THE DEVELOPMENT HUB AS AN INTEGRATED STRATEGY TO ACCELERATE LED IN SMALL TOWNS

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A thesis submitted in partial fulfilment of the requirements for the degree of Doctor of Philosophiae in the Faculty of Economic and Management Sciences, University of the Western Cape

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ABSTRACT

TOOLS FOR THE ACCELERATION OF LED IN SMALL TOWNS

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Thesis for the degree of Doctor of Philosophiae in the Faculty of Economic and Management Sciences, University of the Western Cape

Evolving out of my past experience as municipal manager, the study addresses one of the topical issues in municipalities, viz. the quest for more effective and sustainable local economic development (LED) in small towns.

Through an extensive review of the literature and best practices of LED among South African and international municipalities, viable and reproducible strategies were examined and compared. The focus of my in-depth research falls primarily on towns in the Western Cape, but lessons from other parts of South Africa also form part of this research. The conclusions drawn are not only relevant in South Africa, but can also be applied in southern Africa and other African sub-continents.

Based on the qualitative evidence gathered from three in-depth case studies and a Western Cape sample of tourism places, the study explores the interaction of public- and private-sector involvement in the generation of LED momentum. As such the study focuses on the principles of successful public-private partnerships and how such partnerships can be enhanced through different types of projects.

The study presents an LED framework, also referred to as a "development hub", to bring together the different elements of an integrated strategy.

Based on the lessons drawn from the case studies and the literature review, the final section of the study presents a strategy framework which should be useful and applicable to other small towns, even if their growth is not tourism-based, and they are not located in South Africa's Western Cape.

Hopefully the study will stimulate serious and in-depth debate among policy planners as well as key development stakeholders in small towns regarding viable LED strategising and the practical implementation of those strategies.

30 November 2013

DECLARATION

I declare that *Tools for the Acceleration of LED in small Towns* is my own work, that it has not been submitted for any degree or examination in any other university, and that all sources I have used or quoted have been indicated and acknowledged as complete references.

Emil Nothnagel 30 November 2013

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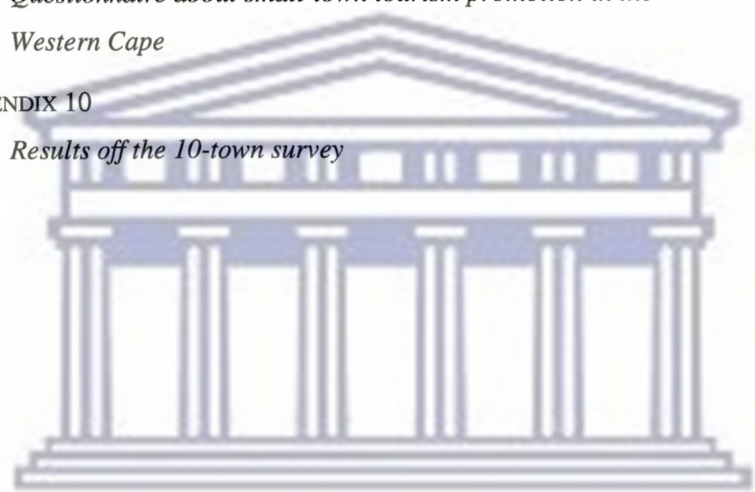

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ABBREVIATIONS AND ACRONYMS

Asgisa	Accelerated and Shared Growth Initiative for South Africa
ADA	Apollo Development Association
ANC	African National Congress
BCDT	Botšhabelo Community Development Trust
BEE	Black economic empowerment
BBBEE	Broad-based black economic empowerment
BPO	Business Process Outsourcing
BL	Boland
BLDC	Botšhabelo Leisure Development Company
Casidra	Cape Agency for Sustainable Integrated Development in Rural Areas
CBO	Community-based organisation
CDE	Centre for Development Enterprise
CK	Central Karoo
CSI	Corporate Social Investment
CSIR	Council for Scientific and Industrial Research
CSP	Cross-sector partnership
CSR	Corporate Social Responsibility
CTRU	Cape Town Routes Unlimited
DA	Democratic Alliance
DBSA	Development Bank of Southern Africa
Dedat	Department of Economic Development and Tourism (Northern Cape)
DEAT	Department of Environmental Affairs and Tourism (Pretoria)
DEDT	Department of Economic Development and Tourism (Western Cape)
DPLG	Department of Provincial and Local Government (Pretoria)
DTI	Department of Trade and Industry (Pretoria)
EC	Eastern Cape
EDU	Economic-development unit
EPWP	Expanded Public-Works Programme

EPZ	Export-Processing Zone
FET	Further Education and Training
FS	Free State Province
GDoH	Gauteng Department of Housing
Gear	Growth, Employment and Redistribution
GIZ	Gesellschaft für Internationale Zusammenarbeit
GT	Gauteng Province
GTZ	Gesellschaft für Technische Zusammenarbeit
IDP	Integrated Development Plan
IDZ	Industrial Development Zone
IGR	Inter-governmental relations
ILO	International Labour Organisation
ITDF	Integrated Tourism Development Framework
ITESP	Integrated Tourism Entrepreneurship Support Programme
KZN	KwaZulu-Natal
LBSC	Local business-support centre
LED	Local economic development
LSM	Living-standard measures
MEDS	Micro-Economic Development Strategy
MP	Mpumalanga Province
NC	Northern Cape Province
NGO	Non-governmental organisation
NSDP	National Spatial-Development Perspective
NW	North West Province
OB	Overberg
OECD	Organisation for Economic Co-operation and Development
PCF	Premier's Co-ordination Forum
PDI	Previously disadvantaged individual
PGDS	Provincial Growth and Development Strategy
PPP	Public-private partnership
PPT	Pro-poor tourism
PSDF	Provincial Spatial-Development Framework

RDP	Reconstruction and Development Programme
REAF	Real Economic Assistance Fund
RSA	Republic of South Africa
Salga	South African Local Government Association
SAHRA	South African Heritage and Research Agency
Seda	Small Enterprise Development Agency
Seta	Sector Education and Training Agency
SMEs	Small and medium enterprises
SMME	Small, medium and micro-enterprises
SOE	State-owned enterprise
TDA	Tourism-Development Areas
TEP	Tourism Enterprise Programme
THD	Tourism Help Desk
TTSI	Technology Transfer for Social Impact
VFR	Visiting friends and relatives
WC	West Coast
WTO	World Tourism Organisation

CHAPTER 1
INTRODUCTION AND BACKGROUND

1.1 The LED challenge

Over the past decades the economic advancement of communities in the different rural and urban environments has been one of the key issues in economic-development processes worldwide.

Local economic development (LED) in rural areas, villages, small towns, cities and large metropolitan areas has been influenced and shaped by many different factors, which themselves have changed over the decades.

> Local economies are affected more than ever before by policies and processes formed at the supranational level, such as market liberalisation, expanding global-production systems and the changing terms of trade. In particular, LED offers a means to counteract or take advantages of the forces of globalisation by maximising local potentials. For some observers, the key contemporary challenge facing all of LED is how to make the most of local resources in a way that improves returns from global markets (Rogerson, 2000: 2).

This extract from Rogerson highlights that the challenge with LED is its implementation. Rogerson also points out, that in order to implement LED successfully, the need exists to access the right tools, develop the right policies and put the right processes in place in the locality where implementation is planned. This is particularly important in localities experiencing extreme poverty, like smaller towns in South Africa and (for example) the north of Africa, where skilled and unskilled workers are migrating to cities and countries offering work opportunities, leaving poorer localities in an even more dire position, offering very little opportunity for economic growth.

1.2 The LED dilemma in small towns

Governments internationally, and more specifically in developing countries, experience many challenges when it comes to implementing LED successfully in small towns. This is also the situation in South Africa, as reflected in the poor economic growth on local level, specifically in smaller rural towns. The government, and more specifically local municipalities, search for practical ways to stimulate LED at small-town level. These include the initiation, facilitation, co-funding and monitoring of municipal, community as well as private projects. Yet, efforts to stimulate LED through initiating developmental projects are often half-hearted on the side of municipalities and other role players. Many initiatives fail or do not even get off the ground. This causes great frustration not only to the communities, but also to municipal employees. Reasons for such failures include, among others, unplanned political interruptions, limited access to services and infrastructure, lack of capacity among municipal officials and their low levels of education and widespread inexperience. These problems will not be fixed by purely increasing funding for projects or supporting a catalytic sector, but require a holistic approach, ensuring greater integration and co-ordination of initiatives as well as improved relationships between the different private- and public-sector stakeholders.

Although LED takes place at different levels in our economy, i.e. in provinces, metropoles, small and medium-sized towns and villages, the focus of this study falls on small towns nationally and in more detail, small towns in the Western Cape. The reason for this focus is to break down the complexity of LED in order to find a method to more effectively accelerate LED in small towns, and ultimately contribute to LED theory nationally and internationally. Through my involvement in LED training and consulting, I have realised the complexity of

development and stakeholder relations in smaller towns – hence my selection of this research topic.

1.3 The research problem

Given the prominence of LED issues in the economic development and political stability of developing and emerging countries like South Africa, we can briefly outline the research problem underlying this study.

- Growth and momentum of economic development in smaller towns are largely shaped by private or public (municipal) initiatives. If not managed correctly, such initiatives are insufficient to accelerate or even maintain growth in these smaller towns. It is the role of the public sector through municipalities (but in close interaction with the private sector) to maintain and take care of the upkeep of all government-owned structures and infrastructure, to put up the necessary and appropriate signage, to provide information and security to its residents and visitors and to market the town to potential visitors and investors.

- The majority of small towns in South Africa experience development stagnation or retrogression.
- Policies, projects and development initiatives instituted in small towns are all too often ineffective or abortive.
- Even where effective steps are taken to stimulate LED in small towns, these efforts seldom consolidate into a sustained process of effective LED.

My awareness of this dilemma of ineffective small-town LED has been shaped and strengthened by my practical engagement in small-town LED management and applied research.

- As town clerk or municipal manager in a relatively small, predominantly rural municipality (Victoria West), I was actively involved in the establishment of a film theatre and festival project. Although the project had some complications which threatened its existence, it was responsible for the flair of popularity Victoria West received as a tourism destination, attracting tourists from all over South Africa. The theatre, when started, was a catalyst for other projects that supported and complemented the theatre. As the development gained momentum, it became clear that a more systematic and integrated approach was needed to protect the existence of this and related projects from political interference and poor management.

- Previous studies and a master's dissertation on "Local economic development issues, strategies and projects" (Nothnagel, 2004) done through the University of the Western Cape School of Government deepened the awareness with regard to the issues and underlying dilemmas.

- Engagement in tourism development projects around the years of the Soccer World Cup sharpened my insights into sector-focused development in small towns and how this can effect their LED process.

- Recent years of consulting work also provided evidence of the wide-spread search for concrete projects that drive local development in small(er) towns, but also the very unequal success rate and pace of such projects.

There are many different and often unique problems that constrain LED implementation and there are many reasons why projects fail in small towns.

1.4 Goal and objectives of the research

Against the background of the research problem the ultimate aim and objective of this study is to develop a framework for an integrated approach and a strategy that can successfully contribute towards sustainable small-town development. The term "development hub" will be used in this study to refer to such an integrated approach. I realise that there is not one perfect model – also not a one-size-fits-all approach to achieve this. The aim, however, is to at least come up with a framework that can integrate activities and key elements when it comes to local economic development. These activities and key elements will be tested in three specific cases investigated in this study, in order to deduce conclusions with regard to a desirable strategy process.

More than half of the 248 municipalities (or the 800+ "towns and villages") in South Africa are to some extent promoting LED. In this study we are not concerned with LED processes and issues in larger towns, cities and metropolitan areas. To further narrow the focus of the research, I limit myself to the conditions for successful implementation of LED initiatives and interventions in *small towns* rather than villages. After all, many villages are dependent on the adjoining small towns for their development. A local authority is more often than not centrally located in small towns, providing services in the surrounding villages.

In this search for an integrated strategy for small-town LED I combine three dimensions of LED action.

- Local authority efforts in the LED field
- Project facilitation as critical part of LED
- General economic-development policies, applied to the local level

Each of these dimensions has an extensive literature, both internationally and focused on South Africa. In addition, each of these areas offers wide scope for local case studies and the experience gathered through them.

1.5 Literature review

The nature of the topic and its practical orientation makes a diverse and in each area quite substantial literature relevant for this study. We are concerned with *local* development as a variation of district, regional/provincial and national development. We are looking at the *economic* dimension of development, which includes different sectors and a wide range of economic activities. In addition we are aware that social, political, environmental and global forms and factors interact in the local development process.

It is not possible to review each of these different fields with respect to relevant literature and current schools of thought. In chapter 2 we review relevant aspects of the LED literature, and in chapter 3 we create a background framework for small-town LED. As far as geographic variations in the LED process are concerned, the case studies selected for the in-depth analysis related to three different regions, while the sector focus (in the wider range of cases reviewed) relates in particular to tourism and the Western Cape.

1.6 Research methodology

This study uses a qualitative approach to study the complex processes underlying small-town LED. In the context of a qualitative, rather than a quantitative, hypothesis testing approach, case studies are used, since they allow for close observation of complex processes. The three cases investigated helped build a better understanding of the dynamics of LED, tourism promotion and public-private partnership initiatives. The cases studied show how catalytic projects can be used to create momentum for

the operational implementation of local economic development. The case studies include

- the Apollo Development Association, situated in the rural town of Victoria West in the Northern Cape province of South Africa,

- the Bekkersdal Local Business Support Centre (LBSC), situated in the peri-urban township of Bekkersdal in Westonarea, south of Johannesburg and

- the Botšhabelo Cultural Village community-development initiative, situated near Middelburg in the Mpumalanga province of South Africa.

Unlike research in the natural sciences this study will not be able to "proof" conclusively what makes or breaks project-focused LED efforts. However, an understanding of the *contexts* highlighted in the case studies, should provide clarity on the strategies to be used to address the challenges faced. In this regard, Merriam (1998: 6) states that a key concern of case studies is to understand the perspectives of the participants, and not those of the researcher. The objective is then to get an insider's rather than an outsider's perspective.

Merriam (1998: 6) further indicates that qualitative researchers are interested in understanding the meaning people constructed and how they make sense of their reality.

> The aim of the researcher is to get as close as possible to the world of managers, and to interpret this world and its problems from inside. With this research, the researcher wishes to describe both the unique and typical experiences and events as bases for theory that is developed and related to other studies.

Atkinson (2003) also provides an explanation of qualitative research, where the richly contextualised depiction of qualitative data enables the researcher to become part of the reality and understand the motivation for certain actions to be taken. According to Babbie and Mouton (2002: 33), the qualitative research approach advocates that the researcher must understand the context of the case under investigation, as it will contribute to the reliability and validity of the findings.

Thus, the objective with case studies is to build an understanding and to describe and, in the context of this topic, make inductive conclusions about the capacity of local government, the extent at which LED projects can act as catalysts for development as well as how such catalytic projects can be facilitated through a process of public-private partnerships. It is for this reason that a systematic approach is used for this study whereby the research dimensions lead the research design, which allows for the development of an in-depth understanding of the dynamics within communities such as Victoria West, Bekkersdal and Botšhabelo.

The case-study research involved multiple data-collection methods. These included techniques such as participant observation, direct observation, interviews, documentary analyses, questionnaires and focus groups. Information gathered (as part of the involvement with developmental projects in the towns studied) also aimed at building an understanding of the role of the provincial government in assisting the socio-economic development efforts of the municipalities under study. Time was spent interviewing mayors and officials in local as well as district municipalities to solicit their views on the capacity of towns to deliver economic and tourism services. Emphasis was also placed on gaining an understanding from district municipalities regarding their relationships with local municipalities in the area of institutional capacity and service delivery. Provincial-government officials interviewed shed

light on the nature and scope of provincial monitoring and other services available to municipalities. In the planning of these interviews officials were purposefully selected on the basis of their experience in these small towns and their responsibility for LED.

Question schedule

A question schedule focusing on institutional, organisational and human resources was designed to collect some of the data.

The institutional dimension focused on the external relationships within the Apollo Development Association, Bekkersdal Development Hub and Botšhabelo Community Development Initiative. Questions to determine the type of relationships that existed with local, provincial and national governments and their contribution to the capacity of local government were included. The questions were directed to political leaders and senior officials to understand how the relationship between the appointed and the elected officials impact economic delivery. The issue of community participation in governance was also raised in the questionnaire, more specifically as it is a legislative requirement that communities participate in decision-making structures. Also included were questions focusing on strategies, their appropriateness, and the reasons for implementation or non-implementation, with particular attention directed at local economic and tourism development strategies.

The organisational dimension focused on the existence and quality of leadership in the projects and the relevant local authorities as they faced ongoing challenges. In this regard, questions were formulated to determine whether each organisation had a vision, and whether a common understanding existed with regard to its meaning. Questions were also set to determine the process of budgetary allocations and the role of the community during this process.

The human-resources dimension focused on the efficiency and effectiveness of management. This included the ability to provide up-to-date information to aid decision-making related to LED challenges, i.e. to ensure the availability of skilled, competent staff who are able to confidently meet the challenges facing these local authorities.

Documentary analysis

The documentary analysis formed an equally important part of the data-collection process. Data was gathered from various records, including minutes and memoranda of meetings and policy documents related to the research question. The purpose of the documentary research was to supplement, support and validate the information gathered during the interviews. Documentary analysis did not only focus on municipal sources but also other relevant external documentary sources.

1.7 Search for a model

As indicated earlier, it is the underlying goal of this study to find or develop the outlines or a framework of a model (or an integrated strategy) which can help local development players to systematically tackle the LED challenges.

This model has to be relevant for the diversity of sectors that may "drive" LED in small towns. While each of the detailed case studies had a different "leading sector", and the other case-study group centred on the tourism sector in the Western Cape, the principles of the model are relevant for all sectors.

The proposed development framework has been developed over the past years and has already been tried to implement LED initiatives in the Northern Cape, Gauteng and Mpumalanga over those years. In fact,

aspects of it form part of the cases showing how catalytic projects were used to create momentum for local economic and tourism development.

1.8 Limitations of the study

A number of limitations of the study and the approach to the model for LED facilitation in small towns have to be mentioned at the outset.

- The empirical base of the study is formed by the three case studies. This is a small number compared to the large diversity of small towns in South Africa. As stressed earlier, these three cases cannot be viewed as fully representative of this diversity.

- The cases cannot be seen as "successful" in terms of their sustainability and the meeting of key conditions. In fact, the problems experienced or evolving should be seen as part of the lessons to be learned from the cases.

- Only a few sectors are focused on in the cases and the tourism focus of the shorter case cluster.

- The cases only cover South African small towns, with no particular attention given to international experience with small-town LED facilitation.

- The strategy is only outlined in broad terms, since it has to be adapted to each particular town and its development potential.

1.9 Structure of the report

The study is presented in eight chapters, including this introductory section. Some additional material is contained in the appendices in order to streamline the main sections of the report.

Chapters 2 and 3 provide the background and literature review of the key topics, viz. LED efforts and the particular problems of small towns. In the review of LED in chapter 2, I include the impact which the apartheid legacy had on the goals and processes of LED in South Africa.

The particular problems of small towns are covered in chapter 3, with brief references to international trends and a review of South African small-town challenges.

Against that broader background chapter 4 presents the outlines of an integrated (hub) strategy for the facilitation of small-town LED. This is the first part of the strategy input of the study. It precedes the case studies in chapters 5 and 6 and leads to the second part of the strategy, viz. the implementation process, covered in chapter 7.

The case studies are covered in two chapters, with the three extensive cases presented in chapter 5 and the tourism-focused Western Cape cases in chapter 6. Based on that rich material chapter 7 tries to present the framework of an integrated hub strategy, relevant for South African towns and, hopefully, also on a broader basis.

The study is concluded with a summary chapter and suggestions for further research.

CHAPTER 2
SOUTH AFRICA'S LED EFFORTS IN PERSPECTIVE

2.1 Introduction: Dimensions of economic development

Before reviewing the nature and progress of LED in South Africa it is necessary to clarify the different spatial dimensions of the economic-development process.

On a broad basis the spatial dimensions range from *global* (i.e. worldwide) economic development all the way to *local* economic development at the level of spatially contained settlements. Within this range are national (i.e. countrywide), regional and district-level dimensions of economic development. In each of these different dimensions we can look at the level and trends of domestic output, employment, business activities, investment and income generation. Similarly, in each spatial dimension the economy can be seen to grow or expand, stagnate or decline and/or develop rapidly or slowly.

In this study I focus on the *local* level of economic development, which is embedded in district as well as regional areas and also in the national economy, but which still has its own dynamics.

In the local-development dimension one can differentiate a number of local settlement and economic development structures, viz.

- informal clusters of dwellings in rural settings,
- small villages (<1 000 inhabitants),
- villages,
- small towns,
- medium-sized towns,
- cities and
- metropolitan areas.

South Africa comprises the full range of informal settlements, villages, small, medium and large towns and cities. To narrow this research down, the focus is placed on "small-town communities" only. A community, as defined by the World Bank, includes cities, towns, metropolitan areas or sub-national regions. Small towns can be defined as towns with a population of fewer than 50 000 inhabitants. It is felt that these small towns find it particularly difficult to successfully implement LED efforts. Metropoles have much larger budgets and better capacity to implement LED strategies, whereas villages are dependent on small towns to support their initiatives, since most of them do not have their own budgets or capacity to implement initiatives.

