 1994). This would go a long way in stimulating and expanding the LED potential of most of the rural municipalities in the province. It is therefore important that land, which is the primary element for agricultural production; and land reform, become pivotal to the Northern Cape economic development strategy. An evaluation of 12 LED projects in the province as commissioned by the Departments of Housing and Local Government in 2002, shows that six of these 12 projects, spread throughout the province, were land-based LED projects. An assessment of the type of land reform projects in the Northern Cape reveals that the majority are municipal commonage projects (Department of Housing and Local Government, 2002).

In her first budget speech as the MEC for Agriculture and Land Reform, Mrs. Tina Joemat-Petterson announced that land redistribution, restitution and tenure reform will be prioritized in the her tenure. She emphasized that “agricultural economics are critical if government is to meet its socio - economic development and poverty alleviation targets, and that the role of land reform will not be under – estimated”

(Northern Cape provincial government, 2004). Priority areas that her department chose to focus on are training for developing and emerging farmers and agricultural rural development projects. Farmer support and sustainability are also prioritized in her five-year plan. Risk management policies are being developed for drought relief and veld fire management, to ensure that farmers in the province could be assisted in a planned, well-structured and agreed upon format to farm sustainably. These are very clear objectives that are set by the politician responsible for agricultural development in the province, what is important is to monitor the delivery on the objectives set in the next five years.

### **4.3. THE CASE STUDY OF GROBLERSHOOP: THE EXPERIENCES OF LAND-BASED LOCAL ECONOMIC DEVELOPMENT**

Given the importance of land in LED strategies of the province (See section 1.1, Chapter One), this section discusses land-based LED in Groblershoop. Before detailing these experiences, however, I will first provide background discussions on the Integrated Development Plans (IDP's) of both the district and local municipalities within which Groblershoop is located.

#### **4.3.1 Integrated Development Plans of the District and Local Municipalities**

##### *4.3.1.1. The Integrated Development Plan (IDP) of the Siyanda District Municipality*

An examination of the local economic development strategy of the District Municipality is important to understand what the strategic approach of the local municipality is and whether such local economic development interventions has any relevance to land use practices of the community. Upon conducting a preliminary research in the area, it was discovered that the District Municipality does not yet have a Local Economic Development Strategy in place. However, the development of the strategy has been outsourced to a consulting firm. Alternatively, the IDP document,

which was reviewed in May 2003, was used in this thesis to get an understanding of the thinking that is prevalent in the municipality regarding LED strategies. The document is not very expansive on the LED strategies, but acknowledges that it will not be possible for sustainable development to be achieved in the district when the district municipality does not make an audit of the economic potential of the area. The IDP of the district municipality further identifies agriculture and the availability of land for agricultural purposes as some of the priority areas for development. According to the IDP of the district, the communities in the district municipality area also indicated the availability of land as an essential element towards economic advancement (Siyanda IDP, 2003). Communal farming and the provision of commonage land for the poor are also highlighted as a priority area. The IDP document further identifies the district municipality of Siyanda, as well as the relevant government departments such as the Department of Land Affairs and the Department of Agriculture, as the main actors to be approached in developing a five-year strategy to acquire the extent of land needed.



#### *4.3.1.2. The Integrated Development Plan (IDP) of !Kheis Municipality*

A similar situation exists in the !Kheis Municipality regarding the availability of a LED strategy in that the strategy is still being developed. However, an examination of the IDP reveals that agriculture is identified as the most important activity for local economic development. Some of the strategies identified to achieve this are the training of emerging farmers, provision of land for emerging farmers, support for the commercial farmers, as well as the provision of infrastructure and related services to support the agricultural industry in the area.

It is clear from the IDP that in Groblershoop there is a definite link identified between local economic development and land. According to the IDP, “the agricultural sector is currently the main economic sector. The exact income generated from agriculture is not known, however, it is the economic sector that generates the highest income

and provides the most jobs,” (!Kheis IDP, 2003:15,16)<sup>18</sup>. Commonage land is one asset at the disposal of the municipality that can be used to realize this LED objective. In chapter three (section 3.3), a breakdown is given of the extent of commonage held by the in !Kheis municipality.

#### **4.3.2. Description of livelihoods in Groblershoop**

The information for the research was gathered through a process of conducting interviews with various focus groups in the Groblershoop community. The first group that was identified comprised ordinary members of the community. A group of 10 people were interviewed individually in a door-door process. The interviews focused on identifying the various livelihood strategies of the community. The purpose was to determine whether land and natural resource use had any significant role in the livelihood strategies of the community. The interviews also attempted to determine whether the people of Groblershoop used land and land-based activities to supplement the income of the households. The activities that were identified were the collecting of wood for domestic use such as wood to make fire for the preparation of food, at the time when the interviews were conducted it was winter and the households collected wood to make fire to warm the family. This was a very important element of the livelihood of the people of Groblershoop. It was evident that most of the houses had access to electricity (see Census 2001 data in section of Chapter 3). However, since many of the people are unemployed, some had their electricity cut and were reliant on firewood to warm the house and to cook food. In addition, most of the houses that were visited (a total of ten households)<sup>19</sup>, there were livestock in the backyard and people expressed their need to acquire land for their livestock to graze. Many of the people interviewed expressed their need for land to

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<sup>18</sup> Translated from Afrikaans.

<sup>19</sup> It should be noted that not all the households that were visited were members of LED projects. It was however important to visit these houses for it gave an indication of the extent of the land needs of the community.

pursue agricultural economic activities. The interviews also highlighted the fact that land was not only needed for domestic purposes but it also had an economic use.

#### *4.3.2.1. Some livelihood options identified in Groblershoop*

As stated in Chapter 3 (section 3.3), agriculture is the most important economic sector in Groblershoop, and the town is a major wine producing area. The cellar outside the town is one of five that comprise the Oranjerivier Wine Cellars, which are the largest co-operative cellars in Africa and the second largest in the world (Oranjerivier Wine Cellars, 2004). The grape farms in Groblershoop provide job opportunities to local people but also 'imports' labour from surrounding areas like Taung and Vryburg in the North West Province. These job opportunities, however, are seasonal and are mainly manual labour. Nevertheless, they are very important to the people of Groblershoop, and many entrepreneurs are eager to acquire land from either the local municipality or the Departments of Land Affairs and Agriculture to pursue economic ventures. This is further evidenced by the number of applications for assistance to acquire land that is received by the Land Affairs regional office in Kimberley. In addition, Groblershoop is also well known for its export of table grapes, sultana's and wine to Europe (Oranjerivier Wine Cellars, 2004). The local wine cellars has an annual intake of 12 000 tons of grapes which is testimony to the extent of land-based economic activities that are already existing in Groblershoop.

In addition, Groblershoop also boasts a modern abattoir with the capacity to slaughter up to 1500 sheep per day. It is one of the most modern abattoirs in South Africa and the only rural abattoir with an A rating (Green Kalahari !Kheis Municipality, 2004). A total of 130 people are employed on a fulltime basis. This is very significant because not only does it provide a market for small livestock producers, but it also provides for potential secondary industries to be established that could process the meat. The abattoir also slaughters livestock from surrounding farms. It is very clear

that land plays a very critical role in the two most successful industries in the Groblershoop area.

