

University of Fort Hare
Faculty of Management and Commerce
Department Of Development Studies

Local Economic Development Initiatives as an
Intervention Measure for Rural Development: A
Case of the Amathole District Municipality of
the Eastern Cape in South Africa



By
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A Thesis Submitted In Fulfillment of the Requirements for
the Master of Social Sciences in Development Studies

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Supervisor: Professor S. Buthelezi

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Declaration

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Acknowledgements

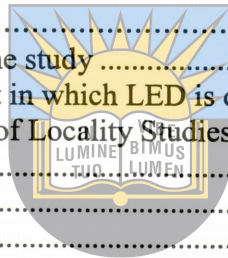
This thesis has been an extremely arduous yet enriching and satisfying experience for me. I owe special gratitude to my Lord Almighty God for tremendous contribution in the achievement of this phenomenal milestone. I would also like to acknowledge profusely all those who have been a part of this experience without whom I could not have completed the undertaken task. Words of thanks to my research supervisor, Professor S. Buthelezi, to whom I am greatly indebted for research guidance and encouragement throughout my post-graduate studies at the University of Fort Hare. Last, but not least, infinite gratitude and love to my fiancée for everything, may the Almighty God richly bless you and to my parents I am grateful for your constant support and encouragement throughout the years.



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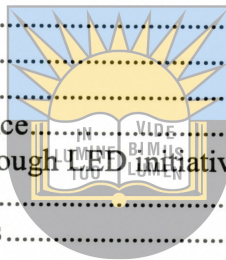
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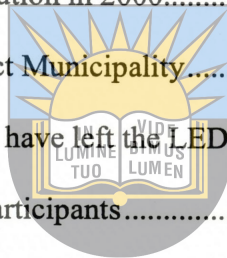
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List of Abbreviations

ADRI	Agricultural and Rural Development Research Institute
ASIGISA	Accelerated and Shared Growth-South Africa
BEE	Black Economic Empowerment
BNA	Basic Needs Approach
CBO	Community-Based Organization
DPLG	Department of Provincial Local Government
GEAR	Growth Economic and Redistribution
GNPpc	Gross National Product per capita
IDP	Integrated Development Planning
IDZ	Industrial Development Zone
ISRDP	Integrated Sustainable Rural Development Programme
ISRDS	Integrated Sustainable Rural Development Strategy
LED	Local Economic Development
NGO	Non-Governmental Organizations
PGDP	Provincial Growth Development Plan
RDP	Reconstruction Development Programme
RSA	Republic of South Africa
SSA	Sub-Saharan Africa
UN	United Nations
UNDP	United Nations Development Programme

Definition of Key Concepts

LED Initiatives

In this context is defined as a process in which partnerships between local governments, CBOs, NGOs, business and the private sector are established to manage existing resources, to create jobs, alleviate poverty and stimulate the economy of a well-defined territory.

Local

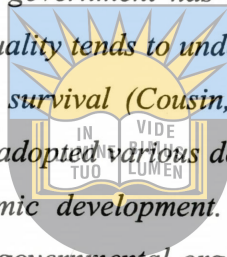
Throughout this work the definition of the “term local” is inherited from Buthelezi (2007) who defines “local” as denoting any spatial, administrative or economic unit within a single social formation, either in terms of whole sub-national spaces such as regions, districts, municipalities, communities and wards.

Accumulation from Below

In this study is viewed as a process that is enhanced by any development endeavour leading to the creation of wealth by those at the margins or those the development effort seeks to develop.

Abstract

The demise of apartheid in the early 1990s has left South Africa with an indelible social and economic legacy which is characterised by racial division, discrimination, high unemployment and poverty rates. These developmental challenges are more pronounced among the previously disadvantaged communities especially in provinces that host the former homelands. Though it can be argued that the new democratic government has made tremendous strides in its first decade but, continuing poverty, and inequality tends to undermine these gains, some even sees it as a crisis and perhaps as a threat to survival (Cousin, 2004). Faced by this development impasse, the democratic government has adopted various development endeavours in an attempt to address issues of social and economic development. Among the various efforts being experimented with by the state and non-governmental organisations to bring about social and economic development in South Africa's rural-urban landscape or within the previously disadvantaged communities is Local Economic Development (LED).



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At the heart of these LED initiatives enshrined are the goals of creating employment and reducing poverty at the local level. Hence, the main objective of this study was to critically investigate the effectiveness of selected LED initiatives as an intervention measure geared at creating employment and reducing widespread poverty in some of South Africa's rural communities of Amathole District Municipality in the Eastern Cape Province. These rural communities are Ward 4, 5, 7, Balfour, Ntselamanzi and Alice located in Ngqushwa and Nkonkobe local municipalities respectively. The study also assessed the degree to which such endeavours are addressing issues such as empowerment, enhancing social justice and ensuring sustainable rural development among the previously disadvantaged communities. The study used an integration of both methods of data collection, that is, the qualitative and quantitative method. The tool used to collect data was an interview schedule, which consisted of open ended and closed questions. Findings by this study reveal that most of the LED initiatives are producing dismal results, and cannot be regarded as a panacea for the development impasse faced by the above mentioned rural communities. Accumulation from below by the rural people through LED

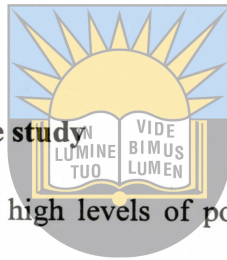
initiatives remains elusive due to the nature of employment created by these initiatives. Most of the jobs demanded unskilled labour (84 percent) lastly, the majority of the participants are women. A phenomena the study suggests that, it might indicate the feminization of poverty in these rural municipalities and female-headed households appears to be worst hit. Due to the limited nature of socio-economic benefits derived from LED initiatives by participants, the study, at the end argued for the Structural Change Model as alternative approach to address rural poverty in these two rural municipalities.



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Chapter One

Local Economic Development in South Africa and the Policy Context



1.1 Introduction and Background of the study

“Rural South Africa is characterized by high levels of poverty. Approximately 70 percent of South Africa’s poor people live in rural areas, and about 70 percent of the rural residents are poor. Their incomes are constrained because the rural economy is not sufficiently vibrant to provide them with remunerative jobs or self-employment opportunities. The cost of living is high because they spend relatively more on basic social services such as food, and water, shelter, energy, health and education, transport and communications services. The manufacturing base is weak due to poorly developed infrastructure. Local governments have little or no tax base and weak human capacity. Agriculture and other natural resource based activities provide the basis for many livelihoods. In spite of the role played by agriculture, most of the rural people generally do not have access to natural resources to support their subsistence. More than 85 percent of the countryside is settled by commercial farmers, and the population pressure in the former homeland areas has depleted the natural resource base to an extent that only a few communities can provide for their subsistence needs in this way.” (<http://www.info.gov.za/otherdocs/2000/isrds.pdf>) accessed 19/11/2007.



In the light of these developmental challenges, the post-apartheid government has adopted various strategies and intervention measure to address the plight of poverty faced by the rural people. Among the various strategies that have been embraced by the central and provincial government are: the Integrated Sustainable Rural Development Programme (ISRDP), the Integrated Sustainable Rural Development Strategy (ISRDS), and Local Economic Development (LED). The ISRDS, as the post-apartheid government's vision for rural development is captured in its aim of delivering the promise of a better life for the rural poor people through local government. Local governments in the Eastern Cape where most of the rural poor live have identified programmes for promoting sustainable rural livelihoods. For instance, the Eastern Cape Provincial government has introduced the Provincial Growth Development Plan (PGDP) as a guiding document for the development of the province more especially on rural agriculture (Massive Food Programme).



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The ISRDP is designed to build “*socially cohesive and stable rural communities with viable institutions and sustainable economies, offering universal access to social amenities and ability to attract and retain skilled and knowledgeable people who can contribute to growth and development*”. The impetus to create the ISRDP was the observation that investment in rural areas did not have the envisaged impact in alleviating poverty and strengthening local institutions. Among the above mentioned development conduits embraced by the government, this study is interested in LED as an intervention measure for rural development in two rural municipalities of the Amathole District Municipality district municipality.

On LED in South Africa, Nel and Rogerson (2005) argued that it emerged as one of the most significant post-apartheid development options which is now being pursued by significantly empowered localities with the overt encouragement of national government. Meyer-Stamer (2006) argues that when it comes to LED, South Africa is a special case. Whereas in other countries LED tends to be a voluntary activity of local government, often borne out of necessity or desperation, in South Africa it is a statutory activity.

The concept of community or locality-based development was implicit in the 1994 Reconstruction Development Programme (RDP), the anchor framework for national post-apartheid planning (ANC, 1994). Furthermore, the South African Constitution establishes “developmental local government”, and this includes the responsibility for economic development. Thus, in South Africa, LED has been identified by the government as a key strategy through which issues of social and economic development and, more importantly, poverty alleviation and the creation of employment can be addressed at the local level. The 1996 Constitution of the Republic of South Africa granted local governments’ extensive responsibilities in the realm of LED and citizen participation in local governance, Sections 152 (a) and 153 (a) states that:

A municipality must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.

This concept was taken significantly further in 1998 when the *Local Government White Paper* was released (RSA, 1998). According to the *1998 White Paper on Local Government*, to meet the development challenges of the national economy, local government has been given a new

constitutional mandate to create, sustain, equitable and viable humane settlements. In an effort to create conditions for sustainable development and combat the scourge of poverty, developmental local governments necessitate a commitment to “*working with the citizens and groups of people within the community to find sustainable ways to meet their social, economic and material needs and improve their quality of their lives*” (Nel and Rogerson, 2005) .

Moreover, municipalities have been given the responsibility to mobilize and provide the vision, the leadership as the role players in LED. An integrated development plan (IDPs) has been identified as the most important method for achieving greater coordination and alignment. Integrated development planning is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development. IDPs provide powerful tools to municipalities for the facilitation of integrated and co-ordinate performance, and this involves comprehensive consultation exercises with local communities and other stakeholders involved in LED (*Department of Provincial Local Government (DPLG), 2000*). Local municipalities thus, have a crucial role to play both as policymakers and as institutions of local democracy, and are urged to become more strategic, visionary, and ultimately influential in the way they operate.

In 2002, an important national LED policy document, entitled “Refocusing Development on the Poor” was in the process of being drafted (DPLG, 2002). Building upon the works of Bond (2001, 2002) this document clearly argued a case for a “pro-poor” LED, explicitly targeting low-income communities and the marginalized as the focus of government policy. Hindson and Vincente (2005) argued that while there was much value in this document it was never officially released into the public domain and failed to reach the national level for approval. A second

attempt again to draft LED national policy framework started in 2003 resulting in a number of draft documents, culminating in the officially circulated policy document entitled: *The Policy Guidelines for Implementing LED in South Africa*, released in March of 2005. In order to support LED, the national government introduced an LED fund in 1999 to provide support for poverty relief schemes across the country (Binns and Nel, 2002).

In South Africa, LED is often presented as existing in two different varieties, which are the pro-growth endeavours to participate in a neo-liberal, global market, and the community based/welfares pro-poor variants (Nel and Rogerson, 2005). The pro-growth variants are more widespread in large municipalities which are well resourced and well capacitated. Thus, the pro-poor variants of LED are deemed to be more prominent in most rural areas. These LED initiatives entail different employment generating activities and poverty reduction measures conditioned by the availability of local resources. Basically, in the rural areas LED initiatives are mainly in the form of community-based socio-economic development, for instance, community agricultural co-operative, irrigation schemes, eco-tourism, lucrative sewing contracts, brick-making, chicken and piggery co-operatives, craft production and bulk-buying and housing construction.

These LED pro-poor variants are argued to primarily seek to address social problems such as poverty, unemployment and exclusion, but in practice there are more concerned with economic growth, and not development efforts which promotes accumulation from below by the poor. In some quarters these initiatives are argued to have left the underlying structures responsible for rural underdevelopment largely intact. Thus, the study investigated the effectiveness of these LED pro-poor initiatives as an intervention measure geared at employment creation and poverty alleviation in the rural areas of the Amathole District Municipality District Municipality, and in

practice, whether LED initiatives challenge structural blockages that impinge on rural development.

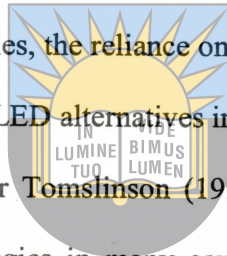
1.2 The Historical and Global Context in which LED is developing.

LED initiatives have their origins in the high income countries of the North (Developed Countries). These LED initiatives emerged in the last thirty to forty years as a response to the oil crisis and the dramatic weakening in the economic hegemony of the United States: the collapse of the Bretton Woods's system, and reductions in global aid (Nel, 2001). These changes have had profound spatial ramifications on local areas and regions. The writings of Chilshom (1990) reflect the impact of such changes, the rise of "resurgence" or "recession" and the literature on the great disparities in the United Kingdom's space economy, namely the "North-South divide". Such changes precipitated a rise in unemployment and regional inequalities which later drove the search for alternative local economic development interventions that would offer opportunities for growth to all areas, and LED was identified as a standard tool for combating such problems.

The North appears to have been able to cope with the crisis of the 1970s with a fair degree of success and its global hold has been entrenched under the "New International Division of Labour", the global reach of the multi-national corporations and the activities of global financial institutions (Nel, 1999). However, the South both endured the crisis of the 1970s and also the debt crisis of the 1980s. In many regions, Africa in particular, this led to the 1980s becoming a period of stagnant or negative economic growth. Binns (1994) asserts that nowhere else in the world has been negatively affected by the crisis of the 1970s like the South. The South has experienced greater marginalization, relegation to an inferior trading and manufacturing position,

heavy dependence on aid and on international financial institutions and their imposed structural adjustment programmes.

These global changes, coupled with the so called “rolling back” of the frontiers of the state and the reduction in government expenditure on social services has allowed and often compelled the residents of localities to become more assertive economically in order to prosper in many developing parts of the world. As they are not able to aspire to the post-industrial status of the North, it appears that local coping strategies, the reliance on the informal sector, self-reliance and “development from within” are effective LED alternatives in many countries of the South (Taylor and Mackenzie, 1992; Binns, 1995). For Tomlinson (1993) the limited success achieved by central state regional development strategies in many countries has necessitated the need for individual localities (both urban and rural) to embrace LED initiatives.



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LED initiatives as pursued in the high income countries of the North are deemed to be neo-liberal pro-growth and are dominant in Western Europe, North America and some parts of the developing world. Clarke and Gaile (1992) asserts that these pro-growth variants of LED are aimed at reducing the economic challenges posed by globalization, localization and assist local economies to participate in the global economy in a competitive manner, and find market niches. In contrast, the so-called pro-poor variants of LED are more prominent in the South, and, in particular, in Sub-Saharan Africa (SSA), and are argued to primarily seek to address social problems, such as poverty and exclusion (Helmsing, 2001; Nel and Rogerson, 2005). Thus in SSA, LED has therefore become identified with self-reliance, survival and poverty alleviation strategies to the vagaries of global capitalism and perpetual marginalization (Taylor and

Mackenzie, 1992; Binns and Nel, 1999) and not as strategies that will enhance social transformation.

Nel and Rogerson (2001) asserts that, though, LED is occurring at different rates, the effects of globalization, of global economic crises and the prominence accorded to the notions of enhanced democratization and devolution cumulatively have helped to ensure that LED initiatives and self-reliance are discernible trends throughout the world. As the pace of globalization accelerates, the rise of LED activity emerges as an integral part of a new wider emphasis upon local responsibility and power and on the democratization of daily life

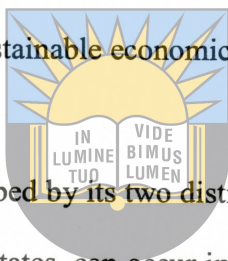


1.3 What is LED?

LED represents the bottom-up approach to rural-urban development. The term LED has attracted increased attention in recent years and is being used to describe a wide range of local level interventions. In principle LED shows strong resemblance with the Basic Need Approach, “Development from Below” (Stohr, 1981), “Development from Within” (Taylor and Mackenzie, 1992), Community Economic Development (Helmsing, 2001) and Self-reliance Strategies (Burkey, 1993). These particular topics will be fully dealt with in Chapter Three. Localities which have adopted LED focus on developing communities within regions rather than the region itself.

The definition of the concept LED is hotly contested, on what it should constitute by academics, politicians and LED practitioners. Zaaïjier and Sara (1993) state that LED “is essentially a process in which local governments and community/or community based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each

other, to create new jobs and stimulate economic activity in an economic area.” For the World Bank (2001) “LED is the process by which public, business and non-governmental sector partners work collaboratively to create better conditions for economic growth that brings economic benefits and quality of life to all in the community.” Consistent with its view the World Bank asserts that in general terms, the goals of LED tend to revolve around a set of common issues of job creation, empowerment, the pursuit of economic growth, community development, the restoration of economic vitality and diversification in areas subject to recession, and also of establishing the locality as the vibrant, sustainable economic entity, often within a global context.



For Stohr (1990) LED can be best described by its two distinctive features, that is: it is either an initiative or entrepreneurship, which, he states, can occur in both the rural areas and urban areas. He further argues that, economic activities ranging from farming and sustainable rural development to city-based development strategies can fall within the broad parameters of the concept LED. All these activities are conditioned by certain specifics that should be locally based, mobilizes local resources and skills, promotes economic development, training and new forms of organizational development (Stohr, 1990).

In Southern Africa, and South Africa in particular, the writings of various authors (Meyer Stammer, 2006; Nel, 1999; Binns and Nel, 2002; Nel and Rogerson, 2005; Buthelezi, 2004 and 2007) shed a deep insight as to the meaning of LED and how it is conceptualized in the sub-region. Their writings vividly review the fact that LED is clearly accompanied with attempts to promote the satisfaction of basic needs, to bring about empowerment, to allow greater local-level self-determination and self-reliance, and lastly, LED initiatives strive for the betterment of lives of the host communities.

Syrett (1999) identifies LED as a process, the products of which, in his terminology, are “Local Economic Initiatives”. He defines these initiatives “as activities which involve the mobilization and development of local resources to tackle local economic and social problems, varying from their organizational forms to include small firms, cooperatives, community business ventures, self-help networks and support agencies” Syrett (1999). Meyer (2004) argues that given the wide diversity of strategies employed, ranging from formal business support and place-marketing to community economic development and self-reliance, the concept LED can be regarded as a catch-all term to describe localized economic activity initiated by a local community, local authority, external agency or non-governmental organization in a rural or urban area.



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In this context LED should be seen as a process which entails the following aspects:

- an initiative that has both social and economic goals, usually including job creation, wealth creation by those at the marginal level and poverty reduction;
- an initiative that draws partnerships arrangements with different stake-holders that is: local business, the private sector, local government and the central state, community-based organization (CBOs) and non-governmental organizations (NGOS) – all these stakeholders being united by one objective, that is, to advance sustainable socio-economic development;
- the initiatives originate within the locality geared at addressing the challenges or problems the locality is facing, the key driver of such initiative being the community concerned which can only be achieved through active participation and not symbolic; and, lastly

- LED initiatives should attempt slightly to alter the ownership of the means of production within that locality and the distribution of wealth.

Buthelezi (2007) asserts that LED policy interventions underway in various social formations generally embrace the following strategic objectives:

- enhancing human development and human security by investing in people;
- combating the scourge of poverty;
- reducing inequalities in income and in wealth distribution;
- catalyzing economic growth and development;
- creating an enabling environment for sustainable, equitable and participatory human and social development; and
- to curb urbanization (Buthelezi, 2007).

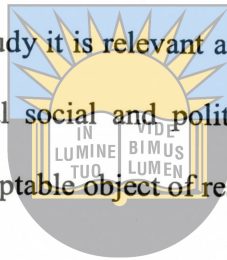


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1.4 The Local Economy and the Rise of Locality Studies

In the past decades the local economy has not been a major focus for research as it was previously considered to be influenced by economic policy-making at a central level. As discussed earlier, global economic changes of the 1970s and 1980s has intensified local development dramatically. Currently, local actors in the economy have attracted the attention of researchers and it would be now considered naive to see the local bureaucrats and political leaders as merely managers or service providers. Thus, the changing role of the public and private sector in the local economy has become a major foci. The public sector is now having to take the responsibilities in the economy in a more formal and flexible manner.

The study falls within the broad field of locality studies and the thesis is a contribution to the study of the Amathole District Municipality District Municipality in the Eastern Cape as a locality. The so-called “locality debate” which has emerged, especially, in the United Kingdom has influenced the way in which social scientists approach both spatial and social changes. The debate concerns the study of the restructuring of economies and the resultant effect that this has had on spatial and social processes. This attempt to understand the restructuring has led to the development of various responses, usually in the form of a local economic development intervention measures. In terms of this study it is relevant as it involves the study of localities in terms of their uniqueness and individual social and political processes. The individual rural municipalities are now considered an acceptable object of research.



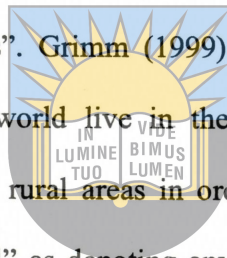
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Cox and Mair (1989) called for an expansion of this approach to include the study of the production of localities and city's agents as “earlier (locality study) approaches seemed concerned with the locality as a relatively passive recipient of global or large scale restructuring, where such restructuring was concretely realized in its particular forms”. Consistent with their view they describe locality as an agent based on the need for “locally dependent actors with interests in the same locality forming an alliance, acting together to develop and implement strategies to further their interests” Cox and Mair (1991).

According to literature, the term “local” or “locality” in which LED can occur does not have a rigid definition (Massey, 1994; Syrett, 1995). According to Cooke (1989), one of the chief proponents of the localities approach, a locality is a descriptive term for the place where people live out their daily working and domestic lives. Cooke further stresses that, localities are not simply places but are sum of local energy and agency resulting from the clustering of diverse

individuals, groups and social interests in space. These localities are not passive or residual but in varying degrees, are centers of collective consciousness and configurations of social relations and processes, which are constituted by difference and conflict.