Prominent initiatives suggest that LED in South Africa tends to be focused on towns and cities, even though at a micro-level, a range of non-governmental organisations (NGOs) and community-based organisations (CBOs) are pursuing valuable functions in small towns and rural areas (Rogerson, 2000). In the cities applied LED initiatives range from "market-led" business projects, to the building of sports stadiums and convention centres, the "re-imaging" of cities and, on a smaller scale, but carefully targeted, poverty relief, training and job-creation which may focus on areas such as crafts, sewing and brick-making. Durban for example has set up an Economic Development Department, and Cape Town has created an Economic and Social Development Directorate. Other municipalities are following the same trend, establishing specific departments and directorates responsible for LED. With this in place, larger municipalities are seeking to achieve global competitiveness and poverty relief. They are focusing their efforts on developing dominant sectors within their boundaries like the Western Cape and KwaZulu-Natal, focus on tourism and place-promotion as well as support for flagship projects such as the Cape Town and Durban convention centres.

Some of the most proactive LED endeavours in South Africa are currently pursued in towns that are subjected to severe economic stress. These include mining towns in the Free State, North West and KwaZulu-Natal as well as fishing villages like Lamberts Bay and Stilbaai, which all have been subjected to the loss of their previous economic mainstay. In places such as Welkom and Klerksdorp, support for urban farming, tourism and small businesses are some of the prominent strategies that are now being pursued (Rogerson, 1997, 2000; Nel, 2001). In addition various Presidential Lead Projects and Urban Renewal Projects such as the Kathorus and Cato Manor projects attract significant levels of state funds to target "problem areas" in larger centres.

The nature and legal base of the different proactive LED initiatives differ widely, with Nel (2001) identifying four variants of LED initiatives in South Africa.

- Local government-led LED, where the elected local authority becomes the active change agent.

- NGO- or community-led LED, where in the absence of other local economic leaders an NGO or the community takes over the responsibility of LED.

- Development corporation or section 21 initiatives, where development agencies have been specifically established, often by local governments, to pursue LED-type activities (e.g. Welkom and Stutterheim).

- "Top-down" LED, where the central government initiates LED projects.

Against this introductory background this chapter will first highlight some international trends in LED facilitation, followed by a review of South African LED approaches in the apartheid era and the evolution of post-apartheid LED facilitation. This includes a closer look at Western Cape LED support as an example of provincial efforts in this field. The chapter is concluded with an overall assessment of South African progress with LED support. The particular issues and challenges of small-town LED support are then addressed in the next chapter.

2.2 International reflections on LED

Numerous national and international definitions of LED exist. From the USA, Timothy Bartik states that "LED represents increases in a local economy's capacity to create wealth for local residents" (Bartik, 2003: 1).

In the African context, Helmsing and Egziabher consider LED to be

> a process in which partnerships between local governments, NGOs, community-based groups and the private sector are established to manage existing resources, to create jobs and stimulate the economy of a well-defined territory.

They further state that "LED initiatives mobilize actors, organizations and resources, develop new institutions and local systems through dialogue and strategic actions" (Helmsing and Egziabher, 2001: 1).

Zaaijer and Sara state that LED

> is essentially a process in which local governments and/or community based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in an economic area" (Zaaijer and Sara, 1993: 132).

According to the World Bank

> LED is the process by which public, business and non-governmental-sector partners work collectively to create better conditions for economic growth and employment generation. The aim is to improve the quality of life for all" (Rogerson, 2000).

A subsequent World Bank report asserts that "LED is about local people working together to achieve sustainable economic growth that brings economic benefits and quality of life to all in the community" (Rogerson, 2000).

Finally, the GTZ (now GIZ) maintains that LED is

> an on-going process by which key stakeholders and institutions from all spheres of society, the public and private sector as well as civil society, work jointly to create a unique advantage for the locality and its firms, tackle market failures, remove bureaucratic obstacles for local businesses and strengthen the competitiveness of local firms" (Ruecker and Trah, 2007: 15).

This latter definition is distinguished particularly by its focus on LED as an on-going process recognising that "an effort to stimulate economic growth of a local economy is bound to involve large scale systemic change" (Meyer-Stamer, 2008: 4). The notion of the "systemic competitiveness of a territory" is thus introduced as a central concept for LED and defined as "the ability of a locality or region to generate high or rising incomes and improve livelihoods of the people living there" (Meyer-Stamer, 2008: 7). These quotations reflect the status of LED, both nationally and internationally, emphasizing concepts such as partnerships, economic sustainability, job creation and improvement of community wellbeing. Rogerson further summarises the most significant economic advantages of LED in the following sentence.

> LED strategies seek to embed economic activity in a territory and make economic activity dependent on the specific economic conditions and comparative advantages

> of that place, they generate sustainable employment in enterprises more capable to withstand changes in the global economic environment, and as a result of the involvement of local stakeholders and the rooting of economic activity in a territory, LED strategies can also contribute towards a general improvement in the quality of jobs or in other words, towards the goal of "decent work" (Rogerson, 2009: 4).

International literature presents more clarity on the different approaches to LED as well as different entry points for starting an LED process. LED processes offer an integrated approach to development rather than a "one-size-fits-all" solution. It is stressed that their core purpose is

> to mobilise the local economic potential by bringing innovation to all its growth dimensions which range from infrastructure development to the development of local SMEs and their skills, also attracting foreign direct investment, fostering territorial competitiveness, strengthening local institutions, better management of the development process and internalising local resources" (Rodriguez-Pose, 2008: 23).

Bringing together local governments, the private sector and civil society in a search for the right LED methods "allows the community to build from the 'inside-out', capitalising on local assets rather than from the 'outside-in' relying on external interventions" (ILO, 2008: 2).

Having shown the close relationship between the international approach to LED and South African thinking I will not provide any in-depth review of the international LED literature. Where relevant references will be limited to particular aspects of LED-support strategies or programmes as and when this is covered in the different chapters.

2.3 South African LED approaches during the apartheid era

Although the comprehensive system of apartheid (or "separate development") was only introduced in mid-20th century, the roots of

racial discrimination go back to South Africa's settler history. The same can be said about the creation of new urban settlements as well as the roots of LED.

Early settlements were based on specific economic growth factors like the location of a place (near a harbour or along a coast-to-inland route), particular resources (like the vineyards around Stellenbosch) or specific events. In these processes the interests and activities of the colonising (white) settlers were central, with the interests of local people (bushmen, San, Khoisan or African) seldom respected.

This process of new town settlements spread across the country as the Voortrekkers and other groups moved into the interior with diamonds and gold the most forceful urban growth forces during the 1860s to 1890s. Thereafter it was British settler policies which shaped the urban growth process in the different provinces of post-1910 South Africa.

Afrikaner initiatives to strengthen their social and economic position after the loss of the Anglo-Boer War and the Great Depression of the 1930s also influenced the growth of (new) urban settlements. In existing (small) towns with significant Afrikaner residents, they tried to stimulate LED and urban growth as a way to help uplift Afrikaner economic and social development. While early initiatives were locally driven via church or community efforts, the increase in Afrikaner political power after the mid-1930s shifted the emphasis to the public sector. Thus, the government tried to strengthen or support local initiatives that would stimulate LED in selected places.

After 1948, when the Afrikaner National Party dominated the national government these efforts to proactively stimulate LED in selected places gained further ground. The two most famous initiatives were the development of the iron and steel industry in the Vanderbyl

Park–Vereeniging area of the (then) Southern Transvaal in the late 1940s and the creation of Sasol as catalyst for the petro-chemical industry as well as basis for the new town of Sasolburg in the northern Free State. In the 1950s/60s these small towns played a significant role as trigger for wider industrial growth and job-creation in the Vaal Triangle area. Many other initiatives followed during the next two decades.

The emerging principles and implemented policies of "grand apartheid" had an important dampening effect on these sector-led LED initiatives. The government was committed to reduce to a minimum the local (permanent) settlement of Africans in these new places. It was to be done through a preference for white (and coloured/Indian) labour and the restriction of African engagement to migrant (male) labour from the "homelands", where the families would reside.

This policy dampened the growth of such new towns, reduced the local purchasing power of residents and also stifled the broader education, training and social-development process of Africans in the country. At the same time, the "homelands" were burdened with large numbers of residents who were neither linked to full-time agriculture nor local urban development.

To address the latter dilemma the national government's "Homeland Development Strategy" of the 1970s/80s introduced a proactive LED programme which centred around so-called "border industries" and new local urban-development initiatives. In this strategy the central issue was job-creation that would keep Africans away from the cities in "white South Africa" – which was a far cry from a goal of balanced, multi-sectoral urban development. Examples of the *border-industry places* were industry-linked industrial spots just inside Transkei, Ciskei, Qwa-Qwa and the other "homeland areas". The industrial areas were heavily subsidised (in order to motivate industrialists to go there rather than to

established cities), but the goal of balanced urban development was still largely neglected.

During the late 1970s, when it became clear (after the Soweto riots in 1976) that the African influx into and growth in established urban areas could no longer be prevented, the approach towards African urbanisation changed again. It now became relevant and important to look closer at the structuring of the urban process and at ways through which "African townships" could become significant job-creation points and could fit in with the broader urbanisation process, both inside and outside the "homelands". The two central challenges were now

- how to get the rising black township population to stimulate LED in the evolving ("integrated") urban areas and
- how job opportunities and LED activities inside the township areas could be stimulated and transformed to help migrant dwellers to become settled urban communities.

It should be clear from this very brief review of the apartheid dimension of South African urban growth that these legacies made the inherently complex and difficult urbanisation process even more complex. Thus, while the process of apartheid-shaped urban growth has been phased out after 1990–94, these roots and legacies still influence the process and outcome of contemporary urban growth. What is more, these legacies are often particularly strong in small towns and towns which lacked a strong catalytic growth momentum. Here I refer to just two common problems.

- In many of the smaller towns the African townships were located at a significant distance from the "white" main town and its suburbs. In the absence of rapid settlement growth, this distance seriously complicated efforts to stimulate integrated local development.

- With virtually all essential business and service facilities located inside the established "white towns", it has been difficult for new business initiatives to locate inside the townships. When the large retail chains were allowed to operate inside the townships, local residents benefited from a wider supply choice close-by, but local (African) entrepreneurs were actually "killed off" due to the competition of the large supermarkets and their ability to offer goods at lower prices.

2.4 Evolution of post-apartheid LED facilitation

The 20 years since South Africa's political transformation have seen complex changes in the process of LED in South Africa as well as in the support for LED by the different levels of government and other players. This section first reviews public-sector policies as well as interventions and then covers the approach by other players.

Many LED initiatives after 1994 were triggered by local economic community decay and community projects from local leaders in these communities, influenced by the impact of globalisation and the impact of forces ensuring South Africa's re-entry into the global economy. During this period, the country had to do a lot of "serious soul-searching" with regard to her position and role in the new political order.

The concept of community- or locality-based development was implicit in the 1994 Reconstruction and Development Programme (RDP), effectively enshrined in the 1996 constitution in the section that refers to the developmental role of local government. It was thereafter supported by a range of policy and legal measures which are discussed in this section. Applied and proactive LED has evolved apace such that by the beginning of the 21st century all major urban centres had created LED units or economic-development departments, while a range of NGO-,

community- and private sector-led initiatives complemented these public-sector efforts. In fact, at a lower level of urban settlements there has been a noticeable mushrooming of locality-based development activities of NGOs, CBOs, local governments, tourism-promotion agencies and supporters of locality-based small businesses.

These efforts have also been influenced by lessons learned by local planners from policies applied in countries like Australia, the UK and the USA, where many South African urban planners gained their training. For example, Australian strategies shaped South African thinking about *declining towns*.

2.4.1 The government's role in LED

In response to the country's poverty and unemployment problems, the South African government developed various policies, programmes and plans to ameliorate these problems. Although these initiatives have different approaches, they share a common goal, viz. to grow the economy by using an all-inclusive approach. From a policy perspective, current LED thinking goes along with the post-apartheid government's pursuit of a neo-liberal economic strategy and a commitment to devolve powers of government to the local level as well as to support community-based endeavours (ANC, 1994; RSA, 1996 a; 1996 b).

It was only in 2000 that the government started to release guidelines about possible LED institutional arrangements and the IDP process. Between 2000 and 2003 a momentum was created in local government to develop and initiate the suggested strategies. These policy shifts were in line with the democratisation of all aspects of society and the allowance of greater levels of personal freedom. Parallel to this, forces of globalisation also played a role with the large metropolitan areas seeking to market themselves internationally as places for international investment and leisure-related activities. Johannesburg and Pretoria's

place-marketing initiatives, Cape Town's Olympic bid and the building of the international conference centres in Durban and Cape Town illustrate how, in an era of greater freedom, local centres are confidently seeking investment and a role for themselves in the global community.

The Constitution of 1996 placed great responsibility on *municipalities* to facilitate LED. According to the constitution, sections 152 (c) and 153 (a), local government must "promote social and economic development" and

> 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 [RSA, 1996 a, Sections 152 (a) and 153 (b)].

The Local Government Transition Act of 1993 and its 1996 Amendment (RSA: 1993, 1996 b) is a major post-apartheid local-government enactment which required municipalities to promote economic and social development. This act compels local governments to draw up Integrated Development Plans (IDPs) that address spatial and transport planning, infrastructure needs and the promotion of economic development. Metropolitan areas are tasked to promote integrated economic development and tourism. A serious oversight of this act however is that it does not deal with the powers and responsibilities of non-metropolitan local governments with respect to these issues. This has actually hampered smaller local governments and especially the rural areas. It resulted in governments losing focus of the bigger LED perspective, shifting it to specific issues where provincial growth strategies and municipal IDP processes can fulfil the tasks. To address this issue the Municipal Systems Act has been designed to "enable municipalities to move progressively towards the social and economic upliftment of communities by ensuring universal access to quality services" (RSA,

1999: 1). This act also encourages local government to promote growth and investment while simultaneously focusing on poverty alleviation.

Looking at different development strategies of the government, the urban development strategy and the rural-development framework both have an LED focus. The urban-development strategy focuses on the provision of housing and infrastructure, public works, efficient regulation, mobilisation of investment and the promotion of small businesses. The rural-development framework identifies LED as a way forward for local governments in rural areas. Special focus is given to economic diversification, training, services provision, housing, the development of periodic markets, the formation of partnerships, agricultural support, land reform, tourism and the promotion of small business.

In 1994, the Reconstruction and Development Programme (RDP) placed emphasis on infrastructure deficiencies under which the black population suffered. It referred implicitly to the notion of LED through the support for community-based development and locality-based initiatives. As part of the strategy, the South African government viewed tourism as a "sturdy, effective and sustainable leg" for the reconstruction and development programme (ANC, 1994).

In 1996 the constitution also mandated local governments to pursue "economic and social development" (RSA, 1996 a). This concept was taken significantly further in 1998 when the White Paper on local Government was released. The White Paper introduces the concept of "developmental local government", 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". (RSA, 1998 d)

The White Paper also makes it clear that

> local government is not directly responsible for creating jobs. Rather, it is responsible for taking steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities (RSA, 1998 d).

It also states that

> the powers and functions of local government should be exercised in a way that has maximum impact on the social development of communities, in particular, meeting the basic needs of the poor, and on the growth of the local economy (RSA, 1998).

The document calls on local government to provide vision and leadership in development and to encourage approaches such as buying local, accepting own local social responsibilities, marketing the local area, investment support, assisting small business, setting up "one-stop shops", promoting labour-based developmental programmes and the linkage of development to training and research. Local governments thus have a very important role to play as policy-makers and as institutions of local democracy. They are at the same time urged to become more strategic, visionary and ultimately influential in the way they operate (RSA, 1998 d).

The Gear strategy, which followed the RDP focus, places great emphasis on macro-economic stability and markets to stimulate economic growth with the assumption that the benefits of higher economic growth would also touch and improve the lives of the poor. With Gear came a very significant micro -reform, viz. a more flexible labour market.

The statutory principles for operationalising these concepts of development are contained in the Municipal Systems Act, referred to earlier. The act devotes a great deal of attention to the notion of "integrated development planning" (IDP), of which LED is regarded as a key element (RSA, 2000 a). In essence, according to the Department of

Provincial and Local Government, the IDP is "... conceived as a tool to assist municipalities in achieving their developmental mandates" (DPLG, 2000 a: 21), and as a planning and implementation instrument to bring together the various functions and development objectives of municipalities. Integrated development planning has been defined as

> ... a participatory approach to integrate economic, sectoral, spatial, social, institutional, environmental and fiscal strategies in order to support the optimal allocation of scarce resources between sectors and geographical areas and across the population in a manner that provides sustainable growth, equity and the empowerment of the poor and the marginalized (DPLG, 2000 a: 15).

Also influenced by the act is government funding to local authorities, where the funding is determined by the nature of the planning and development priorities identified in such plans.

Another emerging policy of note was the government's "urban renewal strategy" which has a clear focus on issues of urban regeneration and targeted support for township areas (DPLG, 2000 a).

The Accelerated and Shared Growth Initiatives for SA (Asgisa) programmes cover nearly every component of development and can be used as part of the integrated approach to activate programmes on the ground. Programmes covered include

- infrastructure (EPWPs and municipal-infrastructure grants),
- social development (community-development workers, early-childhood development, national school-nutrition programmes),
- environmental development (working for water, working for wetlands, working for fire),
- tourism (poverty-relief programmes, protected-areas management, tourism support),
- agriculture (comprehensive agricultural-support programmes, land-care programmes, land redistribution for agricultural development

programmes, household food production, food security, starter packs, irrigation rehabilitation and development programmes),

- education in the workplace (Abet, learnerships),
- small-business promotion (Umsombomvu Youth Fund, gender and women empowerment, technology for women in business, skills development in the cultural industries, Innovation Fund, Tshumisano Programme, Godisa Programme.

Nel *et al.* (2002) refer to the conceptualisation of pro-poor-development strategies when they say, that

> [i]n 2001, DPLG released an overtly pro-poor document entitled "Refocusing Development on the Poor" which had the potential to become the department's official standpoint. This document clearly argues that government policy must focus on "pro-poor" LED which explicitly targets low-income communities and the marginalized.

This document was never formally submitted to cabinet and accepted as official government policy. However, as with earlier documents, it helped local authorities to better conceptualise their new duties and requirements. Different opinions and positions of government departments clearly impacted on the acceptability of such thinking at the time (Tomlinson, 2003). The concept of "pro-poor development" is covered later in this chapter.

2.4.2 *Provinces as players in LED support*

South African policy, despite its sophisticated focus, tends to implicitly suggest that LED is primarily a local-government prerogative, providing little recognition or incentive to support the often critical role played by the private sector, NGOs and CBOs. Actually, South Africa needs an integrated approach to implementing LED, through which all stakeholders are involved and tasked with the responsibility of sustainable development.

With the release of the "Provincial Growth and Development Strategy Guidelines by the DPLG in 2005 there has been a move to change this *status quo*, compelling provinces in South Africa to develop LED growth and development strategies, with the emphasis falling on creating a platform for a larger degree of private-sector and civil-society involvement in provincial, district and municipal plans. These growth and development strategies are required on a provincial level because provinces have an important role to play in contextualising national imperatives and grounding them in the realities and specifications of each province. The guidelines from the presidency also suggest that provincial governments should play a leading role in ensuring economic planning, infrastructure investment and development spending in accordance with the principles set out in the national spatial development perspective (NSDP). Overall, growth and development strategies are seen as critical tools to guide and co-ordinate the allocation of national, provincial and local resources (including private-sector investment) to achieve sustainable development outcomes. The NSDP document, which is increasingly being used as a framework for spatial resource allocation, has an explicit purpose to direct public investment to areas "with economic potential". According to the NSDP, "development potential" is based on the following criteria (Office of the Presidency, 2003).

- Natural-resource potential: Agricultural potential, environmental sensitivity and the availability of water.

- Human-resource potential: Levels of skills and human density.

- Infrastructure-resource potential: Existing and proposed road and rail infrastructure and the main electricity grid.

- Human needs: The spread of poverty and the size of the poverty gap.

It is further highlighted in the NSDP that the guidelines of the development of provincial growth and development strategies require the following attributes (Office of the Presidency, 2003).

- Provide direction and scope to a province-wide development programme and projects in the context of a long-term perspective, taking into consideration the resources as well as economic, political, social and natural environmental constraints and opportunities.

- Provide vehicles for addressing the legacies of the apartheid spatial economy, promoting sustainable development, and ensuring poverty reduction as well as the creation of employment.

- Provide a framework for both public and private-sector investment, indicating areas of opportunities and development priorities.

- Be focused on addressing key implementation blockages and issues, including institutional reforms.

- Provide spatial direction to public and private investment.

A provincial growth and development strategy helps to make effective use of scarce resources in the province by searching for more cost-effective and sustainable solutions, while addressing the real causes of development challenges instead of merely treating its symptoms. It should also facilitate the speedy delivery of government programmes and plans and should identify opportunities for investment. It should furthermore provide a planning instrument, articulating the development agenda for the province.