#### *4.3.2.2. Local Economic Activities*

Further questions that were asked, related to other possible employment opportunities in the area. It was also enquired as to which institutions; organizations; and industries were regarded as the main employment providers in Groblershoop. It became clear that there were not many employment opportunities in Groblershoop and its surrounding areas. Other employment providers, other than in agriculture-related activities were the local municipality, where people worked as general laborers as well as the Co-operation. People were very keen to work at these two institutions because they provided job security as well as paid more than the farms. The Department of Water Affairs used to be another highly sought after employer but since the Commercial Farmers' Union became the new Water Authority (this is in line with the provisions of the new Water Act No 36 of 1998), the Department of Water Affairs was retrenching workers. Other employment opportunities in the municipal area are the South African Police Service and the Department of Education (there are 12 schools in the !Kheis municipal area). There are, however, very few qualified teachers in Groblershoop and most of the teachers employed at these schools are from the Western Cape Province and other areas in the rest of the country.

The second category of people interviewed were the municipal manager<sup>20</sup>; the municipal mayor<sup>21</sup>; a community development officer working in the area; as well as Mr. Koos Esau, who was the councilor responsible for Topline. Topline is one of the wards in !Kheis local municipality area. The questions that were asked to each of these individuals related to the population statistics of the municipal area, the

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<sup>20</sup> Mr. Lood Willemse who is currently acting as the municipal manager has not been with the municipality for long (6 months) and could therefore not give too much background on the poverty alleviation projects of the municipality

<sup>21</sup> Mr. I.T Ruiters has been mayor of the !Kheis municipality for two consecutive terms and has been involved in all the municipal projects



economic drivers in the municipal area, the LED strategy of the municipality and land use practices in the municipal area. Information gathered in the interviews is reflected in Chapter three of this thesis. These figures were also verified with the Census statistics of 2001. The questions focused on the poverty statistics of the municipal area. This was linked with the poverty alleviation strategies of the municipality. The !Kheis municipality has a high unemployment rate and therefore the municipality is keen on pursuing all avenues to provide job opportunities and LED strategies for all its inhabitants. According to both the municipal manager and the mayor, land and the potential that it has in the area of Groblershoop has always been one of the municipality's priority areas to provide LED opportunities for the community. It is for this reason that the municipality has been working closely with the provincial office of the Department of Land Affairs for the last ten years to acquire commonage land for the municipality which it then makes available to different groups of emerging farmers for productive use. During the recent Integrated Development Planning (IDP) processes in the municipality, mining was also identified as a potential LED project in the area. However, feasibility studies are currently being conducted and not much information could be gathered for this thesis. The mayor and his council are convinced that should the studies prove that there is sustainable mining potential in Groblershoop, it would provide more land based economic opportunities for the community.

It was also determined that the main employment providers in Groblershoop (according to the mayor), is the Co-operation and the Grootdrink wine cellars. These are private entities owned by mainly the white commercial farmers in the !Kheis municipal area. Groblershoop is an important wine-producing town in the Siyanda District municipal area. According to the mayor, there is also an opportunity for emerging farmers to get involved in producing grapes that can be sold to the cellars for wine-making but also for producing fruit juices and raisins. These are however separate negotiations that have to be entered into between the political leaders in the area as well as the shareholders of the co-operation and the cellars. This would also

have to involve members of the Department of Land Affairs (to provide grant funding for poor people to purchase shares), the provincial Department of Economic Affairs and other important role players. Since these discussions are still ongoing and are not at any formal stage yet, no tangible information could be gathered on these potential LED opportunities, which has a direct link to the possibility of involving poor people and emerging farmers in these ventures. One of the areas of concern that was raised by the mayor and members of the community is the fact that the “dop system”<sup>22</sup> is still very rife in this part of the country and is one of the issues that has to be eradicated.

The !Kheis municipality is still in the process of developing its LED strategy and there is currently no coherent approach that it is engaging it to address the job creation and poverty alleviation needs in the municipal area. However, some of the projects that are currently underway are mainly agricultural projects. These include providing commonage land to both emerging and subsistence farmers. In Chapter Three a breakdown is given of the extent of commonage land that the municipality has made available for these purposes. Land reform has been identified in the IDP as one of the avenues that the municipality will pursue to address the LED needs of the community. During the interviews with the community development officer in the municipality, it became apparent that the municipality sees the provision of land to its inhabitants as a collaborative process. Some key stakeholders were identified that play a very important role in making this a success. According to the Mayor, the municipality sees its role in the area of land based LED strategies to be that of playing a facilitation role between the beneficiaries in its municipal area and government departments involved in the land reform programme. The municipality uses its commonage land to provide opportunities for farmers to establish themselves and grow into commercial farmers. Successful farmers are then encouraged to purchase their own farms and vacate the commonage land for other users who do not have access to private land. The intention is to create a large group of economically

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<sup>22</sup> This is a system where labourers on farms are paid with alcohol and not with money.

active people who can grow into commercial farmers and in that way grow the economy of the area. The long-term plan of the municipality is to diversify its economy through not only producing goods for the domestic market, but also be able to produce for the foreign markets. The councilor, Mr. Esau, further stressed the point that this is possible since there are many white commercial farmers in the area that are already producing for the foreign market and exporting large tonnages every year. This market is still not being entered into by black emerging commercial farmers. It is the intention of the council of !Kheis municipality to see this market expanding and diversifying, thereby allowing more people to enter. It should be stressed that these are mere ideas and that the strategy that the municipality will employ to realise these are still to be developed and implemented. It is not possible to say whether this is indeed possible.

Nevertheless, there is some evidence that the municipality does have processes already in place to develop a LED strategy that will give guidance on how to go about assisting emerging farmers in entering the export market. Some of the areas identified in the second IDP review document (2004), point to necessary infrastructure; training; and improved livestock and production in !Kheis Municipal Area, so as to support and develop the Agricultural Sector, by the years 2006/2007. It also has built relationships with some organizations that it regards as central to realizing this LED potential. Below is a table that outlines each of the important stakeholders as well as the particular role that each one has to play in the local land reform process.