Syrett (1995) views “localities” as areas in which local, social and labour processes occur and the area delimited by a group of people with a common accord. For the World Bank (2003) the term “local” denotes “any urban area ranging from large cities to small towns and also implies the inclusion of rural areas linked to towns”. Grimm (1999) argues that given the fact that the majority of people in the developing world live in the rural areas, ‘local’ has also been deliberately refocused on predominantly rural areas in order to account for this demographic situation. Buthelezi (2007) defines “local” as denoting any spatial, administrative or economic unit within a single social formation, either in terms of whole sub-national spaces such as regions, districts, municipalities and wards. In this study, the meaning of “local” is inherited from Buthelezi (2007).



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Thus, locality studies focus on the unique attributes found within specific spatially located communities and the degree to which inherent characteristics and social conditions in such places determine future development. The result is the acknowledgment that the unique conditions and social structures implicit in a locality mold and determine future development trends. This is a reality which is particularly pertinent in terms of LED interventions both internationally and more specifically in South Africa. Local social structures determine rural and urban political processes and economic outcomes. Within this context, issues of local leadership, the emergence of local champions, social capital, and the importance of partnership formation emerge as critical

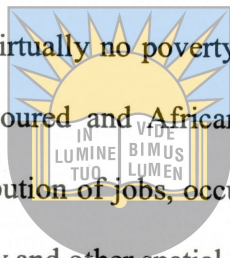
elements in the promotion of the “local” as an emerging arena for development action, leadership, and intervention (Nel and Rogerson, 2005).

1.5 Problem Statement

According to the Department of Local and Provincial Government (DPLG) 2005, the Amathole District Municipality in the Eastern Cape has a population of approximately 1.87 million inhabitants and moderately high population of 78 people per square meter. The population is mainly African with some Whites, Coloureds and Indians. Women are in a majority in the District standing at 53.6 percent while men make up 46.4 percent of the general population (DPLG, 2005). Two thirds of the district is made up of ex-homeland areas, and six of the local municipalities have a largely rural population with only (Buffalo city and Nxuba) having more than 75 percent of the households located within rural areas (Buthelezi, 2004). This makes agriculture to be the dominant economic activity (PROVIDE, 2005).

Traditionally, these homelands have been subjected to processes which could be characterized as the “development of underdevelopment”. At present the district’s rural landscape is characterized by high physical infrastructure decay, high unemployment rates, high deficits of market and market institutions, dwindling rural industrialization, a weak agricultural sector, low wages, and widespread landlessness. According to DPLG (2005), in 2002, 68.1 percent of the Amathole District Municipality district municipality’s population was below the poverty line. The education levels are low with 46 percent of the population who have no schooling, or who only have primary schooling. A high proportion of the people aged 18 and 65 are economically inactive. A total of 57.6 percent are not employed and the burden of poverty overwhelmingly falls on the African group.

The rate of unemployment has increased during the period of 1996-2005 in all the local municipalities of the Amathole District. Buffalo City has the lowest level of unemployment (45 percent) while Ngqushwa (77 percent), Mbashe (76 percent), Nkonkobe (66 percent), and Mquma (65 percent) report the highest levels. Apart from Buffalo City (55 percent) and Nxuba (62 percent) the remaining areas report two-thirds and more households who earn less than R 1500 per month. Unemployment rates are higher within the previously disadvantaged communities and very low (below 5 percent) among the Whites and Asians. Poverty rates vary greatly between racial groups. There is virtually no poverty among White and Asian people. In sharp contrast the poverty rates for Coloured and African people are 48.7 percent and 73.8 percent respectively. Moreover the distribution of jobs, occupations and income to date strongly correlates with race, gender, age, disability and other spatial factors ((PROVIDE, 2005).



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It is estimated that nearly one million jobs were lost in the 1990s, as a result of poor economic performance, global performance, global competition and deindustrialization, which affected the gold mining industry severely (PROVIDE, 2005). Within this context a variety of employment generating strategies and poverty reduction measures are being experimented with by the state and private organizations. One which has enjoyed considerable attention, though it has yet to really prove itself in practice, is that, of Local economic development initiatives.

It is against such a background that the study seeks to investigate the effectiveness of these LED initiatives as an intervention measure for rural development in two rural local municipalities of the Amathole District of the Eastern Cape, in the form of the following research questions: a) what has been happening to unemployment? b) What has been happening to poverty? c) What has been happening to empowerment of the communities involved? If all these have improved,

then beyond doubt this has been a period of development for the communities concerned. If there is no marked improvement in the outlined challenges it may point to the fact that LED initiatives are not the best approach to rural development in the sub-region. Lastly, coupled with paradigm conflicts over the role of the state and markets in rural development will LED produce the expected fruits of sustainable socio-economic development in the countryside, or it is just a survival strategy, equally sharing poverty rather than being an engine which brings forth social transformation in the rural landscape.

1.6 Objective of the Study

The main objective of this study is to investigate the effectiveness of LED initiatives as an intervention measure for rural development, and, in practice, whether these initiatives challenge structural blockages in rural economies which impinge upon rural development. The effectiveness of these initiatives is to be determined by finding out how many jobs were created, the quality of the jobs created, impact of new-derived income on poverty alleviation and what has been happening to the empowerment of the communities concerned. Building from the responses the researcher get from the participants, this study will attempt to come up with a conceptual framework to understand what is LED in the context of the Ngqushwa and Nkonkobe local municipality in the Eastern Cape rural areas. The study also seeks to come up with recommendations.

1.7 Justification of the Study

The motivation for undertaking this research can be attributed to numerous considerations. At one point, much debate (much existing literature) on LED has focused on it as a people-driven kind of development, and as an initiative that has identifiable economic goals, usually job



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creation and poverty reduction, especially by its proponents and little attention has been given to its effectiveness. In South Africa, the significant national interest in the concept of LED which stretches from government, business, non-governmental organizations and community groups that is evidenced by the numerous range of research projects and policy documents that have been undertaken and written. This makes the area of LED worthy investigation: to investigate its effectiveness as an intervention measure geared at poverty alleviation in the rural areas, given the faith being placed in LED, whether LED is living to its expectations.



Moreover, given the environment in which LED initiatives are supposed to positively impact on rural development, which is continually being shaped by global forces such as globalization and macro-economic policies of the country, that is, the Growth Economic and Redistribution (GEAR), which has further evolved to Accelerated and Shared Growth-South Africa (ASIGISA).

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The question which arises and which the study seeks to explore in context of globalization is, do LED practitioners take account of such changes and its impact on such initiatives? Again context is crucial because ever since globalization intensified about two decades ago, there has been extraordinary pressure on municipalities to be more entrepreneurial and again do LED practitioners take account of such challenge especially when efforts are being made to construct a developmental local government.

This is so because an effective rural development strategy focused on the rural poor requires a clear understanding of who the rural poor are, where they live, what are the challenges posed by the prevailing poverty levels in their respective habitats and lastly the strategy should identify the basic needs of the people concerned so as to avoid generalizations. In addition, the rural poor are not a homogeneous group and it should be acknowledged that behind the aggregate numbers are

the various diverse entities that make up the rural poor. The study seeks to establish that understanding the needs of such different groups is central to the success of LED initiatives in South Africa. This study also seeks to investigate whether LED practitioners in South Africa have the competencies to unravel such complex issues and to contribute to a broader understanding of LED in the context of the Eastern Cape.

The study also seeks to establish whether LED initiatives have the vast potential to reverse the negative impacts of globalization on the rural areas on one condition that is: by direct consulting the poor at the community level, this will generate a better understanding of what LED is and its effectiveness as an intervention measure for rural development from the perspective of the poor. The views of the poor contribute to the analysis of different dimension of poverty and the formulation of public policy aimed at poverty reduction in the rural areas of the Eastern Cape. If the poor are consulted the continual loss of local resources in the form of capital, firms, and human resources together with depletion of natural resources in rural communities can be reversed locally by LED initiatives which are sensitive to the needs of the poor. Lastly, the findings of the research can also be used in future policy-making.

1.8 Delimitation of the Study

For the purpose of this thesis a distinction is made between three main categories of LED. The first set refers to actions that may be broadly described as community-based economic development. Community-based economic development may be applied to both rural and urban settings, though a number of characteristics will necessary change. The second category refers to business or enterprise development. This broad category consists of initiatives that directly target and involve enterprises. A number of the principles of enterprise development policies apply

differently to small, medium and large enterprises. Survival based activity is examined under community based initiatives. The third category refers to locality development. This refers to overall planning and management of economic and physical development of the area. Thus, this study was interested in investigating the effectiveness of the first category of LED initiatives that is: community-based economic development as a strategy for rural development in the Amathole District Municipality of the Eastern Cape. The use of the term LED initiatives in this study will be referring to community-based economic development. The Chapter that follows discusses the research methodology employed by the study to collect data.



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Chapter Two

Research Methodology



2.1 Introduction

Pons (1992) argued that all social research is concerned with evidence and all statements made in a research report should be based on evidence presented in it or on evidence from other sources which should be then cited. This can only be achieved by following a scientific methodology which is a system of explicit rules and procedures on which research is based and against which claims of knowledge are evaluated. Nachmias (1992) argues that by following a scientific methodology, it is, the only way to acquire reliable knowledge about those aspects of human experience that are considered “social”, “political”, “economic” and “psychological”. Certain socio-economic phenomena such as unemployment, rural poverty and LED initiatives can be best understood by the use of the scientific approach.

The study used an integration of both methods of data collection, that is, the qualitative and quantitative methods. The tool which was used to collect the data using the two approaches was an interview schedule, which consisted of open ended questions and closed questions. The main reason for using both approaches was that: the study wanted to use qualitative data to improve the

quality of data collected through surveys. For instance, most of the people involved in the rural projects under LED initiatives are often women. Conventional survey methods are often inadequate for capturing the views of women in male dominated societies where only men provide information to outsiders, or where women feel intimidated about responding freely to research questions.

Moreover, since open ended questions are less structured, the more important probing becomes an instrument for eliciting and encouraging further information and fully exploiting insights of key informants through in-depth interviews. In addition, the open-ended questions deepened the understanding of certain variables which were under investigation by enabling the poor highlight dimensions of poverty, explain the processes of impoverishment and rank their priorities. This added depth to the information obtained and following interesting leads generated hypothesis worth of further investigation. Taking heed from Chambers (1983), who argues that unless careful appraisal precedes drawing up a questionnaire, the survey will embody the concepts and categories of outsiders rather than those of rural people, and thus imposing meanings on social reality. Hence, the study opted for the blending of the two methods of social inquiry to come up with an unstructured interview schedule, where by the researcher could drop or add other questions depending on deep insights of participants on variables under study. The variables under study are: employment (number of jobs created, quality of the jobs, and gender of people employed), poverty (impact of the new-derived income on poverty alleviation) and empowerment.

The research took a case study approach and the two case studies were Ngqushwa and Nkonkobe local municipalities. Syrret (1995) asserts that, since localities provide a basis for studying how

general processes affect a local area and how local area affects general processes there is a great need that research should be in the form of a case study using empirically based geo-historical research. Therefore, given, the apparent significance attached to localities, research into the processes happening within places and the uniqueness of individual experience, a case study approach is justifiable. Moreover approach is favoured in this research because it can be used to identify broad, general conclusions about similarities and differences in the development experience.

2.2 Documentary Analysis

In order to investigate and determine the effectiveness of LED initiatives as an intervention measure geared at creation of employment and poverty alleviation in the six communities, the study also consulted existing documents on LED. Various primary sources on LED were consulted such as LED policy paper, Integrated Sustainable Rural Development Programme, Local Government White Paper, The Reconstruction and Development Programme (RDP), Constitution- what it says about Local Governments, Presidential Speeches on LED. Secondary documentary sources containing information and evidence on LED include the following: books, articles, journals, conference papers, newspapers, research reports, internet and WB publications on LED were also consulted.

2.3 Sampling Procedure

The sampling population consisted of people or households living in six rural communities located in Nkonkobe and Ngqushwa local municipalities, who are directly involved in the LED initiatives. These rural communities are: Ward 5, Ward 4, and Ward 7 all in Ngqushwa local municipality. In Nkonkobe local municipality the rural communities are Ntselamanzi, Balfour

and Alice. The sampling population also consisted of two LED officers in Nkonkobe and Ngqushwa local municipality in whose jurisdiction the communities fall. All this formed the sampling unit of this research.

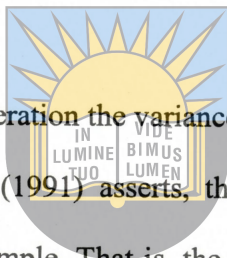
The sampling technique which was used by the researcher was purposive sampling. The reason why the study favoured purposive sampling was that the researcher was interested in a specific group of people who were directly engaged in LED initiatives. Those that have withdrawn from LED initiatives and those that are involved in other projects not deemed LED did not meet criteria for being in the sample. In other words the study adopted purposive sampling in order to place strict requirements on the types of subjects who can take part in the study. In addition, given the small numbers of people participating in these LED initiatives, the study also intended to use all of the subjects available and also the researcher took into consideration limited resources in terms of time and money.

Moreover, with purposive sampling the study managed to get rich perceptions and experiences from participants on the effectiveness of LED initiatives as an intervention measure for rural development from the participants. That is, through purposive sampling the study managed to get the right people for the purpose of the study and also captured the central themes that cut across participants' variations (persons of different ages, gender, and marital status) and LED initiatives.

2.4 The Sample Size

Through pilot study the researcher found that, most of the participants involved in LED initiatives are less than five per initiative, a population sample which was too small to capture the true realities of LED initiatives as an intervention measure geared at employment creation and

poverty alleviation in the rural area of Ngqushwa and Nkonkobe. The study then opted to have six different LED initiatives in two rural local municipalities within the Amathole District Municipality. This was done in order for the study to come up with satisfactory results. As argued by Huysamen (1994) that the smaller the total participants, the relatively larger the sample should be to ensure satisfactory results. These six LED initiatives are: In Nkonkobe (Balfour Kat River Irrigation Scheme, Somgxa and Nkonkobe Fresh Produce Market) and in Ngqushwa (Dube and Tyefu Irrigation Scheme, Community Garden and Beef Farming initiatives).



Moreover, the study also took into consideration the variance of the variables under study such as unemployment and poverty. Huysamen (1991) asserts, that as a general rule, the larger the variance of the variable, the larger the sample. That is, the study was not only interested on the number of jobs created by LED initiatives, but also other variables which goes with employment, for instance variable such as, gender, quality of employment, income and its impact on participants living standards, empowerment and self-reliance. In order for the study to capture the impact of such variables, it is justified that the sample size of the study consisted of six LED initiatives.

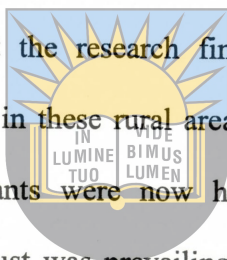
The researcher administered a 50 question interview schedule, whereby participants were asked to answer 98 percent of the questions with the help of an interpreter (someone with the ability to translate Xhosa to English fluently), 2 percent of the questions will be answered by local government officials. The number of respondents was 48 and two LED officers to make 50 respondents. That is, in each community, the researcher interviewed 8 people plus the LED officer in both, local municipalities that is, Ngqushwa and Nkonkobe

2.5 Data Collection

Data collection by the researcher started on the first of August. The researcher visited the Amathole District Municipality to gather information on various LED initiatives under way in the various local municipalities that constitute the Amathole District Municipality. From the Amathole District Municipality the researcher was given a soft copy (CD) with information pertaining to various LED initiatives being pursued in the district. On the second day the researcher visited the Ngqushwa local municipality to make appointment dates with the communities involved in LED initiatives and LED officer and appointments were successfully made. The researcher met members of Ward 7 on the 6th of August, where the Beef Farming LED initiative is located, members of Ward 5 on the 7th where the Dube and Tyefu irrigation schemes as LED initiatives are located, Ward 4 members on the 8th of the same month. In Ward 4 the LED initiatives are in the form of community gardens. These respondents in the Ngqushwa municipality were interviewed on the above given dates respectively. The LED officer in Ngqushwa local municipality was interviewed on the 22nd of August.

In Alice, where the Nkonkobe Fresh Produce Vegetable Market is located as LED initiative, interviews were done on 13th of August. The researcher interviewed 8 people. In Balfour, where the LED initiative is Balfour Irrigation Scheme, interviews were done on the 15th of August. In Ntselamanzi village, where the Somgxa LED project is located interviews were done on the 17th of August. The LED officer in Nkonkobe municipality was interviewed on the 16th of August. In Ntselamanzi and Balfour the researcher interviewed sixteen participants. Thus the fieldwork was completed in less than four weeks and approximately interviews per community took plus or minus 6 hours.

During the course of data collection, the researcher only faced problems in Ward 5 when the researcher was introduced as the owner of the research. It was the most difficult one, participants on sensing that the researcher was a foreigner they felt reluctant to participate in the interviews and from just mere look one could tell there was resistant. Participants argued that it was just a waste of time since their views would never amount to anything that would later assist them. “What is a foreigner going to do with our problems and perceptions on these projects?” However, with the assistance of the councilor of the ward and the research assistant who managed to convince the reluctant participants that the research finding were going to inform future intervention measure to be implemented in these rural areas. The study managed to get all the responses it was seeking and participants were now happy and cracking jokes with the researchers but still the element of distrust was prevailing. The socio-economic profile of the Amathole District Municipality will be discussed in Chapter Two. To get a clear picture of the environment in which these LED initiatives are operating, the study starts by presenting the socio-economic profile of the country, then the Eastern Cape and Amathole District Municipality.



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Chapter Three

The National Context of the Eastern Cape's Socio-Economic Profile



3.1 The Country: Physical Geography

The Republic of South Africa is a Southern African country which shares borders with Namibia, Botswana, Zimbabwe, Mozambique, Swaziland, and Lesotho, an independent enclave surrounded by South African territory. It is located at the southern tip of the African continent, and is also bordered by the Atlantic on the west and Indian Ocean on the south and east. The country's coastline is of nearly 3 000km is the longest in the continent after that of Somalia. The country covers a total area of 1,227,200 square kilometers and has extra territorial holdings that are Prince Edward Island and Marion Island. They have a combined area of 345 square kilometers and are used for meteorological research (Buthelezi, 2004).

The topography of the country is mainly a plateau stretching north to Sahara, and has an average elevation of approximately 1, 200 meters. The plateau rises to Drankensberg Mountains (3,300 meters) south and east which form the border between KwaZulu Natal and Lesotho. The plateau slopes gently westward, from the high-veld to the Kalahari Basin, and in the north it falls away to

the Limpopo River Valley. The plateau is drained by the westward flowing Orange River together with the Vaal, and its main tributary is Limpopo. Comparatively short rivers, such as the Pongola, Thukela, Kei and Great Fish, drain the area between the plateau and the sea. Soils in this area tend to be more fertile than those on the plateau, though the plateau rocks contain a great variety of minerals (Buthelezi, 2004).

South Africa has a generally temperate climate, due to the fact that, it is surrounded by the Atlantic and Indian oceans on three sides, by its location in the climatically milder southern hemisphere. As a result of its varied topography and oceanic influence, a great variety of climatic zones exists. The climatic zones vary, from the extreme desert of southern Namib in the northwest to the lush subtropical climate in the east along the border with Mozambique and the Indian Ocean. The interior of South Africa is a giant, rather flat, and sparsely populated scrubland Karoo, which is drier towards the northwest along the Namib Desert. In contrast, the eastern coastline is lush and well-watered, which produces a climate similar to the tropics.

The extreme southwest has a climate remarkably similar to that of the Mediterranean with wet winters and hot, dry summers, hosting the famous Fynbos Biome. This area also produces much of South Africa's wine. This region is also particularly known for its wind, which blows intermittently almost all year. The severity of this wind made passing around the Cape of Good Hope particularly treacherous for sailors, causing many shipwrecks. Further east on the country's south coast, rainfall is distributed more evenly throughout the year, producing a green landscape. This area is popularly known as the Garden Route. Mean annual rainfall decreases steadily westward, from over 700mm in the eastern third of the country to as little as 50mm along the semi arid west coast (Buthelezi, 2004).

3.2 The Political Economy of the Eastern Cape in National Perspective

For a clear illustration of the political economy of the Eastern Cape, it seems wise to revisit the political economy of the national economy. Based on agriculture, mining, manufacturing and commerce, the South African economy has developed extensive transport, water and power supply networks. It is in mineral deposits; however that South Africa's greatest wealth lies. The so called mineral revolution of the second half of the 19th century formed the basis of the country's modern economic development. At the start of the 21st century, South Africa remains the largest gold producer in the world, supplying one-fifth of the world total (Buthelezi, 2004). The production of minerals other than gold accounted for 50 percent of the total value of mining output in 2000 and more than 40 different minerals are commercially exploited (Buthelezi, 2004).

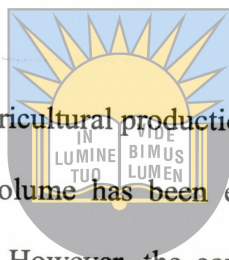


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The country also possesses abundant deposits of many other important minerals. There are huge reserves of coal, that are estimated to last through most of the twenty-first century, and also large reserves of iron ore (Beinart, 2001). In 2002, South Africa possessed about three quarters of the world's reserves of manganese ore (78 percent), more than two-thirds of the world's chromium (68 percent), and more than one-half of the world reserves of platinum- group metals (61 percent), as well as more than 40 percent of the world's titanium minerals, fluorspar and, coal. In addition, the country is a major producer of copper, diamonds, lead, zinc, antimony and uranium (Buthelezi, 2004). South Africa's long coast line has few natural harbours, but close to its shores are some of the richest fishing areas in the world. The catch includes South African anchovy, cape hakes, Southern African pilchard, Cape horde mackerel and whiteheads, round herring. The total catch increased from 592.144 tons in 1999 to 647.812 tons in 2004 (Buthelezi, 2004).