2.4.3 *Other players in the LED-support process*

At a local level LED and its implementation usually refers to actions initiated by a combination of partners that can address particular socio-economic problems or can respond to economic opportunities. In South Africa it is now constitutionally a local government mandate and forms part of a municipality's growth strategies and integrated development plans (IDP). This however does not exclude private or community-level participation. Partnerships on different levels are, in fact, critical in the implementation of LED. The different players of LED are not exclusive and can often co-exist. The following are a few examples.

- At a policy level a municipality may decide to be more commercially orientated or to encourage local procurement, investment and other catalytic initiatives to stimulate LED.

- At an institutional level a job-centre, LED office or a Section-21 company may be established to strengthen and steer the LED process.

- At the project level the private sector may operate a focused initiative, undertaking for example a chicken co-operative, a tourism-promotion programme, an LED-fund project or a private-sector initiative.

- At an operational level independent or private support centres may be active in this field, e.g. a corporate-initiated local business-support centre or a local bank which initiates community-support programmes.

In this multi-player approach to LED the sector focus and sector complementarity of LED efforts can be very important. The economy of any town, irrespective of its size, usually depends on one or more dominant sectors to stimulate growth. Dominant sectors include transport, agriculture and mining or, as in the examples of Iscor and Sasol, steel and petro-chemicals. It is very common for more than one dominant sector to exist in a town, and it is even more beneficial if such sectors complement one another. A recent example in South Africa is how existence of a coal mine in a small town called Lephalale led to the establishment of the Madupi power-station project. This complementarity gave rise to the sudden growth of the town of Lephalale. It seems logical that for such sector complementarity active co-operation (indeed, partnership) between all relevant players is vital.

If we look at the role of municipalities, a national survey of the practice of LED in municipal areas (Nel and Binns, 2003) revealed that the majority of South African local authorities are conscious of the need to embark upon "developmental local government" and, more specifically, to initiate focused LED programmes. It was also revealed that many of their planned programmes have not been initiated to date due to funding and capacity constraints. Thus, municipalities are indeed aware of their development mandate, and, to a limited degree, are implementing some LED-type strategies. Thus, results showed that municipalities were implementing LED programmes aiming at reducing local unemployment levels, stimulating the local economy, fighting poverty and co-ordinating local initiatives.

From the municipalities surveyed it was also revealed that the most popular strategies for LED were public works and tourism projects, although different towns still have their own leading development sectors which dominate much of their proactive LED efforts. Nel and Binns also reported on the negativity expressed by municipal officials over the lack of funds as well as limited support and guidance from national and provincial governments, which was aggravating their own personnel and resource constraints. While significant powers have been decentralised to local authorities, the accompanying resources to implement them have just not followed, creating a situation which Stockmayer refers to as the "decentralisation of poverty" (Stockmayer, 1999: 3).

2.4.4 *Pro-poor vs pro-growth LED*

The legacies of apartheid and "separate development" have created a strong political bias towards pro-poor (or pro-black) LED in the post-1994 process and policies of LED in South Africa. The emphasis has been on poverty alleviation at the local level, with the emphasis falling quite naturally on the different levels of government as well as the business sector.

In some sharp contrast, a "pro-growth" focus of LED looked for the creation of new economic growth points (including EPZs and IDZs) and incentivised business expansions as the most effective ways to stimulate employment and address poverty.

In practice these two approaches have to be combined and should be viewed as complementary (Tomlinson, 2003). Projects need to be sustainable *and* economically viable. This is supported by Van Staden in his statement that a pro-poor approach should be central to any action taken to stimulate LED (Development Southern Africa, 22/2: 240). After all, the key thrust of development strategies in post-apartheid South Africa also shaped the broad thinking of LED. According to Minister

Mufamadi "... The very essence of developmental local government is being able to confront the dual nature of our cities and towns and to deal with the consequences of the location of the poor in dormitory townships furthest away from economic opportunities and urban infrastructure. The solutions to these problems are complex and protracted" (Mufamadi, 2001: 3). As Rogerson comments, in

> ... terms of the mandate of developmental local government, the establishment of pro-poor local economic development strategies and policies are therefore critical and central to sustainable urban development as a whole, particularly in dealing with the apartheid legacy of widespread poverty (Rogerson, 20000: 405).

In this context pro-poor LED has two different areas of focus.

- *Focusing on existing poor areas:* This should fall on housing developments and providing the necessary support to develop infrastructure and other economic-development projects in the area. It is here where an integrated approach to development can play an important role in stimulating project-specific as well as infrastructural developments.

- *Focusing on specific needs of the poor wherever they are:* This implies attention to creating job opportunities and reducing poverty.

Pro-poor LED strategies can be applied in different sectors such as tourism, transport, agriculture and retail. In South Africa pro-poor tourism (PPT) has become a prominent theme, given the important role tourism plays in the LED of many villages, towns and cities. PPT is not just another form of tourism as most people tend to think; it is an approach which seeks to use tourism as a strategic tool to alleviate poverty among marginalised communities PPT as an approach is specifically implemented to unlock benefits to poor communities and individuals and should not be seen as a specific product of tourism. It

also partly overlaps with broad-based black economic empowerment in the sense that it focuses on the inclusion of previously disadvantaged individuals (PDIs) in the tourism process. A typical example of a PPT would be the development of community or township tours. PPT can also be seen as a means to an end, as it can be utilised to change business perspectives and day-to-day operations to unlock sustainable environmental benefits to the poor as opposed to only social benefits. For this to happen, more ways need to be found in which tourism business can directly and indirectly generate benefits for the poor.

2.5 Western Cape provincial LED strategies

As indicated in Section 2.4.2, the provincial authorities have an important role to play in the facilitation of LED. To illustrate this we can briefly review LED strategies in the Western Cape, the region that is central to much of this research.

In the Western Cape, iKapa Elihlumayo, the provincial growth and development strategy (PGDS) provides the framework for future economic development. The name "iKapa Elihlumayo" means "growing the Cape" and refers to the need to address local development imperatives and realities, with a strong tourism orientation of the growth. Many of the Western Cape towns have an active tourism sector or at least the potential to grow this sector, even if they are not located close to a natural resource like the coast, a mountain or a big river. In fact, tourism as a sector plays a very important role in the Western Cape and in many other South African towns, which makes it suitable to be used as anchor for an integrated development strategy.

Eight lead strategies, which define and propose interventions for growth and job-creation, shape the core of iKapa Elihlumayo with some critical aspects considered below (Western Cape Provincial Government, 2006).

- Building human capital
- Micro-economic development strategy
- Building social capital
- Strategic infrastructure-investment plan
- Provincial spatial development framework (PSDF)
- Co-ordination and communication
- Improving financial governance
- Provincialisation of municipal rendered services

"iKapa Elihlumayo does not advocate prioritising metropolitan development at the expense of the hinterland or the city at the expense of the districts" (Western Cape, 2006: 45). The strategy states that it "promotes focusing infrastructure investment and developmental spend on areas of growth potential which span the length and breadth of the Province" (Western Cape, 2006: 45). At first glance, this gives the impression of equitable development, but it actually only refers to areas with growth potential. The plan then refers to "areas of low or limited economic potential" where it is maintained that

> government must still support and guide investment activity to improve and/or maintain the quality of life through basic service provision and human capital development while enhancing the places that make the biggest contribution to tax incomes, job creation and poverty alleviation (Western Cape, 2006: 45).

In effect, innovative governmental investments are to take place mostly in areas which already have economic potential, which will encourage people to leave areas of low potential. From this perspective it appears that "areas of low or limited economic potential" will show little development as a result of no or minor investments, with no short-term solution for this (Western Cape, 2006). In fact, the PGDS remains highly ambiguous with regard to the development potential of some of the poor areas, failing to recognise some of the advantages these towns have to

offer. It could be argued that there are potential or latent advantages in some these towns which would accord with some of the developmental principles in the PGDS. The PGDS, furthermore, makes no mention of spatial balance or spatially equitable growth as a desirable policy outcome, even though some of the strategic outcomes which are mentioned in the document may indeed be achieved if a small-town focus were to be adopted.

The strategy notes that "where the sectors of the economy are strong and growing, the region will flourish and *vice versa*: where sectors decline, unemployment and out-migration increase, leaving the least mobile and vulnerable behind" (Western Cape, 2006: 60). The problem with this is that the province's focus remains on towns where there is already successful implementation of LED initiative, and seems to neglect towns with little or no growth. This may increase the imbalance in the development of the country as a whole. What the strategy also highlights is that "regional economies flourish when their sectoral and geographical advantages are optimized within the wider national and global systems" (Western Cape, 2006: 58). Similarly, the Micro-Economic Development Strategy (MEDS) refers to the need for rural development and LED as area-based development.

The PGDS has a strong focus on institutional partnerships between government, state-owned enterprises, municipalities, society and the private sector. It is therefore expected that small towns and rural institutions should be brought together for joint LED support. State-owned enterprises (SOEs) are also mentioned as key institutions to facilitate LED. In this context, the role of Wesgro and its focus on trade and investment promotion is noted. The PGDS further lists four key areas of high-level intergovernmental co-operation in the Western Cape.

- *Planning:* Long-term information on regional trends

- *Economic development:* Promoting regional economic potential
- *Resources:* Management of the ecological footprint and the natural resource base
- *Finance:* Raising funding from diverse sources and benefiting several municipalities simultaneously.

Another key goal of iKapa Elihlumayo is to get municipalities to align their IDPs with this strategy. This entails creating common data sets and establishing systems to assess local development dynamics within and between municipalities. The PGDS correctly identifies some of the past failures of municipalities, notably the lack of strategic economic planning and a need for the development of a local economic base and the allocation of resources for long-term socio-economic development. This also requires strategic land-use management decisions and greater appreciation of strategic concepts such as corridors and nodes. "Without sound local planning there can be no effective regional-development planning." (Western Cape, 2006: 94) In this regard the Western Cape has started several innovative initiatives to facilitate development. These initiatives have a strong focus on resource beneficiation, agriculture, crafts, services and more specifically services within the tourism sector. Such initiatives, although very important in supporting growth in the province, should however not be overly depended upon, as their objectives do not necessarily fit into the specific growth objectives and needs of individual towns.

The Western Cape's most important SMME-support programme in the past has been the Red Door initiative, where RED stands for "real enterprise development". This programme was implemented on behalf of the provincial government and Casidra, a development company in which the provincial government is the only shareholder. The Red Door concept involved a "one-stop-shop" idea where SMMEs were able to access information, advice and other support at a single point. However,

due to a lack of sufficient fund to expand the Red Door network and an overlap between the Red Door and Seda's Local Business Information Centres (the national government's programme) the Red Door closed its offices in 2011.

Wesgro is another one of the Western Cape's development agencies with its main role to attract investment, whether domestic or foreign, and to promote exports. Wesgro also provides economic data and information to district and local municipalities through the "Plekplan" managers. Wesgro is unusual in having a cross-border focus, promoting the "Western African Trade Corridor", covering countries from Namibia to Nigeria and Gambia in West Africa. Wesgro views partnerships as essential for its activities, collaborating with partners such as Cape Town Routes Unlimited (CTRU) in the field of tourism. Wesgro's activities have the following significance for the Western Cape *platteland.*

- Support to exporters through strategic outward missions and collaboration with bodies like Seda, Nafcoc and Casidra.
- Training of SMEs and entrepreneurs in the technical process of exporting aimed at benefiting the "platteland traders".
- Updating of existing enterprise databases and development of new ones.
- Leveraging intelligence from business partners at national, international and provincial levels as well as disseminating such information at provincial level.
- Dissemination of trade leads and investment opportunities.
- Inputs into the government's economic-policy processes.

To conclude this brief review of Western Cape LED-support action. We note a diversity of players, a very active provincial government and a range of proactive municipalities. The Western Cape is probably the best equipped of all provinces to address the LED challenges of its urban and

rural areas. At the same time the PGWC is hesitant to expand LED-support action to all growth-lagging towns in the province, and it is cautious about an undue emphasis on pro-poor LED in its support policies.

2.6 Assessment of LED progress

The widespread failure of many LED projects indicates the limitations of some of South Africa's LED approaches. As has been observed recently: "[i]t appears that the results have generally been disappointing" (Hindson, 2003: 4) with capacity and resource constraints being the key hindrances in many local authorities (Nel, 2001). Meyer-Stamer (2003: 4) critically comments and argues that "LED in South Africa tends to be confused and highly selective", adding that with the limited capacity and experience of local governments and its officials, it is unlikely that LED will make much of a difference to society. He further contended that LED should rather focus on markets and that competitive business and community-development interventions should be used more often to deal with social problems. This viewpoint echoes the critique offered by Hindson (2003) that by focusing on poverty, albeit valid and justifiable, questions of economic growth are left either largely unanswered or side-lined.

In some contrast to the pro-poor stance adopted by the national, provincial and local governments, it is the view of the Department of Trade and Industry that LED should be linked more firmly to mainstream economic development and to small-business promotion in particular (Rogerson, 2002). Even there, however, disappointments associated with a decade of policy initiatives that support small, medium and micro-enterprises are reluctantly being acknowledged by national government (Nel, 2002 a).

Tomlinson (2003) has examined the reality of policy conflicts in the country and argued that in contrast with international experience, South Africa's focus on small businesses and poverty-relief only parallels international experience in terms of community-based LED and not the more mainstream varieties. In this context he also finds that LED is being marginalised by the lack of available resources, the dominance of large-scale state interventions through programmes such as the Industrial Development Zones, the narrow conceptualisation of what LED is and the rather unfortunate reality that "LED is increasingly being used by central government to shift to local government some of the responsibility of dealing with unemployment and poverty" (Tomlinson, 2003: 113).

Despite these contextual factors, LED is still being actively pursued in South Africa with varying degrees of success. It therefore seems appropriate to argue that South African LED officials and policy-makers need to take stock of the deep-rooted structural constraints which are inhibiting their actions, to learn from successes where they have occurred and to re-conceptualise their roles, targets and strategies in order to ensure that appropriate and meaningful developments take place. In this context it has been argued that the government must focus on five key strategies to achieve the vision and objectives that have been set forth.

- Improve market and public confidence in municipalities and municipal officials.
- Improve governance through an alignment of national, provincial and local programmes.
- Identify and exploit each community's local competitive advantage.
- Introduce sustainable community investment programming.
- Intensify enterprise support at local level.

What is needed is probably not just a refinement of the current understanding and applying of LED, but a complete re-think of what LED means, its goals and how to achieve them, taking LED out of the narrow confines of the local-government mandate into the arena of true partnerships and thus ensuring that there is more than the tokenistic support for the strategy which currently exists. A key concern, which Hindson (2003) and Rogerson (2003 b) both identify, is the current marginalisation of non-local government actors in the South African variant of LED, i.e. the failure to adhere to the internationally recognised belief that partnership formation and collaboration is one of the most critical ingredients in LED.

The experience of LED in South Africa thus clearly reveals what has been described as a "mixed balance sheet" (Nel *et al.*, 2002). The policy environment calls for increased conceptual coherence which requires potentially differentiated policy approaches to address. One of the key challenges is to bring about increased policy convergence aimed at partnering the globally connected and locally marginalised sectors of the South African economy (Nel and Rogerson, 2005). This links up closely with some of the key issues and challenges identified by a range of authors (Nel, Hill and Eising, 2002; Tomlinson, 2003), viz.

- the high failure rate of new LED initiatives,
- the very limited involvement of the private sector, especially with the establishment of new ventures or projects,
- achievements in the provision of facilities that are on a global standard and in certain localities *versus* constrained achievements in the poorer areas,
- the "politicisation" of development where political interests override the greater common good,
- projects appearing to move through an extended "life-cycle" which often sees the demise of once-promising endeavours,

- grant dependence and the limited sustainability of many projects,
- neglect of the economic aspects of projects (especially the marketing of products), which often threatens project sustainability,
- the question whether local authorities should be driving economic development and job-creation or whether local authorities should just be facilitating it,
- LED being an "unfunded mandate", i.e. local governments are required to pursue it, but lack the necessary funds and staff,
- a clear need for more training related to the LED process and its facilitation,
- ideological conflicts between the Gear focus and socially responsible programmes,
- community-focused programmes being difficult to sustain because of high staff turnover and limited resources.

These considerations reflect the more important challenges faced with applied LED in South Africa, and they have to be addressed as a matter of urgency. The DPLG has also critically assessed the performance of LED in South Africa and has drawn attention to a series of important institutional issues that require attention.

- The decentralisation of powers from national government to the local tier has placed additional LED responsibilities on a sphere of government which often has very limited capacity to implement programmes.

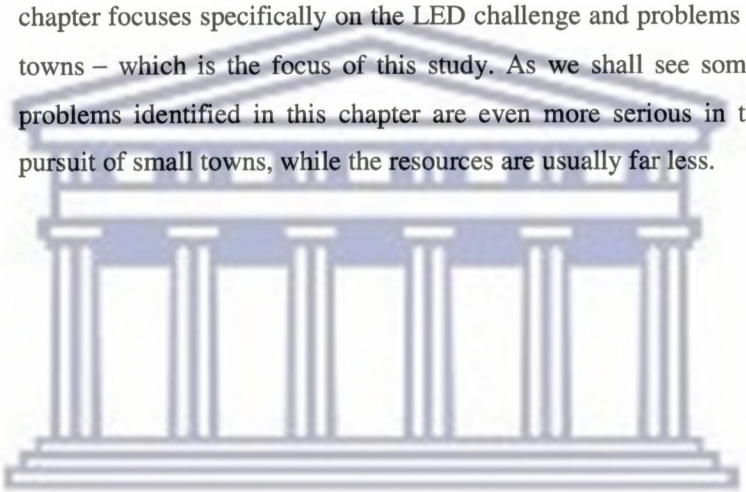
- The lack of co-ordination between different stakeholders (including the government, the private sector, donor agencies and NGOs) leads to LED initiatives being fragmented and unco-ordinated at local level.

- The need to link LED within municipalities to other regional and national initiatives including sectoral programmes.

- The lack of a clear understanding and/or agreement at local level of what LED actually means.

2.7 Conclusion

Having reviewed South Africa's overall approach to local economic development and the support of LED by the different players, the next chapter focuses specifically on the LED challenge and problems in small towns – which is the focus of this study. As we shall see some of the problems identified in this chapter are even more serious in the LED pursuit of small towns, while the resources are usually far less.



CHAPTER 3
LED IN SOUTH AFRICAN SMALL TOWNS

3.1 Introduction

Having reviewed the LED process and strategising in the last chapter, we now have to narrow our focus towards "small towns" and their LED process, which is the underlying theme of this study.

Urbanisation is a complex process with the pattern of rural/urban settlements vastly different between countries. It ranges from dispersed rural settlements (basically subsistence agriculturalists) and small rural villages to larger villages, small towns and cities, with the multi-million metropolitan areas at the other end of the spectrum.

As indicated earlier, this study focuses on "small towns" with a population range of 1 500 to 50 000. The chapter starts by putting these small towns globally into the broader perspective of worldwide urbanisation, also revealing just how significant these small towns still are.

Against that background we review the characteristics and development obstacles of these small towns, which is the basis for the LED challenges to be faced by them. To understand these challenges we also review existing development support for South African small towns, with the current development of small towns in the Western Cape briefly covered as an example of the evolving process of small-town development in the country.

The chapter leads then to the need for an integrated strategy to tackle the complex challenges experienced by small towns, which is the focus of the next chapter and subsequent case studies.

3.2 A global view on small-town development

Looking at worldwide urbanisation data and trends, we note that urbanisation levels for different countries range between 80 per cent in the highly developed (Western Europe, USA) countries and as low as 20 per cent in some of the very poor and underdeveloped African countries.

The small towns relevant for this study fall into the *urbanised* segment, with the population size of 1 500 to 50 000 the focus. Thus, for 80 per cent of the population in those African countries with extremely low urbanising levels this category is not relevant.

The urbanised segments of countries include villages, small towns, cities and metropolitan agglomerations, where the small towns are a distinct, but often only small segment. For example, in rural-dominated (African) societies a major part of the (relatively small segment of the) urbanised population may be living in the one central (capital) city or just a few larger centres. Thus, the inhabitants of small towns may be as little as five to 15 per cent of the total population.

If we look at the more developed and urbanised countries, where 40 to 70 per cent of the population are urbanised, small towns may easily accommodate 20 to 40 per cent of the population. This implies a few hundred to a few thousand small towns in medium to larger (semi)developed countries, much in line with the pattern that evolved in South Africa.

Looking at the dynamics of these small towns, a few categories across countries and continents can be distinguished.

a) Steadily (or rapidly) shrinking small towns due to the rural-urban migration.

b) Stagnant small towns with little prospect of momentum.
c) Steadily growing small towns, but with significant growth challenges.
d) Rapidly growing small towns with distinct growth focus.

Naturally, it is the last two categories which are the focus of this study. We can also distinguish between small towns located in a cluster of smaller and larger settlements as opposed to places isolated from other smaller or larger towns (as, for example, in the Northern Cape province). Furthermore, we can also contrast small towns which systematically loose residents who leave for other places or regions, with small towns which (due to their particular location or special attractions) systematically gain net in-migrants. The latter include places viewed as attractive for residents in nearby larger (congested) places for (pre-) retirement or to use as a base from which they shuttle to employment in the larger centres.