**Table 5.** Institutions playing a role in Land Reform and LED

Institution / Organisation	Role in the land reform process
Groblershoop Kleinboere Vereniging	Organisation of small and emerging commercial farmers. This organisation speaks on behalf of all its members and becomes the interface between the community and the municipality as well as with all other government department
<p>Department of Social Services and Population Development</p> <p>Department of Agriculture</p>	<p>This department provides funding for poverty alleviation projects. The municipality in its food garden projects uses these funds. The department is also a partner with the municipality when community members have to be trained in areas such as basic business management, marketing and farm management.</p> <p>The department is a very important stakeholder for the municipality, as it does not only provide extension services to the emerging farmers, but assists the municipality to purchase land and do feasibility studies. The departments assist the municipality to provide infrastructure on municipal commonage land and it identifies and provides state land that has agricultural potential to be used by the municipality for poor, emerging farmers</p>
Department of Land Affairs	 <p>The department plays a very important funding role. Through the commonage funds of the department, the municipality can purchase land. It also assists with grant funding, loan funding and business plans for both the municipality and individuals or groups in Groblershoop that want to purchase agricultural land.</p>
<p>Land Bank</p> <p>UPGROW</p>	<p>The municipality has a very strong relationship with the bank for grant as well as loan funding. These funds are made available to members of Groblershoop community to purchase land as well as livestock. Through this relationship with the bank the municipality assists community members to grow and develop into commercial farmers.</p> <p>This is a non-governmental organization that assists beneficiary communities to develop business plans for agricultural projects. It also provides skills training and capacity building for small farmer organizations. This NGO also plays a facilitation role between the beneficiaries, the municipality and other government departments.</p>
!Kheis Municipality	The municipality is the owner of commonage land and makes this available to beneficiaries to lease. As the owner the municipality manages the commonages and maintains the infrastructure on the land. It also manages the lease contracts that are signed with the lessees. Although this is not one of

Institution / Organisation	Role in the land reform process
	the key responsibility areas of the municipality, it regards these functions as important in achieving its long-term goal of growing the economic potential of agriculture in the area.
Department of Public Works	This department is the custodian of state land. It is a very important stakeholder for the municipality for it assists with identifying state land that have agricultural potential that can be used for land reform purposes.

It is important to note that this list (See Table 5) is not exhaustive as the municipality will identify other stakeholders as determined by the kind of projects that they are involved in. The mayor and his councilors play a pivotal role in this land reform process, because through the political influence that they exert, they manage to persuade government officials to commit funding to projects. According to the municipal manager, this is very helpful for when provincial political leaders are aware of projects and they support it, it is easy to get officials to go beyond their job responsibilities to make sure that projects are successful.



Table 6 (below) provides a breakdown of members of the !Kheis municipal area that have benefited from the land reform programme. A detailed description will be given of each group and the status of the projects. It will assist in determining the extent of land based LED strategies in Groblershoop and whether it does have the potential to address poverty and unemployment in poor rural communities. The LED projects as cited below represent examples of land based local economic development projects in the Groblershoop area:

- Municipal commonage land: one example of a food garden and two examples of livestock farming;
- Privately owned land;
- A family owned business; and
- A food safety, poverty alleviation project

**Table 6.** Examples of land-based local economic development projects in Groblershoop

<b>Name of project</b>	<b>No of beneficiaries</b>	<b>Extent of land</b>	<b>When was land obtained</b>	<b>How was the land obtained</b>	<b>Ownership of land</b>	<b>Own investment in the land</b>
<b>Roosand vegetable garden</b>	3 men	7 ha	2002	leasing from Land Bank	owned by Land Bank	Provided the initial capital to develop the land. Provides own implements.
<b>Masakhane project</b>	7 men and 5 women	3 ha	1999	municipal land donated to project	!Kheis municipality	Provided labour
<b>Dassiekop Kleinboere Vereniging</b>	8 women and 11 men	3025 ha	1997	Commonage land. Leased from the municipality	!Kheis municipality	Uses own funds to repair broken infrastructure. Uses own labour to secure the farm and do repairs
<b>Vergenoeg Kleinboere vereniging</b>	14 farmers	600 ha	2000	Commonage land. Leased from municipality	!Kheis municipality	Pays R20 per person per month to the municipality to graze livestock
<b>Beeshoek Trust</b>	29 farmers ( 1 woman)	3800 ha	2001	Group owns land	Private land owned by Beeshoek trust	Provide their own capital to maintain infrastructure on farm

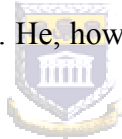
## **Case 1: Rooisand Vegetable Garden**

### *Profile of the group*

The beneficiaries of this project are members of the Merriki family. The group comprises the father, Mr. Hans Merriki, and his two adult sons. The sons are both unemployed and are working with their father on the project. Together with his two sons, Mr. Merriki is supporting his wife, 5 children and 3 grandchildren.

### *Background to the project.*

Mr. Merriki had been working for the Department of Transport as a general worker for 20 years, when upon his retirement he applied in 2002 to the Land Bank for assistance to start with a vegetable garden. In 2002 the Land Bank awarded 7 hectares of land that was repossessed from a commercial farmer who defaulted on his loan repayments to Mr. Merriki. According to Mr. Merriki, this piece of land was to be leased to him by the bank, but since he started farming on the land the bank has not given him a lease contract to sign yet. He, however, continues to farm the land while waiting for the lease contract.



### *Production on the land*

Beetroot, carrots and cabbage are the three main vegetables produced on the farm. According to Mr. Merriki, he chose these three types of vegetable because they are easy to plant and even easier to sell. His main clientele includes members of the community (in Groblershoop beetroot, carrots and cabbage are traditionally cooked at funerals) as well as the fresh produce market in the town. Mr. Merriki used R1 500 of his pension money that he received after his retirement to purchase the seeds and to buy spades and wheel barrows to start his project. Other larger implements such as tractors are leased from the local Co-operative and neighbouring commercial farmers. He is not using the full extent of the land, currently only 3 hectares of the 7 hectares allocated is used. According to Mr. Merriki, the project employs the labour of 3 full time employees (including his two sons) as well as two part-time employees. Mr. Merriki spends R2 400 per month in paying salaries. His profit per week is R400 (i.e.

R 1 600 per month). Since he is currently supplementing his monthly pension with what he earns from his project, Mr. Merriki feels that the project does have the potential to expand and employ more people, so as to provide more income.

### *Identified potential*

According to Mr. Merriki, this project has the potential to provide for more families since the land that they are currently using is very fertile and is situated nearby a river. Irrigation is also relatively inexpensive, as they use flood irrigation<sup>23</sup> and no money is paid for water. The project plans to grow different kinds of fruit and vegetables in order to produce throughout the year. Currently, the land is only in production in summer. In terms of support, the group is at present being mentored by the Griqualand West Co-operation (GWK) and is assisted by neighbouring farmers. A business plan has been developed with the assistance of Upington's Land Bank. This plan has clear plans for expansion as well as the input costs needed for this expansion.



### *Challenges*

One significant element of this project is that there is no financial assistance given by any government department. In order to implement the business plan, there is a capital input of R20 000 that has been identified. There is also a dire need for training in managing a project of this nature, as well as technical knowledge on vegetable production. The group members feel that should this assistance be given, the project has the potential to realize the goal of LED, in terms of being self-sufficient and providing extensive employment to other people.

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<sup>23</sup> This involves making furrows that leads from the river to the land. The water flows from the river and floods the lands.