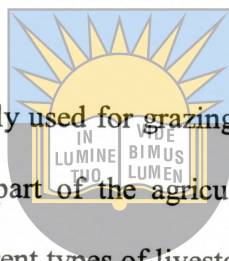
Meanwhile, agricultural output has roughly kept pace with population growth, and in normal seasons the country is a net exporter of food, though grain imports are needed in years of drought. The agricultural sector is highly diversified, while the main crops include maize, sugar, citrus and deciduous fruits, sorghum, wheat, groundnuts and sunflower seed (Buthelezi, 2004). Beinart (2001) asserts that the largest area of farmland is planted for maize, followed by wheat and, on a lesser scale, oats, sugar cane and sunflower. It has been estimated that 9 million tons are produced every year, with 7.4 million tons being consumed.



Buthelezi (2004) argues that, although, agricultural production has doubled over the last 30 years, the department has observed that the volume has been erratic in the last decade, primarily because of severe droughts experienced. However, the country is still self-sufficient as far as most primary food stuffs are concerned, with the exception of wheat, oilseeds, rice, tea and coffee. The agricultural industry contributes around 10 percent of formal employment, relatively low compared to other parts of Africa, as well as providing work for casual labourers and contribution is approximately 2.6 percent of the GDP for the nation. Viticulture in the southwestern Cape has always been important and in the savanna regions, game farming has grown extensively from the 1980s to become a viable industry with economic potential in South Africa (Beinart, 2001).

In recent years, the agricultural sector has introduced several reforms, some of which are controversial, such as land reform and the deregulation of the market for agricultural products. Land reform has been and is still facing huge criticisms from organized white commercial farmers and by the landless indigenous South Africans. The later alleging that the pace of change has not been fast enough and the former alleging racist treatment and expressing concerns that a

similar situation to Zimbabwe's land reform policy may develop (Beinart, 2001). The deregulation of the market for agricultural products was done in order to transform the agricultural sector in line with the social and economic democratization of the South African social transformation and with international trends towards deregulation. During the transformation process, the Department of Agriculture has insisted, greater emphases will be placed on small-scale developing agriculture, especially in relation to land reform, access to credit by this sector, and market opportunities (Buthelezi, 2004).




Agricultural land in South Africa is mainly used for grazing. Cash crops are also cultivated on a large area. Forestry comprises a small part of the agricultural land but a reasonable area is reserved for conservation purposes. Different types of livestock farming are practiced and wool is a major export earner. In 2001, South Africa's herd was estimated by the national department of Agriculture at 13.5 million, included in this category are various international dairy and cattle herds, while the sheep herd was in 2000 estimated at 28.5 million (Department of Agriculture, Pretoria, 2001). The dairy industry consists of around 4.300 milk producers providing employment for 60 000 farm workers and contributing to the livelihoods of around 40 000 others. Moreover the country produces 85 percent of all meat consumed, it is the eighth largest wine producer in the world, and the eleventh largest producer of sunflower seed. It should also be noted that, although, the commercial farming sector is relatively well developed, people in some rural areas still survive on subsistence agriculture (Beinart, 2001).

Nevertheless, various challenges remain as part of the agricultural scene, such as scarcity of water resources, desertification, soil erosion, and soaring input costs. The new democratic government bears the responsibility to tackle these challenges with clear objectives of developing

small holding agriculture to ensure household food security, to empower women farmers, and to encourage the youth to become involved in agriculture (Buthelezi, 2004).

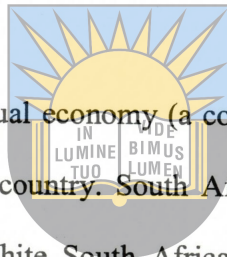
As compared to other African countries, South Africa's manufacturing industry is the largest of the productive sectors of the economy. The manufacturing industry is concentrated in four enclave areas: Gauteng, Cape Peninsula (Western Cape), Durban-Pinetown-Pietermaritzburg (KwaZulu Natal) and Port Elizabeth- Uitenhage in the Eastern Cape. Beyond these four economic centers, development is marginal and poverty still reigns despite government efforts. Consequently, the vast majority of South Africans are poor. The African continent is the most important market for South African manufactured products, which account for about 25-30 percent of foreign earnings. Much of the raw materials and semi manufactured goods required by the industry are available locally (Buthelezi, 2004).



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The largest sector in the manufacturing industry is constituted by basic metals, metal products, machinery and transport equipment employing about 500,000 workers in the year 2000. The steel industry remains the most important branch of this sector, with the production of crude steel valued at R 14.000 million per year. The industry is dominated by Mittal Steel South Africa, and in 1997 the co-operation operated 10 ore mines and four steel mills, at a projected cost of US \$ 1.550million. With favourable costs of location, raw materials and labour, South African steel is among the cheapest in the world (Buthelezi, 2004). Beside the mining and manufacturing sector as the biggest foreign currency earner, South Africa is a popular tourist destination, and a substantial amount of revenue comes from tourism. Among the main attractions are the diverse and picturesque culture, game reserves and the highly regarded local wine (Beinart, 2001).

To sum up, by United Nations (UN) classification South Africa is a middle-income country with an abundant supply of resources, well- developed financial, legal, communications, energy, and transport sectors, a stock exchange that ranks among the top twenty in the world, and a modern infrastructure supporting an efficient distribution of goods to major urban centers throughout the region. South Africa is ranked 24th in the world in terms of GDP and the major sectors contributing to the high GDP are: manufacturing (25.2 percent), trade (15.5 percent), finance (15.3 percent), general government (14.1 percent) and mining (10 percent) (Beinart, 2001).

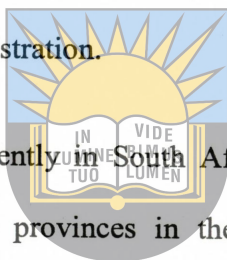


Nevertheless, large income gaps and a dual economy (a concept hotly contested by academics) designate South Africa as a developing country. South Africa has one of the highest rates of income inequality in the world. The White South African minority tend to be considerably wealthier than the rest of the population. With the dawn of democracy the government embraced macro-economic policy being driven by the market approach to development, vowing to promote economic growth and foreign investment by relaxing restrictive labour laws, stepping up the pace of privatization, and cutting unneeded governmental spending under GEAR policy. In some quarters the GEAR policy is argued to have worsened the socio-economic status of the previously disadvantaged black communities. High rates of unemployment and poverty rates are still a remarkable phenomena associated with the previously disadvantaged communities, and at present the social grant from the government is the backbone of the majority of the poor people in South Africa.

3.3 The Political Economy of the Eastern Cape

The Eastern Cape is the second largest province in South Africa. It is situated in the south-east of the country and encompasses what is traditionally known as the Eastern Province, Border and

North-Eastern Cape areas, as well as the former "homelands" of Transkei and Ciskei. The western borders are formed by the towns Middelburg, Graaff-Reinet, Aberdeen and Willowmore. On the northern side, it borders the Kingdom of Lesotho and Free State, while its southern and south-eastern borders are the Indian Ocean and Kwazulu Natal Province respectively. For administrative convenience the Eastern Cape is divided into six district municipalities and Nelson Mandela Metropole, namely, Alfred Nzo, Amathole, Chris Hani, Ukhahlamba, O.R. Tambo and Cacadu. The district municipalities in turn comprise of many magisterial districts, with Bisho as the provincial capital and center of administration.



The Eastern Cape features quite prominently in South Africa's poverty ranking as being the poorest and least developed of all the provinces in the country. It has very low human development index, wide poverty gap and highest percentage of people living in poverty. The province is dominated by African race (87.5 percent) followed by Coloureds (7.4 percent) with few Whites (4.7 percent) and Indians or Asians (0.3 percent) (PROVIDE, 2005). With a total population of approximately 6.5 million people, the province has a female dominated population composition, and almost 40 percent of its population is less than 14 years of age years, which is an indication of young dependency. This high proportion of children and the province being female dominated is reflective of the fact that historically, the Eastern Cape is a major source of migrant labour. The largest population is situated in the O.R. Tambo and Amathole District Municipality district municipalities (PROVIDE, 2005).

Although home to the Nelson Mandela Metro and the East London conurbation, the province is largely rural in character. The Nelson Mandela Metro is the most prosperous of the Eastern Cape's seven sub-regions. In 2002 it was home to 16 percent of the province's population and

accounted for 44 percent of its economic output. It is also the fastest growing sub-region, with an annual average rate of 3.7 percent during the 1996-2002 periods, significantly higher than both the national average growth of 2.4 percent and the Eastern Cape's average of 1.9 percent. It is an export-oriented economy, accounting for 64 percent of both the Province's imports and exports in 2002. The Nelson Mandela Metro has the lowest incidence of poverty, with 38 percent of its population living below the poverty line compared to an average of 64 percent for the province (Buthelezi, 2004). Buthelezi further argued that the Human Development Index of the Eastern Cape indicates higher levels of underdevelopment, especially in the former Transkei Bantustan, represented by the OR Tambo and Alfred Nzo municipalities as shown by the table below.

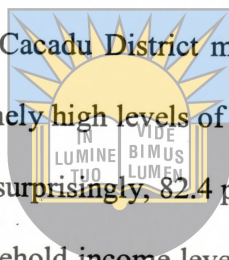


Table 1: The Human Development Index of the Eastern Cape

District Municipality	Human Development Index
Cacadu	0.53
Amathole	0.49
Chris Hani	0.48
Ukhahlamba	0.47
OR Tambo	0.42
Alfred Nzo	0.45
NM Metro	0.64
EC Province	0.49
National	0.58

Source: Buthelezi, 2004

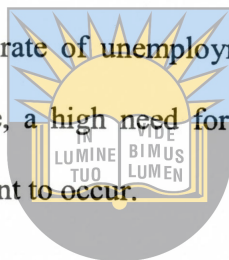
The poverty index also indicates that the district municipalities of OR Tambo and Alfred Nzo have the highest poverty levels. In 2002, the OR Tambo and Alfred Nzo district municipalities which are inhabited by 81 percent of the province's population only accounted for a mere 2 percent of the provinces economic output (Buthelezi, 2004). Research findings by Buthelezi have revealed that the economy of the Alfred Nzo has been shrinking at an annual average rate of -0.48 percent over the period of 1996-2002. Consistent with his view, Buthelezi further argues that the Eastern Cape is characterized by high levels of underdevelopment, with the exception of the Nelson Mandela Metropole and the Cacadu District municipality. In other words all other district municipalities demonstrate extremely high levels of underdevelopment, with the majority of the people living on social grants. Not surprisingly, 82.4 percent of the sub-region's population lives in abject poverty. The average household income levels for the Eastern Cape are generally low, and the district municipalities have even lower income levels with Chris Hani (62 percent), followed by the Alfred Nzo (50 percent), Ukhahlamba and Amathole (48 percent) and OR Tambo (44 percent) in the 0-R 6.000 category (Buthelezi, 2004).



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In addition the province has a high mortality rate among the children less than five years of age, and among adults, due largely to infections from HIV/ AIDS, tuberculosis, diarrhea and other life threatening diseases. Health infrastructure and services are generally poor, invariably plagued by huge backlogs. Poor transport infrastructure and services, lack of access to clean and safe drinking water and poor sanitation facilities have compounded the challenges of mobility among the population (Buthelezi, 2003). Moreover the province is also marked by underdeveloped habitat conditions and the province is an area that has on average 69 percent informal housing, 99 percent in OR Tambo, and 98 percent in the Alfredo Nzo district municipalities (Buthelezi, 2003).

Buthelezi (2004) asserts that underdevelopment in the Eastern Cape is also characterized by an employment sector which is dominated by community service with 32 percent on average. This sector employs around 50 percent in the Alfredo Nzo and in OR Tambo district municipalities, 40 percent in Chris Hani, and 35 percent in the Amathole and Ukhahlamba District municipalities. These figures invariably demonstrate how dependent the Eastern Cape communities are to the public or government sector, and it is hence hardly surprising to indicate the rate of unemployment at 55 percent. The high rate of unemployment also corresponds with the low levels of education and skills. Therefore, a high need for human capital development can be suggested as a prerequisite for development to occur.



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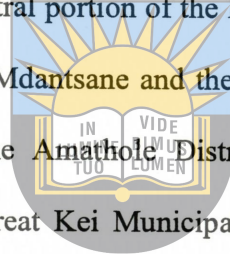
Thus, examining unemployment rates at a district level, OR Tambo and Alfred Nzo Districts have the highest rates, followed by Chris Hani and Amathole. All of these districts have unemployment rates higher than the provincial average. According to the PROVIDE (2005) an increase in inequality since 1995 has been noted, as measured by the gini coefficient. They argue that in 1995 the figure stood at 0.61, but by 2001, the coefficient had increase to 0.66. Similarly, in relation to human development indices, the situation has deteriorated. In 1995 the human development index for the province stood at 0.67, with a drop to 0.62 in 2003 (PROVIDE, 2005).

Agriculture still plays the primary economic activity in the sub-region. For instance, in the Amathole sub-region, beside its coastline which is well known for its tourist attractions, the primary economic activity outside East London and King William's Town remains agriculture. The significant limiting factor with regards to agriculture in the province is that, little land is available for lateral expansion in the commercial farming areas, while land available for

expansion is of medium to low cropping potential. Agricultural activity in the province is highly diversified, correlating strongly with the diverse natural resource base, and especially the variance in climate. Meanwhile the province has extremely erratic and limited water resources (Buthelezi, 2004). Below is the political economy of the Amathole District Municipality in which the study was based.

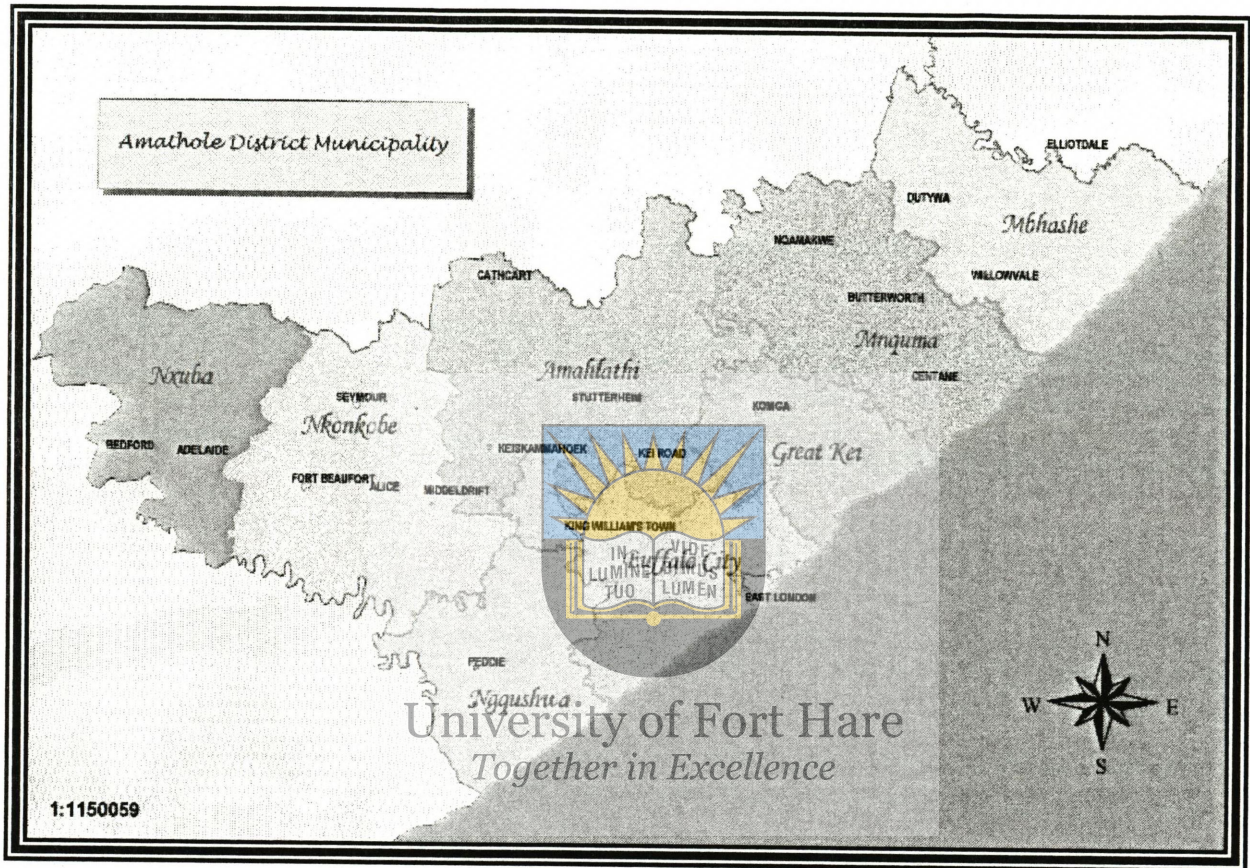
3.4 The Amathole District Municipality

This sub-region is located within the central portion of the Eastern Cape. It includes the port city of East London, King William's Town, Mdantsane and the capital city of the province, Bhisho. Eight local municipalities constitute the Amathole District Municipality, namely: Mbashe Municipality, Mnquma Municipality, Great Kei Municipality, Amahlati Municipality, Buffalo City Municipality, Ngqushwa Municipality, Nkonkobe Municipality and Nxuba Municipality. Two thirds of the district is made up of ex-homeland areas, and six of the local municipalities have a largely rural population with only (Buffalo city and Nxuba) having more than 75 percent of the households located within rural areas (Buthelezi, 2004). In 2004, the district had a population of approximately 1.87 million inhabitants and moderately high population of 78 people per square meter. The population is mainly African with some Whites, Coloureds and Indians. Women are in a majority in the District standing at 53.6 percent while men make up 46.4 percent of the general population (DPLG, 2005). Figure 1 below shows the map of the Amathole District Municipality, showing the eight local municipalities that constitute the district.



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Figure 1: Map of the Amathole District Municipality



Source: Amathole District Municipality Website, 2007

The District has the second largest economy in the Eastern Cape, contributing 27 percent to the Provincial Economy. The economic growth rate of the Amathole District is estimated at 0.4 percent, which is below the Eastern Cape Provincial average of 1.7 percent and the 2.5 percent national average. Agriculture in the ex-homelands is mainly small scale crop farming and open grazed livestock, and the farming activities is more of subsistence than for commercial sale, although some black commercial farmers are present. The ex-homelands areas are mostly under communal land tenure, although significant areas of private tenure exist in ex-homelands areas around Peddie and Butterworth. The coastal belt south of the East London is where the main Pineapple farming industry is, as well as citrus, horticulture and livestock being farmed (DPLG,

2005). Significant forestry plantations are sited in both the Amathola Mountains and around Butterworth. The areas around Peddie and beyond Alice are excellent cattle farming areas. Buthelezi (2004) argued that the broad parameters of the Amathole economy signify the predominance of the primary sector, mainly agriculture, which accounted for 81.3 percent of the sector's output in 2002, as illustrated in table 2.

Table 2: Trend in Primary Production

Sub-Sector	Contribution to GDP in 2002	% Primary Sector	Annual Average Growth 1996-2002
Agriculture and Mining	314.485	18.3	1.8
Forestry and logging	63.158	16.3	-0.5
Other mining and quarrying	6,159	1.6	19.6
Fishing, operation of fish farms	1,623	0.4	0.5
Mining of metals	1,567	0.4	2.5
Mining of coal and lignite	0	0	0
Extraction of crude petroleum and natural gas	0	0	0
Mining of gold and uranium ore	0	0	0
Service activities incidental to mining	0	0	-3.1
Total	386.989	100	1.4

Source: Employment and Economic Policy Research Unit, HSRC, 2004

In terms of employment creation agriculture plays a small role in the formal employment, providing only 8 percent of formal employment. The table below shows the distribution of formal employment in the district.

Table 3: Formal Employment Distribution in 2000

Amathole District Municipality	% Distribution
Agriculture	8
Mining	0.1
Manufacturing	22
Electricity	0.1
Construction	5
Trade	10
Transport	3
Finance	5
Government and Community	35
Domestic work	1
Total	100

Source: The Amathole District Municipality Website, 2007

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The private sector is dominated by manufacturing which accounted for 21 percent to value added goods in 2000. The manufacturing sector provides 22 percent of formal employment. The motor industry, food processing, textiles and clothing are the chief manufacturing areas. East London hosts Daimler Chrysler, which manufactures the C class Mercedes-Benz for export to all right-hand drive markets. Nearby tyre, car radio, metal products and plastics companies form a supplier cluster that continues to grow. The East London port has invested in a state-of-the-art car export terminal. Food processing is centered on pineapple canning and juicing, confectionery and dairy products. The district has a long standing textiles and clothing industry that has faced strong foreign competition in recent years and which has restructured extensively. Furniture and leather goods are smaller industries with a historic base in the area, and have faced similar challenges in recent years.

East London is an established tourism destination that is starting to emerge in its own right. The district boasts a wide range of tourism attractions, from beaches and the natural beauty of the Transkei Wild Coast, to the forests and waterfalls of the Amathola Mountains. The district hosted many of the conflicts between Xhosa and settler during Border Wars, and is home to many of the leaders of the struggle against apartheid. Government services play a major role in the economy, providing 34 percent of value and 35 percent of formal employment.

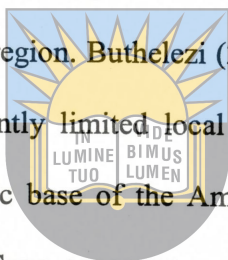
3.4.1 Challenges

The Amathole District includes both a growing, modern manufacturing economy in East London, and rural poverty in the ex-Ciskei and Transkei. It is in many ways a microcosm of the challenges and opportunities of the province as a whole. Most of apartheid created small industrial sector in the homelands through heavy subsidy, centered on the "border industry" towns of Butterworth, Zwelitsha and Dimbaza has closed down with the removal of subsidies and due to liberalization of the economy. Output in the secondary economy of the Amathole sub-region has contracted by over 10 percent between 1996 and 2002, which points to the fact that de-industrialization is occurring.