Looking at the different continents and different levels and patterns of local and national developments, these few categories result in highly complex patterns of urbanisation and small-town dynamics, which are noted but are not further explored in this study. For example, the dynamics and challenges faced by the dense pattern of small, buzzing towns in India and other parts of Asia contrast sharply with the dynamics of isolated small towns in low-density, poorly developed African countries. To systematically address small-town challenges in these types of towns, it will be necessary to properly understand the historical roots, evolving processes and current dynamics of these places in the context of each country or region's economic development.

Looking at South Africa about 800 "towns" were identified in the pre-consolidation phase of the municipal system at the end of the last century. Currently there are about 500 small towns amalgamated into the new structure of 284 local authorities. This study focuses on these places,

their challenge and the scope for systematic strategies to help them tackle these challenges. We can start this by first looking at the range of obstacles or development challenges facing the smaller towns (in the 1 500 to 50 000 inhabitant category).

3.3 Obstacles to current small-town development

Although every small town has its own characteristics, we can deduce a number of common issues and trends with respect to the socio-economic development of small towns in the South African urbanisation process. We briefly discuss these impediments, with some indications also of related counter-trends, which may become significant in the LED-strategising process.

3.3.1 Demographic trends

One of the key trends of the last 20 years has been the continued growth of regional centres and cities, often at the expense of smaller towns (Collits 1997 a, 1997 b). The apparent lack of economic opportunities in the platteland, often leads to the departure of the most economically active people, leaving children and the elderly, as well as a middle group unable to find work elsewhere. Small towns are stagnating due to the migration of youth and skilled professionals to bigger cities for better opportunities, creating a natural shortage of businesses operating in these towns. This is very typical of trends in small towns internationally and in South Africa.

The rate at which the rural-urban shift is happening in developed and developing countries creates a number of development challenges specifically in small towns with limited service delivery or proactive planning.

The demographic stagnation or decline of small towns creates two sets of problems: It reduces the local market for goods and therefore dampens investments and new business ventures. Secondly, it reduces the level of service delivery, which further dampens local business dynamics and encourages more people to migrate to larger centres.

We should, however, also note a counterforce which applies to small towns located close to larger centres or in attractive surroundings. We can briefly summarise a few related processes.

- There is a trend where people no longer migrate into bigger cities but instead commute between the smaller towns and the bigger cities on a daily basis to get to work. Examples in South Africa include Stellenbosch and other smaller towns around Cape Town, from where residents commute to Cape Town daily for work and social purposes.

- Due to the advancement in communication technology, people can now stay and work in small towns or run their businesses from there. Unlimited communication is now possible through sophisticated systems that allow cellphone and internet connections almost anywhere at any time.

- Some bigger companies also choose to have their employees work from home to reduce company overheads and still be just as productive or more than they would have been working from the corporate office.

- Many retirees now prefer to settle away from the hustle and bustle of the bigger cities, i.e. they choose to retire in smaller towns. Not only does it provide a more relaxed environment to retire in, but it is often also more affordable. This category of counter-movements can play a significant role in the integrated LED strategy explored in this study.

3.3.2 *Transport and communication*

Evolving transport and communication facilities as well as structures play an important role in the historical demise of small towns. Just as the growth and spread of rail and road links played a critical role in the emergence of small towns in the 18th, 19th and 20th centuries, the restructuring of transport links to fit in with the needs of larger urban areas also led to the phasing out of many transport grids in rural areas. The same applied to other types of communication like newspapers, postal services and the delivery of goods and services. Small towns in rural areas were less efficiently serviced and thus lost on attractiveness, which further stimulated the flow of local residents to larger places.

Once again, however, we have to note counterforces, related in particular to modern information and communication processes, including cellphones and ICT, but also to road transport. This reduces the isolation of small places and makes them relatively more attractive for urban dwellers.

3.3.3 *The legacy of apartheid*

South Africa's small towns increased substantially in numbers and size during the century of pre-apartheid racial discrimination and also in the post-1948 apartheid era. Yet, the systematic neglect of black townships and their usual location at a distance from the town centres and higher income areas also added to the challenges currently facing LED in these smaller towns. As migrant workers, the black residents did not really take root in these small towns, which also dampened their business development motivation. It made them opt for a shift to larger towns as soon as this was possible. Thus, the organic growth of small towns was severely dampened. Inside the homelands blacks were allowed to settle in villages and small towns, but here the level of municipal services was severely restricted, which again dampened organic small-town growth.

During the last two decades of the apartheid era (the 1970s and 1980s) the principle of "separate development" did provide significant momentum to local development inside townships (in both coloured and African areas). This was triggered by the construction of houses, schools, some basic shopping centres and even some encouragement of local industrial, commercial and services activities (e.g. through assistance of the Small Business Development Corporation). Yet, these efforts were still overshadowed by the restrictions effected through formal racial discrimination and capacity limitations in the township sections of local municipalities.

3.3.4 *Municipal restructuring*

Through the consolidation of municipal structures and the introduction of district municipalities many small towns had lost their former municipal status. Traditionally local authorities were expected to regulate and deliver basic services to their constituents. In addition to their "traditional" roles, the South African constitution defines one of the objectives of local government as the "promotion of social and economic development". This has become a real challenge for towns which no longer have their own local authority.

Municipalities' contribution to social and economic development stretches as far as employing people from the local area, purchasing goods and services from businesses in the area, developing the infrastructure and regulating the utilisation of land. The White Paper on Local Government reinforced this mandate by introducing the concept of "Developmental Local Government", which is defined as follows. "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 improve the quality of their lives. One of the strengths of working together with local citizens and partners is that it

recognises the linkages between development, delivery and democracy" (RSA: White Paper on Local Government, 1998).

With the majority of the small towns now falling within the jurisdiction of a larger basic municipality (with the core offices often many kilometres away), this link between the municipality and the "local community" is often weak, which makes interaction with the local business community even weaker.

3.3.5 *Limited capacity of local authorities*

Local government's developmental mandate encourages municipalities to address poverty and joblessness directly and to facilitate for the redistribution of wealth in their areas of jurisdiction. This however is much more challenging for municipalities in small towns due to poor capacity and management ability. Major difficulties encountered in the implementation of this local economic-development emphasis includes the following.

- During the years of apartheid, local authorities mainly concentrated on "white areas" where LED projects were first initiated, resulting in "non-European" or the so-called "non-white" communities being seen as mere additions to developed towns. In contrast, the "European" suburbs and industrial areas developed into elite areas with high-quality infrastructure.

- Since the advent of democracy in 1994, small-town councils and municipalities have employed people who are often inexperienced, having been excluded from local government in the past. This reality is compounded by the new and more complex nature of LED as opposed to infrastructure and service delivery only. Few precedents exist for experience to be applied.

Other difficulties concern the shortage of administrative and financial resources as well as party-political manoeuvring through power and patronage within small-town local government. To help tackle these complex problems and obstacles, there is a need for complementary action in the advancement of LED in South Africa's small towns. The government in its efforts to counter the trends initiated by apartheid wrote into the South African Constitution, Act 108 of 1996, paragraph 153 that

> [a] municipality must (a) structure and manage its administration and budgeting and planning process to give priority to the basic needs of the community, promote their social and economic development, and (b) participate in national and provincial development programmes (RSA, 1996: 84).

As a result of this change in focus, imperatives have shifted since 1994 and local authorities are now pressed to divide their time between the delivery of services on the one hand and on the other more general development efforts which facilitate economic opportunities to the people under their jurisdiction. There are two reasons for this dual thrust. The first is to alleviate the poverty and neglect that had been endemic in segments of the population, not least in small towns, under apartheid. The second is that only through sustainable development at a local level will local authorities be able to ensure that the services provided are affordable.

3.3.6 Black economic empowerment and the exodus of whites

After the introduction of Black Economic Empowerment (BEE) strategies and implementation policies in the 1990s, many of the white business people in small towns, who had benefited extensively from apartheid policies, lost their privileged status. Municipal contracts would now go to black entrepreneurs, and only a few whites would remain active in municipal structures. This dampened the business potential of

these entrepreneurs and encouraged many of them to move towards larger centres or go for early retirement.

Since the black successors were mostly ill-prepared for these BEE opportunities, the transformation dampened the business dynamics of many smaller town.

3.3.7 *Competition between small towns*

As the economic base of small towns shifted away from agriculture, each of them started looking for new activities as a basis for LED. This could be in the field of tourism and transport, in light manufacturing or agro-processing, in education and training or in other fields where the town seemed to have a comparative advantage or where it had dynamic local entrepreneurs.

In this process of diversifying local activities competition between (nearby) small towns became a major impediment and the cause of diverse conflicts. For example, different towns would vie for a larger shopping centre, which could, however, only be justified (for the developer or the main retail chains) if it served several small places in an area. The same applied to local branches of financial institutions, health services and other special facilities.

Underlying this issue is the dilemma of "zero-sum" benefits of new facilities. Naturally, this also applies to more sophisticated municipal facilities which cannot be afforded by each small town.

3.3.8 *Lack of resources*

Closely linked to several of the above development obstacles faced by small towns is a general shortage or lack of resources, which is seen to include financial resources (from the public, private or NGO sectors) as

well as skilled and experienced human resources (i.e. people with management and/or development capacity and drive).

This is in part a direct consequence of the small/er size of such towns and in part, as explained, the result of the exodus of dynamic persons and the shortage of potential finance suppliers.

3.3.9 *Lack of public-private partnerships*

For a number of reasons related to South Africa's complex social history, public-private partnership relations in the LED sphere are relatively weak, in particular in many of the small towns. This is reflected in little active co-operation between municipal staff and leaders on the one side and business as well as community leaders on the other. This also makes it difficult to explore new, innovative ways to tackle problems or get a broad front for joint action (e.g. in the mobilisation of resources as indicated in the last subsection).

As we shall argue in later sections, the creation and strengthening of such partnerships is one of the central challenges within the proposed hub approach towards accelerated small-town LED.

3.4 Existing development support for small towns

In chapter 2 we reviewed South Africa's LED strategy and the role which different levels of government and other players fulfil in the facilitation of LED. This should, of course, also include the support needs of small towns. Thus,

- local municipalities (which often include responsibility for several small towns) should care for the basic needs and functions of all small towns under their control,

- district municipalities, which may have a dozen or more (small) towns under their jurisdiction, should also provide the relevant services to each of the small towns,
- provincial authorities should have programmes that address specific problems experienced by small towns in their province, which are not addressed by local or district municipalities (e.g. co-funding new investments or an incubator),
- central government (the DTI and other ministries) also has programmes which are relevant for struggling small towns,
- big corporates may initiate projects in particular small towns, which (can) have the effect of stimulating local employment or local business growth (e.g. decentralising production facilities),
- foreign-aid partners, NGOs and other civil-society bodies may also initiate, maintain or expand projects that stimulate or strengthen local development in particular (small) towns,
- local business leaders, business associations, co-operatives or other groups may initiate or expand projects to address local development problems or initiate new opportunities.

South Africa has many successes, but also many disappointments with LED in its small towns. Obstacles as discussed in the previous section derail efforts in small towns, some prominent ones being the lack of communication and knowledge-sharing. An example is the fact that the South African Local Government Association (Salga), responsible for the regulation of local authorities, does not have a working group for small towns. The only source of feedback and interaction with small towns has in the past been a series of knowledge-sharing programmes of which updates only go back as far as 2004.

New approaches and strategies should provide space for a new vehicle to implement and manage development that can support and address the challenges highlighted in this chapter. Most of these challenges are

associated with South Africa's political transition to democracy and are related to the many residual effects of apartheid, which increased the demand for municipal services. They also relate to a more rigid fiscal control than under the previous governments. Factors such as these determine how municipalities position themselves to meet their developmental objectives, and how central and provincial governments support is utilised. This brings us to the main objective of local authority, viz. the delivery of affordable infrastructure and services to the population it serves. This cannot be sustained unless economic development initiatives are given high priority. What worsens the situation is that small-town local authorities find it difficult to understand economic-development imperatives and they struggle to secure development funding from the various government sources.

The question arises, whether there are alternative grassroots-based economic-development conduits or initiatives and how local authorities can benefit from them. It is here, where the development hub, described in chapter 4, could be one of the conduits to provide the necessary support and structure that local authorities need to manage and implement sustainable development.

At this stage national-government policies seldom consider small-town-specific realities. None of the regional development initiatives since 2000 have made explicit provision for coherent socio-economic developmental support strategies aimed at the more than 500 small towns in South Africa. Nor have they made provision for the struggling local governance structures of which many are fighting for long-term sustainability. In a way South Africa has no explicit small-town policy. In fact, in terms of the NSDP, many of these small towns are just categorised as "areas with limited economic potential". Although the NSDP suggests that such areas should be given the opportunity to showcase their potential, it does not provide a framework against which to do this. Nel (2001: 1 018)

concludes that: "In addition, the 'big city' bias of policy fails to acknowledge certain needs, particularly within evolving LED policy and practice in South Africa's smaller centres."

Other challenges are highlighted by Professor Jeff McCarthy of the Centre for Development and Enterprise (CDE) where he suggests that there is a danger that many of South Africa's small towns, especially those in the former "white" platteland could "atrophy", leading to politically polarised and economically unstable conditions, not to mention lost opportunities for growth, development and racial reconciliation. The research done by the CDE (1996) reveals that "Some of the most creative thinking about the future of small towns emanates from local institutions of civil society within certain small towns". This, however, is not on par with what is achieved and is seldom published or shared with small towns elsewhere in the country (Tomlinson, 2003).

Irrespective of the challenges, there were also some distinct small-town development successes. Some of these have been captured in case studies of small-town development and "decline turn-around" in South Africa. For example, Stutterheim in the Eastern Cape has become one of the most widely studied and influential cases of small-town development in South Africa. Less well known are the towns of Kei Road, Seymour and Hertzog (Nel, 1999).

A recent initiative in the coastal town of Stilbaai has led to the sharp reduction of unemployment in the town as well as an impressive tourism-based development process (Schoeman, 2005). In this instance the formation of a strategic partnership between local business, tourism authorities and the local authority was the key development catalyst (Friedrich Ebert Stiftung, 1999). In the case of Clarens in the eastern Free State, Marais (2004) points out that the private sector was responsible for initiating the fairy-tale development and growth initiative and was later

joined by the public sector in this endeavour. The private sector could, however, not have implemented most of its projects without external support. In Nieu-Bethesda, the Owl House is the main tourist attraction and attracts around 13 000 visitors *per annum.* This town, because of the lack of development, has a rare historical and architectural integrity. It has 16 guesthouses, two restaurants, a coffee shop, a pub and two art galleries (Kaelo, 2007). Uniondale also tackled poverty by means of a joint effort, and as a result, it now boasts a development project with an annual turnover of R20 million (Kaelo, 2007).

The question thus arises what the ingredients of small-town success stories are. The CDE (1996) study on small towns and strategies for growth and development indicates that small-town development seldom occurs as a result of the activities of a single agency, nor is it achieved by government action alone. When examining the examples referred to in the previous paragraphs, it can be inferred that the common thread of successful small-town revival projects usually lies in joint ventures initiated by a local champion, with or without government support. What is more, collaboration between different institutions is required to address the developmental needs of these small towns. The contributions of such institutions in smaller centres (such as Kei Road and Seymour) are noteworthy in this regard (Nel, 2001). There also seems to be consensus that a social rate of return combined with a commercial rate of return, brought about by development initiatives and programmes, were common factors in the above examples. In addition to the ingredients of these successes, the CDE recommends that small towns need to develop a vision of their own and also recommended that strategies should be devised around four themes:

- reconciliation,
- economic growth,
- socio-economic development and
- linkages.

They also suggest that small-town champions should be developed with a view to addressing and dealing with the implications of national policies for small towns.

All of this provides a good background to the presentation of the strategy for small-town development in chapter 4. Before that, however, we have to look closer at LED and small-town strategising in one particular province, viz. the Western Cape.

3.5 Western Cape small-town support in perspective

Due to the size of South Africa it was not possible to support this study with detailed research from all nine provinces of the country. Also, as a result of the researcher's past involvement and familiarity with many of the towns in the Western Cape, this province was selected to present the *status quo* of its small towns. The province covers a land area of 129 462 km^2 and is made up of 106 towns of which 98 are classified "small towns".

Chapter 6, which focuses on tourism-led small towns, provides an overview of these small towns as welol as the results of a survey on LED strategising in ten specific towns. Here we can briefly refer to the diversity of existing support for small-town development in that province.

The Western Cape is remarkable because it has a wide range of support mechanisms for business and general local development. The province also strongly promotes the support of LED at municipal level. The major focus is on building capacity to undertake economic-development work on the ground in municipalities and townships to

- establish economic development units (EDUs) in municipalities,

- obtain and maintain key base data for economic decision-making and
- assist in broadening and deepening the IDPs of municipalities.

Constructive programmes include the Technology Transfer for Social Impact Project (TTSI), initiated by the (CSIR). It assists three projects in the Beaufort West area.

- Fresh-herb production using hydroponics,
- Essential oil production and
- Leather-products manufacturing.

The hydroponics project for example employs at least 54 people which should eventually increase to 80 people. Their marketing was done through Woolworths and the total investment into this project was R800 000. This is a substantial investment by the Department of Science and Technology in such a small but significant town in the Little Karoo.

In the leather production in Beaufort West and Laingsburg the CSIR has invested R4 million. If managed effectively within a framework such as the "development hub", this project has the potential to become a champion project in the province. As another example, the Department of Economic Development and Tourism (Dedat) in partnership with local authorities and NGOs, established the Library Business Corners in public libraries throughout the province. Centres exist in the towns of Oudtshoorn, Laingsburg, Beaufort West, Mossel Bay and Prince Albert, which includes towns with less than 10 000 inhabitants. The local authorities saw the need to empower local communities through better access to books, journals, videos, newspapers, pamphlets and fact sheets on topics such as small business, NGOs, trade fairs, export support as well as training and mentorship for SMMEs.

The Western Cape also launched the "1 000 x 1 000 Campaign", whereby the Department of Economic Development and Tourism provided 1 000 unemployed people R1 000 each to start their own businesses. Beneficiaries with a good business idea had access to free business advice. By 2006, 818 business plans had been submitted with 626 being approved. The R1 000 payout system was finalised with the Cape Agency for Sustainable Integrated Development in Rural Areas (Casidra) and Absa Bank, and the payouts started on the West Coast in May 2006. These are just a few examples of what is an open-ended process.

3.6 Conclusion: Search for a more effective approach to small-town LED strategising

This chapter presented an overview of small towns internationally and in South Africa, referring to the challenges and successes around LED in small towns. Much of the research reflected on the shortcomings of local authorities and how this influences economic development in small towns. However, the chapter concluded with examples of LED enhancement in one province and how through the right type of support successful developmental economic development can be achieved. This highlights the need for an integrated way of thinking and the need to search for a stratgey to activate, enable and enhance LED. Chapter 4 outlines the framework of such integrated strategy.

CHAPTER 4:
IN SEARCH OF AN INTEGRATED STRATEGY TO ACCELERATE SMALL-TOWN LED

4.1 The challenge

Against the background of the importance of small-town settlements across the world (and in South Africa) and the many serious problems that so many of these small towns face, this chapter opens the search for a systemic approach to tackle an integrated strategy for small-town development.

History provides a wide spectrum of successful, dynamic small towns. Many of these were the roots of contemporary booming cities and metropolitan centres. Even more of them remained small over centuries or decades, but kept a development momentum and adapted to structural changes in their growth base.

A closer look at these small towns shows that a complex mix of initiatives and policies helped these places to maintain development momentum. These included initiatives like industrial-development zones and incubators, the attraction of catalytic projects or the creation of education and training facilities.

Where the rationalisation of local authorities in South Africa and many other countries left many small towns without a physically present municipality, the clustering of groups of small towns opened another avenue for local growth, based on the complementarity of each other's assets and infrastructure.

Thus, different LED approaches and operating models exist, but what is really needed is an integrated approach that brings together a cluster of

supportive LED actions that can, when combined correctly, achieve LED successfully by maximising the impact of state interventions through enriching the influence of these interventions with a good structure, public-private partnerships and sector-specific developments.

The need therefore is to give LED greater impact in small towns. This is achievable by developing integrated strategies that consider LED holistically. In this chapter we introduce a model with key elements such as a support body to manage operations and a range of services, partnerships and development sectors which each play a distinct role in that process.

Our search for an integrated small-town development strategy (referred to as the "development hub approach" to LED) starts with a review of the different growth determinants or growth forces of small-town LED. Against that background we distinguish a number of key elements in the hub process, followed by a closer look at the integration of that hub-momentum as a critical factor in proactive small-town LED initiatives.

4.2 The growth base of small towns

As we tried to illustrate and explain in the last chapter the economic rationale or origin and the growth process of small towns is highly complex and diverse. The same applies to the contemporary dynamics of small towns, which may range from "totally dead" to different types of economic growth or transformation.

What is needed, above all, is a thorough understanding of the background, evolution, recent dynamics and current activity pattern of each relevant place. In fact, as we shall show in chapter 7, such understanding among local leaders and development players is one of the preconditions for effective LED support.

At this stage we want to show the diversity of growth forces and factors, which should help us to better understand current dynamics and challenges. We can distinguish six important factors.