## **Case 2: Masakhane Vegetable Garden**

### *Profile of the group*

This group is comprised of 12 members. These include seven men and five women. The group elected an executive committee comprising five members. This committee was tasked with the management of the project and they had to provide reports to the rest of the group on a regular basis. Reports were also to be provided to the Department of Social Services and Population Development. All the members are unemployed and receive disability grants from the Department of Social Services and Population Development. Community leaders in Groblershoop together with the departmental official responsible for the Siyanda district selected beneficiaries to this project. The criteria that was used for selection was not very strict. However, beneficiaries had to be recipients of the disability grant of government. There was no particular limit on the age group of beneficiaries except that they had to be adults older than 21. No educational profile for the beneficiaries were required or provided. However, one very important element of the criteria was that beneficiaries had to have an interest in farming and should have working experience on a farm. Since the vegetables planted were intended to supplement the income of the families, beneficiaries of the project were encouraged to take ownership and become responsible for the management of the project.

### *Background of the project*

The Department of Social Services and Population Development in the Northern Cape province initiated the vegetable garden project in 2000 as one of its poverty alleviation projects. This project also addressed the food security objective of the department. The project was embarked upon jointly between the municipality and the Department of Social Services and Population Development. A piece of land (to the extent of 1 hectare) was donated to the project by the municipality. An executive committee of five members was elected to be the leaders of the project. An amount of R100 000 was made available by the department as a grant to establish the project. This money was paid over to the project in three payments of R33 000. The money

was supposed to have been used for purchasing fertilizers, spades, shovels, uniforms and other input costs for the production. The executive could, however, not provide any records of purchases made.

#### *Production on the land*

The group did not have many implements to work the land with. They mainly used spades, wheelbarrows and manual labour. Onions, carrots, beetroot, lettuce, watermelons and sweet melon seeds were planted. These were sold to the community as well as the local fresh produce market. However, because the group did not have a vehicle to transport the produce to the shop and various fresh produce outlets, the produce often went rotten and had to be thrown away. This of course led to huge losses. Another problem was the fact that the garden was too close to the settlement and was prone to theft. Each member of the group was also allowed to take some of the vegetables and fruit home to supplement the income of the families; however, this was also not well co-coordinated. Each week members of the group were to be paid R 150.00 as wages, but because sales were not very good, the project had no cash to pay the salaries.

#### *Identified potential*

When the project was initiated, it had the potential to produce enough fruit and vegetables to sell to the broader community as well as to the fresh produce market, which was prepared to buy the goods. It also had the potential to ensure that people who received social grants from government had a balanced meal to eat every day with fresh fruit and vegetables. The group also received agricultural training, training in bookkeeping as well as financial management. These were paid for by the Department of Social Services and Population Development.

#### *Challenges*

While the Department of Social Services and Population Development tried to provide training and funding to make the project viable, there was no mentoring and

supervision. This allowed group members, especially executive members to use money and sell much of the produce without accounting for it. Another problem was the lack of security at the vegetable garden because other community members jumped over the fence to steal some of the produce. Members of the group also valued the money that they were supposed to get more than the fresh fruit and vegetables that they could take home. The project failed dismally because there was no understanding of the non-monetary value that the project had. When asked about the business plan for the project and whether members of the group used it as a guidance to expand and sustain the project, it was revealed that if a business plan was developed prior to the implementation of the project, it was either not made available to the executive or the group did not bother to keep the document.

### **Case 3: Dassiekop Kleinboere Vereniging**

#### *Profile of the group*

This is a group of 19 farmers, eight women and eleven men, who had livestock grazing in their backyards. What sets this group apart from the previous two is the fact that this is a group of elderly people that were well-organized and had a clear objective of becoming commercial farmers. The members of the group were all full-time small-scale farmers. Irrespective of the fact that their livestock often grazed on grass growing on the fringes of the road, the group had a dream of procuring their own land and becoming commercial farmers. Most of the members are old and are receiving old age pension from the government. All are literate and have a good understanding of the management of a livestock farm. While many have worked on farms before, none of the members of the group have any formal training in management or any other academic training. Another outstanding factor is the cohesion that is very evident in the group. They have an executive structure that is made up of 5 men (chairperson, deputy chairperson, secretary, deputy secretary and treasurer) and the secretary keeps record of all meetings held as well as decisions taken. Members also pay their dues regularly and this money is used for the maintenance of the farm. While it is natural for all groups to experience some form of

conflict from time to time, this group seemed to have well-thought conflict resolution mechanisms, should any arise. Group members also respect the decisions of the leadership and adhere to them. When asked about it, the secretary explained that because most members are old, they come from a generation where seniority was respected. They therefore listen to their leaders. This is however not always the case because some of the group members are still owing some of their dues.

*Background to the project.*

Mr. Willem Bosch, the leader of the group settled in Groblershoop in 1948. His recollection of the area at the time was that Groblershoop was a town established by the government of the time for poor white families to settle in. All of the white settlers were allotted a piece of land to farm on. There were also large pieces of land that was used as commonage land where the livestock of both white and black settlers were grazing. As Apartheid laws were enforced, black people were prevented from keeping livestock on the commonage. In addition to farming, the settlers – both white and black – also work on the State subsidized irrigation scheme that was developed along the Orange River. When members of this group were interviewed, they nostalgically referred back to those days and wish to take back what was taken from them. This seems to be what inspires the group and drives them to succeed.

The Dassiokop Kleinboere Vereniging had an objective to become commercial livestock farmers and farmed with goats, sheep and cattle. Together they formed a small farmers union to speak as one voice, to both the municipality and the Department of Land Affairs to acquire land. Due to the fact that land was so expensive, they had to form one group and with the approval of the municipality, they applied to the Department of Land Affairs to purchase commonage land. The objective of the group was not to remain on the commonage, but to become independent landowners and to graduate from the commonage to their own private pieces of land. The group is currently leasing the land from the municipality and has

been doing so for the last seven years. It is now embarking on negotiations with the Premier of the Northern Cape to buy the 3025 hectares farm from the municipality<sup>24</sup>.

#### *Production on the land*

Each of the 19 farmers own an average of either 25 sheep or goats (this depends on the preference of the farmer, some even have both) on the farm. These animals are kept for meat production and are sold to the local abattoir. As already mentioned in Section 4.3.2, Groblershoop is also an important meat production area and has a large abattoir. Members of the group are very reluctant to sell to people in the community; for fear that community members will buy the goods on credit, largely because they are familiar with the farmers. The economic principle of selling the best produce at the highest price is one of the driving forces of the group. Great care is taken not to overgraze the farm. The result of this is that the livestock are in a good condition. It therefore fetches good prices on the market when sold. The farmers are regarded as one of the most successful farmers in the community. According to project members, this project is so successful that farming has become the only income generating activity of the members of the group. The infrastructure is maintained by the group without any help or financial assistance from the municipality, which is the owner of the land. Special care is also taken to prevent stock thefts by employing shepherds who are paid from the dues that are collected from the members and making sure that the fences and gates are kept in a good condition. Each group member pays a monthly fee of R10 per livestock unit, which is set aside to do maintenance work on the farm and to pay the shepherds that look after the herds.