Other sectors which are also showing symptoms of contraction are the manufacturing, construction and electricity sub-sectors, contracting at an annual rate of -0.9 percent and -1.8 percent respectively, during the 1996-2002 period. With the exception of the transport equipment (that is automobiles which dominates the manufacturing in this sector) sub-sector, and collection, distribution and purification of water, all sub-sectors have contracted over the stated period. The trend of contraction is also witnessed in a number of other sub-sectors, namely, food, textiles and clothing. In the primary sector community services is dominant, accounting for 50.8 percent,

highlighting the critical importance of government expenditure in the sub-region's economy (Buthelezi, 2004).

Social services and infrastructure reflect the inequality of the district. Some 68 percent of houses are informal, either unserviced sites in the former homelands or the townships in Buffalo City. Only 35 percent of households have water on site, but 70 percent of households have a flush toilet or pit latrine. These challenges have aggravated the high rates of unemployment and widespread poverty situations in the sub-region. Buthelezi (2007) argued that these high poverty rates are a clear reflection of the currently limited local economic activities and livelihood options within these areas. The economic base of the Amathole sub-region reflects the basic negative characteristics of the Eastern Cape economy, namely: the distance from the main consumer markets, the relative absence of mineral resources, and the fact that its primary base for agriculture is on average low-yielding in nature (Buthelezi, 2004).



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In the light of these challenges the district has identifies key areas of potential economic development to create jobs and improve livelihoods in the Amathole District. These areas of potential economic development have been identified basing on existing economic activity, market opportunities and present resource/assets/skill bases and these are:

- manufacturing;
- construction;
- livestock;
- irrigated horticulture and field crops;
- fishing;

- food processing;
- furniture;
- leather and leather goods;
- textiles and clothing;
- trade and business services; and
- tourism.

Some of the twelve industries listed above are briefly profiled in the following sections:

3.4.2 Livestock Farming

The district contains some of the richest livestock land in the province, but many commercial farmers have transferred into game farming. Nevertheless, animal and animal products remain the dominant farming activity in the district, accounting for 72 percent of agricultural production. Hence, there is potential to improve livelihoods in the former Bantustans through livestock improvement programmes (marketing, and genetic improvement). In this regard, there is scope for improved co-operation between communal livestock farmers, commercial farmers, Provincial Department of Agriculture and municipalities (Buthelezi, 2004).

3.4.3 Irrigated Horticulture and Field Crops

The coastal belt is warm and well watered. It provides many opportunities for diversified horticultural production, including further expansion of pineapples, tomatoes, citrus, and exotic fruits, and vegetables. Horticulture farming account for 21 percent of the value added of the agricultural sector and is the second most important agricultural sub-sector (after livestock). Income from horticulture in 2002, per hectare, was twelve times that of field crops, even though



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the areas under field and horticultural crops were very similar. It should be noted that costs for horticulture are also much higher than for dry-land cropping as irrigated horticulture is both capital and skills intensive. Hence, the growth of the sub-sector will clearly require bankable projects, experienced management and thorough training (Buthelezi, 2004). The district contains nine irrigation schemes of the former Bantustan governments (including Keiskammahoek, Tyefu and Kat River irrigation Schemes). These schemes are being rehabilitated and cover 2215 hectares, and 1 000 smallholders (2.2 ha per small holder). In addition there are 276 private irrigation schemes with 21 hectares per farmer (Buthelezi, 2004).

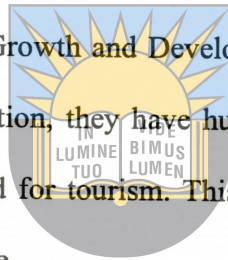


According to the 2007 report of the Growth and Development Summit field cropping potential in the district is limited due to shallow and erodible soils and low rainfalls in the inland areas in the western half of the district. Dry-land field crops (mainly maize) accounts for only 5.3 percent of the district's agriculture value added. This is being supported in the communal areas by the PGDP's Massive Food Programme, driven by the Provincial Department of Agriculture. Moreover, the Department is driving the Siyazondla Programme to increase food production from homestead and other (schools, clinics) gardens. Hence, small-scale irrigation for local sale and to ensure food self-sufficiency has potential in the ex-Ciskei and Transkei. Municipalities need to work with the Provincial Department and commercial farmers to increase the impact of these programmes.

3.4.4 Forestry

According to Buthelezi (2007) this sector accounts for 16.3 percent value added. Forestry activity in the district presently exists in three local municipal areas which include Amahlathi, Mquma and Mbashe. Although the forestry areas are limited, there is nevertheless scope to increase the

areas under forestry, particularly in communal areas. The nature of the forests in the Amathole mountain areas, include both commercial pine and indigenous forests. The major obstacle to the development of this sector lie in the slow pace of land and forestry sector reform processes, the limited size of the available resource, and the lack of skills and investment for beneficiation. Nevertheless, there may be opportunities for low volume, (high end furniture production from indigenous forest already exploited in a very small way in furniture manufacturing in Nxuba) and pine for construction, mass market furniture, and processed wood products such as chipboard from commercial forests. According to Growth and Development Summit (2007) where forests are not suitable for commercial exploitation, they have huge potential benefit in resources for traditional and alternative medicines, and for tourism. This sub-sector will be supported by an ASGISA Forestry intervention programme.



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3.4.5 Manufacturing

Buthelezi (2007) argued that the manufacturing sector has been through a period of consolidation following the withdrawal of subsidies to the former “homeland” industries. This sector is particularly sensitive to the type of exchange fluctuation that took place from 2001 to 2003. However, the resulting decline in employment and size of the sector should not be interpreted as a sign of a sector that cannot be grown. On the contrary, there is potential to become a net jobs creator and to become the economic engine of the district. The requirements for increasing the competitiveness of this sector include:

- infrastructure investment including local infrastructure that impacts on production and distribution of goods;
- infrastructure linking the city to the national economy, including the upgrading of the rail to Gauteng to allow the transportation of vehicles, the upgrading of the R72 to cope with

high freight volumes and the development of a high speed freight link to the Port of Durban; and

- employment-related education and training alignment with the needs of local industry addressed at city or district level.

3.4.6 Food Processing

Canning and bottling of fruits can expand further. Expanded crop and dairy production in the Transkei will provide small-scale food processing opportunities, with potential of high-value branded products.



3.4.7 Textile and Clothing

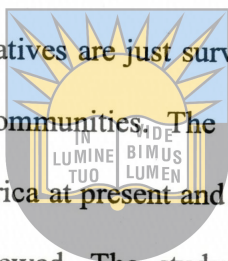
Establishing an integrated textile mill in the East London Industrial Development Zone (IDZ) is a major opportunity which will also facilitate investment in an associated clothing cluster. A move to higher value-design and production is needed.

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Conclusively, it can be argued that although the Amathole District Municipality and the whole province in particular, are overwhelmingly poor, differences can be discerned from formerly white and black areas, a fact which is also evident when comparing rural communal areas and commercial farming areas. Differences are also discernible between rural and urban. The bulk of poverty falls within former homeland regions of the province.

Within these highlighted socio-economic conditions dominating the Amathole District Municipality and the Eastern Cape in general, various developmental efforts are being

experimented with, by the state and non-governmental organisations to bring about social and economic transformation within these previously disadvantaged communities. One development intervention measure which has received much considerable attention in recent years, from policy makers in South Africa and elsewhere, is that of Local Economic Development. At the heart of the study was an attempt to unravel what is LED in the Eastern Cape's district municipality of Amathole, and critically investigate the effectiveness of these LED initiatives, to determine whether these initiatives are living to their expectations, that is: as an engine facilitating accumulation from below or simply initiatives are just survival strategy sharing poverty equally among the previously disadvantaged communities. The following Chapter will discuss the different approaches to LED in South Africa at present and the feasibility of these approaches as conduits for rural development is reviewed. The study will also critique the government legislation on LED and other various theories of development informing LED are discussed.



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Chapter Four

Local Economic Development: A Historical and Conceptual Review



4.1 Introduction

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The topic of LED and related concepts such as community economic development, self-reliance strategies, survival strategies and self-help appear to have received considerable attention from scholars in recent years. Reese (1993) asserts that research on local economic development has grown exponentially. The rise in the prominence of LED is the product of general changes in the nature of development strategies, being fueled by the global economic crisis of the 1970s, globalization, devolution and to some extent local-level opportunities (Glasmeier, 2000).

Helmsing (2001) argues that, although evidence is fragmented, there are indications that, especially in Africa, rural households depend on a great range of activities for their livelihood. He attributes the diversification of activities by rural people as an act borne out of the failure of market approaches to development, and the gradual rolling back of the central state as the social vanguard of social development. Diversification of rural economies has always existed,

especially, in Africa. At present such efforts are now coordinated under LED initiatives as community-based economic development, as a way of coping with other causes of vulnerability and crisis. Community-based economic development under LED initiatives has a number of broad aims that is:

- to stimulate a sense of community;
- to promote self-help and empowerment;
- to contribute to the generation of self-employment and the creation of jobs;
- to improve living and working conditions in rural settlements; and
- to create public and community services (Helmsing, 2001).



Consistent with his argument Helmsing asserts that by using community-based economic development and basing development efforts on local skills, the disadvantaged are empowered to overcome their poverty through employment, while at the same time providing goods and services that their communities lack. This promises not only to improve the economic lot of the poor, but to enable them to achieve self-respect through their own creativity and innovation (Helmsing, 2001). It is assumed that, it is, at the local level that the creativity of ordinary people can most easily find expression, whether in the workplace, reshaping welfare services to meet diverse needs, or developing new types of community-based economic development.

Stors (1981) argued for “development from below” as a necessary strategy for survival given the prevailing economic and social problems facing Europe at that time. “Development from below” is based primarily on maximum mobilization of an area’s natural, human and institutional resources with the primary objective being the satisfaction of the basic needs of the communities concerned. Taylor and Mackenzie (1992) argue for the redefinition of the idea “development

from below” to “development from within” in the case of Africa. This notion focus on enhanced participation and control by local people over their development endeavours in a fashion which embraces all members of a community. A second component in their view is territory, which involves place, economics and social relations and which plays a defining role in development activities. Central to their argument is that, in order for LED initiatives to succeed, people must control the development process and appropriate local structures need to be created.

Consistent with their view they give reasons why and how local initiatives play a pivotal role in enhancing sustainable socio-economic development in the marginal areas. For instance, they argue that in the current state of socio-economic crisis in Africa, local initiatives are necessary for survival especially for those at margins. The socio-economic crisis manifests itself in the failure of the central state to be able to formulate and implement policies that are pro-basic needs to those at the margins due to international agreements they enter into, which in turn undermines the capacity of the state in socio-economic development. Secondly, they argue that, there are unutilized or underutilized resources available at the local scale, including financial resources, which can be mobilized for development purposes. In addition, environmental preservation can also be addressed at the local level, arguing that environmental degradation by Africa’s rural people is not an act, which is bred out of ignorance and greed, as suggested by some authorities, but more often is a result of desperation and the need to survive. Local people have a very special interest in the sustainability of any development initiative. Lastly, all local groups are to be involved, and their collaboration is to constitute the locality as a unified entity, a community, able to fight for its place within the hostile world outside. The movement, then, marches under the banners of local autonomy (Taylor and Mackenzie (1992)).



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Stock (1995) asserts that despite the appeal of such an approach, the notion is constrained by the complexity and unpredictability of individual communities and strategies and the fact that communities are not totally isolated, homogenous and autonomous. Thus this approach cannot be regarded as a panacea and it is unlikely to achieve more sporadic victories for the disadvantaged majority (Stock, 1995). Consistent with his view he argues that, in the case of LED initiatives in South Africa these words need to be heeded carefully.

4.2 Approaches to LED in South Africa

Meyer (2006) asserts that LED has been implemented in industrialized countries for decades. Since the 1990s, many developing countries have also embraced LED initiatives, but despite the continual pursuance of the practice, there is no academic discipline which lays the conceptual framework of what is LED. LED thinkers and practitioners rather borrow elements from a variety of disciplines such as economics, sociology, and regional economics. What does not seem to exist is a conceptual framework for LED which integrates the main elements in a way which makes it easy for practitioners to organize their thinking, planning and practice.

In South Africa, the major weakness of LED policy is that there is no explicit conceptual framework with which to operationalise LED. In a document entitled “What is LED?”, a vision is set out that is: “robust and inclusive local economies that exploit local opportunities, address local needs and contribute to national development objectives such as economic growth and poverty eradication” (*Policy Guidelines for Implementing LED in South Africa*, 2005). The vision is supplemented by a list of characteristics of local economies. These include resourceful people, leaders that inspire confidence, workers who are skilled, assets that are well-harnessed,

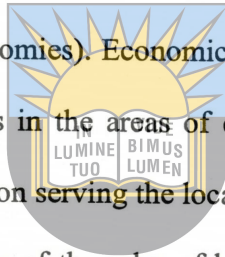
environments that are attractive, partnerships that are well functioning, income that circulates locally and the use of unique strengths to create competitive advantage.

In South Africa, the current approach being used by municipalities seems to be drawn from the work of two influential LED think-tanks and practitioners, namely, Helmsing and Meyer-Stammer to provide elements of such a framework. Both authors have sought to give order to the complexity of social, political, physical and economic dimensions of LED, and to describe the key actors, processes, institutions and outcomes of LED initiatives. Helmsing (2003) divides LED initiatives into three broad categories namely, locality, enterprise and community economic development. Whereas, Meyer-Stammer (2004) deploys the use of a hexagon and triangles to illustrate the various dimension of LED. Consistent with his view he argues that the hexagon of LED emerged as a didactical tool, whose main purpose is to organize the key issues in LED in a way which makes it easier for LED practitioners to memorize them and explain LED to newcomers. These triangles represent the following elements: the target groups of LED, location factors, policy focus and synergies, sustainability, governance and LED process management.

Thus the current conceptual frameworks share the basic separation of the field of LED into three main spheres, namely, enterprise, locality, and community economic development and with one aspect borrowed from Meyer-Stammer, governance to form the four principal spheres of LED. This study now seeks to discuss in detail the three approaches to LED in South Africa and governance so as to critically investigate the effectiveness of such approaches to rural development in the rural municipalities (Ngqushwa and Nkonkobe) in Amathole District Municipality of the Eastern Cape.

4.3 Locality Development

It refers to improvement in the social and environmental conditions in which businesses within a given territory, and includes the strengthening of both tangible and non-tangible location factors. Helmsing (2001) argues that locality development corresponds to the management of the entire local territory. That is to say, build up physical infrastructure and economic and social overhead capital of the locality in such a manner that it generates the balanced development of all land uses, resolving land use conflicts, minimizing negative (congestion pollution) and maximizing positive externalities (agglomeration economies). Economic and social overhead capital refers to public, non-profit and private institutions in the areas of education and training, research and technology, information and communication serving the locality as a whole as well as institutions dedicated to its specialized industries. One of the roles of local government, together with other private sector and civil society actors, is to contribute to create and or to attract to the locality (branches of) specialist providers of such overhead capital.



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The policy guidelines for implementing LED in South Africa place locality development at the center of government involvement in LED. This corresponds directly with what the *Local Government White paper of 1998*, says about the role of local government that is: it is not directly responsible for creating jobs but, rather it is responsible for taking active steps to ensure that the overall social and economic conditions of the locality are conducive to the creation of employment opportunities. Therefore, it is a sphere of LED in which it is appropriate for the local state to occupy centre stage, though there remain important roles that other actors in the private sector and within communities can play, often in partnerships with local government. Helmsing (2001) argues that when a local economy develops a certain export base, this gets reflected in its

built-up of these infrastructure geared to serve it. For example, when an area specializes in agriculture or manufacturing sector, specialized physical and socio-economic infrastructure will be built to serve it. In short thus what locality development entails.

4.4 Enterprise and Business Development

Helsming (2001) asserts that one of the central guiding ideas of LED is its concern for the development of the local economic base of an area and the competitiveness of a locality through improving the access of individual and group enterprises to market opportunities and enhance the collective efficiency of groups of connected business. The local economic base refers to the activities that involve exporting their products and services to outside the area concerned, be it in other parts of the same country or abroad. It includes initiatives such as the promotion of linkages between local business, emergent entrepreneurs, start-up companies and potential investors from outside.



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In addition, the use of public procurement policies, the strengthening of economic clusters and value chains, financial support and non-financial business development services which will enable local small producers to access more remunerative external markets. Meyer-Stammer (2004) argues that enterprise development coupled with locality development represents the core of LED. Thus, in his view, making enterprise development the core of LED, the guidelines for implementing LED in South Africa are in harmony with some recent international trends, whereby the overall goal of enterprise development is to achieve economic growth of the locality concerned.

4.5 Community Economic Development

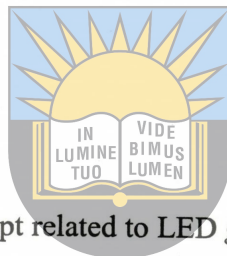
The term community (or social or household) development refers to measures meant to improve the health, housing, education welfare, including economic welfare of individuals, households and communities in a locality. In development literature it is normally associated with measures to support the poor or disadvantaged communities. In South Africa there has been much debate whether community development falls within the scope of LED as evidenced by contrasting views of the LED think-tanks that is Meyer- Stammer and Helmsing.



For Meyer-Stammer (2004) community development is not at the core of LED, but provides an important part of the context. Consistent with his view Meyer-Stammer argues that from an LED perspective, daily problems faced by communities create potential opportunities for enterprises. For example, the lack of services or appropriately designed and packaged commodities to serve certain markets provide a model for efficient use of resources through the establishment of business (Meyer-Stamer, 2004).

In contrast, Helmsing (2003) argues that a category of “community economic development” can be usefully distinguished. For Helmsing (2003), community economic development refers to those actions that strengthen the capacity of individuals, households and groups of people within poor communities to take up employment and business opportunities, to improve their livelihoods and promote economic welfare. Community economic development generally operates at the local level and favours participation in decision-making.

Helmsing further argues that, community economic development encourages social equity and the inclusion of target populations, for instance, women and the unemployed and those with HIV/AIDS. Its primary objectives are to strengthen social solidarity, promote self-help and empowerment. It seeks to do this by contributing to employment and improved living and working standards. Community economic development views profits as the means for community enterprise, not the ends in themselves (Hindson, 2005). The main focus of LED initiatives in most rural areas, with the attainment of democracy has been community economic development projects.



4.6 LED Governance

Hindson (2005) argues that the core concept related to LED *governance* used in the guidelines for implementing LED in South Africa is that of a “developmental” state. This is defined as “local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and to improve the quality of their lives” (*White Paper March on Local government, 1998*). From this definition, the main idea that comes across is that the state should play an enabling role. That is, government should create a favorable environment and provide support measures to ensure that all public and private actors contribute to the best of their ability to LED, rather than to provide itself. This has resulted in the widespread use of non-governmental organizations and community-based organizations, and entails the adoption of enabling strategies towards the market and the community in the allocation of material and financial public goods and services. This has led to serious ramifications for rural development, to be discussed presently.

4.7 The Feasibility of these Approaches as Intervention Measures for Rural Development

The main criticism levelled against the LED initiatives that have been implemented in the Eastern Cape province as an approach to rural development by various scholars is that: it is much more linked to international thinking where economic growth and the creation of employment is viewed as the overall goal of LED. Proponents of LED tend to turn a blind eye on the fact that approaches to LED in the North are totally different with approaches to LED in South Africa's context. In the countries of the North, LED, at the conceptual level, is clearly defined as enterprise unlike here in South Africa where there is uncertainty when it comes to what is LED, that is, as being pursued by different municipalities: is LED all about the growing of vegetables or rearing of pigs and poultry?



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Besides conceptual clarity on what LED is, in the North, the communities possess the necessary structural, institutional and attitudinal conditions to grab the new opportunities and use it effectively into higher levels of output. Yet in many cases, these necessary ingredients are lacking in these rural local municipalities. For instance, infrastructural development such as roads, which could link the small producers with the markets, is either in-existent or rugged dusty roads which are unreliable. Complementary factors such as managerial competence and the ability to plan and administer a wide assortment of development projects is in-existent. This is further exacerbated by the fact that, these rural communities are characterized by rural population that has been subjected to a long history of disempowerment and dispossession by apartheid. The absence of these necessary ingredients which are critical to the success of LED makes it not a panacea for enhancing rural development in the province.

Moreover the ideology driving these LED initiatives which is the neo-liberal market approach, whose main interest lies in the growth of the economy and dismantling the role of the state as the key driver of social development. This ideology is highly flawed because it views growth as a solution to all problems faced by the rural poor and ignoring blockages in the economy system associated with socio-economic structures and government policy that produce inequality and inefficiency which result in low productivity for the poor (Griffin, 1976). According to Gabriel (1991), it is, an ideology which is heavily informed by liberal economists (modernization theory) who created and resolved the practical and theoretical problems, and devised the standard index of development progress: gross national product per capita (GNPpc).



Central to the main tenet of the modernization theory is that economic growth leads to development and also views the total transformation of traditional or pre-modern society into the types of technology and associated social organization that characterize the “advanced”, economically prosperous stable nations of the Western world as a pre-requisite for development to occur. Several complex issues and problems arise in actually applying the modernization theory as an approach to rural development. In her work on economic development and social change in India, Epstein (1999) pointed out that economic development may occur without any change in social development.