4.2.1 History of small towns

Every village, town or city has a history, which often goes back for many decades, if not centuries. In many cases this history created factors which help to maintain urban-development momentum. This could have been the local architecture and some historic buildings, traditional craft, historic events or the town's link to nearby larger places.

These historic factors can have a force of their own or they can be used (by clever local developers) to shape the modern vision of the place. As shown in many dynamic South African places, it is the combination of such historic roots with other (economic) forces which can create a strong development momentum.

4.2.2 Locality and natural resources

The geographic location of a small town and its access to natural resources can have a huge influence on the growth and growth opportunities available to such towns. Being located close to a mountain, river or the sea or being located close to a main highway are often overlooked as attractions to bring tourism or other investments into a town. Such is the case of Harrismith and Beaufort West, having the N3 and N1 highways, respectively, passing the town, and in the case of Bergville being situated at the foot of the Drakensberg. Case studies such as those presented in chapter 6 provide more insight into how natural resources and attractions can contribute to improved economic growth as a result of the attraction of tourists into the area.

LED is often seen as project-driven rather than locality-focused, with a widespread misunderstanding that LED is only directed at the poor,

supporting initiatives where they earn a few cents from project-based initiatives. This generally results in a division between the so-called "second" and "first" economies that is inimical to the steady development of an inclusive locality-based foundation for sustainable economic development. There further appears to be a considerable gap between locality-based unemployment of under-skilled people and the establishment and survival of viable small businesses. It is in this gap that locality-based development could flourish, with procurement and labour-recruitment opportunities being stimulated through support programmes.

4.2.3 *Growth sectors*

The initial creation and growth of most small towns can be linked to one (or a few) economic sectors' activities in the place. This could have been trade (due to the location of the place along some route or intersection of routes), some craft or industrial activity, some agricultural subsector active in the area or some education/cultural institutions linked to the place – to name just a few. In the more recent history we know of places like Sasolburg and Lephalale, which were created through some large industrial or infrastructure project.

Once again it is important to be aware of the full spectrum of subsectors that might create momentum or fuel growth in small towns. This includes construction, transport services, forestry, fishing, government offices, sport facilities, church groups, higher-education and research, creative as well as performing arts and many others.

In small to medium-sized towns local residents (and even municipal officials) are often not aware of all subsector activities which (can) have growth potential in the town. Thus, awareness of that potential should be viewed as another important factor.

4.2.4 *Catalytic projects*

Going deeper than the recognition of (potential) growth sectors as a basis for LED in small towns, we can also recognise the significance of catalytic projects in those growth sectors or other subsectors of the local economy. Here we can refer to the case of Moria, a small-town near Polokwane in Limpopo Province, where more than a million pilgrims visit the headquarters of the Zion Christian Church once a year during the Easter holidays as part of a religious pilgrimage.

While Moria is a hugely significant LED catalyst most small-town LED catalysts are modest projects which nevertheless can play an important role to trigger developments in a particular direction. A successful catalytic project may gradually lead to the start or attraction of related projects in that sector or to a broadening of the sector-development basis.

As in the case of the recognition of growth sectors it is important that business and community leaders in small towns recognise such catalytic projects or businesses, so that they can provide appropriate support and can recognise further opportunities triggered by such catalytic project/s.

4.2.5 *Community assets and development dedication*

The process and dynamics of LED in small towns can be influenced significantly by the presence (or absence) of local traditions, strong community ties, local development-focused leadership and development dedication of local entrepreneurs or groups of businesses. On the negative side, the absence of such unifying forces can lead to serious development problems. Thus, communities are often divided, and attempts to establish sustainable LED tends to be unco-ordinated, emerging from a system that is vertically divided, where soft issues are separated from hard infrastructural issues. Authorities work in silos, and departments have little understanding of what is happening in other departments. Procurement officials often seek the best deals while

remaining ignorant of emerging local SMMEs. As a result little strategic cohesion exists in current LED attempts.

As explained earlier (and reviewed in the case studies in the next chapter) there are many examples of creative, LED-focused leadership in South African small towns, but unfortunately that is more often the exception than the general pattern. To address this dilemma will be one of the key elements in the proposed hub strategy.

4.3 Key elements in the hub process

The previous section has tried to show the wide range of factors which have in the past determined the growth base or growth momentum of small towns. These factors also suggest what the growth base of current small towns *could be*, if the potential and current dynamics of the place are combined in an appropriate way.

By utilising these growth-base factors, and by focusing on some catalytic projects, momentum can be created to accelerate the process of LED. This is, however, not possible without the necessary elements that make LED work, through partnerships with stakeholders such as development agencies, municipal LED departments, development projects, private-sector players and local community action. It is here where the LED-hub process becomes central, with the following elements each playing a distinct role.

- Facilitation of the process
- Initiation of the local LED hub
- Sector development
- External support services
- Funding the hub process
- Creating and strengthening partnerships

We can now briefly consider each of these elements.

4.3.1 *Facilitation of the process*

A development-facilitating body can take on many forms. It could be a development agency operating in the area or a strong LED department within the local municipality. It can also be a development project initiated in the area.

Implementing the hub as a development tool in small towns is an incremental process whereby small steps are taken at a time. The process can start with small projects or initiatives that show small(if any) successes. As success is achieved, bigger projects get considered, adopted and implemented.

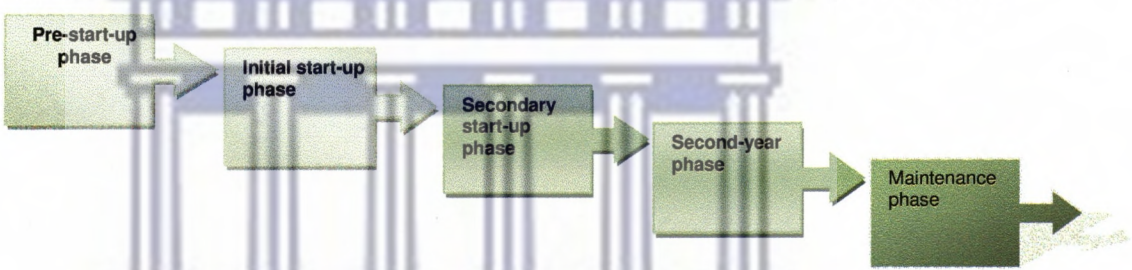
This process should ideally be driven by the communities of the small towns, where they identify opportunities, initiate activities and take responsibility to implement these initiatives. Communities need to determine their own destiny, moving away from the traditional "dependency syndrome" to a position where they give direction and start improving their own lifestyles. This can be achieved through a process of public participation where discussions are held between communities, the private business sector and the public sector, i.e. whereby transparent processes are put in place to implement and monitor such initiatives.

In order to get the best results, the whole process should involve different leaders and stakeholders from municipal offices, business, NGOs and civil society both locally and from surrounding small towns. Such an approach will force local authorities to shift away from the old operating rationale whereby municipalities traditionally act in silos to where they establish relationships and partnerships with other small towns in order to complement and support each other.

4.3.2 *Initiation of the local LED hub*

In order to establish an operating model that can support an integrated strategy, it is necessary to go through phases of implementation, involving different players. This again is not a one-size-fits-all approach, but we can give a glimpse of the logical flow as to what such a process involves. In some towns these phases might be followed in a conventional manner and could be implemented quicker than in other towns. The phases are demonstrated graphically in the figure below, followed by a brief discussion of them.

Figure 4.1: Phases of establishing an operating model for integrated development



- *Pre-start-up phase*

  This involves all the necessary *status quo* scans and locality investigations, including negotiations with the local municipality. It is also at this stage that the preparation of a detailed implementation plan should start.

- *Initial start-up phase*

  This includes the process facilitator occupying visible offices and establishing working procedures. It also includes negotiations and networking with the local authority and business sector as well as efforts to create public-private partnerships through (i.a.) the initiation and planning of a development summit.

- *Secondary start-up phase*

  During this phase a development summit should be held with the purpose of outlining the overall development direction for the locality (including special sectoral workshops) and also establishing structures of support required to make the process sustainable.

- *Second-stage incubation phase*

  This includes establishing a process whereby income is generated through different sources, coupled with local municipal buy-in and active business involvement, i.e. replacing start-up funding with self-generated income.

- *The maintenance phase*

  This is the final phase of the generation of a hub. It includes activities like building capacity, nurturing SMMEs, providing training and development support, focusing on forming partnerships and working towards the core objective of the hub, viz. to become a self-sustaining entity.

In the final ("mature") phase of the creation of the LED hub the establishment of a visible ("physical") home for the co-ordinating team and for hub-related meetings becomes quite important. Such a home needs to be situated in a building with sufficient office space that can accommodate the range of services it presents as well as satisfy training requirements. Existing facilities such as Local Business Service Centres might be able to accommodate the expanded activities of the hub. Basically the buildings that will be used by the hub should be accessible and ideally located in the town centre. They should also be clearly branded.

Viewed from a somewhat broader perspective there are major advantages in attaching the "development hub" to an existing local facility or an

anchor project already in operation, thereby further stressing the importance of partnerships. Like Marais quite accurately highlights, "partnerships promise benefits arising from economies of scale and the sharing of resources, commitment and enthusiasm" (Marais, 2008: 2). This applies also in the case of the "development hub" where the advantages of attaching itself to an existing project or infrastructure range from joint-management responsibilities in areas like financial and systems management to the sharing of staffing posts. We can consider, for instance, the positions already existing in LED and tourism offices as well as communications and marketing offices. Other examples of such arrangements could be the use of municipal offices, arts and crafts centres or other buildings which house tourist attractions or even local cultural facilities such as a theatre or museum.

4.3.3 *Sector development*

Development sectors form another major pillar in the model. This refers to all significant (sub)sectors that play a role in the LED of an area or small town. Each small-town will have different sectors which act (or could potentially act) as catalyst for LED. It should also be noted that there is, once again, not a one-size-fits-all approach that can be applied to all small towns. Some sectors might be dominant and others fairly weak or declining.

Most towns have more than one dominant sector that contributes to economic growth and can therefore focus on promoting more than one sector. Towns should also not focus on only promoting its dominant sectors. Attention should also be paid to weaker sectors that can, with the necessary support, become a dominant sector, thus further contributing to economic growth.

The main challenge for an integrated approach is to get the different sectors to work together and complement and promote one another.

Leaders and stakeholders involved in this process are a vital part of this integrated approach. They should be aware of the dominant sectors as well as relatively weaker sectors in order to provide the necessary support to further develop these sectors.

The tourism sector can potentially play an important role in most or many of the small towns since it can easily be stimulated by the other dominant sectors (such as specific manufacturing, agriculture or cultural services) which attract business visitors into a town or region.

4.3.4 *External support services*

To function effectively as a dynamic hub, small towns need a range of support services. Ideally these should be available locally through the different development players. However, most small towns will lack the local capacity for the supply of some of these services, which implies a need to get them from outside "partners" or to develop such capacity locally.

We can distinguish between certain core services, which are briefly outlined below and a wide range of peripheral services, of which only a few are mentioned below.

The following core services are central to the operational effectiveness of an LED hub.

- *Leadership and management capacity to interact with development partners*

  The success of the development hub depends on the effective collaboration of the different stakeholders, managing the process and various activities that interact in that process. Such "leadership in action" becomes the equivalent of an empowered-development agency, rather than a largely passive one. It will also allow existing

LED attempts to enter the mainstream of government's LED policies. Only if this happens will the continuum of value additions have a significant effect, and will it pull existing *ad hoc* LED attempts into a fully integrated development process.

To create such leadership and management capacity calls for different types of external support, coming from public-sector bodies, NGOs, development facilitators and business leaders.

- *Effective communication as well as information and advice services*
  There is need to provide a point of entry for the community or small town, to communicate and share information on the services the hub offers. This function provides a platform to keep all stakeholders informed with regard to the hub services and opportunities available.

- *Local employment facilitation*
  Increased local employment is one of the key goals of any LED efforts, which also applies to small-town LED hubs. Yet, there are many obstacles in the way of local employment linked to local development initiatives: lack of appropriate skills, poor labour relations, influx of external or foreign labour (e.g. in construction) or ineffective recruitment processes. What is needed, therefore, is external support for the streamlining and development of the local labour market.

- *Small-business support*
  In the unfolding of the LED-hub process, SMMEs can play an extremely important role. To strengthen this process there is need for the normal range of small-business support services, including advice, mentoring, help to access finance and strengthen marketing. Most small towns lack such services and will initially have to be helped

through external support. This should, however also include the creation of such support at the local level.

- *Developing local training capacities*

  The success and dynamism of hub initiatives will to a significant degree depend on the availability and use of local training facilities for business, vocational and community-development-related skills training. Here again external facilities may (initially) help to transfer basic skills, but for a dynamic hub it is crucial that local training facilities are gradually developed (or, at least, close links are established with facilities in nearby places).

- *Developing process-monitoring capacities*

  For the effective development of an LED hub it is important that local development trends, useful development data and performance indicators are collated, processed and speedily disseminated (in an easily comprehensible way). This, once again, needs the initial support from outside partners and the systematic development of local capacities. Municipalities can play an important role in those processes, but the needs go much further than the monitoring traditionally done by municipalities.

While these six categories of core services relate directly to the needs of the unfolding LED hub in its economic-development context, the peripheral external services go much wider, relating to broader issues like

- supplying affordable housing,
- developing effective local security strategies,
- attracting specialised financing services (e.g. micro-lending facilities) or
- maintaining Aids-awareness facilities.

It is clear that the absence of serious efforts in these core and peripheral directions has in the past contributed to the decline of many small towns. However, in the context of this study, efforts to activate LED in small towns is the primary goal, since it can broaden the economic and social-development base of these places, which can then ease the search for solutions to those other issues.

4.3.5 *Funding the hub process*

Our discussion so far has placed no particular emphasis on the funding of activities closely related to the evolution (or "creation") of an LED hub. It was assumed that growth-stimulating activates (like infrastructure projects, local business-development initiatives and community-development action) had their own funding, while facilitating action at local level would be publicly-funded or on a voluntary basis. Yet, a systematic LED-stimulating process creates financial needs which cannot be ignored. Once the take-off phase of an LED process has been successfully completed, it may be possible for the key facilitator (the hub manager and team) to generate new revenue streams, but the start-up phase calls for special efforts.

There are basically three operational models which can be applied to fund and manage a "development hub". We can briefly explain these here.

- *Model one*

  The development hub becomes fully financed by the local municipality. It effectively becomes a leg or department of the municipality, funded by existing LED, tourism, communications, social-development or finance budget positions.

- *Model two*

  The development hub becomes partially financed by the local municipality. It might, for example, provide infrastructure maintenance, staff and other services in exchange for LED and project-management services provided by the hub team. Other funds required to operate the development hub have to be derived from income generated via core services and inputs from established local businesses as well as from payments by SMMEs for administrative and financial support received through the hub.

- *Model three*

  The development hub operates independently of third-tier government structures and is entirely financed by income generated through its services and inputs from the business sector, including services to SMMEs as discussed under model two. Funding can also come from national or provincial government departments, NGOs, municipalities or district councils, development agencies or larger companies. The source of funding is not as important as establishing a common goal between funders and beneficiaries as to how funding will be spend and implemented and that all local stakeholders participate in managing the implementation of these funds professionally.

Model three should be constituted as a Section 21, not-for-profit organisation. Such a legal entity might even be suitable for model two. Model one would simply become part of the civil-service structure, and as a result might then also suffer from the inertia and lack of innovation that is currently widely experienced in local municipalities. Model three on the other hand might suffer the disadvantage of separation from government structures, including lack of easy access to public funds and perceptions of being in competition with the local municipality. It would thus appear that model two would be ideal as it might combine the

resources of the state with those of civil society, and it might be jointly managed. The result could be a combination of financial stability and developmental innovation, an ideal vehicle to take on the challenge of LED.

4.3.6 *Creating and strengthening partnerships*

Partnerships represent another one of the pillars of the development hub. It is briefly discussed in this section and in more detail in chapter 7. Partnership is defined as

> a collaboration between municipalities, the private sector and civil society, committed to work together on a project or programmes to pursue common goals and in which the different partners bring complementary resources which contributes to the design of the programme and shares the risks and benefits (Stibbe, 2008: 4).

Marais (2008: 1) argues that partnerships "have not always been central to LED planning and development" and was "only identified as a crucial element of LED at the beginning of the 1990s". Partnerships are the vehicle for expanding the involvement and role of the private sector in LED. Currently, the promotion of such partnerships is acknowledged to be a key facet of LED, being recognised as such by several donor agencies including the ILO (Christensen and van der Ree, 2008) and Unicef.

Legislation set the stage for local governments to play a key role in LED. This however does not imply that LED is the responsibility of local government alone. National and international experience suggests that public-private and community partnerships can diversify initiatives and draw in more leaders and stakeholders from different levels to maximise the success and benefits of the process (Bennet and Kerbs, 1993). Although the concept of public-private partnerships (PPPs) features in most policy documents, there is a sense that its role and place has not

been fully recognised as yet. It is also clear that the role of the private sector, CBOs and NGOs needs far greater recognition. It can, in fact, be argued that current LED efforts do not adequately encompass all stakeholders or allow for all potential resources to actualise the endeavour (Nel, 2001). In this context leaders should come out stronger, and the full spectrum of public- and private-sector agencies should be recognised as playing at least *some* role in the process. We can briefly list the main (potential) players.

- *Central-government departments* are responsible to develop broad strategies relevant to the different segments of sectors such as tourism, wild-life conservation or marine control.

- *Provincial authorities* have to play a particularly important role in the platteland where municipalities are financially weak and new initiatives are often dependent on provincial-government support.

- *Parastatals* like "South Africa Tourism" and other development agencies play a critical role in the national and international marketing of tourism attractions, which should also include those in small towns and rural areas.

- *Private-sector associations* like business chambers and sector associations can present benefits for smaller towns and rural areas through interaction and participation with their members.

- Local *tour operators* should also not be underrated as a way to transfer skills and experience to help overcome day-to-day obstacles and problems. Naturally, there are fewer partners in smaller places which reduce the transfer of intra-industry learning or make local operators more dependent on public-sector-sponsored information and advice.

- *Media partners* such as local newspapers and radio stations should form an integral partner in the LED process and should be invited from the start of the hub process to report on projects, irrespective of their successes or failures, in order to provide a platform for communication and debate.

- *Private business-service providers* in dominant sectors can potentially offer support, although this is likely to be thinly spread in smaller towns and rural areas.

- *The supply-pipeline interaction between different service providers* can also play a significant role in the local transfer of know-how and experience. Yet, here again the scope for learning from partners is often rather limited in smaller towns.

- *NGOs or community initiatives* constitute a further category seen to fulfil a significant role to upgrade, expand or diversify informal township-based activities.

- *Education and training institutions* should also be regarded as important partners in LED. Such efforts are most welcome in smaller towns and rural areas, especially if the approach is sufficiently practical and grassroots-orientated.

- *International institutions* such as the United Nations and the World Trade Organisation are also supplying information relevant for LED and small-town developments. They also act as co-funders for development projects, especially in areas where development has been neglected.

- Finally and central to the research topic, *local authorities* through their direct activities or through co-sponsoring local support programmes, regulate, support and help expand local development activities.

All of these role players are worthy of their position and the necessary attention that comes with it when fulfilling their roles in promoting, upgrading, expanding and creating greater competitiveness in towns and rural areas. In fact, there is a need to focus on the interaction between these different stakeholders and the supply of integrated support programmes. This includes public-sector programmes and initiatives that are sector-focused and can be implemented at grassroots level.

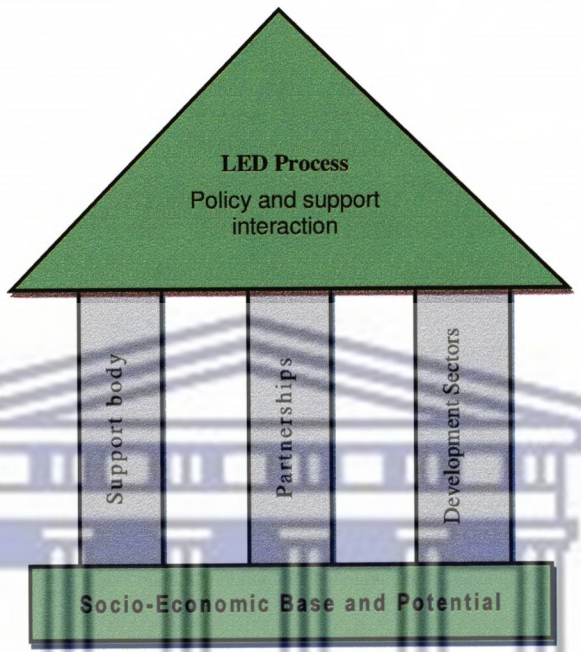
4.4 Integrating the process

In efforts to create, maintain or boost economic growth in smaller towns, all the elements discussed in the last section seem relevant, with the main challenge being the effective interaction of all players and their inputs. It is the integration of this multi-dimensional process of LED which makes or breaks the success of small-town LED.

The diagram of the hub framework, depicted in Figure 4.2, tries to bring the key elements of the hub process together in a way that stresses this integration of the process elements and players.