#### *Identified potential*

Due to the sound natural resource management practices of the group and the level of success achieved, the Land Bank is prepared to lend the group a substantial amount of money in order to extend their herds and also to purchase additional land.

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<sup>24</sup> All commonages in Northern Cape Province has been registered with a servitude on the tile deed that encumbers the ;land to be used perpetually as commonage for emerging farmers. Should the municipality wish to sell the land it has to get special approval from the Premier of the province.

According to the assessment of the Land Bank, this project has the potential to become a best practice model for successful land-based LED initiatives. One important element that sets this project aside from many other of a similar nature is the ingenuity of the group and the sound agricultural practices that they employ.

### *Challenges*

The biggest challenge is that this group lacks additional land to expand their farming activities. Great care is taken not to exceed the grazing capacity of the farm, hence the need for more land. The group is of the opinion that if they keep their grazing in a good condition, the animals will also be in a good condition when sold and will fetch better prices on the market. Another challenge is the fact that they are not the owners of the land and can therefore not use it as collateral to make loans at any financial institution to purchase more livestock. Many would like to expand their herds as they see the economic potential of having bigger herds and selling larger numbers of animals to the abattoir. This will give them better bargaining power with the abattoir since they currently take their animals to the market and if they had larger numbers to sell the abattoir would collect the animals at the farm. The municipality is the owner of the land and does not want to sell it to the group<sup>25</sup>. This creates a problem of ownership. The group is very careful not to allow anybody on the farm for fear of theft. For this reason they keep all gates locked. The municipality, who owns the land, wants to make regular inspections on the farm and need free access. This creates conflict between the owner of the land and the lessee.

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<sup>25</sup> The municipality is of the opinion that the land should be kept for other groups in order for them to also have an opportunity to grow into commercial farmers. The municipality would also like to keep the land for revenue generation purposes and does not want to sell it. A third reason is the fact that all commonages are registered with a perpetual servitude which encumbers the land to remain public property and special permission needs to be obtained from the Premier of the province to sell the land

#### **Case 4: ‘Vergenoeg Group’**

##### *Profile of the group*

This is a group of 14 subsistence farmers that are farming on the municipal commonage. The group is mixed and comprises of elderly people, unemployed young people as well as employed people. Of the six members of the group who are employed, two are working as general laborers at the co-operation and the others four work on surrounding farms. There are five old people who receive government pensions while the three young members of the group are unemployed. To this group, the farming activities that they are involved in are survival strategies. The animals are largely kept for domestic use and are very seldom sold on the market (however, there are times when sheep or goats are sold to community members for funerals). While all members of the group are literate, the highest level of education is matric. While the three unemployed young people are also seasonal workers on grape farms, there is little evidence of farming background in the group. The elderly members of the group gained their knowledge and experience of livestock farming from herding flocks of their parents many years ago.



##### *Background to the project.*

This is a group of people that merely wants to supplement their income and is not necessarily planning on becoming full-time commercial livestock farmers. Commonage land to the extent of 600 hectares is leased from the municipality. Each member of the group is supposed to pay R 20 per livestock unit to the municipality for grazing rights. However, many do not pay regularly – even though each farmer has signed a lease contract with the municipality. The municipality does not enforce the payment due to the fact that members of this group are registered indigents<sup>26</sup> and have to be assisted.

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<sup>26</sup> In terms of the Municipal Systems Act, No.32 of 2000, local municipalities are allowed to register households in the municipal area who earn less than R1 500 per month (this amount varies from municipality to municipality) as indigents for the purposes of reducing and/or subsidizing payment of their municipal services.

### *Production on the land*

Each farmer has an average of 40 livestock units. These include goats, sheep, donkeys, horses, pigs and cattle. The land is currently overgrazed, the carrying capacity of the land is 250 livestock units and currently there are 400 livestock units (goats, cattle, sheep, donkeys and horses) grazing on the farm, and is therefore not very productive. Fences are broken and not repaired regularly by the municipality. Compared to Dassiekop project, the animals on this farm are not in a good condition. This is further aggravated by the apparent lack of management of the farm and animal thefts are rife. Another debilitating factor is the fact that the farm is too close to the community settlements, which makes it prone to all kinds of abuse: intruders enter the farm to collect firewood without permission, waterholes are vandalized and windmills and fences are broken and stolen.



### *Identified potential*

Due to the state of the grazing land and overall ill-maintenance of the farm, there is not much potential for this project to become commercially viable. However, the municipality does have the responsibility to improve the management of the farm. Currently the responsibility of maintaining the farm is left to the users and the municipality is not very involved, other than collecting the R20 grazing fee per head. It is quite evident that these farmers, unlike the Dassiekop farmers, do not have the intention of becoming commercial farmers but are only interested in subsistence farming. The municipality should acknowledge the fact that people have different land needs and should be able to provide the necessary support for these groups. The potential that this farm holds lies in its subsistence value. The farm is very close to the community, it is easily accessible and it is already regarded as common property.



### *Challenges*

There is a need for additional land and better management of the current resources. The lessees do not think that they are responsible for the maintenance of the farm since they are not the landowners. The community members expect to be allowed on the land if and when they want to and do not regard the current users as sole beneficiaries to land that belong to everybody. The terms of the lease contract is also adhered to by neither the landowners (the municipality) nor the lessees. The municipality expects the farmers to pay grazing fees but since many are in arrears, no services are provided for the farm. Municipal officials do not regularly visit the farm to provide necessary support to the lessees. The farmers in turn expect the municipality to provide services and not penalize them for not paying. The maintenance of the infrastructure as well as the securing of the livestock from theft and vandalism remains an issue of dispute between the two parties. The municipality compares this group with the Dassiekop farmers and expects them to become independent and self-sufficient as well. There appears to be a lack of understanding with the municipal officials to distinguish between the needs and aspirations of subsistence farmers and those of aspiring commercial farmers.

### **Case 5: Beeshoek Trust**

#### *Profile of the group*

This is a group that is comprised of employed, unemployed young, old and female members. One outstanding factor of this group is the apparent high level of education amongst its leaders. Two of the executive members are young men who have post-matric qualifications (both have studied at the local technical college towards a national management diploma, however, they have not completed their studies). The chairperson of the group is a respected local priest and enjoys a lot of respect from the members of the group. There are 10 members who are not actively farming, but do play active roles in the board of the Trust. These members are referred to as “shareholders” and are kept abreast of all developments on the farm. These members

are aware of the fact that should the Trust make a profit, they would also benefit. This farm is also run on the business principles of profit-making.

### *Background to the project*

The group, comprising 29 members, was farming on the municipal commonage which is now being used by the Vergenoeg group. Some members of the group on the municipal commonage became more successful and wanted to grow and farm commercially. Since the municipal commonage did not provide for the commercial needs of some of the members, they decided to form a group and purchase their own private land. In 1999, they applied to the Department of Land Affairs for assistance to purchase land. From the onset, the group was not interested in more commonage land and insisted on the Department to purchase private land and also for that land to be registered in the name of the group and not the municipality. Hence, a trust was formed and in 2001. The Beeshoek farm that was purchased was obtained through the R16 000 grants that each member qualified for through the Department of Land Affairs's Settlement/ Land Acquisition Grant programme<sup>27</sup> (SLAG). The land was transferred into the name of Beeshoek Trust. Members of the group have lived and/or worked on farms for all their lives and felt that they have enough experience and knowledge about stock farming to make a success of the project. Those members who did not have similar commercial aspirations remained on the commonage.