Moreover, the rapid introduction of advanced technology on agriculture will directly reduce the opportunities of employment creation and will also lead to massive retrenchments in the agricultural sector. For instance, a job which was once done by 100 people will be done by one person, due to technological advancement. The question which arises would be: where is the creation of employment and poverty alleviation by this kind of an approach to rural

development? The study is not totally against the introduction of technology in the economy, the rural landscape is greatly in need of it. Central to the study's argument is that, technology should be introduced in a way that does not compromise the existing socio-economic development patterns since economies of the rural areas in Africa for instance, are agro-based. The agricultural sector is the greatest employer, so technology should be introduced in a sensitive way so as to avoid massive retrenchments. This is an interesting analogy which deserves more attention than that it has received so far.

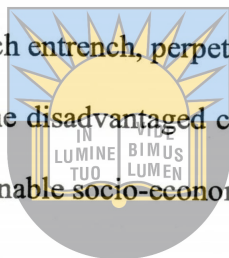


This approach to development confirms the existing beliefs that development efforts in most developing countries, and South Africa in particular, over the past decades aimed, towards the elimination of poverty through the reductionist approach. A reductionist approach to development is an approach that tries to comprehend a complex phenomenon in terms of only one dimension, usually economic in nature. A close analysis of the LED initiatives in South Africa confirms this view, that is, it sees economic growth as the end not as the means to enhance rural socio-economic development. In the case of rural poverty in Amathole district, the total condition of the poor communities has been reduced to one dimension, usually economic in nature.

As argued by Bibangambah (1985), the reductionist approach “the one-shot attack” has led to the practice of formulating and implementing unrelated policy interventions which are “anti-basic needs” of the communities concerned. These policy interventions are rarely powerful enough to overcome the resistance set up by the remaining economic, social and political processes and institutions characteristic of poverty and inequality. With the passage of time such LED initiatives are encapsulated, resulting in a mutation of the particular programme. Instead of the

inadequately drawn initiatives benefiting the previously disadvantaged or the targeted groups, it undergoes a qualitative change and provide benefits to the very groups (the privileged) who were expected to yield resources to help the less privileged.

It should be noted that this study is not totally against economic growth, to be sure economic growth is necessary but in most cases it constitutes the single most important dimension to be altered. In other words, economic interventions are necessary, but are not sufficient. There is need to deal with other related issues which entrench, perpetuate and reinforce rural poverty such as ownership of assets, participation of the disadvantaged communities, status, empowerment of these communities so as to enhance sustainable socio-economic development.



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The modernization approach to development obscures the root cause of underdevelopment in most rural communities of South Africa, and across the continent at large. It fails to identify structural blockages in the national economy which impinge on rural development and leads to the formulation of cheap rural policies such as LED. These LED initiatives are only addressing the symptoms of rural underdevelopment rather than the root cause of underdevelopment. Thus, it can be argued that those policies that are merely pro-growth can become lopsided and highly flawed, rather much attention should go to the structure and quality of that growth so as to avoid growth that is jobless, ruthless, voiceless, rootless and futureless (UNDP, 1996).

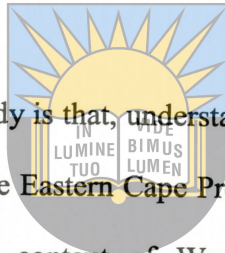
South Africa is a typical example where socio-economic policies which are pro-growth are not positively impacting the lives of the poor. South Africa's economy is always noted as growing but the majority of the population is getting poor and poorer in the midst of that growth. Mainly

because of economic policies that have strong technocratic elements, which leave in place the structures that maintain inequality of incomes and access to resources by the poor largely intact.

Moreover, the modernization theory, views rural underdevelopment as an original state, and yet these rural communities at one point, were subjected to the process of “development of underdevelopment” during the epoch of colonialism and apartheid. The concept of “development of underdevelopment” was coined by the likes of Andre Gunder Frank, who argues that while Europe was developing, at the same time developing countries were under-developing due to unequal relationships between the core and periphery which were exploitative and oppressive in nature. The same argument can also be applied in the rural communities of the Eastern Cape. The time when the present-day large municipalities such as Johannesburg, Durban and Cape Town were developing, the same time the Eastern Cape was under-developing because the area was acting as a satellite of the metropolitan cities (the core). That is, the province acted as a source of cheap labour to work in the mines and on the farms of these metropolitan cities. The cheap labour consisted of the economically active group who were forced to leave these rural areas in search of employment in order to complement declining agricultural productivity, which could no longer match with population growth. This movement by migrant labour to urban areas, coupled with Black dispossession of the means of production by the White settlers, sowed the seeds of rural underdevelopment in the province.

After the attainment of democracy in South Africa these relationships are still intact, and the province is still acting as the satellite of other provinces which host the metropolitan cities. For instance, the province hosts several numbers of tertiary institutions (five universities plus many technikons) which are producing skilled labour-force yearly, only to be absorbed by other provinces which host the big cities. Yet, the Eastern Cape is suffering from a backlog in service

delivery, due to the deficiency of skilled people to deliver government projects to the previously disadvantaged communities who are in great need of such services. Huge unused monies are being returned to the national coffers yearly, because of the shortage of skilled people to utilize the money for the development of the sub-region. This study would like to argue that the challenges facing the province at present are even being worsened by government policies which are urban biased. These policies are promoting the migration of the economically active group from the rural areas after completion of training to urban areas in search of green pastures.



Hence, central to the argument of this study is that, understanding the processes and problems of rural poverty and underdevelopment in the Eastern Cape Province is impossible without treating these within the wider socio-historical context of Western European expansion and the colonization of the country, which was further reinforced by apartheid laws. A period which this study would like to argue was characterized by domination economically, socially, mentally and politically by external centers of power, thereby the country functioning as the satellite of West. The Eastern Cape Province again was and is still functioning as a satellite of the more prosperous provinces which host the metropolitan cities. Therefore, in order to diffuse such socio-economic enslavement, there is need to implement radical strategies to bring about social transformation in the rural landscape. The question which arises is that, do LED policy-makers and practitioners take into account of such complex environment and history of the targeted communities when formulating and implementing LED initiatives as intervention measure for rural development.

The criticisms levelled against LED initiatives being driven by the neo-liberal ideology emphasizing on growth as an approach to development renders it not a suitable rural development approach. It had been expected that rapid growth would ensure a rising standard of living for

everyone through a “trickle down process”, but not only the growth strategy failed to bring about any tangible improvements in the living standards of the poor, but it has even often led to their impoverishment, in spite of South Africa’s pre-occupation with how to accelerate economic growth. Since human beings have basic needs: food, shelter, clothing, health, education. Any process of growth that does not lead to their fulfillment, or even worse disrupts them, is a travesty of the idea of development. Hence satisfaction of the basic needs of the poor should be the core of any development process, thus man and his needs being the main purpose of development.

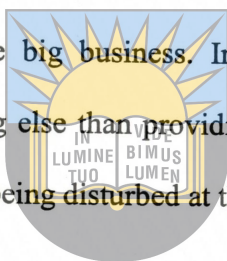
This whole argument ushers another alternative approach to rural development that is: the Basic Needs Approach (BNA).



The BNA, is not a new idea, as argued by (Streeten, 1997), it has been discussed in the development literature for decades. It is based on a concept, developed in the 1970s by various international agencies, which envisioned not only the attainment of desirable objectives in meeting people’s basic needs, but also the establishment of a basis for people’s participation in development (UNDP/UNESCO/UNFPA/UNICEF/WHO, 1994). The BNA gives priority to meeting basic needs of all the people, providing a standard of living adequate for the health and wellbeing of individuals and their families, including food, clothing, housing, and medical care, and necessary social services and the right to security in the event of unemployment, sickness, disability, widowhood, old age or lack of livelihood in circumstances beyond the individuals control (Gabriel, 1991).

Underpinning the minimum basic needs is the view that, a basic level of social services is needed for people to sustain themselves. By focusing attention on basic needs such as health, education, income, security and shelter, the poorest in the world can be helped to become self-sustaining.

There are two major assumptions the BNA makes, that is: governments are seen as playing an important role in financing the basic social welfare programmes and offering a vision, building the capacity and structures for people to participate in social development efforts. The second key assumption of BNA is that governments have the political will to raise the resources needed to support social welfare for the poorest people. Theoretically, these assumptions are true but it is suggested here, that practically, these assumptions are a fallacy. The role of the state as social vanguard in development in the current era of globalization has been redefined to safeguard the interest of the market and those of the big business. In other words, the role of state in development has been reduced to nothing else than providing a conducive environment for the market and big business to work without being disturbed at the expense of the people's needs.



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The notion of BNA finds some considerable support in this study though with some skepticism. On its own, the BNA lays a temporary framework for attacking rural poverty in the Ngqushwa and Nkonkobe local municipalities that is, through the provision of basic needs to the previously disadvantaged communities. But as a strategy for sustainable rural development, the BNA is not favoured in this study because of its weakness which tends to outweigh its strength. The basic proposition here is that, though the BNA addresses very crucial problems faced by the rural poor at present, in practice it leaves the underlying structures responsible for rural underdevelopment largely intact, because of the ideology driving it which is the reformist approach to rural development. Moreover, the BNA projects are there only for *survival* means and for pacifying social unrest, and to reinforce the status quo, just like LED initiatives which are welfarist in nature.

The major weakness of the BNA project approach lies in the fact that it does not radically challenge the colonial heritage, be it the education system, the ownership of means of production and administrative structures (institutions), and, as well as the values that guide them, remain substantially unchanged. This will promote fresh impetus to the legacy of colonialism. For instance, in South Africa most of the technical and managerial assistance on LED initiatives still comes from the Western countries, and all this seems to inhibit the initiatives of local people to chart their own course, and the result will not always favour social transformation. Moreover, the BNA does not attempt to alter the relationship that exists between the Eastern Cape Province and other provinces whereby the former is acting as the satellite of the more prosperous provinces in the country, namely, Gauteng and the Western Cape.



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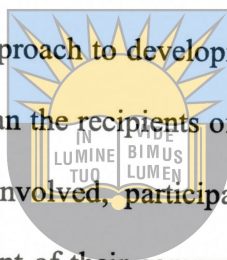
The BNA also views development from the consumerist perspective, which regards human beings primarily as the consumers of services. Basically, development is seen in this view as the delivery of services and the expansion of basic needs to those at the margins of any given society. Rahman (1993) has argued that the basic human need is not any of the mentioned basic social services by the BNA. Rather, it is the potential of one's ability to do things, which is to create, for being *human* is being creative, and this distinguishes human from animals. "Indeed, the animal needs to be fed, clothed, sheltered and medically cared for and to be taught how to find all these, but the human needs are to be fulfilled through creative acts" (Rahman, 1993). As argued by Nyerere (1972), development should start with man through his creativity and is for man.

Rahman further argues that, the distinctive humanness in people, is not a desire in these elementary means of survival, but what the combination of human distinctive brain and limbs can do and, therefore, the urge people must have as human beings is to fulfill this power. This urge

also creates the means of satisfying whatever other needs, basic, or non-basics, human wish to and can satisfy, according to their own priorities. Through such creativity, communities evolve; develop as creative beings and people taking the initiative, to do it themselves. According to Rahman (1993), this is the basic human need to fulfill his/her creative potential in ever newer ways. Although it may not be expressed or asserted by all because of the conditioning resulting from structural social and cultural domination by the elites.

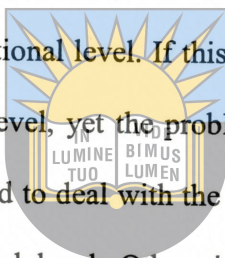
As opposed to the consumerist (BNA) approach to development, people through their creativity, become the creators of services, rather than the recipients of services being delivered to them. In this process, those at the margins got involved, participate in the development process and become the key drivers of the development of their communities. From this argument raised by Rahman a new definition for the concept “participation” emerges. Participation is thus viewed, as the exercise of people’s power in thinking, acting and controlling their action in a collective framework, pooling their efforts and locally available resources to attain objectives they set for themselves.

In this regard “participation” is seen as an active process in which participants take initiatives and take action that is stimulated by their own thinking and deliberation and over which they can exert effective control. Thus enshrined in this concept of participation is the concept of self-reliance. Explained in simple terms, the concept of self-reliance refers to possession of a sufficient combination of mental and material resources to be able to resist the dictates of others on one’s own course of action.



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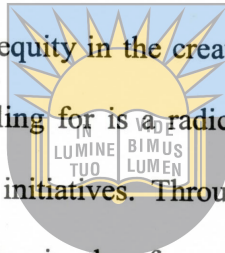
The absence of such radical critic on BNA for rural development renders it as not a suitable sustainable development alternative for the rural landscape. Naturally, the possibilities and pace of self-development is constrained by availability of physical resources to work with. This study would like to argue that the problem of rural development in the province cannot be resolved at the local level as LED initiatives are argued to be the panacea of these problems. One question which needs to be asked is: what is the root cause of the local crisis being experienced by communities today? The answer for this question can be traced back to macro-economic policies which are or were implemented at the national level. If this answer is true, so how can solutions to the local crisis be found at the local level, yet the problems faced by local communities are from the national? Therefore, there is need to deal with the root cause of problem at the national level before finding solutions at the local level. Otherwise, regarding LED initiatives as the panacea to the development impasse facing the rural areas will be fruitless. In terms of reinforcing the status quo, LED will produce the best desired results.



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As argued by Bibangambah (1985), although rural poverty is caused by a multiplicity of factors, it has its main roots in the structures, processes and mechanisms which determine or govern the ownership, distribution and utilization of assets. He further stresses the point that both the state of rural poverty and the processes of impoverishment have to do with the structure of the economy. In simpler terms this means to say, poverty has its roots in the pattern of ownership of factors of production (especially land and capital), the structure of the political power (ranges from conservative to radical leaders), the structure of inequality and inefficiencies and the structure of opportunities and possibilities.

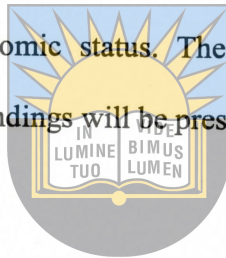
Hence it is suggested here that, assets provide income directly, generate self-employment and give a measure of security. Thus, the inequality of their distribution is a major cause of rural poverty. Therefore, there is a great need for the formulation and implementation of a radical strategy in order for rural development to commence. In a country like South Africa, and as in any other African country, where the bulk of physical resources are controlled by few people (the elites), a redistribution of ownership of resources is necessary if not mandatory to promote accumulation from below by those at the margins. As a result, the question of redistribution of resources becomes the basic element of equity in the creativist view of development (Rahman, 1993). Therefore, what this study is calling for is a radical Structural Change Model to rural development as compared to the LED initiatives. Through the Structural Change Model to development, the question of redistribution is, therefore, one of giving the people real control over resources to work with to develop their own potentials. The Structural Change Model will deal with the socio-economic structures that are responsible for rural underdevelopment and bring about social transformation in the rural landscape. The Structural Change Model will be fully explained in Chapter Six.



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In conclusion this study suggests that the contestation of theories of development depicts that development cannot be easily defined or measured, since it involves powerful political and culturally specific terms. Instead, it will be useful to seek to understand the rationale meaning of social situations of actors or participants involved in them. From this perspective development is likely to mean very different things to different individuals and groups in a society. Thus, human values form an important element in any definition of development.

Above all, sustainable rural development requires multi-disciplinary and pluralistic approaches to poverty reduction, social and gender equity, natural resource management, since rural poverty is as diverse as are the rural poor in their livelihood strategies. The same sentiments are shared by Rodney (1972) when he defined development as a multifaceted process, where at the individual level it implies “increased skills and capacity, greater freedom, creativity, self-discipline, responsibility and capacity.” Perhaps, what is important is that those at the margins should contribute to the definition of the concept development and the intervention measure that they think it can transform their socio-economic status. The next Chapter will deal with data presentation, data analysis and research findings will be presented.



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Chapter Five

Data Presentation and Data Analysis



5.1 Dynamics and Results of the Study

This chapter presents the findings of the study on the effectiveness of LED as a strategy for rural development in two local municipalities of the Amathole District Municipality of the Eastern Cape, namely, Ngqushwa and Nkonkobe. Most of the data is presented in the form of pie-charts and in percentages. Each pie-chart is described, analyzed and explained. The findings of the research are presented in three parts, namely, Part A, B and C.

Part A

It constitutes responses the study got from people who have been employed (participants) by LED initiatives. These people formed 98 percent of the sampling unit and are located in six rural communities of Ngqushwa and Nkonkobe municipality.

Part B

These are responses the study got from LED officers in both municipalities. These LED officers constituted 2 percent of the sampling unit.

Part C

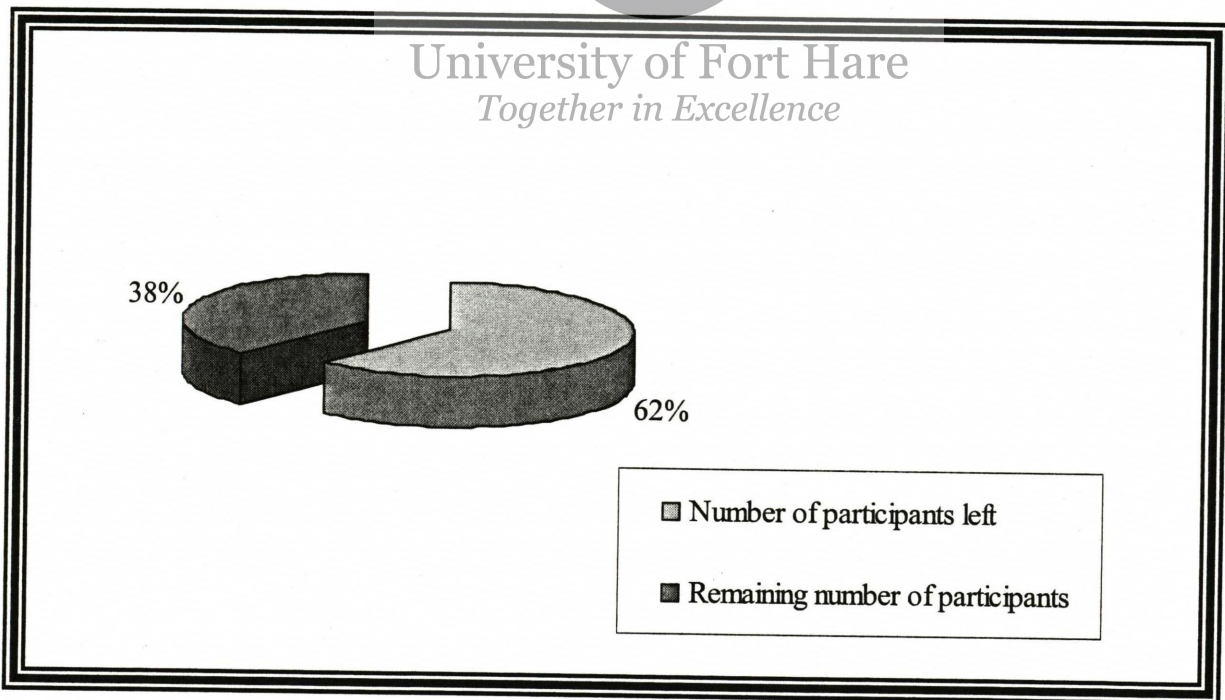
These are researcher's personal observation and reflections.

5.1.1 Part A

5.1.1.1 Employment

The study found that, in the beginning of each LED initiative it started with a huge number of people who got employed, but with the gradual passage of time the employees started withdrawing from the various initiatives as illustrated by Figure 1:

Figure 2: Number of Participants who have left the LED Initiatives



Source: Dapira, 2007

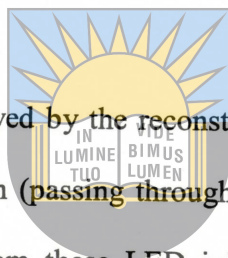
The reasons the study got on why huge turn-up of people during the inception of these initiatives are that: Firstly, people were sort of encouraged by these initiatives assuming that they were now

able to participate in the development of their communities and well being. This inner zeal of owning and controlling the development process by participants resulted in a high degree of community involvement in these initiatives. Secondly, the new employees perceived these initiatives as an opportunity that they could grab and use it to improve their socio-economic status.

Nevertheless, as with any development initiative, the passage of time has a profound impact on any development endeavour. In the case of these six LED initiatives under investigation, the passage of time has witnessed the gradual withdrawal of people from the initiatives as shown by the pie-chart above. For instance, in all the six communities the study investigated, the Balfour Irrigation Scheme had the highest number of employees during its inception in 2003. The initiative created 50 jobs, and at present the initiative is left with only 22 people: 38 have left. The Dube and Tyefu' irrigation scheme ranked the second initiative from Balfour to have started with a huge number of employees (45), followed by Somgxa (20). The Beef Farming project started with 25 employees; Community garden and Vegetable Market both started with 17 employees. Initially, the total number of jobs created by all the six initiatives was 194. At present the number of people employed by the six initiatives is 74, meaning about 120 have withdrawn, which is almost 62 percent. According to reports from participants very few of the people who withdraw from these initiatives have find other employment opportunities.

From the response the study got from all the six communities, the main reason why participants are withdrawing from these LED initiatives is that, they have lost confidence on these initiatives' potential to bring food on the table, raising productivity and accumulation. In the case of the Vegetable Market the main reason why participants have left is because they are not being paid

due to lack of resources faced by the Nkonkobe and Amathole District Municipality to pay the employees. As a result, most of the remaining employees are volunteering only being given plus or minus R 500 per month for transport. The LED officer in Ngqushwa attributed the huge withdrawal by participants from the LED initiatives as mainly because communities, and to some extent the private sector, views LED essentially in terms of the availability of external public finances and shy away from involvement when this means bringing their own energies and resources into the process.