As discussed in the context of the growth base of small towns, the socio-economic base and potential of towns differ widely. In each place, a thorough understanding of the local growth base (by all key players) is essential as a precondition for successful development promotion.

Figure 4.2: Development-hub framework



Based on that potential and local social, cultural and economic characteristics the three pillars carry the driving forces of the process: The potential *development sectors*, the facilitating role of a *key* ***support*** *body* and the *proactive partnerships* between the different players or stakeholders. The result, at the top of the diagram, is the complex interaction of policies, local action and external support. They shape the dynamics of the process and the success of LED in each particular place.

This schematic presentation of the hub model shows very clearly the significance of the key elements in the process of small-town LED, viz.

- how significant and dynamic are the (potential) growth sectors,
- how effective is the key support body and
- how strong are the partnership relations between the local players.

In the next chapter we look closer at these aspects in each of the three case studies of small-town LED. Thereafter we look at a wider range of cases, focusing on tourism-driven small towns in the Western Cape. Against the background of that evidence, chapter 7 comes back to the model strategy presented in this chapter, drawing conclusions about an effective implementation of such a strategy.

CHAPTER 5
LED-HUB CASES

5.1 Introduction

In our search for more effective ways to support the economic development of South African small towns we first reviewed the evolution of LED strategies in South Africa in chapter 2, followed by a critical assessment of small-town LED support in chapter 3. Against that background we suggested a model of an integrated small-town LED strategy in the last chapter, identifying key factors and challenges in such a model.

We now have to see how that model relates to the reality of small-town development and development support in South Africa. This should help us to see whether the model could be useful for the planning of development support in other places.

The "testing" of the model approach outlined in chapter 4 creates serious methodological challenges. As we have shown, the historical, geographic, resource endowment, socio-political and economic development characteristics of small towns differ vastly in a country like South Africa, with its 500+ "small towns". Rigorous quantitative analysis is thus impossible. What seems more appropriate is the case-study approach where the complexity and uniqueness of LED in a limited number of places is analysed in order to show whether (and how) such a model could be relevant. As a further research task specific aspects of the model could then be analysed in a more quantitative way.

In this study two types of case-study analyses are pursued.

- We have selected three places across the country where the LED process is analysed in depth and
- we have selected ten places in the Western Cape where the tourism sector plays a significant role in the LED process.

The selection of the three in-depth cases has been made easier by the researcher's long-standing involvement in LED consulting work, with the places spread across the country. To get a reasonable spread and diversity of the cases the following three criteria played an important role in the selection of the cases.

- The geographic location of the towns, i.e. to get a reasonable spread over the country's nine provinces,
- the dominant economic sector/s in the respective places and
- the stage of systematic local development in the places, i.e. how far efforts to generate a local development hub had progressed.

On that basis the following three towns were selected as places where an LED-hub process was either applied or suitable to be applied.

- *The Apollo Development Association*, a "development hub" prototype, situated in the rural town of Victoria West, in the Northern Cape Province.

- *The Bekkersdal "development hub"*, portraying elements of a comprehensive "development hub", situated in the peri-urban township of Bekkersdal in Westonarea, south of Johannesburg, in the Gauteng Province and

- *the Botšhabelo Cultural Village "development hub"* situated near Middelburg in the Mpumalanga Province.

The cases studied reveal the evolution of the "development hub", starting from the development of the "development-hub idea" in Victoria West to the "development-hub prototype" in Bekkersdal and finally in the recommendations for a "comprehensive development hub" at Botšhabelo in Middelburg. Both the Apollo and Bekkersdal hubs are still operational but are facing practical problems because of political interference and financial instability due to stakeholder relations and expectations not being managed properly. As a result, these hubs have not achieved the goal of becoming "self-sustainable. The Botšhabelo hub is currently in the institutional phase of development.

The three case studies presented in this chapter are all examples of LED challenges that small towns are faced with, as discussed in chapters 2 and 3. The three towns represent three of the nine provinces of South Africa. The development projects discussed in these case studies and initiated in these towns also received wide media exposure.

The information collected on each of the three cases covers the full spectrum of sources, including official documents and progress reports of the respective (local) authorities, interviews with representatives of the different local-development stakeholders, media reports and official as well as informal statistics and trend reports about LED in the respective places.

Given the significance of the tourism sector in small-town LED across the country and the researcher's past research engagement in the Western Cape, the second part of the case-study work (in chapter 6 of the report) focuses on 10 small towns in the Western Cape where the tourism sector has been a significant LED stimulant. The actual selection of these places is explained in chapter 6.

5.2 Victoria West Developments: A mature hub

Many people concerned with development in post-apartheid South Africa have heard of the Apollo Development Association's theatre project in Victoria West which is at the centre of this first case study of LED hubs. The town falls within the Ubuntu Local Municipality and has a population of approximately 14 000 people. Victoria West is located in the Northern Cape Province and can be reached using the N12 between Kimberley and the Western Cape Province. The N12 joins the N1, the corridor between Gauteng, the Free State, the Eastern Cape and the Western Cape provinces only a couple of kilometres outside Victoria West. Being located so close to two very important national roads contributes to the importance of the tourism sector in Victoria West.

5.2.1 Basic facts and historical background

The Apollo Theatre, the last remaining intact art deco cinema in the country, dates back to the late 1920s when a Greek immigrant built the cinema behind his café in Victoria West's main street. The cinema was revamped by the same owner in the 1950s and then closed in the late 1970s when increasing numbers of people in the *platteland* migrated to bigger cities and when the demand for cinemas declined since television became more popular.

In the late 1990s interest in the arts and in particular theatre was rekindled. The theatre was revamped and a community-based organisation was established in February 1998 called the *Apollo Development Association* (ADA). This association was launched to ameliorate the depressed social and economic situation of this small town in the Northern Cape. The inaugural board of the ADA included representatives from local government, the Provincial Department of Arts and culture as well as community members.

Negotiations between the ADA and the owner of the theatre led to a lease agreement (signed in May 1998) with an option to purchase.

Figure 5.1: Geography of Victoria West in the Northern Cape Province

Many events took place in the Apollo Theatre during the years 1998 to 2004. A "Friends of the Apollo" initiative saw newsletters being introduced and distributed which further increased the popularity of the theatre. In July 1998 a youth-development project was launched while an annual Apollo public-speaking and debating competition started later that year, involving hundreds of children from high schools in the Upper Karoo region.

To organise these events small amounts of funding started trickling in from various sources. Thus, in 1998 a total of about R380 000 was received from donors, including the provincial Department of Arts and Culture.

A resource centre with television and video facilities was established during the 1998/9 summer holidays, and the ADA held its first mini-film festival. In May 1999 the association received a donation of R150 000 from de Beers which further accelerated the pace of activities.

In 2001 the ADA purchased the entire theatre complex and made major improvements to the infrastructure. It was also during this time that the ADA became a Section 21 company. In 2002 a further R1,3 million was spent on urban renewal and infrastructural improvements around the theatre, including rebuilding the front foyer to include a coffee bar, offices and shops to generate income and help with the upkeep of the complex.

Around this time the Apollo Theatre was selected to host the first national film festival devoted exclusively to South African films (see Appendix I for details). Over the next years the theatre hosted some of the most important film festivals, and it also served as headquarters to various local economic- and tourism-development projects that created and strengthened awareness around cultural enrichment, health, education and urban renewal.

During these years the ADA worked aggressively towards creating economic sustainability for the theatre through promoting cultural enriching events and supporting small businesses in the area. With these efforts film production was found to be a powerful stimulation tool. In 2002, using funding from the Lottery Board, the ADA introduced basic film-production facilities, including post-production facilities, across the

pedestrianised theatre. Production training was introduced to coincide with the major festivals. Thus, local young people made one-minute films that were shown on the big screen during the closing ceremony of the festival. Enthusiastic local audiences regularly packed the theatre to watch what had been produced. The value of creative work to the participating young people can hardly be measured.

Of equal importance to the area was the development of the Apollo-linked cluster of small businesses, to which the ADA provided financial-management and marketing assistance. In return it claimed a percentage of their income. By 2003 the cluster comprised an arts and crafts co-operative, catering and building co-operatives, a stationery business, a video-production enterprise, a computer centre and an internet café.

The computer centre had been developed primarily for training purposes, and by early 2003 the Apollo Theatre partnered with the Northern Cape' Rural Further Education and Training (FET) College to offer tertiary level training to the residents of Victoria West.

More or less at the same time the ADA took over the tourism-promotion function from local government. They did this with no compensation, seeking other ways to generate revenue to manage this function. They soon started taking a small percentage from bookings made through its centralised booking system for local bed-and-breakfast accommodation. They also acted as a booking agent for several bus liners, taking a commission for bookings for these bus services.

The operational structure of the ADA evolved over these years, being moulded around the availability of financial support. Its operating model took the shape of *Model Two,* described in chapter 4, i.e. being partially financed and supported by government and partially from income generated via core services delivered and inputs from local businesses.

The ADA's vision was to inspire people and stimulate the local economy through tourism and cultural initiatives. As a result of this vision, drive and passion, the ADA managed to transform a stagnating local economy with vast economic disparities between the land-owning white farmers and a largely disempowered underclass of coloured and black people to a town characterised by a hive of economic activity.

Notwithstanding these successful developments the realities of income, wealth and skills inequalities as well as the new post-1994 political dynamics created problems which were to challenge the evolution and success of this LED-hub process. Before we come to this, the next section will look at the underlying structure of this hub and its core activities.

5.2.2 *Structure and core LED activities*

A fundamental objective of the ADA was self-sustainability, and the most realistic way of achieving this was to operate the Apollo Theatre as a profit-seeking business at the heart of the ADA's operations. The concept "for profit" can also be linked to the concept "anchor project" discussed in chapter 4, which constitutes a critical element in the development-hub model.

During the ADA's start-up phase a small team of extraordinary people, here referred to as the "project champions" came together to develop the Apollo Theatre and its supporting projects to the level where they could become self-sustainable. These project champions were mostly white, English-speaking, highly motivated and energised intellectuals, acting as entrepreneurs and community members, with the ability to identify and drive talent and community spirit. The team had a strong leader, a writer and journalist who had a vision for the ADA and inspired everyone to achieve this vision. In the early years the team could also connect very

well with the local business community as well as the youth and initially the local authority and politicians. The theatre evolved into a multi-purpose facility offering regular film screenings with at least two major film festivals each year. It also offered conference facilities with fully licensed catering facilities. A restaurant situated in the foyer with two office suites and two street-fronting shops were leased to local businesses. One of the shops was leased by the tourism office which brought in its own income as mentioned.

A steadily increasing stream of tourists visited Victoria West to see the revamped art deco cinema, resulting in the number of bed-and-breakfast establishments growing from an original three to nearly 40 facilities. By 2003 the entire theatre complex, including staff remuneration, building maintenance and operational expenses reached approximately 80 per cent self-sufficiency and managed its own administration, marketing and finances.

All other ADA activities were developed around and attached to the "anchor project" and its management systems. The purpose with the centre was not only to become a business centre to provide infrastructure and support services to businesses, but also to provide a place through which economic growth could be facilitated. Summarised below are a range of services that formed the structure of the Apollo Theatre, which also form part of the basic development-hub framework discussed in chapter 4.

- *Education and training*
  - ⇒ This division within the ADA began with the needs that emanated from the organisation's determination to operate the Apollo Theatre primarily with local young people. The training was structured in three tiers.

⇒ *Ushering and front-of-house services*, box office and projection (using 35 mm and 16 mm projectors as well as the more modern electronic systems).

⇒ *Catering and hospitality training* as well as support for the increasing bed-and-breakfast facilities. It also provided training for workers that could work in the theatre's restaurant and conference facilities.

⇒ *Computer training* to support the film industry, with other tertiary courses introduced in 2003 including commercial and tourism promotion subjects.

These courses as well as special training to support the cluster of small businesses and co-operatives that were developing around the theatre were offered via the Northern Cape FET College.

- *SMME support and the cluster system*

  The ADA activists soon realised that the managerial expertise and administrative infrastructure which had been set up to operate the theatre could also be used to support emerging small businesses. Support developed in two main areas.

⇒ The first was the transfer of managerial expertise. An example of this was the establishment of a catering co-operative by graduates attending hospitality and catering courses. They started to operate and manage the theatre's first restaurant, registering the entity with Cipro (currently CIPC) and Sars, and developing their own supply and costing procedures. The marketing of the restaurant and conference facility was done by the ADA and additional funding to strengthen the co-operative was also done by the ADA.

⇒ The second direction was the plugging of the catering co-operative into the financial-management systems that already existed within the ADA. Thus, a percentage of the restaurant and conference facilities' gross profit was retained by the ADA in exchange for providing these support services. This helped to provide financial stability and managerial support for the whole cluster system.

- *Culture and tourism development*

⇒ Linking these two functions was a very natural flow for the Apollo Theatre. The theatre building provided opportunities to combine conservation and heritage themes directly connected with tourism. The business impact of the redevelopment of the theatre and its surrounding precinct proved highly significant. In addition deliberate efforts were made by the ADA to incorporate other features of interest into its marketing packages. The two annual film festivals were primarily designed to bring visitors and their money into the small town of Victoria West. In this way culture and tourism worked together to stimulate the local economy. It was therefore no coincidence that the ADA placed its LED officer into the street-fronting tourism office.

⇒ A direct result of the way in which the ADA's structures evolved was its eventual involvement in the macro-economic planning of the local authority which at that stage also included the two smaller towns Richmond and Loxton as well as the extensive white-owned areas of farmland between them. People representing every race and culture in the town attended public presentations that offered alternative approaches to the fragmented LED *status quo*. This included ideas with regard to a more focused economic strategy for the area, including partnerships and a new inflow of activities. It was unfortunate

that at precisely this promising juncture, the ADA went into sudden and serious decline. The professionalism and successes achieved by the ADA champions threatened the local politicians and resulted in political interference which impacted operations at the Apollo Theatre as well as the implementation of more successful LED projects in the area.

5.2.3 *LED implementation problems*

Late in 2006 a detailed narrative of the decline of the ADA was published in the journal of the Helen Suzman Foundation, which was one of the main donors of the ADA (see Appendix II). It is worth to briefly follow this narrative to understand more fully what actually happened to bring the ADA from the highflying days of 2000 to 2003 to its virtual termination a mere three years later.

One of the early difficulties encountered, was the time lag between the establishment of the ADA and the delivery of significant, widely visible economic-development results. It took 21 months to restore the basic infrastructure and (re)open the theatre. During this period the ADA project management team found it extremely difficult to hold the attention of the board, with the exception of one or two members who could visualise the potential. This was even more difficult for the communities at large. The delay created polarisation in the minds of the community, presenting a "we–they" schism with respect to the goals and benefits of the projects.

As early as 2001 the original "champion" of the ADA, the Helen Suzman Foundation, had relinquished the chairing, being replaced by a local schoolteacher. At the end of 2002 the other champions began a process of "phased withdrawal", designed to gradually shift control of the management of the project into local hands. As a starting point the institutional transformation included the establishment of board

committees to control all aspects of project activity including finance, so that closer cohesion could be achieved between those with the authority to decide (the board) and those with the responsibility to execute (the project managers).

To support this move, training workshops for board members were introduced. Despite these workshops most committees soon collapsed, with the exception of those dealing with finance and the main events. In general, the relationship between the board and the project managers also began to deteriorate.

One possible explanation of the breakdown in relationships was the phased withdrawal of the founders. This signalled the local community's inexperience in such longer-run integrated projects. At the same time people both inside the organisation and in the general community began a process of jockeying for positions in anticipation of new power structures.

Thus, in a local area where economic power had rested exclusively in the hands of white land-owning farmers, it now seemed that only a stake in local government or in the ADA provided any real hope of achieving control of a visible economic resource. It was the ADA as an economic resource rather than a developmental tool that was seen as being "up for grabs". For the same reason it became increasingly clear that the ADA had reached the point in its development where it would be most vulnerable to external pressure.

A most critical element in this process of disintegration was the ADA's relationship with local government. As funding began to flow into the ADA this relationship changed from one initially of general tolerance and passive co-operation to one of politically-charged competition. It was publicly demanded, for example, that all development funding should be

channelled through local government rather than through an organisation such as the ADA, which was perceived as a civil-society organisation dominated by a small group of arrogant, strong-willed white English-speaking individuals.

This local dilemma has to be understood in its broader, national context. A mere 10 years after the first democratic election, the political environment was still very volatile with a newly elected "black" ruling-party governing the town of Victoria West. After all, the whole of South Africa was in the process of transformation, changing over from being governed by a white political party to a black-dominated political party. In Victoria West the ruling party was seeing the ADA as a white initiative, therefore competition and part of what they fought against during the struggle. For a sustained period of time, local-government representation on the ADA board ceased. At the same time the ADA found itself under attack from representatives of political parties who searched relentlessly for signs of financial mismanagement while at the same time accusing the organisation of being "unrepresentative". Community meetings and specially convened meetings between the ADA and political parties became hostile affairs as interest groups struggled for control of an undeniably successful project.

To further illustrate the dynamics we can look at the ADA's "services account" with local government. At the start of operations the council agreed to provide electricity and water free of charge to the community-controlled Apollo Theatre. As the project expanded, pressure from both the African National Congress (ANC) and the white-dominated Democratic Alliance (DA) mounted for the payment of a large amount of "arrears". The controversy dragged on for months, even though the ADA declared its willingness to pay for services. In fact, they even agreed to pay for the electricity consumed by the streetlights that had been erected at ADA expense in the new public pedestrian area in the town centre.

Viewed within the broader post-1994 South African perspective, the white community saw the Apollo Theatre as a manifestation of black and coloured socio-economic mobilisation, while the local ANC saw it as a source of social mobilisation that operated outside its direct control. At the same time both groups suffered from the leadership and capacity constraint, given the constraints of small *platteland* towns.

The situation was seriously exacerbated when "agents" with clear political motives attempted to gain direct access to the considerable resources then invested by the ADA. A total of nearly R9 million had been raised by ADA staff up to the end of 2003.

At the breaking point of this polarising relationship, the senior project manager, one of the originators and main champions, was excluded from participation in the executive committee of the ADA. At that stage in late-2003 and a year into the phased withdrawal period, the initial champions decided to disengage. Almost immediately after this withdrawal, and for reasons plausible in the context of small-town economic development, the Apollo project went into decline. Regular film showings ground to a halt and the ADA lost its link with the Northern Cape Rural FET College. The cluster of co-operatives and small businesses disintegrated and income from rented commercial space dropped as tenants moved out in the face of unrealistic rent increases. At the same time acceptable financial controls began to disappear and eventually only the externally funded Apollo film festival limped on for the years for which funding had already been raised.

5.2.4 *Lessons from the case*

There are two basic routes to the establishment of development projects like that driving the LED hub at Victoria West. The more conventional route is the community-based model and route, and the second is the champion-driven model and route.

- The community-based model has the advantage of enjoying the support of the community, although often susceptible to quarrelsome community subdivisions. Other disadvantages are that the process is slow and often unimaginative, with key players frequently lacking expertise and know-how.

- The champion-driven model, as used in the case of Apollo, is steered by an individual or a small group. The process tends to be rapid and innovative, often driven by high levels of energy and expertise. A very important element of this model is that the local authority needs to be involved through a process of private-public participation, where the champions facilitate the process and help the local authority to play its part without taking over the project. The main disadvantages using this model are that community involvement is not automatic, and for the model to work in its early stages it needs to be fairly autocratic.

The main lesson arising out of the ADA dilemma is the need to combine these two approaches. Thus, to reactivate this LED hub and get it on a growth-path once more would require constructive approaches to the following three critical issues.

- *Financial support*

  The lack of sufficient operating capital at the centre was an endemic problem for the ADA. Although some financial assistance came from the national Department of Arts and Culture during 2000/01, it was

withdrawn for 2002 at precisely the time when it was most needed. The official answer from the department was that operating funding was in principle only given for a two-year period. Requests for assistance from provincial sources fell on deaf ears.

In response to this lack of sufficient operating support, the project was divided into cost centres, each one striving for financial self-sufficiency. Although subsequent funding from different quarters was relatively generous, it was always earmarked for specific projects, with the ADA taking up to 10 per cent as a revenue share for administration. This however was insufficient, particularly as the project increased in size and complexity. After all, the expertise brought to the ADA by the originator and champions was almost impossible to replace and could not be "bought", since funds for senior project management had never been a line item on the operating budget.

It is clear from the dynamics of the project over these years that a re-activation of different public funds, combined with the continuation (or restart) of focused private-sector funding primarily depends on the constructive evolution of the public-private relationship around the projects. If a general and visible partnership can be created, it should not be too difficult or time-consuming to get different project elements reactivated and adjusted.

- *Ultimate responsibility for the project*

  Here again the relationship between the public and private sectors was the key issue. Both sides had to be proactive and had to acknowledge the role and significance of the other partner/s. Neither the private nor the public sector can run the project on their own,. On the public-sector side this implies a willingness by the municipality to co-operate with all other public-sector players *and* with different

private-sector players. On the private-sector side it calls for the willingness of key players (those initiating activities) to work together with other private-sector players (across racial lines) and with the public-sector players. Above all a re-emerging initiative will have to transcend racial groupings and has to create project outputs which satisfy the wider spectrum of local communities and interest groups. Naturally, these efforts will have to be combined with a restructuring of management and advisory bodies to better reflect those new partnerships.