### *Production on the land*

There are currently 900 livestock units on the farm. These are small livestock units, namely sheep and goats. There is currently a ban on donkeys and horses being kept on the farm because the members feel that they do not have economic value. Special care is taken not to overgraze and members of the community are not allowed to

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<sup>27</sup> This programme has been replaced by the Land Redistribution for Agricultural Development (LRAD) managed by the Department of Land Affairs. The programme assists previously disadvantaged people to acquire land for agricultural purposes. The LRAD programme differs from the SLAG programme in that the beneficiaries are now required to make their own contribution towards the purchase price of the land.

collect firewood on the farm. This group has also built a relationship with the Department of Water Affairs and Forestry on the Working for Water programme of the department. Through this relationship, all alien trees have been removed from the farm, which is important for preserving the underground water resources on the farm. This project is commonly referred to by many community members as a huge success. Through the principle of active interaction with government departments and other funding institutions, the Beeshoek Trust has managed to secure support from the Department of Agriculture's land care programme to erect fences; camps; boreholes; and related infrastructure on their farm. Through the relationship with Uppington's Land Bank, individual members have borrowed an average of R25 000 each to purchase the land. When asked, the leader quoted an average income per member at R50 000 per annum. Group members also have good relations with influential political leaders both locally and in the province. This makes it possible for them to acquire government support in the form of skills training to make their venture a success.



### *Identified potential*

The project has the potential to grow and become more successful. It is evident, from the manner in which the group manages the farm's water resources and how fences and grazing is managed, that this group has potential to become even more successful. When more land is acquired, the group could be able to breed better, high value herds. Some group members are also aspiring to enter their animals for annual competitions and to establish themselves as respected breeders.

Those 10 members that are not actively farming are regarded as 'investors' and only have an interest in the land and the improvement of the condition of the land. As the value of the land increases, their investment grows in value. This relationship is mutually beneficial for both the farmers and the 'investors'. Financial institutions like the Land Bank, as well as government departments, further acknowledge this and are prepared to assist when requested to do so.

### *Challenges*

The group is very happy with the assistance that they continue to receive from government departments. A lot of care is taken to maintain good relations with political leaders so as to ensure that government funding can be tapped into when needed. One of the major challenges, however, is the need for additional land. The current 3800 hectares are not sufficient to provide for the expansion plans. Also, the group does not have a written business plan that outlines these plans to expand. They remain in the minds of the farmers and are discussed regularly. What is needed is for these plans to be written in the form of a coherent plan, which will allow the Beeshoek Trust to raise funds and solicit more government support.

Furthermore, the relationship between the Beeshoek Trust members and those that remained on the municipal commonage is becoming confrontational. Some of the subsistence farmers on the commonage are trying to join the Beeshoek Trust and argue that they are entitled to this since they were part of the initial group. The Beeshoek Trust has resolved not to allow for more members to join because the grazing on the farm does not allow for more animals. This creates a degree of tension between the two groups, which has the potential to polarize the whole community.

## **4.4. ANALYSIS OF THE LAND-BASED LED PROJECTS IN GROBLERSHOOP**

### **4.4.1. What made some of the Projects Successful?**

A key characteristic that contributed to the success of the projects was the commitment of the beneficiaries. The Beeshoek and Dassiekop farmers did not wait for the support of the municipality but rather went out to build relationships with political leaders (both locally and in the province); neighbouring commercial farmers; as well as private institutions. This approach is similar to the LED approaches of the United Kingdom where local partnerships were regarded as key success factors (Geddes, 2004). Another critical success factor was the training and mentoring that

beneficiaries received. In the case of Dassiekop and Beeshoek Trust, members of the group had years of experience in the area and knew the farming conditions which they applied to their own projects to make it a success.

#### **4.4.2. What made some of the Projects Fail?**

Those projects that were not very successful were the municipal vegetable garden and the municipal commonage projects. The absence of municipal support and management was central in the failure of the projects. The lack of infrastructure and inability to get the produce to the market on time was another critical factor. In her study of municipal commonage in the Free State province, Buso (2003) remarks that for the failure of municipal commonages to achieve their objectives of stimulating LED also relates to the lack of business skills and misuse of funds. She further points out that a common problem amongst developmental projects in general is the lack of training of beneficiaries especially in the area of sustainability of projects. A third reason for failure of land-based LED projects that was highlighted in the Free State study is the lack of a formal relationship between experienced commercial farmers and inexperienced emerging farmers. A strong case is made in this study for mentorship relationships between commercial and emerging farmers. Andrew et al, (2003:3) concurs and further highlights the fact that often times “rather than building on existing practices and institutions, land reform projects impose unfamiliar proposals and new responsibilities with diverse interests and meager resources,” on groups of people who are unrelated and with limited educational backgrounds. In all of the case studies sited above, an overwhelming number of group members were elderly people that do not necessarily have the energy, determination and ingenuity of the youth.

#### **4.4.3. What should be done?**

It is evident from the projects, as outlined above, that communities need land for various reasons. This necessitates government departments such as the Department of

Agriculture, the Department of Land Affairs as well as municipalities not only to make commonage land available for subsistence and emerging commercial uses, but also to provide more resources. These resources are needed both for acquisition and maintenance of public property (Anderson and Pienaar, 2004). The experiences of the two commonages projects of the municipality as described above illustrates the point made by Anderson and Pienaar (2004), that municipalities need more support to facilitate; plan; implement; and administer land related economic development programmes.

#### **4.4.4. Opinion of Government Officials and Local Politicians**

With the focus-group interviews and individual meetings with local politicians, differing opinions were raised regarding the potential of land-based LED initiatives. The councilor, Mr. Esau, together with the mayor, is very confident that land-based local economic development initiatives have the potential to alleviate poverty amongst the rural poor. They expressed their commitment to ensure that the municipality does everything in its power to ensure that the responsible government departments participate in this process. There was however not the same enthusiasm from the officials working in the municipality. They regard the management of agricultural projects as an ad hoc activity and not part of the core responsibility areas of the municipality. In addition, there is an acute lack of human resources and skills to manage these projects.

The officials of the departments of Land Affairs and Agriculture are also very thinly spread and are not always able to visit the town of Groblershoop. This results in problems multiplying for a long time before they are adequately addressed. This, in turn, influences the morale of not only the beneficiaries of projects but also of officials themselves because when problems are eventually addressed they appear to be insurmountable. However, due to the fact that all politicians want to be seen to be delivering on the promise of the African National Congress in the 2000 and 2004

elections (“a better life for all”), much pressure is exerted on the officials to launch projects and ensure that they are sustained and successful.