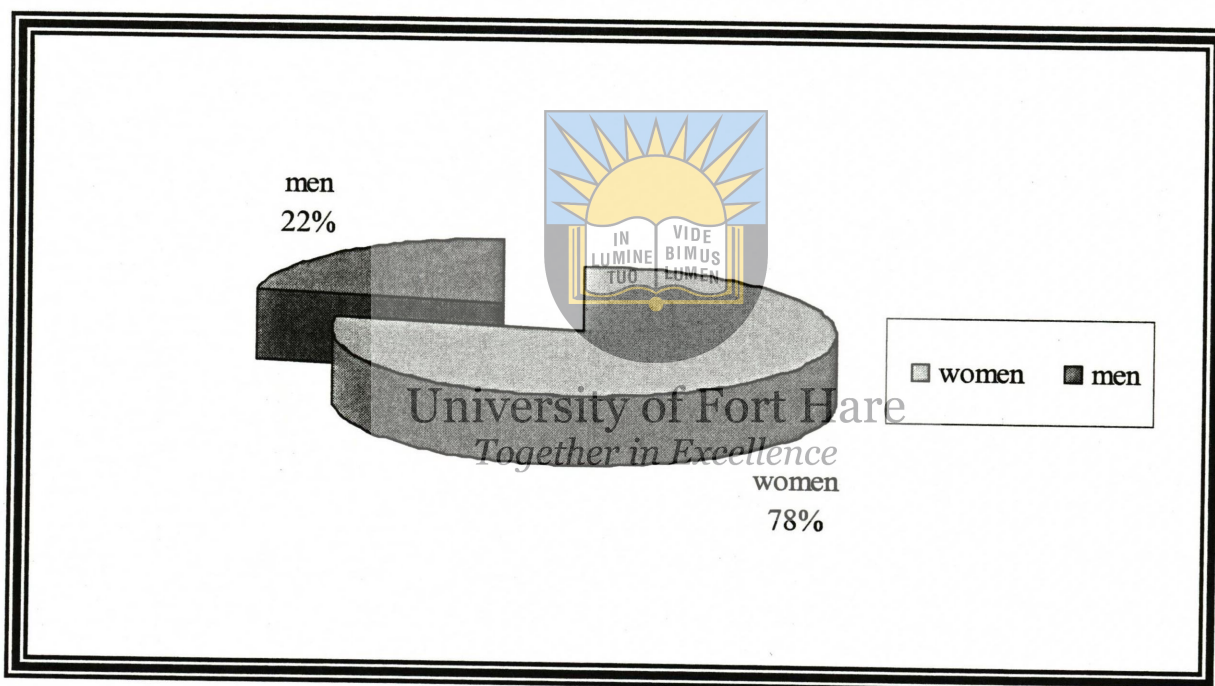
In spite of the fact that some got employed by the reconstruction of the road (the road linking King William's Town and Port Elizabeth (passing through Alice and Fort Beaufort), the huge numbers of participants withdrawing from these LED initiatives reflects that a high rate of unemployment is still common among the rural people in these communities. This huge withdrawal of participants from most of the LED initiatives appears to discourage a higher degree of community involvement and ownership of these initiatives by the remaining participants and the rest of the communities concerned.

5.1.2 Gender Representation

Though the initial intended beneficiaries of all the six LED initiatives investigated by the study were both men and women as stated by participants and LED officers, the study found that most of the people involved in these initiatives are women. In all these six initiatives, the study found that women constitute 78 percent of the people employed by these LED initiatives and a mere 22 percent of men. The Beef Farming project is the only initiative which has a large number of men involved: 8 and with 2 women. LED initiatives such as Somgxa and Community garden, are predominantly run by women. Drawing from participants responses the study found out why men

were no-longer interested in participating in these LED initiatives: men are feeling like being stripped away their dignity, due to the failure of initiatives to promote accumulation from below and denying participating families a decent life. The pie chart below shows the gender representation of participants.

Figure 3: Gender Representation of Participants



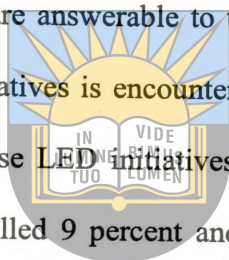
Source: Dapira, 2007

Nel (1999) explains this dominance of women in LED initiative in terms of socio-economic phenomena that can be traced back to the period of dispossession of African communities under colonialism and apartheid. Nel argued that, it is not surprising that the majority of the beneficiaries of these LED initiatives are women, because subsistence projects which deals with farming is, for many years a female responsibility, given the long established legacy of male migrancy which was accelerated by apartheid policies (Nel, 1999). Based on the findings of this study, the researcher would like to argue that, the dominance of women in these LED initiatives

shows the feminization of poverty in these two local municipalities with female households being the worst hit.

5.1.3 Quality of Employment

The study found that, most of the jobs created by these LED initiatives demanded unskilled labour force. Very few demanded semi-skilled labour force, notably one job per initiative demanded semi-skilled labour. The ones in this category of semi-skilled are the various supervisors of the LED initiatives who are answerable to the LED officers. These supervisors' updates progress and challenges the initiatives is encountering to the responsible LED officers. The total number of jobs created by these LED initiatives at present which demand unskilled labour accounts for 84 percent, semi-skilled 9 percent and skilled labour accounts for only 7 percent.

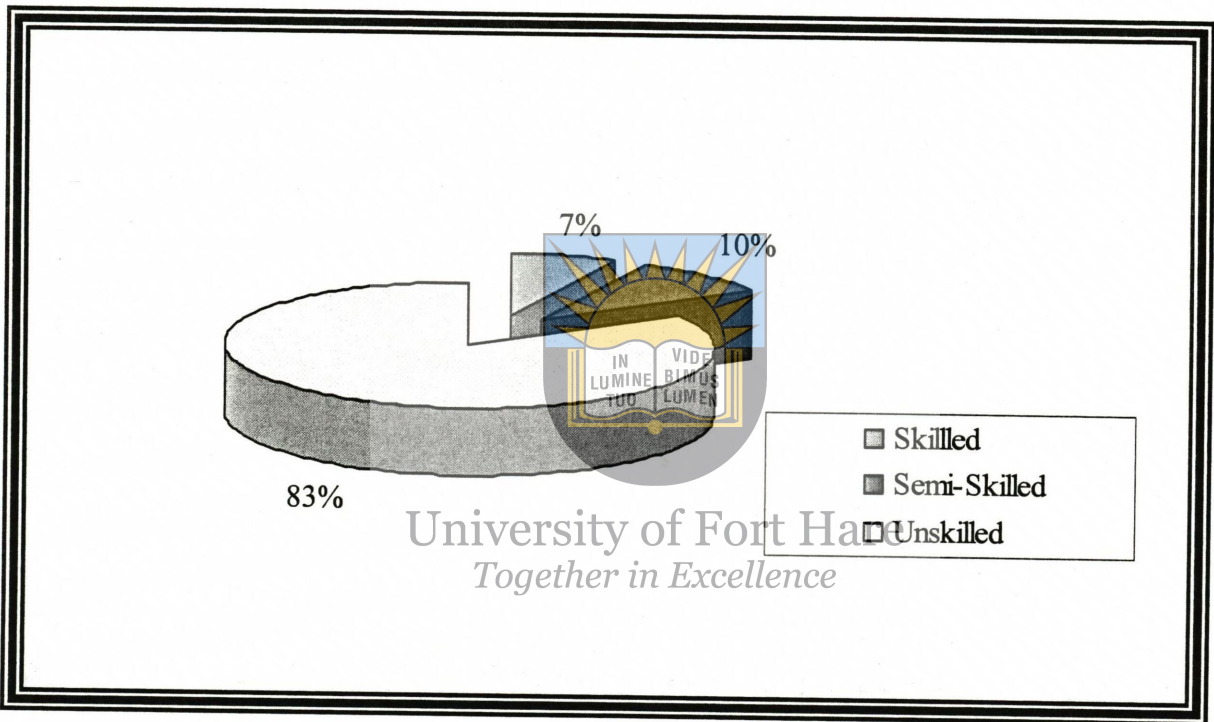


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On the positive side, the study found that the Nkonkobe Fresh Produce Vegetable Market, among all the LED initiatives investigated by this study, is the only initiative which managed to create jobs that demand skilled, semi-skilled and unskilled labour-force. For instance, jobs like, finance administration officer. The semi-skilled labour force is in the form of security guards, the driver of the bakkie, the cashier, and stores manager. The unskilled jobs created include two cleaners. The major problem reported is that, the skilled labour force is abandoning the initiative because of no remuneration due to financial constraints faced by the local municipality and the Amathole District Municipality. Beside this problem, the study found that, it is, the only initiative addressing the needs of the community it serves, a local market for local farmers. Even the diverse quality of employment opportunities it is creating is promising a better future. The pie-

chart below shows the quality of employment created by these LED initiatives in the six LED initiatives.

Figure 4: Quality of Employment



Source: Dapira, 2007

Because of the nature of jobs created by these various LED initiatives which demanded unskilled labour, the study found that most of the income benefits were insignificant to the broader communities concerned. As alluded to, this resulted in the withdrawal of many participants from the initiatives, as people feel reluctant to invest their energies with little benefits accompanying these energies.

5.1.4 Training

In terms of training opportunities and new skills acquired by participants, the study found that, it is, only the Vegetable Market initiative that has offered training to its new employees, hence

skills empowerment was enhanced by the initiative. Although both short-term and long-term jobs were created in all the six LED initiatives which were under study, the study found that most of these jobs did not enhance the development of human skills. To some extent the Beef Farming initiative in Ngqushwa can also be argued to have resulted in the development of human skills. Through their participation and active involvement, the local beef farmers managed to acquire new skills from the ongoing Beef Farming project. The new skills gained by local beef farmers are being applied in their own farming endeavours. In the case of the Vegetable Market, though skills learnt can be used in future opportunities, most of the employees have not yet found new jobs to apply these skills.



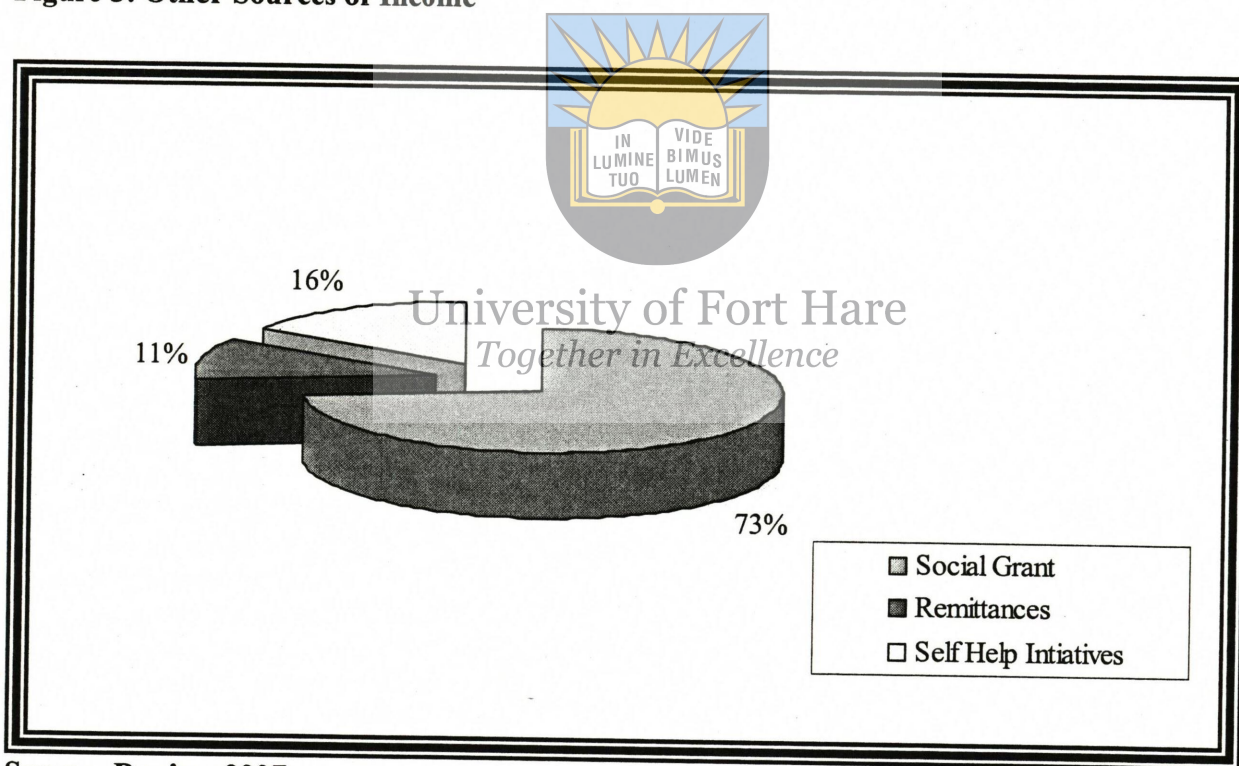
5.1.5 Other Sources of Income

From the responses the study found, most of the participants are eking a living on other sources of income in an attempt to supplement income generated from LED initiatives. These other sources of income include social grants, remittances, and self-help initiatives. The majority of the people involved in these six initiatives still heavily depend on the social grant that is 73 percent, as income generated from this LED initiatives is too little to meet daily needs of the participants. The Balfour Kat river irrigation scheme has the highest number of people heavily relying on social grants that is (17), followed by Somgxa (12) and Dube and Tyefu Irrigation scheme (10).

Very few participants have remittances as an additional source of income (11 percent). The reason is that, most of the participants' children are still at school and some are not yet employed and hence there are no remittances. Moreover, since most of the household are female-headed, it means that there is no male figure to remit income. With the Vegetable Market the study found that none of the participants have remittances as an additional source of income. The study also

found that some of the participants engage in self-help initiatives which are business-oriented, such as, selling fruits, sweets, the making of sandals and handbags, domestic work for other people during their spare time. The number of participants engaged in self-help activities accounts for 16 percent of the total population of participants. From the responses of participants the study found that people engage in these self-help initiatives as a survival strategy adopted by those at the margins and not as a sustainable development endeavour.

Figure 5: Other Sources of Income



Source: Dapira, 2007

5.1.6 Empowerment and Self-reliance

From the responses the study got from participants, it emerged that five of the six LED initiatives are failing to promote self-sufficiency, mainly because initiatives are failing to graduate from being simply “hand-to-mouth” strategy to wealth creation. Hence, it can be argued that the

newly-derived income to a greater extent has not made a major difference in the quality of the lives of the beneficiaries since the majority of the participants are still heavily relying on social grants. Tapping from the rich perspectives of one of the participants who said: “From the income I earn from this project, it is hardly enough to buy grocery that would last a month, the income can only sustain my family for less than a week.” Overall, the responses the study received reflect that community life in these five communities has not improved.

As a result of the shortcomings of these LED initiatives to promote accumulation from below, most of the participants strongly felt that these initiatives are failing to overcome apartheid divisions and promoting community reconciliation. In addition, the responses the study received show that, most of the participants do not identify themselves with the various LED initiatives. The participants strongly felt that they are still poor, and the high unemployment and poverty rates are still socio-economic phenomenon associated with the previously disadvantaged communities. The study also found out that, the empowerment of these communities still remains elusive simply because of ill-advised initiatives that are not addressing the basic needs of the communities concerned. The consequences of these ill-informed intervention measures are further disempowering those whom the intervention measure were intended to benefit and empower in the first instance.

On Black Economic Empowerment (BEE), most of the participants strongly felt that it is not designed to benefit those at the grassroots but those elite Blacks (middle and upper class Blacks) who are now part and parcel of the new elite. Respondents argued that their interests are neither reflected in the BEE phenomena since they cannot read or write, and that their education is just elemental. As reported by participants, this is further aggravated by the issue that these

communities were neither consulted nor participated in the whole formulation of BEE principles. As articulated by one participant “How I am going to be able to come up with a business plan that will get funding, I was never taught that and where can I go for advice, there is no-one else who is willing to teach me and to make matters worse I don’t even know what is BEE?” This rich articulation reveals that the BEE was only intended for a certain class of people. If BEE was intended for those at the marginal level then it should have resulted in appropriate institution being built to support those at the marginal level to grab opportunities being presented by the BEE.



Such responses by the participants can be used to mirror and question the liberal model of democracy inherited by the government and its implications on issues of citizenship. What does democracy mean to these participants if their rights to participate in the economy are still being denied by public policies such as BEE? Basing on such responses, it is suggested here that the current liberal democracy is flawed, rather democracy in a country that is emerging from apartheid ought to address the dire socio-economic conditions of the majority of the people. To this end, democracy ought to aim to eradicate poverty, provide employment, facilitate easily accessible health care, empower the previously disadvantaged communities with productive forces and expand opportunities for education.

On a positive note, the study found that the Nkonkobe Fresh Produce Vegetable Market, is the only LED initiative whereby the newly-derived income is making a major impact on local farmers. The researcher had an opportunity to converse with some of the local farmers who were selling their farm produce. The local farmers sounded happy because their produce is fetching a better price than before the establishment of the market. Most of the local farmers described the

prices as reasonable as compared to other past years whereby the prices of farm produce would not match with production costs. Although these local farmers were not involved in the designing of the goals of the vegetable market, they strongly identify themselves with the project and the initiative is creating tangible benefits to the local farmers.

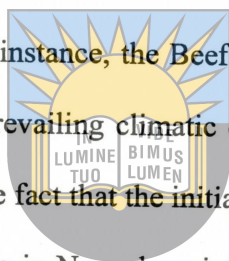
From the responses the study got, approximately individual local farmers are making profits of R 1000- 4000 per growing season as a result of the establishment of the local market. Although this might seem low, for families which were often dependent on a single state pension, this has improved the quality of lives. Hence, these local farmers feel empowered and a sense of self-achievement is prevailing among the local farmers. On BEE, some of these local farmers expressed some sense of optimism that if they continue to work hard, with the support of the government they can be able to benefit. That is, their efforts must be complemented by government policies that are pro-small-scale subsistence farmers such as access to loans, subsidies in the event of drought or any natural catastrophe and farming equipments.

5.1.7 Obstacles to Development through LED initiatives

The study found that, most of the LED initiatives are failing to bring about tangible social transformation, and it would appear to be deriving only limited benefits. As reported by participants, and the LED officers, the main challenges being faced by these initiatives are: lack of funding and participants withdrawing their energies as initiatives fails to produce benefits. The six initiatives, heavily depends on the local municipalities, Amathole District Municipality, and the provincial government for funding. These three institutions, have limited resources to fund all these LED initiatives and their tax bases are too small, especially those of local municipalities. Lack of funding is now placing constraints on these initiatives and their credibility at the local

level. The study also found that, the only LED initiatives that have received funding from central government is Beef Farming, Dube and Tyefu Irrigation Scheme and the Balfour Kat River Irrigation Scheme. Therefore, the issue of these LED initiatives being under-funded is further threatening the sustainability of these LED initiatives.

The study also found that the major weakness of these LED initiatives is that they are anti-basic needs, poorly conceived without taking into consideration of the comparative advantage of the area and prevailing local conditions. For instance, the Beef Farming project in Ngqushwa, most of the beasts are dying because of the prevailing climatic condition which does not favour the type of the beast. This clearly points to the fact that the initiative was poorly conceived because it did not take climatic conditions prevailing in Ngqushwa into consideration. Again, it shows the importance of partnerships in the designing, identification, implementation and monitoring of LED initiatives. That is, if the Amathole District Municipality and the Department of Agriculture had invited other established local beef farmers, the probability could be that this problem would have been solved in the beginning, by making the right choice of the beast, which could match the prevailing climatic conditions of the local area. Hence, the failure to conduct comprehensive and informative feasibility studies before project implementation is another limitation for development through LED as attested by the Beef Farming project.



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From responses the study received, the other major obstacle facing LED initiatives to bring about tangible benefits is *lack of participation* by the local people. The study found that, in all the six current running LED initiatives participants were neither consulted during decision making nor in the process of identifying the suitable LED initiatives. This *lack of participation* by the local people has negative implications on the outcomes of the initiatives. As most participants strongly

feel that they have not been the subject in the process, so that the decision reached does not reflect their interests. As articulated by one participant that is: “This project is just a waste of time and money because we as a community were never consulted on what is best for us. When they want to know what are our aspirations maybe they will come but as for now this project has nothing to do with us, it’s the government’s project.” Coupled with the failure of initiatives to create substantive employment opportunities, many participants are abandoning these LED initiatives, since they feel that they are being exploited, and the failure of initiatives to respect participants as human beings through benefits which should accompany the energies invested in these projects.



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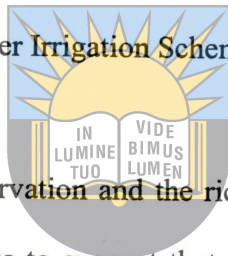
Access to credit was also reported as a major obstacle to development through LED initiatives, especially faced by the local beef farmers and self-help initiatives, since these are not state-driven initiatives. Most of these rural people do not have tangible assets to provide as a mortgage in the event they fail to repay the loans so most of the banks feel reluctant to lend these participants money.

5.2 Part B

5.2.1 Responses from LED Officers

The responses the researcher received from LED officers in Ngqushwa and Nkonkobe can be best described as rural pessimism. Both the two LED officers share the same sentiments on why most of LED initiatives were failing to achieve their goals, and squarely the blame was placed on the shoulders of the poor people. The two LED officers argued that the rural people are lazy, improvident, and ignorant and are in love of quick, easy money without them sweating. Hence, they are responsible for their poverty and they cannot blame anyone.

The LED officers strongly argued that the government was doing so much if not too much in an attempt to address the plight of the rural people but such efforts were not be complemented positively by the rural people. In Ngqushwa, the researcher was given the case of Dube and Tyefu Irrigation Scheme, where the LED officer argued that the government had poured a lot of resources in this LED initiative, but the results being yielded were not pleasing at all. The same response the researcher received in Nkonkobe, the manager offered the same observation about the participants citing the Balfour Kat River Irrigation Scheme as an example.