- *Leadership capacity*

  As it is in most community as well as business initiatives (and in public-sector reforms), a new take-off will also depend on the emergence of one or more new leaders who actively support a new (refocused) start of the project. Such leaders should emerge in the public sector *and* the private business and community sectors. They should be able and willing to work together in the pursuit of a "New Victoria West Initiative".

Meetings attended by the researcher in October 2013, which brought together senior officials from the Ubuntu Municipality as well as the LED and Tourism Directorate of the Northern Cape Province (Dedat) confirmed the impression that a variation of the ADA initiative could be re-activated. All facilities around the Apollo Theatre still exist and are in good condition, although not in full use. However, the current management team lacks the capacity, knowledge and experience to initiate and run such a new process. With appropriate support and buy-in from the municipality, local businesses and Dedat (through its diverse support programmes) such a new start could well occur.

The mere reactivation of the old ADA board and the film projects will most probably not be feasible, even though elements of that approach

could still be relevant. In essence, it is a question of leadership and co-operative action to create a new initiative.

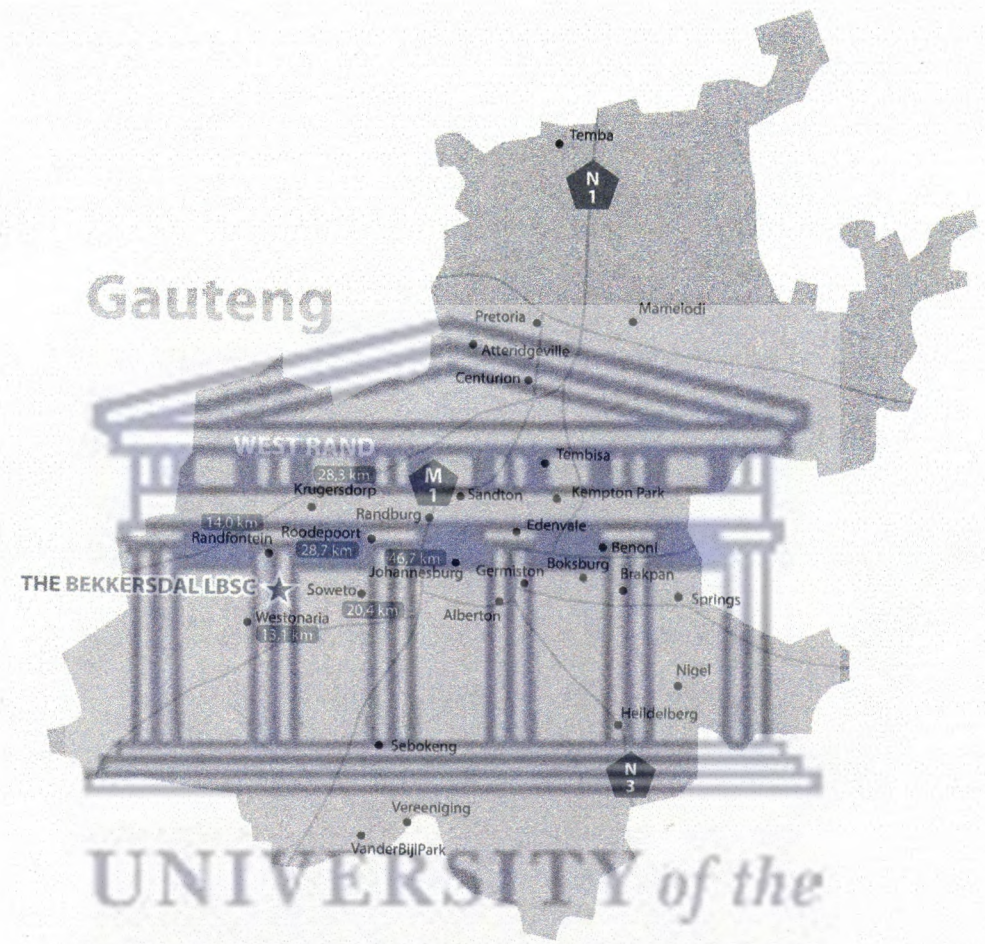
There are many other practical lessons that can be learned from the ADA project, but at this stage these are the most critical ones to enter our consideration of the LED-hub strategy.

5.3 Bekkersdal Developments: An evolving hub

Bekkersdal lies to the north-east of Westonaria approximately 40 km west of central Johannesburg. It falls within the Westonaria Municipality in the Gauteng Province. When it was planned and initiated the Bekkersdal "development hub" was just one of the legs of the greater Bekkersdal renewal project (BRP), reflecting the best practices from the ADA in Victoria West and accommodating the lessons learned from the ADA's major problems. The model was designed specifically for the GDoH for its first application in Bekkersdal. Here LED was primarily linked to the construction industry where large numbers of new houses were built using mostly government funding. The town received a lot of exposure from documentary films related to the housing programmes. When these films were broadcast on national television, filming became one of the catalytic projects in Bekkersdal, also putting the town on the map in terms of tourism.

The broad definition of a "development hub" as discussed in chapter 4 can now be expanded to take into consideration the learning's from the ADA prototype. In the Bekkersdal development hub a local business-support centre (LBSC) was tasked by the local authority to implement LED projects and social upliftment in the constituency.

Figure 5.2: Geography of Bekkersdal in the Gauteng Province



Run by civil-society the LBSC was designed to

- sustain itself through the for-profit operation of anchor projects,
- expand the local economy by maximising the impact of state interventions for LED and enriching the impact of these interventions with a range of complementary grassroots services.

To explain this initiative we first focus on the historical background of the area and the project.

5.3.1 *Basic facts and historical background*

The Bekkersdal township was established around 1945. Although the town stands on its own, it is very closely located to Westonaria and Soweto and benefits from economic activities in these areas. Bekkersdal lies in an exhausted mining dolomite area, but has some agricultural potential. Approximately 50 per cent of its residents are economically inactive, and those who work are predominantly employed in the gold mines further west and around Randfontein. The population is divided into permanent residents and migrants, with the latter occupying the extensive informal settlements and backyard shacks. About a decade ago the Westonaria Municipality embarked on a renewal project in Bekkersdal, including large urban renewal and new housing components. An LBSC was created in an attempt to use the momentum of the substantial infrastructural expenditure to stimulate LED in this area.

The vision underlying the Bekkersdal development hub was to integrate LED at a planning level and to provide consistent tools to evaluate and implement LED projects holistically by considering the locality of the area. The Westonaria Municipality's objectives with the establishment of the LBSC as a development hub included the following goals.

- Develop a single shared vision of LED between disparate stakeholders from the public and private sectors as well as from the target communities.

- Develop a comprehensive LED tool that would provide overarching direction to project-specific LED initiatives.

- Stimulate communities to "do it for themselves" and take advantage of the numerous LED incentives and opportunities that were evolving.

- Build capacity within the Bekkersdal community through accredited training.

- Assure the effective management of existing commercial projects, using brick-making and farming as "anchor projects".

- Provide services for labour placements and project-specific training (including a comprehensive database of development and maintenance activities).

- Maximise state infrastructural funding to create lasting LED impact.

- Provide comprehensive SMME development and support services.

- Provide a holistic approach to sustainable LED (including a self-sustaining LBSC facility).

In order to achieve the objectives set out here the development hub's structure was developed so that it could provide a range of services that could support its core activities.

5.3.2 *Structure and core LED activities*

Contrary to the hub in Victoria West, where the local authority saw the hub competing with the services they offered and perceived it as a threat, the Bekkersdal hub had political buy-in right from the start. It also helped that the GDoH was the project owner and champion, and it could therefore lobby support from the local authorities. Other champions involved in the Bekkersdal development hub included four of the original Victoria West champions, lead by the researcher himself. Thus, the team already had some experience of what could go wrong and therefore knew what they should guard against. The Bekkersdal team was also more representative of the demographics of South Africa and therefore got the

support and buy-in right from the start from the local authority and politicians in the area.

From the outset self-sustainability was a key aim of the development hub, and the most realistic way of achieving this was to operate the hub as a profit-seeking business. Thus, it was the management team's responsibility to complement the Bekkersdal Renewal Project by stimulating the local economy, using the development-hub framework as vehicle. The range of LED services were profiled under a collective brand name, deliberately designed to stimulate economic activity in the township. (See Appendix III for some examples.) It also had to help re-orientate communities away from the dependency mentality of the past to a more positive self-actualisation behaviour, seeking to control their own economic destinies. Aside from general financial and administrative functions, the Bekkersdal LBSC (the vehicle for the hub) was to cover the following activities.

- *Management co-ordination and facilitation* with national, provincial and local governments as well as with contractors and relevant corporate role-players on matters pertaining to LED. The general management of the hub included a finance function that also administered the finances of the SMME cluster plug-ins.

- *Communication, information and advice desk* that provided a single point of entry for the target community to access the hub services. It also kept everyone informed with regard to hub activities and opportunities.

- *Labour opportunities and employment facilitation*, creating links with local SMMEs and linked labour with ongoing capital projects as well as general LED opportunities.

- *Database management* to track the skills base of the area, facilitate training, identify EPWP requirements and generally help SMMEs and co-operatives.

- *Facilitating training* ranging from basic life skills to Seta learnerships. Local trainers were developed and hub personnel were trained in line with job descriptions.

- *An SMME support and cluster system* to help entrepreneurs emerging from the capital projects with business plans, access to finance, market evaluations and general management.

- *Filming* was to be used as a tool to animate communities and support LED projects. This tool was also to be used to develop training modules for SMMEs and to support start-up small businesses in creative industries.

The Bekkersdal LBSC was built at an initial cost of R4 million. The centre was used to house the core team of five members and four staff, recruited from the area. As such the centre became the LED operations centre towards delivering the above mentioned support services to the bigger programme of LED stimulation.

5.3.3 Filming as LED catalyst

As indicated above, initial LED plans for Bekkersdal placed considerable emphasis on the film industry as a significant tool for LED stimulation, based on the following three dimensions of film-making.

- The cultural activity (film production and consumption) was to be used as a tool to animate and empower the community, opening the eyes of the youth to see the potential of film production in generating an income for themselves by providing filming services to their

community and selling films to production houses and television stations, thus moving the youth to achieve self-actualisation.

- Film-making was to be used as a communication and marketing tool for Bekkersdal, both inside the township and externally. This included a mechanism for supporting "locality branding" which is generally very important as a foundation for successful LED.

- The range of filming-related activities offered opportunities for individuals with skills in various aspects of film-making, ranging from planning, directing, acting and filming to editing and selling the footage. Local skills were initially very limited, but there was potential for growth at local level.

The Bekkersdal film project tried to make inroads into establishing three interlocking developments, which are briefly discussed below.

- The professional production of documentaries, showing the development process under way in Bekkersdal
- Mentoring and training locals in this sector
- The establishment of an economically viable film-production unit.

5.3.3.1 Documentary film-making

This initiative started with two short documentaries and a full-length documentary featuring four locals as they experienced their own intricacies as part of the urban renewal process. The basic idea was to produce documentaries in Bekkersdal that explored the complex human processes involved in developing large infrastructural projects. In and around Bekkersdal thousands of houses were being built and many families were relocated. Large-scale local training programmes were undertaken, and viable LED projects were developed through the hub. All this was powerful and a topical grist to the documentary mill. In

addition, the GDoH was well served with professional films on aspects around these development subjects. The process of making such documentaries followed a basic action sequence.

- All parties agree on the project parameters, work plan and budget.
- The story outline is researched, and the script and production schedule prepared.
- A production budget is negotiated.
- Localities and characters are identified, briefed and trained.
- Shooting of the required visual and audio material then takes place.
- Editing and post-production work gets done adding sound, music and voice-over commentary.

The development potential of such documentaries could include the screening of training initiatives as part of the infrastructural programmes by organisations such as the GDoH and other government departments, not only in Bekkersdal but in other places where similar development projects are taking place. The possibility for also screening these documentaries on television and distributing them on DVD to interested parties, were also researched by the LBSC.

The filming of documentaries also opened doors to sell the documentaries, giving the youth in the area the opportunity to see how innovative initiatives such as these could be developed and the potential it had to generate an income for the community. Supporting initiatives such as copy-writing, editing and journalism further fuelled an interest in such careers, widening the career opportunities the youth could explore when they finish school.

5.3.3.2 The film-training initiative

As a possible extension of the documentary initiative, the creation of a film-production training programme could offer interested and talented

Bekkersdal individuals theoretical and practical training up to a level where they could produce and broadcast films. Such a programme might be run parallel with the professional production of documentaries combined with a mentoring programme that offered on-the-job training and taught learners how to make films. Special selection techniques would have to be used to choose committed people to train and to keep drop-out rates to a minimum. A small stipend might be paid to successful applicants. The trainees might be expected to deliver products in the form of monthly visual magazines presented to the Bekkersdal community. In this way a potentially valuable communication tool might be created for the GDoH and the development hub. Such an initiative would also provide the youth with the opportunity to explore an industry that still has many gaps and opportunities for growth in South Africa.

5.3.3.3 A future film co-operative initiative

Taking these opportunities further, thought was given to the idea of an economically viable film co-operative or small-business cluster initiative to be formed by those who completed the film-training programme. The potential market for such services could include the demand for visual magazines for the Bekkersdal community, filming of family or community events like weddings, 21st birthdays as well as funerals and the production of documentaries and short films for regional TV stations.

5.3.4 Progress to date

Towards the end of the initial implementation phase the researcher and the team of champions were asked to hand over the project to a new project team. There was no phased-out approach to their exiting, which left many gaps in the process of handing over the project. The new project team also did not view the development hub and film initiatives in the same light as the initial project team, focusing their efforts primarily on the infrastructure development and construction opportunities. These opportunities were more conducive to creating

temporary jobs, hence employing the unskilled youth, women and people with disabilities, which supported not only the EPWP and Asgisa targets of the local municipality, but also the project employment goals and deliverables set by the municipal managers.

The original team's focus on the other hand was on holistic economic development, hence the drive to get the development hub and supporting projects such as the film project as well as a brick-making plant and a co-op of construction managers off the ground. These were just some of the catalytic projects originally planned to form part of the development hub. However, none of these initiatives materialised.

5.3.5 *Lessons from the case*

The project team exited the project in 2010, before full completion of the project and without a proper hand-over to the new project leaders. This lead to many of the initiatives failing or not even getting off the ground. Several of the planned projects needed to be nurtured, and a smooth transition needed to happen, with projects being handed over to the community to manage and champion themselves.

Aside from this dilemma of programme focus and co-ordination, other problems further dampened the process.

Being located near the Johannesburg metropolitan area, Bekkersdal is automatically seen as a lower-priority area with Johannesburg receiving much of the economic and financial support from government. Also due to it being in close vicinity to Johannesburg, many of the dynamic people residing in Bekkersdal work in Johannesburg, which leaves the area with a shortage of talent that can pursue local opportunities.

In essence the LED-planning team which initiated the project in 2004 focused on a longer-run, multi-dimensional process of LED stimulation

in order to create jobs *and* get an integrated process off the ground. The municipality and the successor team of consultants were primarily interested in the short-term results (i.e. housing and infrastructure construction) and gave little attention (and funding) to the broader, longer-run challenges. In addition, the absence of strong leadership and effective anchor projects in the private sector prevented the evolution of a sustained public-private partnership to carry the growth of the LED hub. It is, of course, possible that such momentum can (once again) unfold, but the first phase lacked the minimum for successful take-off.

5.4 Botšhabelo Developments: Planning a hub

Botšhabelo is situated on the outskirts of Middelburg in the Mpumalanga Province and can be reached from Johannesburg via the Maputo corridor using the N4 highway.

The Botšhabelo development area has a rich history and biodiversity with a reasonable chance that it will in the near future be declared a National Heritage site. The area represents an excellent mix of game viewing, adventure travel, hiking, accommodation, leisure, culture, dining heritage and history. It is the intention of the Botšhabelo Community Development Trust (BCDT) as the custodians of the historical village and reserve to maintain, upgrade, renovate, reinstate and conserve all features concerning the heritage status of Botšhabelo. The trust realised the national importance of Botšhabelo' s heritage and prepared, with the help of the researcher, a master plan directing the future utilisation and development of the area in a way that attracts tourists and links its attractions to create educational value for the community. Hence, through creating a sustainable heritage, the trust wants to improve and conserve the current village and its surrounding area and will not allow it to fall into further disrepair. There was also the realisation that the site could become one of the catalysts for LED in the nearby town of Middelburg.

Thus, with this case study we look at "small-town development" from two perspectives.

- Botšhabelo as a potential growth catalyst in the urban development of Middelburg, including its township area of Mhluzi.

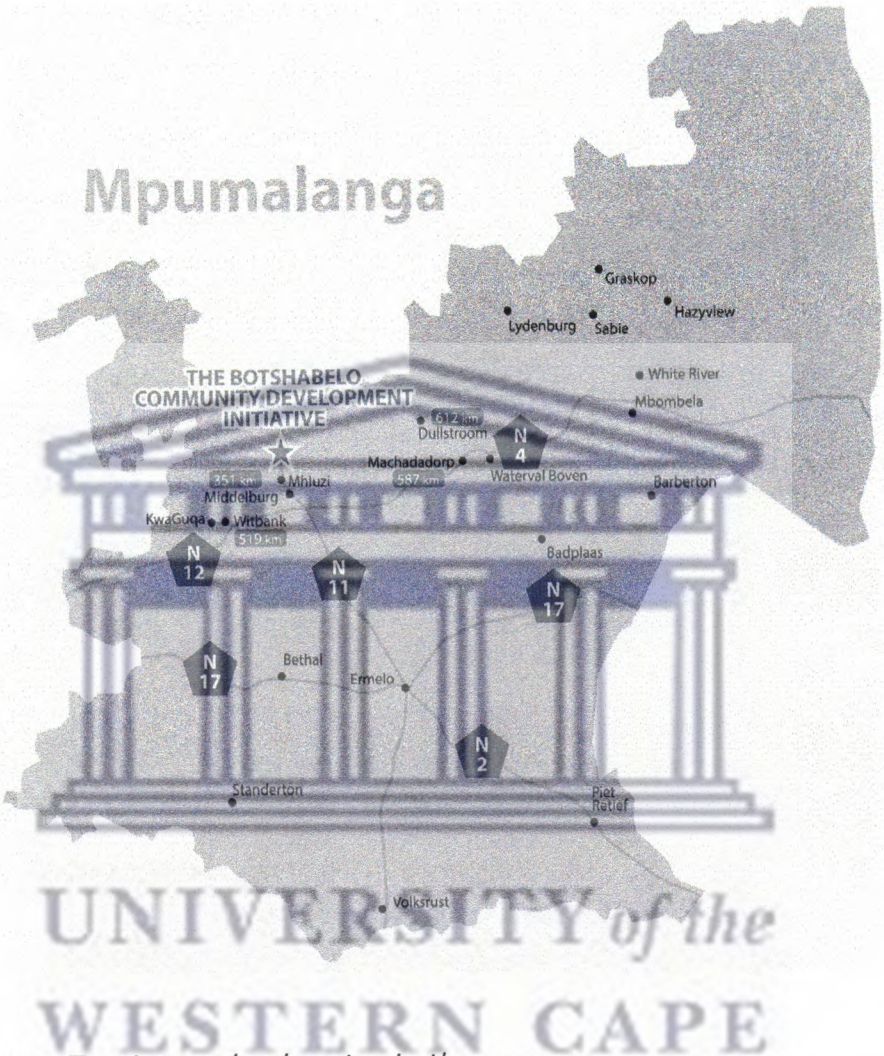
- Botšhabelo's own small-town development.

5.4.1 *Basic facts and historical background of Botšhabelo*

In the 19th and early 20th centuries Botšhabelo was a thriving Christian settlement under the Berlin Missionary Society. In August 1970 the Berlin Mission sold the Botšhabelo mission land to the Middelburg Municipality. Its inhabitants were removed in terms of the Development Trust and Land Act of 1913 (Act No. 18 of 1936). All Africans residing in Botšhabelo were regarded as squatters and the community was removed by the then Native Affairs Department. Botšhabelo farms were given to white farmers while blacks were forced to work on farms in the Middelburg area. The removal of black communities was effected to eliminate tenancy without having to pay any compensation. Thus, when in 1972 approximately 160 families were removed to nearby Motetema, the allotments allocated to the community in Motetema could not be regarded as just and equitable, nor was any other compensation paid.

In 2004, when the land was transferred back to the community, the initial intention was to use portions of it for residential resettlement, agriculture plots and tourism development. The BCDT then decided to develop the whole site as a major tourist attraction, seeing that it was right in the "Cultural Heartland of the Mpumalanga Highveld". After all, the farms Toevlugt and Broodboomkrans, which formed part of Botšhabelo, had already been earmarked for tourism, heritage, culture and nature conservation in the preceding 30 years.

Figure 5.3: Geography of Botšhabelo in the Mpumalanga Province



5.4.2 *Tourism as lead sector in the area*

The Botšhabelo game reserve and historical village are situated within a 2 300 ha nature reserve on the outskirts of Middelburg. The reserve and village can be reached in two hours from Johannesburg via the Maputo corridor using the N4 highway, which is one of the country's busiest tourism routes. The game reserve and village are already popular with domestic and international tourists, being frequently visited by tourists *en route* from Gauteng to the Kruger National Park. The game reserve is located in the Mpumalanga highveld around the catchment areas of the

Olifants and Klein Olifants rivers. The natural environment is scenically attractive and offers a good variety of landscapes, including grasslands, rivers, gorges, cliffs and *koppies*.