#### **4.4.5. Opinion of the Beneficiaries**

From the interviews conducted with beneficiaries of land reform projects, it is evident that land is regarded as an important element in the livelihood strategies of the community. There are those community members that gather wood; collect medicinal plants; graze domestic livestock; and plant vegetables and fruit for subsistence purposes. Another group in the community sees land as being important for their economic survival and plants vegetables and fruit for the market, while others farm commercially with livestock. Their opinion of the projects that they are currently involved in is that government departments as well as the municipality does not provide enough land nor sufficient management assistance. Each of these groups expressed the need for more land, even those that only use it for subsistence purposes. It is thus evident that the local economic development strategy that is currently being developed for the !Kheis municipality should include land-based projects as one of its key intervention areas.

#### **4.5. CONCLUSION**

This chapter has given an outline of the draft Northern Cape provincial growth and development strategy (the province is currently engaged in processes to finalize the strategy). A closer examination was made of the Integrated Development Plans of the Siyanda District Municipality (which is the district where Groblershoop is located) and the !Kheis Municipality. While both municipalities are still developing their LED strategies, it is evident in their IDP’s that the potential of land reform and agriculture to promote economic development is being acknowledged.

The chapter further showed examples of community members in Groblershoop that have actively engaged in land-based economic activities (all with varying degrees of

success). A common factor in all of the projects is the support and, at times, lack of support of government departments to ensure the successful implementation of these land-based LED initiatives. Andrew et al, (2003:4) cautioned that if land-based livelihood strategies are to succeed, "...there is a critical need for much greater strategically directed state support to develop and expand markets and support services for small-scale and emergent producers,". In the case of Groblershoop, there is a real challenge for the local municipality and provincial government departments involved in the land reform programme to develop such support strategies.

In the following chapter (Chapter Five), an analysis will be made of the factors that impact on either the success or failure of land-based LED projects. It will also make recommendations on what the roles and responsibilities of local government institutions should be in making these projects achieve their goal of creating employment opportunities, alleviating poverty and stimulating economic growth.





## **CHAPTER FIVE: CONCLUSION**

### **5.1. INTRODUCTION**

This thesis has attempted to provide answers to the crucial question: ‘to what extent has the newly found political and civil freedoms, which is guaranteed for all South Africans, translated into a more economically-viable life?’ In the context of the words of one post-apartheid government Minister, who argued that “policies thus far (have) not generated the anticipated levels of development,” to address the huge poverty levels in the country (Section 1.1, Chapter One), the study sought to establish why local economic development interventions of government appear not to be achieving their stated objectives of improving the lives of the poor people. What this thesis set out to investigate was informed by the South African Constitution that states in Section 152, that it is the role of local municipalities “to promote social and economic development”. A closer look was taken at the role played by the Groblershoop municipality in the Northern Cape province (as a case study) in using a land-based LED approach to stimulate economic growth and provide jobs for the poor.

Using a qualitative research methodology, a three- pronged approach was adopted to address the key goal of this thesis, as stated above and in Chapter One (section 1.3.2). Firstly, a review was done of the literature on LED: its origins in wealthy, developed countries and the experiences on the successes and failures of LED as a developmental tool (Chapter Two: section 2.2). Secondly, a review was made of the experiences of the application on LED approaches in a South African context with special reference to the policy and support of LED strategy (Chapter Two: section 2.4). Thirdly, an empirical research was done in Groblershoop on LED that is based on land, and the role that it plays in the livelihood approaches of poor people (Chapter Four).

This concluding chapter of the study seeks to provide a brief summary of some critical issues that have emerged from the literature review; policy analysis; and case study of land-based LED in Groblershoop. The chapter reminds the reader of what has been presented; pointing out some important observations made and offers alternatives to current LED practices. These are based on the findings of the case studies in Groblershoop. Section 5.2 reflects on the intention of LED policy, the implementation of policy and the gaps in policy application. In Section 5.3, the value of land in the stimulation of LED is revisited and the inability of local municipalities to exploit this resource to its fullest potential is also highlighted. This Section proposes some solutions for each of the constraints identified. It ends with a brief conclusion.

## **5.2. LED POLICY AS A RESPONSE TO ECONOMIC DECLINE**

### **5.2.1. Local Economic Development and what drives it**

Chapter Two reflected on the origin of LED in wealthy, developed countries in the northern hemisphere. This review highlighted, amongst others, two important conditions which are common to developed and under-developed countries, and that were catalytic to the emergence of LED strategies. They are firstly the high levels of unemployment and economic decline (See Chapter Two: section 2.2) and secondly, the involvement of local politicians in determining the form and content of economic interventions (Nel, 2001). There is sufficient evidence that shows that LED policies and intervention strategies employed in most developed countries succeeded in turning around the declining economies of local areas (Geddes, 2004). In the South African context however, LED has taken the form of survivalist strategy. There is generally no intention to participate in the global economy (Nel, 2001). This results in a lack of vision, shortsighted planning and LED projects that have limited growth potential.

### **5.2.2. Inconsistent Policy approaches**

There is an apparent lack of agreement between civil society organizations and government institutions regarding the character and thrust that these LED interventions should take (See Chapter Two: section 2.4 and Mawson, 1997). Municipalities get away with the excuse that LED is an unfunded mandate, or that they are struggling with service delivery to the poor and can therefore not fund these LED projects. The fact that there is a lack of clear policy around LED causes local municipalities not to get proper guidance to ensure that their LED interventions achieve their intended goals. According to Nel (2001), national and provincial governments have the obligation to introduce realistic policies accompanied by training and support for the implementers – something which, as in the case of Groblershoop, has definitely not happened.



### **5.2.3. Good Intentions with Poor Implementation**

Another alarming discovery made through the course of the research was the absence of well-developed LED strategies in the Northern Cape province's Siyanda District and !Kheis municipality (See Chapter 4: sections 4.2 and 4.3). Although LED has been in existence for the past ten years, the LED strategy in each of these spheres of government is still in the process of being developed. The Northern Cape province started in 1994 to develop a strategy for the province that has been reviewed in 1999 and is now in the process of being 'finalized' in the Growth and Development Strategy. While these draft strategies do make mention of economic priority areas and identify areas of potential, there are no projects that have resulted from them. This is an inhibiting situation since local government usually follows the example set by provincial structures. In Groblershoop this is evident in the inability of the local politicians to act on their plans to negotiate with the local wine cellars and co-operatives, for opportunities for black emerging farmers to become members and participants in the lucrative export market. Both the mayor and councilor interviewed

made mention of the lack of Black Economic Empowerment (BEE) initiatives in the Oranje River Wine Cellars. This is an area where they as politicians can solicit discussions with the shareholders of this company, however, there has been no action for the past ten years (See Chapter Four: section 4.3.2).