Drawing from researcher's personal observation and the rich discussion between the researcher and the rural people, the study would like to suggest that these negative perceptions about the rural people by government officials are harmful and are an insult to those at the margins. That is, these perceptions are unfounded and not based on the social reality of the rural people the researcher came face to face with: What the researcher saw, especially in four of rural communities involved in these LED initiatives (Somgxa, Balfour Kate River Irrigation Scheme, Dube and Tyefu Irrigation Scheme, and Community Garden) can best be summarized as follows: rural people are tough, hardworking, ingenious, knowledgeable people and resilient who are struggling against deprivation, poverty itself, vulnerability and to some extent powerlessness and weakness.

Tapping from the rich perceptions between the researcher and participants, the researcher discovered that the issue of rural people being improvidence as perceived by the LED officers is totally distorted. That is, improvidence-the failure to save and invest especially the little income derived from LED initiatives and the social grant is not an act borne out of ignorance. As

reflected by the participants, it is due to pressing needs for immediate consumption, a backlog of essential basic needs. One participant in Somgxa clearly articulated this: “How can one save yet in the house there is not a bag of flour to bake bread?”

What the study demonstrates is that, rural people close to the edge have a resilience often borne out of desperation and they cannot afford laziness or stupidity. The rural people are hard-working whenever and however they can so as to survive. In most cases where the household head is a woman who is responsible for child care, food processing, cooking besides earning a livelihood for the family, the situation is even worse. As expressed by one participant (woman) in Ngqushwa, she clearly expressed her feelings about poverty that is: “I have to cudgel my brains day after day wondering what to do. To get by I have to scrape here, a bit there, if I don’t I will die with my family. Nobody seems to care about others in this country. Rather than sitting back and relaxing on income gained from the initiative and social grant- it’s too little, it cannot even meet half of the requirements of basic needs for a month to elapse comfortably, I have to work”. From this rich perception, it is clear to argue the fact that the rural households which are female-headed are physically weak and poverty stricken. There is a high ratio of dependents. The dependents may be young children, old people, the sick, or handicapped.

From such response by a participant one can even conclude that rural poverty and the worsening conditions of the rural poor in spite of various development efforts can be legitimately equated to a “crisis”. The crisis manifests itself in the inability of so many rural populaces to produce enough food for their consumption, thus exposing staggering numbers to under-nutrition and starvation. Why the scourge of rural poverty? Why is that rural families in Africa are not able to feed themselves, in spite of the fact that food production is their single, most important occupation?

The answers to such questions are deeply ingrained in understanding the causes and the nature of poverty in Africa. Bibangambah (1999) argues that poverty does not only mean the lack of food or any assets, or malnutrition, disease and illiteracy, but also means powerless, voiceless, isolation and vulnerability to irreversible impoverishment. Even though some would question the validity of the term “crisis”, research findings and the rich articulation by those at the margins reveals that there is no doubt rural poverty is on the increase and the use of the word “crisis” is justifiable.

5.3 Part C

5.3.1 Researchers Personal Observation



5.3.1.1 Nature of LED Initiatives

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The researcher observed the limitation of LED initiatives in terms of its scope. Most of the so-called LED initiatives are confined to the growing of various types of vegetables, with the exception of Beef Farming project in Ngqushwa and the Vegetable Market in Nkonkobe. This limited scope of LED is refuted by the other observation made by the researcher, that is, self-help initiatives which are not state-driven. The limited nature of LED initiatives points to the fact that the concept of LED is not fully understood especially amongst the agents at the local level (municipalities and communities). The researcher observed a major weakness of LED as precisely the poverty alleviation thrust, and falling short of the development agenda which it should be promoting at the local level. Hence, the transformational dimension is missing in cases of where redistribution of land and other resources essential to promote development for all at the local level.

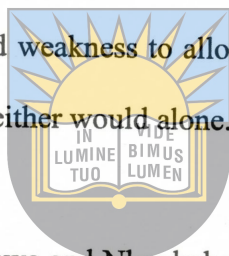
5.3.1.2 Self-help Initiatives

The researcher observed great creativity at the local level among the self-help initiatives which are not state-driven. If these self-help initiatives wins the support of the state and other key players in LED it is suggested here that they can lead to wealth creation by the poor. The self-help initiatives which strike the heart of the researcher were initiatives which are being run by four men, and the other by a group of women who withdraw their energies in the Dube and Tyefu Irrigation scheme, opting to start their own self-help initiatives. These self-help initiatives are currently running without outside injection of capital. These participants involved in self-help initiatives contributed individually a certain amount of money to start these initiatives. The men are making local sandals and the women are making female handbags. The sandals and handbags exhibit the African art, dressing, culture, which are decorated at the top with beads and for sandals the only part which imported is the soul. The top part of the sandals is made up barks of a special tree, which is so soft and cool for summer wear.

These locally self-help products are being sold at a cost of R 20-25. Participants engaged in this self-help initiative argue that the newly-derived income is making a major difference in their lives. During the holiday periods when tourists visit the Hamburg beach and other beaches nearby, participants argued that they can get R2000-3000 each holiday season. Though it might sound a small figure, but for just a short period of maybe 3-4 days it's a lot of money and during other days participants argued that per month they can earn between R 1500-2000 from the making of sandals and those engaged in handbag making can earn between R 1000-1800. The major challenges these creative local people are facing are: penetrating the market and a decent workplace with electricity, at present the building being used is an old house.

In detailing these two examples of self-help initiatives, the researcher seeks to establish the point that, LED initiatives must reflect creative talents which are found locally, so as to promote wealth creation by the poor. The lesson that should be learnt from these two initiatives is that, the tragedy of development is not that ordinary people have remained poor and are becoming poorer but that they have been inhibited their own creative initiatives as humans. From the findings of the research both rural people's knowledge and modern scientific knowledge should be viewed in a complementary way in its strengths and weakness to allow great innovation at the local level.

Combining the two might achieve what neither would alone.



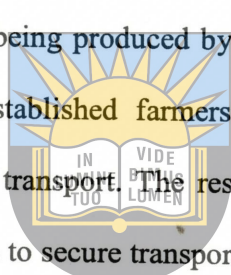
As reflected by LED initiatives in Ngqushwa and Nkonkobe, development is still perceived to be resting with official bureaucracies and the technocracy, and it should be transferred from the top to the bottom. Thus, according to this view development entails, disseminating this modern, scientific and sophisticated knowledge from those who are strong, educated and enlightened, towards those who are weak, ignorant and in the darkness. The findings of the researcher is refuting this notion by arguing that such perceptions are distorting the real meaning of development, for no-one can develop others. One can only stretch or diminish others by trying to develop them. Rather, development should entail those outsider professionals having to step down their pedestals and sit down, listen, learn and put first the priorities of those at the margins in any development endeavour they might come up with (Chambers, 1983).

Thus, at best, the views of those occupying development offices must be considered tentative, subject to validation or modification by the rural people's own process of reflection. These reflections by the rural people will widen the difference dimensions of social development and

how should it be defined. The detailed self-help initiative reflects the proper contextualization of LED in the African context and can be argued to be authentic development. Rather than LED being contextualized in a European way, in this regard it will not achieve the desired results because the prevailing comparative advantage that led to the success of the initiatives are inexistence in these rural communities of Nkonkobe and Ngqushwa.

5.3.1.4 The Quality of Products

The quality of the variety of vegetables being produced by participants is good and it can even compete with other vegetables from established farmers at the market. The only problem compromising the quality of produce is transport. The researcher saw huge piles of cabbages rotting away due to failure by participants to secure transport to deliver cabbages to market while it is still fresh. The experience was so touching, participants pointing at the huge piles of cabbages especially in Dube and Tyefu Irrigation Scheme.



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5.3.1.5 Level of Technology

Most of these initiatives have the necessary equipment to produce a good product but there is still room for improvement. The Community gardens are deficient of irrigation pipes, the ones they have are old and corroded by rust. The Nkonkobe Fresh Produce Vegetable Market lacks cold rooms to store daily farm produce such vegetables.

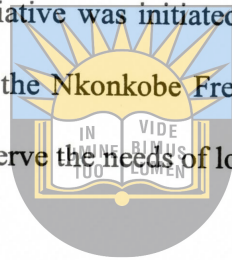
5.3.1.6 Economic Activity

The researcher observed that the most intense period of economic activity in these two rural local municipalities (Ngqushwa and Nkonkobe) is during monthly social grants payout. During this period rural families flock into the nearby small towns, focusing on the purchase of food, clothes,

electricity, some furniture, household goods, and the payment of debts and schools fees. Days after the monthly social grant payout, the economic activities decline very sharply.

5.4 General Assessment

The study found out that most of the LED initiatives pursued in these six communities were a response to persistent socio-economic problems such as high unemployment rates, widespread poverty and the absence of a local market. In the Ngqushwa local municipality big LED initiatives such as the Beef Farming initiative was initiated as a response to fulfill government policy. In Nkonkobe local municipality, the Nkonkobe Fresh Produce Vegetable Market was a response to absence of a local market to serve the needs of local farmers and hawkers.



In all the six LED initiatives which were under investigation, the study found that all initiatives are state-driven either by the local or the district municipality. That is, the key drivers and funders of these initiatives are local municipalities (Ngqushwa and Nkonkobe), Amatole District Municipality, Department of Agriculture and the provincial government. Partnerships and cooperation between the local government, provincial government and other stakeholders such as NGOs, the private sector and local business is in-existent. With the exception of the Nkonkobe Fresh Produce Vegetable Market which has partnership with Fort Hare's Department of Agriculture (ADRI), the rest of the initiatives are either state-driven or being driven by government para-statal. This point to the fact that these LED initiatives are independent of external support be it in the form of money, advice or training.

Furthermore, the study found that in all the six LED initiatives no community was consulted. The study would like to suggest that, that when development is not participatory it can be the

development of alienation and domination, that is, the imposition of the views of the powerful on the weak. True, to this maxim, the elites who are in charge of development have only developed themselves at the expense of the two rural communities they claim to serve. As argued by Rahman (1993), in this area it has seen a brilliant performance. The evolution of elite capabilities, including the capability and accomplishment of mass impoverishment and underdevelopment of the world through domination, exploitation and environmental destruction, attest to the fact that development should be defined by the poor and development should be for those at margins of any given society. That is, when development is not participatory it inhibits local creativity and underdevelopment because no human being is able to develop another.



The study found that, there is no improvements in services, such as transport and access to land that have come as result of these initiatives. Most of the rural areas are still inaccessible, especially the Balfour community, which is still characterized by rugged dust roads. The LED initiatives have not managed to allure business and private enterprises in these areas. Overall, the general internal assessment of these initiatives by the participants is pessimistic. The participants strongly believe that LED initiatives cannot be the panacea of their persistent socio-economic challenges. The local farmers expressed some rays of hope that through the availability of the local market, tangible benefits were to be realized, but they still argued that much is still to be done to ensure wealth creation by those at the marginal level.

Although the government has a critical role to play in these LED initiatives, the study found that it has limited resources and it suffers from being too politicized. As a result the continued role of other different stakeholders in LED should not be ignored. Naturally, the NGOs and local

business have also an important role to play if the success and sustainability of these initiatives is to be ensured.

The study also found that the success of LED initiatives clearly depends on the need for a shared vision, high degrees of unity and participation of the communities' concerned, dynamic and respected local leaders and local expertise. The absence of these elements in all the initiatives which were under study is jeopardizing the potential of LED initiatives. In addition, the study also found that comparative advantage, especially in terms of locally available resources and skills are clearly key considerations in accounting for the success or failure of LED initiatives. For instance, the Nkonkobe Fresh Produce Vegetable Market, the presence of resourceful and committed local farmers, motivated by their zeal to succeed is clearly contributing for the success of the Vegetable Market. The absence of local capital and the reluctance of the private sector to invest in community activities and the province in general, is constraining development prospects in all centers. As argued by Nel (1999), external investment and business linkages are only likely to develop where there is a credible local agency in place which businesses trust and with whom they are prepared to work with.

Generally, the findings of the research reveal that, LED initiatives are producing dismal results in the two local municipalities and cannot be regarded as a panacea for rural development. Meeting the goals of creating employment and sustained poverty reduction still remains elusive, mainly because the LED initiatives are anti-basic needs. Furthermore, it is evident that LED in these two municipalities is largely focusing on poverty alleviation and not being used as a long-term transformational tool for achieving sustainable development. In short LED is being regarded as about promoting the private sector and markets and less emphasis on land reform and enhancing

access of communities to land through land reform programmes and land restitution as a conduit to bring about sustainable development.

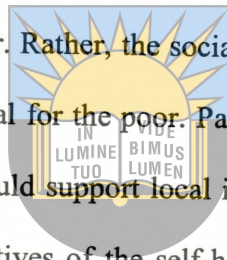
From these findings a question can be raised: Is development really on the agenda in the first place? The answer to such a question is simple and straightforward. Not at all, because the interests of the poor are not being reflected in the LED initiatives, that is: who told the policy makers that what the rural communities are in need of are a beef or cabbage projects? Clearly, there is no relationship between public policies and social needs. As the research findings reveals the rural populace are merely the means to the ends of the narrow interests, they are not, as they should be, the end and the inspiration of development process, and their hardly feature in the formation of public policy, a fact which helps to explain why policies devised in the name of development are quite irrelevant to actual development. Hence, creation of employment and poverty alleviation by these LED initiatives still remains elusive and research findings reveals poverty is increasing at an alarming rate, despite efforts by the government to reduce widespread poverty through the social grants.

5.5 Reflections on Rural Peoples voices on what is Development

From the interviews and expressions observed by the researcher, the study found that most of the participants are demotivated and angry with the way the government is addressing their plight. Deriving from participants' response there is widespread distrust of democratic institutions by the rural people due to their failure to produce tangible benefits. The study found that 81 percent of the participants are very dissatisfied with the way the government is handling their socio-economic status, 5 percent are dissatisfied and 4 percent are neither satisfied nor dissatisfied.

Overall, most participants strongly feel that the government must do more to address their socio-economic status.

A different dimension of participant's self-assessment on how the government should address their plight of poverty and high unemployment rates include the following: intervention measures that directly addresses the basic needs of communities leading to wealth creation. Participants also argued that the intervention measure should be appropriate enough to relieve the social grant as the only means of survival by the poor. Rather, the social grant should play a complementary role, than being the sole means of survival for the poor. Participants also expressed the fact that government or any other stakeholder should support local initiatives being driven by the people without any attempt to change the objectives of the self-help initiatives. The form of support needed include the following: access to small loans, access to markets and a decent workplace. Most of the participants argued that participation in decision-making, identification of LED initiatives by communities concerned was crucial to the success of such endeavours. Participants argued that, it was only through participation that their interests get reflected in any intervention measure.

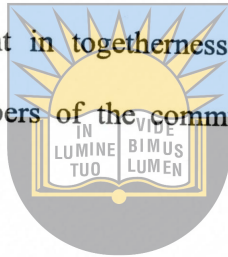


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On what is development, the consolidated responses from participants by the researcher can be best summarized as “taking control over what you need to work with and develop in our own different way which incorporates our beliefs and endangered culture”. For instance various response from participants in these two local communities reflect these concerns that is: “we need access to resources so as to earn a meaning full way of living, as a community we want to go forward, we want to search for a better life, we want to develop ourselves using our locally

available resources, we want to develop differently and we want to help one another to stand up, no-one should tell us how to develop”.

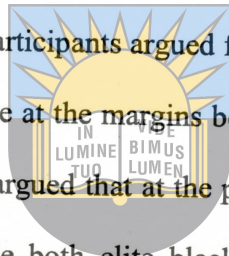
These articulations of people’s collective self-identity reflect deep conceptualizations on what is development and also their popular aspirations. Thus, a community defining its tasks in favorable and unfavorable conditions will be argued to developing differently. The study would like to argue that the continual use of the pronoun “we” depicts how participants view development. They view the process of development in togetherness (communal) way rather than self-development, meaning to say all members of the community should enjoy the fruits of the process of development.



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Rahman (1993) asserts that, in such an evolution, the concept of basic needs (food, clothing, education, shelter and medical care), with which much of the so-called development thinking and planning are engaged today, gets absorbed as a question of what the people want to create, by taking charge of their own destiny. As reflected by the above articulations the basic needs are not to be delivered to them by outsiders, but to be created by them, directly or through production and exchange. It is suggested in this study that, the only way to achieve such a dream is through a genuine dialogue with the rural people to make those occupying development offices understand what are the deepest aspirations of the rural people are? What are their contributions to a social articulation of the notion of development in which the rural people themselves must be considered the most important actors? These deep aspirations should therefore inform and be reflected in different intervention measures to be embraced by the state to address rural people’s plight. In other words, these deep aspirations and social articulation of the notion development by the rural people should constitute and be reflected in LED initiatives.

On how to achieve development 90 percent of participants strongly felt that development can be achieved through genuine participation, by the rural people, the government and other stakeholders. Consistent with their view, participants argued that such approach should be accompanied by an intervention measure equipped to change the socio-economic status of the people. An intervention measure that they gave character, that is, it should be able to remove apartheid barriers that are still preventing the majority of rural people's right to participate in the development process. 10 percent of the participants argued for strong government involvement in the economy so as to make sure that those at the margins benefits the fruits of economy through the redistribution of wealth. Participants argued that at the present moment most of the wealth is concentrated in the hands of few people both elite blacks and whites and this needs to be redressed.



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On how should a conducive environment be created in order to promote local creativity and innovation, most participants argued that given the long history of native people dispossession and disempowerment by apartheid, there is a great need of a development approach that directly addresses the legacies of apartheid. This intervention measure will empower communities, promote self-sufficiency through creativity, decolonization of the mind and will promote the accumulation of wealth by those at the marginal level. Basing on these rich articulations by the participants on what is development and how it can be achieved, the researcher seeks to recommend the Structural Change Model as alternative approach to development. Hence, the following chapter seeks to explain fully what is the Structural Change Model and the reasons it is favoured by the study at the expense of other approaches.

Chapter Six

Towards A New Approach for Rural Development

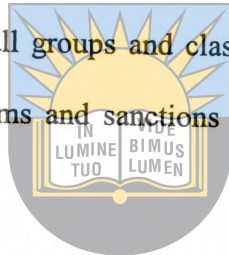


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6.1 The Structural Change Model

The Structural Change Model as an alternative approach to development is emanating from the rich responses the study got on what intervention measure that they think can directly address their plight. The researcher consolidated and analyzed these responses from participants and found that participants are more interested in an intervention measure that directly changes their socio-economic status. These consolidated responses indicate that the only alternative approach to development the participants were trying to articulate is the Structural Change Model. Given the history of dispossession and disempowerment of communities under investigation, it is the intention of the study to suggest that the Structural Change Model finds overwhelming support even from the researcher.

The reasons why the Structural Change Model has found overwhelming support as an alternative approach to development is attributed to several factors: Firstly, the study acknowledges the fact that rural poverty in Nkonkobe and Ngqushwa and the Eastern Cape in general, is an institutionalized phenomenon. That is, the rural poor people are part of a set of stratification systems within their society, and are invariably located at the base of each hierarchy. Therefore, interventions which seek to change their positions in one dimension must take into consideration the collective impact of the relationships embodied in their additional roles. The stratified position, not only of the poor, but for all groups and classes as well as the relationship to the distributive system, and the values, norms and sanctions which reinforce it, must be focus of attention.



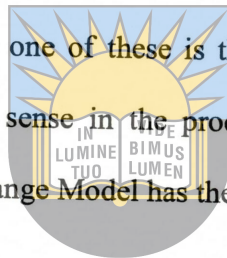
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In addition to this, the condition of being poor is not shaped solely by factors which determine economic class alone, but also by extra-economic factors as well. The dimensions of economic class are shaped by income, the ownership of wealth, and control over the means of production. What is required in this case is an intervention measure that will alter the distribution of these elements within the economic system. This is to say, what is required are policy instruments capable of altering rather than ameliorating the conditions of the rural poor and reducing the range of inequalities. Therefore, there seems to be a great need to understand more precisely how different dimensions of stratification impinge upon each other in order to appreciate what the implications will be of initiating planned interventions to change parts of one dimension independent of changing others.

Secondly, the study would like to acknowledge the fact that the distribution of power in the rural sector is never or rarely considered by government planners, but the actions they take invariably

shape and reflect it. The implication of this position for the poor is that they are rendered powerless when it comes to influencing their destiny. The meaning of such a position is that, these rural poor are not capacitated enough or they lack capacity to bring about an alteration in the behaviour and actions of others or to influence events for their own benefit.

Ranked on any hierarchy of capacity to exercise power in society the poor stand at the bottom rung of the ladder. They are the objects of power rather than those who exercise it. There are several important dimensions of power, one of these is the political dimension. The poor are rarely if ever involved in an effective sense in the process of where collective community decisions are taken and the Structural Change Model has the potential to change this position.



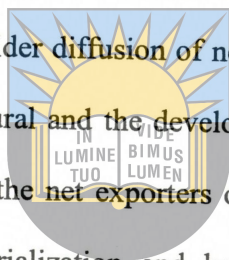
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Thirdly, the study would like to suggest the fact that the Structural Change Model will challenge the exploitative relationship that exist between Ngqushwa, Nkonkobe and the Eastern Cape in general, and the more prosperous provinces, namely, Gauteng and the Western Cape. These two rural local municipalities and the province in general, act as the satellite of other provinces (the core) which host the more prosperous cities in South Africa. As discussed in Chapter Three, the exploitative nature of the relationship manifests itself in two ways that is: although the legacy of apartheid and colonialism has long elapsed, the province is still the source of labour-force to the growing economies of other provinces with big municipalities at its own expense. Such exploitative relationships which are reinforcing the status quo can be dismantled by the Structural Change Model.

Fourthly, literature and history has it that the Structural Change approach to rural development will bring forth social transformation be it in the ownership of means of production and the

elimination of poverty among the rural poor. As asserted by Sobhan (1993) that a radical strategy such as an egalitarian agrarian reforms programme is very crucial for rural development to commence and international experience attest to this: that is the newly industrialized countries known as the Asian tigers.