#### **5.2.4. Too much Political Interference?**

Another important observation, as made by Dewar (1998), was the misuse of LED interventions and funding by local politicians. In her study of LED funding in Minnesota (USA), Dewar found that there was too much political control and interference in LED programmes and projects (also see Cousins and Kepe, 2004). Politicians want to look good and use the allocation of LED funding for their own electioneering purposes, by channeling money to areas where they can get the greatest political support – and not to the areas with greatest need. In Groblershoop this was, arguably, very much the order of the day. The Beeshoek Trust project, for example, appears to be very successful (See Chapter Four: section 4.3.2, Case 5). The leader of the group also remarked that through the close relationship that they have with both local and provincial politicians, they have managed to solicit the support and funding from government for their project. The danger in this is that those who do not have a political voice or who do not have contacts in these government departments may not get the assistance they so desperately require. In almost all cases these are the ‘poorest of the poor’ and therefore the most marginalized. A case in point is the Vergenoeg group that farms on municipal commonage (See Chapter Four: section 4.3.2, Case 4). These are very poor people who have little resources. The unfortunate reality is that they get little or no assistance from the municipality, government departments or other non-governmental organizations. A solution to this dilemma is for the rural poor to become empowered so as to speak for themselves and be able to have their plight put on the political agenda (also see Cousins, 2000). Hence there is a very big role for non-governmental and community-based organizations to champion the plight of poor, landless rural people. It is very

unfortunate, but unless lobby groups continually advocate in the mass media (where the larger citizenry gets to hear about the issue) for land and developmental assistance to be given to the poor, politicians will continue to “politic” about it with very little happening on the ground.

### **5.3. MUNICIPAL LAND AND LED**

#### **5.3.1. The Burden of Commonage**

Land has been both a highly emotive and valuable commodity for African people (Shackleton, et al, 2000) for centuries. This is still the case for many people in the Northern Cape province. The poor, as well as very wealthy, still rely on land-based economic activities to make a living. For this reason, when provincial and local government institutions develop economic development strategies, land is naturally an important element in these strategies. When the ‘new’ government assumed power in 1994, the Northern Cape provincial government and the province’s municipalities “inherited vast tracts of land purchased from farmers as early as the mid-1800s,” (Benseler, 2002:1). Municipalities leased these farms to commercial farmers on a tender or auction basis. Commonages were therefore a valuable resource to the municipality. They provided a steady flow of income for the municipality and in addition, the responsibility of maintenance and land use management was not really a concern.

With the advent of the new democratic State, this situation has changed. Municipalities now have to lease these pieces of land to poor subsistent farmers who cannot necessarily afford to pay market related rentals. They are also not able to manage and maintain the farms to the degree that commercial farmers once did. Municipalities complain that they are now saddled with the added responsibilities of management, administration, facilitation, infrastructure repair, monitoring of the land use and the conservation of the grazing. No institutional arrangements are made to equip municipalities to deal with any of these responsibilities. Commonage

management becomes an ad-hoc responsibility of municipal officials working in, sometimes, unrelated sections in the municipality (Benseler, 2002). The establishment of special land management units is a *sine qua non* for municipalities that own large pieces of commonage land. Municipalities will not be able to manage their commonage land in an economically sustainable manner if ‘in-house’ capacity is not built. The departments of Land Affairs and Agriculture, while they are important partners, are not able to do this.

### **5.3.2. Underestimation of the Economic Value of Land**

Municipal officials and politicians fall in the trap of under-valuing land-based livelihoods. Chapter Four: section 4.3.2, gives a description of livelihood strategies of people in Groblershoop. The fact that commercial farmers in the area are very successful in exporting grapes to Europe and Japan; and that they boast the largest abattoir in Africa and plan to expand their export markets to other parts of the world, should be proof enough that there is merit in land-based livelihoods. However, when the IDP of !Kheis municipality is examined, no clear plans and strategies of developing this sector is evident.

### **5.3.3. Neglect of Natural Resources**

It is common practice in many municipalities that communal land is overgrazed; infrastructure is vandalized; and land-use management leaves room for improvement (Benseler, 2002). While there could be various reasons for this inability of the municipality to manage commonages properly (e.g. lack of staff, etc.), the attitude of municipal officials towards commonages and the lack of confidence in the ability of the poor to engage in agricultural production for the market is largely to blame. Andrew et al, (2003:16) concurs and stresses further that “the low value accorded by State agencies to natural resources in people’s livelihoods means that they are not accounted for in development plans and projects. Until planners and policy makers

(in this case municipal officials) come to appreciate the importance of natural resources to rural people, rural (economic) reform will always fall short of meeting the needs of the very sector and people it is supposed to support”.

#### **5.3.4. Neglect of Social aspects of Business Development**

The second case study, as cited in Section 4.3.2 of Chapter 4, illustrates a classical example where a group of unrelated people – beneficiaries of various state grants – were pooled together in a group in order to start a business venture. This was not a group of people who came together because of a shared vision and common ideals. Rather they were ‘artificially’ made into a ‘cohesive’ group by government officials who wanted to start a food garden project. This group was given a business plan (which they did not recall existed) and was expected to run a successful business venture. The project obviously failed, but it serves as a good example of how implementers of LED projects blatantly disregard the social aspects of business development.



This scenario sketched above is very much what happened in many land reform projects throughout South Africa. With the inception of the Land Redistribution programme in 1994, the programme was largely based upon the provision of SLAG, which consisted a R16 000 grant to qualifying individuals. Due to expensive land prices, land reform beneficiaries were compelled to pool their money together in order to purchase the land (Jacobs, *et al*, 2003). These were often unrelated people, who at times did not even live in the same part of town. This resulted in heightened tensions because, “rather than building on existing practices and institutions...land reform projects often imposed unfamiliar proposals and new responsibilities on groups with diverse interests and meager resources”, groups experienced tension, conflict and projects finally failed (Andrew, 2003:3). It may be true that not all rural poor people want land for commercial reasons, but when local municipalities develop

land-based LED projects for the economic advancement of the poor they should refrain from a “rent-a-crowd” approach.

#### **5.4. CONCLUSION**

This chapter attempted to extract some key arguments and observations that have emerged in this mini-thesis regarding the potential of local economic development strategies to stimulate economic growth in rural municipalities. The central argument of this thesis is that while the potential of LED strategies are not disputed and the economic value of land is appreciated, the implementation of such strategies does not assist in achieving the intended objectives of poverty alleviation and economic development.

The study concludes that while local municipalities are mandated by the Constitution to “promote social and economic development”, they will not be able to do this without clear policy guidance; institutional capacity-building; inter-sectoral collaboration; political ‘champions’ to drive the process; and real empowerment of the beneficiaries whom the projects is supposed to assist.

As a final word, I wish to concur with Kepe and Cousins (2002:2), who argue that “although land reform will only be effective if embedded within a broader programme to restructure the agrarian economy, (this) will not lead to significant reduction in rural poverty without a redistribution of political and economic power in favor of the poor. International experience has shown that elites tend to capture the benefits of land reform unless there are decisive shifts in power relations. It is clear that agrarian restructuring (and land-based local economic development) will only be realized through struggle”.



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