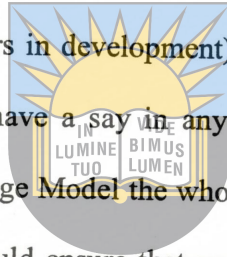
In these countries the elimination of rural poverty, social differentiation and food shortages was effected through radical agrarian reforms which were highly egalitarian in nature. This led to the elimination of rural poverty, led to the wider diffusion of new technology, optimal utilization of domestic resources, both human and natural and the development of domestic market (Sobhan, 1993). Today these countries emerge as the net exporters of food and have achieved sustained economic growth, as well rapid industrialization and have made the greatest advances in eliminating both endemic hunger and relative deprivation. Such radical strategy is not interested in economic growth or gross national product, but in bringing about a social transformation in the rural landscape and society being able to feed itself, thereby facilitating accumulation from below by the poor.



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Moreover, it is suggested here that, the Structural Change Model would ensure that the poor people participate in the development process and they are empowered. Participation of the poor in the development process is one of the necessary ingredients to ensure the sustainability of any development effort. The poor should be given the platform to debate in important decision-making processes that will affect their lives, be it during the formulation of policies, the poor should have a say and should be consulted.

As findings of research reveals, that, when development is not participative it can be the development of alienation and domination, that is, the imposition of the views of the powerful on the weak, the experiences of Ngqushwa and Nkonkobe attests to this maxim. The people who talk most about development and who make and implement development policies are the leadership, the international agencies and the multinational corporations. These are the people who are living commodiously and have a great deal of choice. They do not know hunger and poverty and the daily rigours of the struggle for existence among the poor. But more importantly still, the interests of these people (leaders in development) are at odds with those (the poor) of they seek to develop and they do not have a say in any development endeavour. This study suggests that through the Structural Change Model the whole mess can be reversed and this kind of an approach to rural development would ensure that policies are from the masses (the poor) and, in particular, it really goes back to the masses thereby establishing a close linkage between the state and the masses.

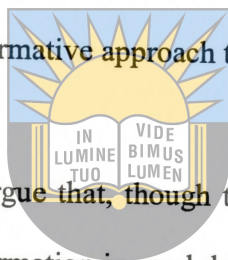


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Hence, it is suggested here, that the Structural Change Model that is radical in nature, will bring forth sustainable rural development with more tangible social indicators because what will be informing policy are the true realities of the poor's perspectives on what it means to be poor. In practice, the Structural Change Model will reduce widespread inequalities in the ownership of means of production in the rural landscape of the Eastern Cape.

It is suggested here that the Structural Change Model in practice will automatically force the present state to become a "developmental" state, because there is no-way out the state can embrace a radical approach to development without it and its apparatus undergoing a radical

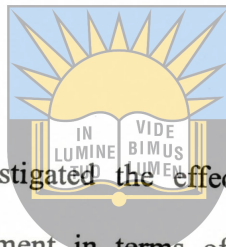
transformation. Obviously, what the rural communities are in great need of today is a “developmental” state which has the capacity to formulate policies that directly addresses the basic needs of the communities in a sustainable manner rather than policies which are pro-growth and anti-basic needs. The major assumption here is that a “healthy” GNP is meaningless if the most vulnerable of the population lack access to basic social services such as health care and education. At present investment in basic social services requires nothing but a developmental state, of which in an environment dominated by neo-liberal ideologies, the only way to construct a “developmental state” lies in the transformative approach to development.



In conclusion, the study would like to argue that, though the Structural Change Model has the potential to bring about real social transformation in rural development, its success is conditioned by a political response it gets, especially from the state and other social forces. For instance, the motivation for egalitarian land reforms is political and coincides with a shift in the balance of power between the conservative and more radical forces. The next chapter deals with the conclusion of the study, summarizing the research findings, recommendations and literature gaps worthy further investigation is presented.

Chapter Seven

Conclusion and Recommendations



7.1 Research Discussion

In this study, the researcher has investigated the effectiveness of LED initiatives as an intervention measure for rural development in terms of employment creation and poverty alleviation. Research findings reveals that LED cannot be regarded as panacea to persistent socio-economic problems faced by the rural areas and, it is, a far cheaper form of job creation. The experience of Ngqushwa and Nkonkobe local municipalities attests to this. In these two local municipalities the jobs created by the LED initiatives demanded unskilled labour-force that is: 84 percent, semi-skilled jobs created accounts for 9 percent and skilled only accounts for 7 percent. As most of the jobs created do not require training hence, participants involved are not acquiring any new relevant skills that can be of future use. Thus, the nature of the jobs created by these LED initiatives has resulted in little if not, none tangible benefits being accrued by participants. As result high levels of poverty are still widespread with majority of participants still heavily relying on social grant that is 73 percent. Some participants also engage in self-help initiatives and they account for 26 percent, those who have remittances as another source of income account for 11 percent.

Consequently, accumulation from below by participants and the empowerment of participants still remains elusive at the local level, as most of the initiatives are anti-basic needs. On a positive note, the study found that, the Nkonkobe Fresh Produce Vegetable Market is the only initiative that is addressing the basic needs of the community that is, the provision of a local market for local farmers. Even the jobs created by this initiative demanded skilled labour (7 percent) and offered training to participants, though lack of resources to pay the newly employees is threatening its sustainability.



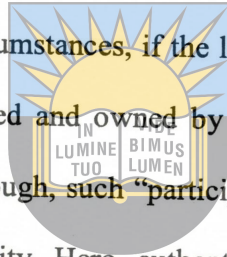
The study has also argued that many participants are withdrawing from the LED initiatives, because of the failure of initiatives to graduate from being a survival strategy to accumulation from below by those at the margins. The LED initiatives are heavily dominated by women who accounts for 78 percent of the total of participants and men only accounts for 22 percent. In all the six initiatives, the communities were neither consulted nor participated in the identification of these LED initiatives, and decisions were reached by senior government officials. As a result, the study found that most of the participants feel that their interest are not reflected in these initiatives as they were not the subjects in the process of identifying the suitable LED projects. Consequently, most of the participants do not identify themselves with the initiatives and they refer to the initiatives as government's projects.

From the responses the study got from participants, the researcher has argued that the definition of LED in these rural communities should be derived from the various deep aspirations and articulations of the different participants. These aspirations and articulations should then inform LED initiatives. In other words the definition of the concept LED should be from the subjects and not from offices to avoid the distortions and imposition of views by the dominant on the weak, as

this is inhibiting local creativity. Great local creativity is there as evidenced by self-help initiatives such as the sandal and handbags making initiatives. Perhaps, what is only needed is a measure to encourage and support such innovations at the local level.

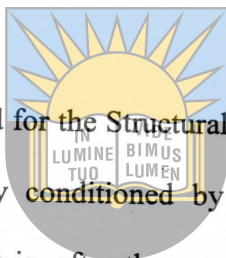
Thus, development through LED is rarely, if ever, achieved by a mobilization approach from above except possibly in circumstances where the views and needs of a local community and the goals of government coincide. The case of the Nkonkobe Fresh Produce Vegetable Market may attest to this. But still, even in these circumstances, if the local people do not have the decision-making power, true development initiated and owned by local populace through LED cannot occur. As argued by Goulet (1989), although, such “participation” is easy to promote, only with great difficulty can it achieve authenticity. Here, authenticity means locating true decisional power in non-elite people (local populace) and freeing them from manipulation and co-optation. The researcher strongly argued for the bottom approach to LED so as to promote local creativity initiated LED.

The overall success of LED initiatives in these rural communities of Ngqushwa and Nkonkobe do not appear to conform to optimism expressed by authors like Taylor and Mackenzie (1992), Stohrs (1981) and Helmsing (2001). These initiatives instead are facing huge obstacles and regarding them as a panacea to rural development might be a huge disillusionment. This makes it difficult to escape Stock’s (1995) aforementioned conclusion that “development from below”, “development from within” and “community economic development” is “unlikely to achieve more than small sporadic victories for the disadvantaged majority.”



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Given the limited tangible benefits derived from LED in these six initiatives which were under investigation, the researcher contends that LED is not the appropriate intervention measure to address rural poverty which the state can rely on. Rather, the state has to consider other forms of intervention measures to address high levels of rural poverty. Given the long history of dispossession and disempowerment of rural communities under investigation by apartheid, as detailed in the previous Chapter Five, the researcher contends that the Structural Change Model is the appropriate approach to rural development.

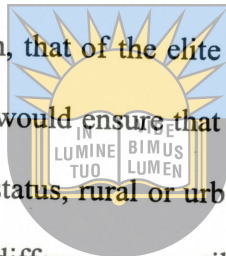


The reason the researcher strongly argued for the Structural Change Model is that, the success of any development endeavour is strongly conditioned by access to ownership of means of production by those at the margins. That is, after the question of redistribution of resources is successfully addressed then the government can now embrace LED initiatives as an intervention measure to complement other existing government development efforts dealing with the structural causes of poverty. It is suggested here that, this will even diversify and widens the scope of LED initiatives rather than the present limited nature of LED initiatives which is only confined to growing of cabbages everywhere.

Conclusively, the study strongly argues for an effective approach to rural poverty can only be found in the Structural Change Model, that is, change in the institutions and processes of society which seeks to alter the way in which the major social institutions distribute fundamental rights and duties and determine the division of advantages from social co-operation. This precisely means that, if poverty is to be effectively attacked and inequality reduced in the rural communities of Ngqushwa and Nkonkobe, the existing systems for distribution of resources must be made more universal and egalitarian in consequence. It would be naive, if the researcher does

not comment the remarkable progress made by the present democratic government on significant strides that it has made in addressing poverty among the previously disadvantaged communities.

Truly, significant strides has been made but still more is still to be done, there is no time to rest before cores issues such as question of ownership of means of production is tackled in a responsible way. The present approach to address the question of ownership of resources such as BEE is biased and it has serious implications to issues of citizenship and democracy in the country. It only favours a certain echelon, that of the elite blacks in the country. There is still a need to come up with a mechanism that would ensure that the cake is shared equally among the people, regardless of gender, education, status, rural or urban, religion and to some extent class. The researcher strongly believes that a difference can still be made through commitment and political will by leaders to work with those at the margins.



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7.2 Policy Recommendations

- The government must facilitate and not dominate LED as a matter of principle. Imposed LED does not accord with the principle of LED and are unlikely to succeed. Rather, the development theory and practice should be driven by putting the priorities of the poor first if, any meaningful development is to occur, it must be defined, motivated and controlled to a much greater degree by the local population. The overriding goal of LED initiatives should be a locally controlled development endeavour which strives for sustainability through reduction on dependence of state funds and other donors.

- Let the concept LED find its meaning from the host communities based on comparative advantage.

 - The government still has a critical role to play in LED. The role of government should entail creating a supportive environment; making of suitable legislative and budgetary provisions to support LED; enabling legislation at national level and local government level needs to be drafted; making sure that access to loans and market is available to emerging producers and training of community leaders on how to successfully lead and run the various initiatives.
- The logo of the University of Fort Hare is centered on the page. It consists of a blue shield with a yellow sun rising over an open book. The book has the Latin motto 'IN LUMINE TUO VIDE BIMUS LUMEN' written on its pages. Below the shield is a grey circular base.
- Participation of other key stake-holders is crucial for the success of any development effort. In this vein the government should not overlook the role played by NGOs, CBOs and local business. The roles of these different stakeholders need to be clearly defined and monitored so to avoid these participants shying away from responsibility. Positive support, participation and encouragement by these stakeholders are essential in the identification of the suitable LED initiative in relation to the comparative advantage.

 - Given the limited tangible benefits derived by LED initiatives under study, the government should not place considerable faith on LED as an intervention measure that will lead to poverty reduction by those at the margins. Rather LED should be regarded as an intervention measure complementing other central state development endeavours.

- The importance of promoting rural-urban linkages as a mechanism to promote development in both areas cannot be overemphasized. The upgrading and promotion of rural services and industries that are agro-based as another alternative way to allure businesses into the rural landscape should be promoted.

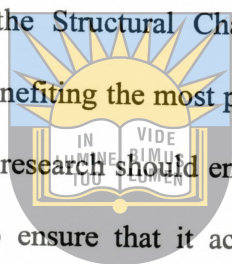
 - The dominance of agro-based activities in these LED initiatives confirms to the fact that agriculture remains the single most important land use element and economic growth generator to the largest portion of the population in these two rural municipalities. Hence, it should be supported by means of the provision of appropriate infrastructure, and ownership of this asset by the poor is of great paramount, if poverty and inequality is to be reduced through these LED initiatives.
- The logo of the University of Fort Hare is circular, featuring a yellow sun with rays in the center. Below the sun, the Latin motto 'LUMINE TUO BIMUS LUMEN' is written in a stylized font. The logo is set against a blue background with a white border.
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- Given the long history of dispossession and disempowerment of the rural communities by the apartheid regime, the study strongly recommends the Structural Change Model as the suitable approach to rural development. The Structural Change Model will address the question of ownership of means of production. Ownership of means of production by those at the marginal level will assist in the success of different intervention measures like LED in future after successful addressing the redistribution of resources.

 - The tendency of defining LED in line with much international thinking, in which economic growth is seen as the immediate objective is unlikely to play a key role in these rural communities. The conditions prevailing in Europe and other parts of the developed world which led to the success of LED, is totally in-existent in these rural

areas. Moreover these developed countries were never subjected to long period of dispossession and disempowerment. Rather the government should look for other successful self-reliance and rural strategies in Africa and other parts of developing world which has more similarities than differences to these rural communities, lessons learnt from such examples would then try to inform LED in rural areas.

7.3 Suggestions for further Research

As with any development endeavour the Structural Change Model might be subjected to programme mutation where it ends up benefiting the most powerful in the society at the expense of the weak, voiceless and poor. Further research should entail rethinking the Structural Change Model at the intellectual level so as to ensure that it accomplishes its task-that is, to truly empower those at the margins with the means of production and promote creativity rather than stifle it with new forms of domination. Empowering those at the margins with resources will promote a wide range of LED initiatives being pursued by the rural communities rather than the present limited nature of LED initiatives which is just piggery and cabbage projects.



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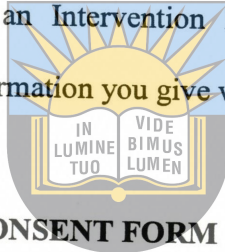
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Appendix

STRICTLY CONFIDENTIAL

Good (morning/ afternoon/ evening)

I am Clarah Dapira a Masters student with the Fort Hare University conducting research on Local Economic Development Initiatives as an Intervention Measure for Rural Development in Amathole District Municipality. The information you give will be kept confidential.



CONSENT FORM

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FORT HARE UNIVERSITY

NAME OF INSTITUTION:

NAME OF DEPARTMENT:

DEVELOPMENT STUDIES

TITLE OF RESEARCH PROJECT:

Local Economic Development Initiatives as an Intervention Measure for Rural Development: A Case of the Amathole District Municipality in the Eastern Cape of South Africa.

INVITATION TO PARTICIPATE

You are being asked to participate in this research study because researcher seeks to get information on LED initiatives and its impact (social and economic) on the livelihoods of participants

PROCEDURES

As a participant, you will be enrolled in the study to provide answers to questions, debate and give your own perceptions and remarks on a various issues related to LED.

RISKS

Some of the questions on the interview schedule you will be answering may touch on sensitive areas. However, every effort will be made by the researchers to minimize your discomfort. You are encouraged to discuss with the researcher and research assistant any negative or difficult feelings or experiences you have as a result of participating in this research project. If at any time you feel you would like to stop your participation in the research study, you will be free to do so.

COST AND FINANCIAL RISKS

There are no financial costs directly associated with participation in this project. Services from support staff are provided at no cost to you.

BENEFITS

There is no guarantee that you will benefit directly from the study. However, the investigators believe that it is likely that participants may benefit from attending the group interventions

COMPENSATION

You will not receive any compensation for participating in this study, since participation in this research is entirely voluntary and you may choose not to participate



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CONFIDENTIALITY

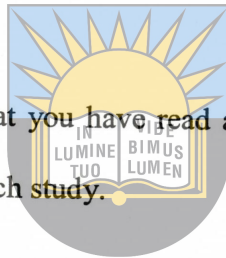
Every attempt will be made by the investigators to keep all information collected in this study strictly confidential, except as may be required by court order or by law. If any publication results from this research, you will not be identified by name.

DISCLAIMER/WITHDRAWAL

You agree that your participation in this study is completely voluntary and that you may withdraw at any time without prejudicing your standing within the University of Fort Hare.

CONCLUSION

By signing below, you are indicating that you have read and understood the consent form and that you agree to participate in this research study.



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Subject's signature

Date

Interview's signature

Date

THE INTERVIEW SCHEDULE

Name of Municipality	
Name of the village/ Ward	
Name of Participant Sex and Age	
Name of the Project	

General Questions about the project



(1) When was the LED initiative started?

(2) What were the circumstances that birthed the LED initiative?

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Was it persistent socio-economic problems?

Was it the need to fulfill government's policy?

Comment on your answer

(3) Who initiated the LED initiative?

Both the local and provincial government

Community-based organization

Non-governmental organization

Private sector

Local business

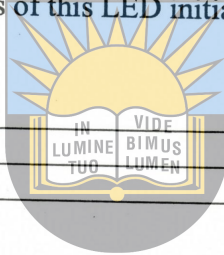
(4) Identify the key drivers of the LED initiative and key participants?

Strongly Agree	Agree	Disagree	Strongly Disagree
----------------	-------	----------	-------------------

(5) Are partnerships critical to the success of this LED initiative?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Please comment on how and why?



(6) Does the LED initiative address the critical basic needs of the community?

(7) What were the original goals of the initiative?

Strongly Agree	Agree	Disagree	Strongly Disagree
----------------	-------	----------	-------------------

(8) Was the community involved in the designing of these goals?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------

(9) Please comment on how?

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(10) Has the goals changed?

Please comment on how and why?



Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(11) Were/ Are the targeted group benefited from the project?

Please comment on how and why?

(12) Identify the major funders of the LED initiative

- Both the local and provincial government
- Community based organization
- Non-governmental organization
- Private sector
- Local business

(13) Has the LED initiative received external funding?

If yes, comment on the form of funding it took and if the funding came with strings attached.

(21) Identify the number of short-term and long-term jobs that have been created by the initiatives? Comment on the quality of these jobs.

(22) How many community members have joined or left the LED initiative since it was started and state reasons why there are dropouts and new members?



Strongly Agree	Agree	Disagree	Strongly Disagree
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(23) Were jobs created by the initiative enhanced the development of human skills?

Provide details to your answer.

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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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(24) Has the initiative promoted self-sufficiency?

Comment on how.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(25) To what extent has the quality of employment opportunities for the local people improved? What about those who left the initiative, have they found new employment?

(26) Beside income generated from LED Initiatives what is your other sources of income.

Social grant

Remittances

Self-help initiatives

(27) Was the nature of pre-existing skills base affected the direction that the LED initiative took.



Strongly Agree	Agree	Disagree	Strongly Disagree
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(28) Has the LED initiative allowed for the empowerment of the host communities?

Describe how

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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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(29) Comment on the newly derived income, in terms of it making a major difference in the lives of the beneficiaries? Provide details in form of social indicators.

Strongly Agree	Agree	Disagree	Strongly Disagree
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(30) Were the local people given the political space in decision making that impact on their lives and the election of their leaders?

Comment

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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(31) Is the initiative owned and controlled by the local communities or by outsiders
 Identify the controllers of the initiative and comment what impact does the ownership of the initiative have on its success?

(32) Has the initiative promoted a sense of belonging in the community?

(33) Describe and discuss whether the initiative is helping to overcome apartheid divisions and is it promoting community reconciliation and empowerment?



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Strongly Agree	Agree	Disagree	Strongly Disagree
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(34) Has the initiative managed to allure new services being invested in the community?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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If, yes, name the services that have been provided?

(35) Has the LED initiative resulted in the development of both soft and hard infrastructure?
 If, so, detail and describe

(36) Has the initiative increased private sector investment and confidence?

Yes

No

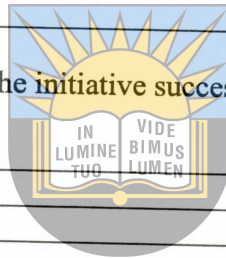
If, yes, identify whether investment has been from internal and external source?

Strongly Agree	Agree	Disagree	Strongly Disagree
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(37) Has the initiative ensured the sustainable use of the local environment, including natural resources?

Comment on how

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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(38) In the community perspective, was the initiative successful? If so comment on the successes of the project?

(39) Identify the major weaknesses of the LED initiative?

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(40) Comment on the sustainability of the LED initiative

(41) Was the LED initiative geared at sustainable social development, economic growth, or it is /was only a survival strategy and substantiate your answer.

(42) Provide an in-depth analysis on the role played or being played by the following institutions in support of the LED initiative:

i. Central government

ii. Local government

iii. Private sector

iv. Community groups

v. Local Business



vi. External agencies eg donors

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Strongly Agree	Agree	Disagree	Strongly Disagree
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(43) Is the community still facing the same problems it was facing before the implementation of the LED initiative?

Comment

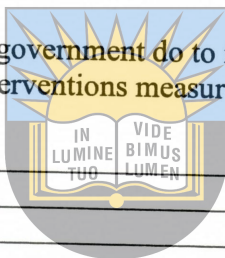
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(44) Can local communities successfully address the prevailing local challenges on themselves or do they need to rely on external support? If outside support is needed, is it critical and what form should it take?

(45) Do the communities strongly feel that it can also benefit from government development strategies such as Black Economic Empowerment (BEE)?

(46) As an individual are you satisfied by the way the government is addressing the challenges your community is facing.

(47) In your own opinion what could the government do to improve the socio-economic conditions of your area? Tell me three interventions measures that you think can directly address your challenges



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THE END: THANK YOU FOR PARTICIPATING