The historical village of Botšhabelo was established in 1865 by the German missionaries Merensky and Grützner. The buildings on the land, like the historic fort, churches, burial grounds and graves of early inhabitants of the mission station, date back to the 1860s and '70s. The remainder of the 2 300 ha is largely open space with a conservation area that includes the *cycad lanatis* which is endemic to the area. In fact, it only exists in this part of the world and has been registered in the international Fauna and Flora catalogue as a variety of prehistoric cycads.

Thus, Botšhabelo in contrast to many other smaller towns has many tourism opportunities (see Appendix IV). Its varied landscapes and historical and cultural buildings offer scope for a fairly wide variety of tourism activities, including the following as a base for an LED process.

- *Historical village*: A typical 19th-century self-sustaining mission village with schools, a training centre, missionary houses, a trade centre, a blacksmith and a printing press.

- *Churches:* The old church dates back to 1865 and the second church was erected between 1868 and 1873. Botšhabelo has become a popular venue for weddings, given the church, picturesque surroundings and plenty of inexpensive accommodation.

- *Fort Merensky*: This fort was built to protect the mission station for three quarters of a century. It was declared a national monument in 1965 and has since been reclassified as a Provincial Heritage Site (www.sahra.org.za/invesntory.htm). An application has also been submitted to the South African Heritage and Resources Agency

(Sahra) in Mpumalanga to declare Fort Merensky a national heritage site.

- *Ndebele traditional village*: This is an open-air living museum established to preserve the Ndebele tribal culture. It contains among others a fine example of artwork unique to the Ndebele culture, including their geometrically decorated huts.

- *Nature reserve:* Occupying an area of over 2 000 ha this reserve includes a variety of game, high- and lowveld birds and insects as well as ancient cycads, with game drives arranged through the reserve.

- *Hiking trails*: Three hiking trails of different lengths have been developed. They are well marked, focusing on the Klein Olifants River and its gorges.

- *Horse-riding trails:* A private operator is already providing tourists the opportunity to traverse the property on horseback.

- *Restaurant*: A restaurant with a fully equipped kitchen is on the premises (though not always functional).

- *Curio shop*: A well stocked curio shop caters mainly for international tourists, with a strong emphasis on Ndebele art and curios.

Many school and tour groups visit Botšhabelo during the course of the year, with the primary target the Ndebele village and the mission station. These tours stimulate not only tourism in the more immediate surrounding areas, but also stimulate the demand for tourism and accommodation facilities in Mpumalanga. The main accommodation facilities around Botšhabelo include the following.

- Inexpensive self-catering accommodation for small groups.
- Inexpensive self-catering accommodation targeted at school groups sharing dormitory rooms.
- Caravan sites in picturesque surroundings.
- Conventional Bed-and-breakfast tourist accommodation in nearby Middelburg and on surrounding farms.

Notwithstanding this potential, the tourism-development achievements and successes since the Botšhabelo community claimed back their land have been limited. The Steve Tshwete Municipality, which has been managing the game reserve and Botšhabelo historical village, has always been very supportive of the village. This is evident from different items in both their integrated development plans and the LED strategy.

These strategic documents refer to the Botšhabelo initiatives as the "vehicle to be used to support the tourism sector and to unlock economic potential" for the area. In this context several references are made to this as a partnership endeavour to support LED.

Although supportive of the Botšhabelo tourism-development plans, the municipality struggles with in-house institutional challenges to effectively support and implement those efforts. Reasons for this include the following.

- Poor LED leadership and governance capacity, both from the political and administrative sides.
- The policy documents (IDP, LED Strategy and Spatial-Development Framework) are scientifically impressive, but difficult to implement with limited human capacity.
- Strong animosities between the municipality and the local business sector.

- Lack of LED funds for capital expenditure under this programme.

Due to the above, the municipality's role with regard to the LED efforts has been limited to providing land for development. The wider goals of PPP, LED facilitation and champion support has not been tackled yet, let alone been achieved.

This state of affairs had resulted in stagnation of local agriculture and the degeneration of the physical features of the properties. A "turn-around" strategy has to be developed, including the following dimensions.

- Existing facilities have to be renovated and upgraded,
- new facilities such as a hotel and conference facilities have to be developed in the village,
- existing attractions such as the museum, the traditional village, historical buildings and overnight hiking trails as well as facilities have to be upgraded and enhanced,
- marketing and branding of Botšhabelo has to be developed and
- new capital investment in Botšhabelo has to be mobilised.

It was at the same time clear that none of these steps would be possible without a financial vision and a comprehensive forecast of the potential to generate returns on investments. Parallel to these steps, there was need to look closely at the BCDT and its capacity to steer the process sustainably and in a manner that benefits the community while at the same time generating returns on private investments. Thus, it was essential that the facilities had to be redeveloped, upgraded, diversified and strongly marketed to local and international tourists using a well defined tourism plan.

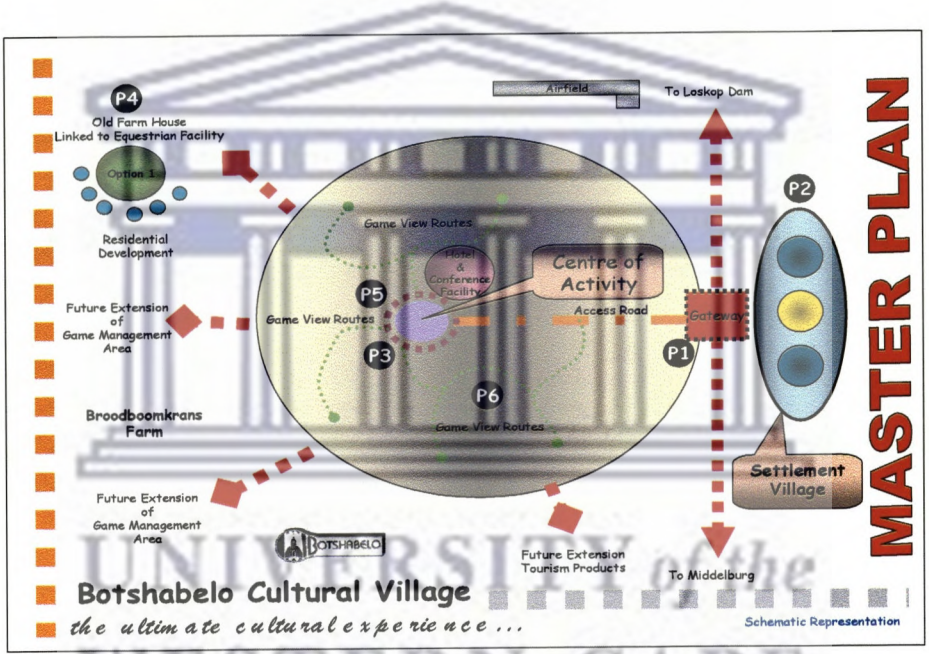
5.4.3 A tourism master plan as LED tool

Against the background of these developments and challenges the BCDT initiated the development of a master plan to use as a roadmap for LED in their area. The master plan (prepared by Urban Dynamics in 2007) was to be the blueprint for tourism and the development of leisure properties in the medium- to long-term. It also had to provide the BCDT with structured guidelines for the following wide range of action.

- Applying for national heritage status,
- setting parameters for the development of national heritage sites,
- developing brand positioning and marketing,
- indicating leisure-property developments,
- establishing the outer boundaries of the conservancy,
- proposing tourism products that would enhance the tourism brand,
- developing the Botšhabelo "theme" in order to make the village more lively, while at the same time preserving its current image,
- encouraging architectural styles in accordance with the current Botšhabelo theme and image,
- proposing the best utilisation of dilapidated and other buildings on the site (in accordance with the heritage regulations),
- suggesting the best way to use Fort Merensky for tourism purposes,
- identifying community, commercial and LED opportunities in the area as well as ways to empower local participants to utilise those opportunities,
- determining the game-carrying capacities of the environment and preparing guidelines for game management,
- preparing site layouts for new developments,
- assessing tourism activities offered,
- locating funding agencies which might help to provide development capital.

A conceptual framework of the master plan is presented in Figure 5.4. The roadmap had to take cognisance of the respective planning zones and development guidelines, the community aspirations and needs as well as existing land-use patterns in the core activity area. That core activity area was defined as the area previously occupied and used as part of the mission station and earmarked for agricultural activities as well as human-settlement.

Figure 5.4: Botšhabelo's Tourism Master Plan



SOURCE: Urban Dynamics, 2007

This master plan was of great importance if the area was to realise its full development potential. Key to sustainable and efficient planning was the zone and sector placement of buildings and other structures, infrastructure facilities, agricultural activities, tourism facilities and social services.

In order to conserve and utilise the heritage of Botšhabelo to its full potential it had to comply with the fundamental principles for heritage and conservation in South Africa, such as maintaining and conserving the heritage of Botšhabelo by upgrading and maintaining its structures and the cultural elements, making the site accessible to all and serve as a platform for everyone to learn about the history of the area. In fact, Botšhabelo is quite unique in South Africa, with its variety of heritage icons supporting the evolution of a development hub with its range of services. Very few small towns have this to offer. Further contributing to the success of using Botšhabelo as a development hub is its potential to be classified as a national heritage site, once it meets the nine criteria for heritage significance (as outlined in Appendix V).

In preparation for the master plan, the Botšhabelo community, together with the local authority and other role players, formulated a comprehensive list of requirements complementary to the ingredients of the development packages in general. The list consisted of the following.

- Market Botšhabelo as the ultimate cultural experience,
- promote the start of a regional cultural heartland route,
- develop the entrance as a gateway (the unique selling point),
- target the domestic market,
- develop equestrian facilities linked to a residential component,
- incorporate adventure tours and experiences for the youth,
- revive historical buildings ("bring back to life"),
- identify and brand annual events as a draw-card,
- promote game viewing as a unique experience,
- establish hotel and conference facilities incorporating the historical village.

Based on the tourism master plan six different tourism packages were developed to target and attract the different types of tourists. We can briefly summarise these, with more details provided in Appendix VI.

DEVELOPMENT PACKAGE 1: Gateways

The project objectives were to establish Botšhabelo as a "gateway trap" linked to the Loskop Dam tourism route, the cultural heartland and the Maputo corridor. The main objective of this package was to establish a personal experience for the tourist with a cultural aesthetic sense of arrival, meet-and-greet, efficient layout of the reception, administration, information, parking and kiosk areas and to link such an approach to a shuttle service with game-view vehicles and donkey carts.

DEVELOPMENT PACKAGE 2: Settlement village

Project objectives were developed to facilitate the resettlement of the beneficiaries to demarcated areas adjacent to the gateway with an authentic housing style and a settlement layout that creates the feeling of a rural village.

DEVELOPMENT PACKAGE 3: Hospitality improvements and expansions

The project objectives were to investigate and establish partnerships with the private sector to develop a hotel and conference centre, and to link such a facility to the cultural theme and style of Botšhabelo. It also aimed to convert existing accommodation units into quality three-star standard facilities, provide a cultural-accommodation experience with four corporate-funded lodges, improve the camping and caravan experience along the banks of the river and create an all-encompassing hospitality experience. This would include restaurants, day visitors' areas, kiosks and a tea garden.

DEVELOPMENT PACKAGE 4: Equestrian-estate development

The project objectives were to establish an equestrian estate with associated stables and facilities linked to residential ownership rights and units within the existing foot-print of the old farmstead. It would also include the expansion of the game reserve to Broodboomkrans.

DEVELOPMENT PACKAGE 5: Heritage conservation

Project objectives were to preserve and protect the cultural heritage of the core-activity area and other activity areas within the framework of Sahra.

DEVELOPMENT PACKAGE 6: Nature conservation

Project objectives were to preserve and protect the natural environment and reintroduce game and wildlife guided by an environmental management plan.

If we combine these different packages as well as all the other proposals for tourism-related developments in the Botšhabelo area, a vast range of activities would be created or facilitated, as listed in Table 5.1.

Table 5.1: Tourism-related activities with potential in the Botšhabelo area

Tourism activities	Cultural activities
• Kayaking and tubing • Abseiling, zip line and rock climbing • Horse-back riding • Mountain biking • 4 x 4 route • Paint-ball and archery • Hiking • Team-building	• Events, i.e. weddings, festivals, exhibitions, etc. • Ndebele-village tour • Museum exhibitions • Hand- and studio-craft works • Historic-village tour
Corporate activities	**Youth activities**
• Team-building • Conferencing • Product launch • Events • Functions • Workshops • Meetings	• Environment and heritage education • Team-building • Leadership programmes • Adventure activities • LED
Passive activities	**Support services**
• Tea garden • Picnic • Bird watching • General walks • Photography • Spiritual inspiration • Sight-seeing	• Laundry • Cleaning • Gardening • Security • General maintenance • Transport services • Staff transport
Training programme	
• Field guides • Hospitality • Guest relationships • Museums	

5.4.4 *The process of implementation*

In line with proposals in the tourism master plan the BLDT, as owner of the land in the area, transferred ownership of a small section of the land to the Botšhabelo Leisure Development Company (Pty) Ltd (BLDC) for specific tourism and leisure property developments. The BLDC's shares were split into a majority of 51 per cent for the trust and minority shares for two tourism-development companies (Secprop with 40% and Touraissance Investments with nine per cent). The development company was among others responsible for the identification and facilitation of development packages, with the landownership (freehold versus 99-year lease for private-sector developers) on of the many issues to be negotiated.

Parallel to these top-down facilitated developments much of the local tourism development in Botšhabelo and the surrounding areas happens via local households and (in-)formal businesses, fed by the steady stream of visitors to the town and through the area, *en route* to other destinations. Ideally, the BLDC will develop into the LED-facilitating and co-ordinating body, but that process has not yet been formally shaped. This also applies to the relationship between the Middelburg Municipality and the BLDC as well as working relationships between the BLDC and larger tourism companies active or interested in this area. In fact, the whole issue of development partnerships in this area is at this stage still open. What is more, the tragic history of the Botšhabelo Mission Station community under apartheid adds lots of complications to any efforts to intensify and streamline tourism-based LED in the area. Thus the tourism master plan can be viewed as the initial sector-growth catalyst, but most of the implementation challenges still need to be addressed.

5.4.5 *Botšhabelo's impact on Middelburg's LED*

As indicated earlier, we can look at Botšhabelo's tourism developments as either the base for LED in that (small) town or as a significant element in the LED process of the town of Middelburg, which as a medium-sized town faces the normal range of development challenges. Being located along the N 11 north-south axis and the N 4 route to the Kruger National Park and Mozambique, the town has a solid LED basis linked to transport, tourism and agriculture. Yet, the Botšhabelo project with its uniqueness factor and the diversity of attractions adds an important growth force to Middelburg's LED process. Thus, while several other towns along the N 4 benefit from that transport corridor, Middelburg's competitiveness is broadened significantly.

Another, almost contradictory, factor can be added here as growth stimulant for Middelburg. As indicated earlier, historical and cultural factors make the Botšhabelo urban environment sensitive to modern business practices (like freehold property and corporate-development engagement). As a result, conventional businesses interested to exploit locally expanding spending and investment opportunities are likely to consider Middelburg for that. Thus, local employment in Middelburg is likely to be stimulated through the development hub at Botšhabelo.

The partnership challenges evolving out of this complex situation in Botšhabelo-Middelburg can be summed up in a few points.

- How can the uniqueness of Botšhabelo be linked to the growth impetus in the wider urban area?

- How can local business and community developments inside Botšhabelo benefit from the proximity of Middelburg and Mhluzi?

- How can corporates with strong CSR and Bottom of the Pyramid commitments become active in local developments in Botšhabelo and Mhluzi?

This study has not been able to pursue these issues, just as this case is still viewed as "a hub in the planning stage". Nevertheless, the challenges identified here have to be incorporated in our discussion of the LED-hub strategy in chapter 7.

5.5 The Cases in Perspective

As indicated in the methodological background to the study, the case-study approach was chosen in order to get a firm grip on the complexity of LED scenarios and the diversity of factors which shape the LED process in small towns across the country. Although three cases are very few examples to illustrate that complexity and diversity, the cases selected have illustrated a wide range of those differentiating factors.

Closely related to the LED-hub strategy outlined in the last chapter, we can conclude this case-study review with a brief discussion of factors that shape the LED process, indicating in each area how the three cases differed. This differentiation will prove valuable in the deeper consideration of the LED-hub strategy in chapter 7.

5.5.1 Provincial base of small-town cases

The three cases covered the provinces of Gauteng, Mpumalanga and the Northern Cape, with the cases summarised in chapter 6 adding the Western Cape, to cover four of the nine provinces. Although "provincial growth and development strategies" differ significantly, this study did not explore those variations.

One of the important areas for provincial LED support is through the interaction between provincial governments and local authorities. Given the fact that in two of the three case studies the municipalities failed to effectively support LED efforts, this potential role of the provincial authorities is rather important. In fact, in the Bekkersdal case such a positive role was noted and, as chapter 6 will show, in the Western Cape the provincial government is known to play a proactive role in LED support.

5.5.2 *Urban structure and location*

The three cases illustrate a significant diversity of locations (dispersed vs close to larger urban areas), settlement structure (old mission station vs established small towns vs township close to Soweto), size and growth dynamics. This shows that proper LED planning has to give serious attention to these differences and their implication for LED policies.

5.5.3 *Sector base for LED*

Although our discussions in chapters 2 to 4 have stressed the relevance of a wide range of economic sectors as basis for small-town growth, we have also indicated that travel, transport and tourism-related activities play a particularly important role in small-town LED. Along that line two of the selected three cases have tourism as a major growth factor, and chapter 6 on Western Cape cases also focuses on tourism-based growth.

5.5.4 *Role players in the LED process*

In sharp contrast to the widespread perception that LED support comes mainly from "government" (i.e. the different levels of local, district, provincial and national governments) our approach to the LED hub has stressed the need for support from and proactive interaction between a whole range of players and stakeholders. The three cases have illustrated rather diverse contributions from

- municipalities (mostly suffering from capacity problems),
- corporate players active in the area (i.e. larger companies),
- foreign donors (who may support a particular action area),
- consultants (who draw up strategy documents and/or advise local authorities or the LED-hub facilitator),
- other levels of government or ministries,
- local business and/or community groups, either via ongoing participation in the LED-support process or *ad hoc* pressure group initiatives (e.g. to support or block a particular project).

In chapter 7 the potential role of these and related players will be discussed further, given their critical strategic role in the unfolding of hubs.

5.5.5 *Hub organisation and funding*

In each of the three cases we identified one organisation as the co-ordinating or leading body in the unfolding of the LED process. It was the ADA in Victoria West, the LBSC in Bekkersdal and the BLDC in Botšhabelo. In each of these the capacity and operational limitations of these bodies were also clear, i.e. the need to strengthen them in order to more effectively play that co-ordinating role.

Similarly, in each of the towns the financing of that co-ordinating body constituted a challenge and shaped the scope for successful hub growth.

5.5.6 *Catalytic projects*

The significance of the identification and successful implementation of catalytic development projects has been one of the central features of the hub model. In Victoria West the Apollo Theatre played that role during the early growth of that hub. In Botšhabelo initial ideas of an emerging film-making project as catalyst did not materialise, with the local

production of building material and related services pursued as alternative catalytic subsector. In Botšhabelo the existing tourism and events process in the historic village was viewed as the catalyst.

It is clear from these three cases that serious efforts are needed to assure the success of relevant catalytic projects.

5.5.7 *Hub leadership and community empowerment*

Two related factors have to evolve and interact: There has to be broad community support for the hub-initiative, and the whole process with its different projects needs effective and clearly identifiable leadership.

In all three cases these two conditions were not (yet) fully met, which contributed to the problems experienced by each of them.

5.5.8 *Partnerships between local players*

In the presentation of the LED-hub model in chapter 4 we stressed the importance of genuine partnership relations between key players in the LED process. This applies in particular to the relations (and co-operation) between local authorities, local business leaders, locally active NGOs and key community leaders.

The three cases confirmed this condition for LED success. The Victoria West project failed due to the polarisation between the initial (private-sector-dominated) project leaders as well as the municipality (plus the dominant political party). In Bekkersdal the change in consultants led to a drastic change in the hub approach and a phasing-out of the broader sector-diversification goal. In Botšhabelo the start of the ambitious tourism-support programme was delayed due to the weakness of the municipality and a lack of strong partnership action between the public and private sectors.

5.5.9 Success to date

Viewed in a strict or narrow sense, the three cases cannot be regarded as examples of successfully running LED hubs. The Victoria West hub came to an end when the old board disbanded in 2010. The Botšhabelo project is not yet a formal hub, and the Bekkersdal project lost its broader LED vision when the new consultants narrowed the focus of the construction sector's more immediate challenges.

5.5.10 Future scope for hub-type efforts

With the main conclusions of the three cases summarised in the above nine points, it would be easy to reject the whole approach as "not being feasible" on the basis of these cases. Yet, that would ignore the deeper meaning and significance of the hub approach. We are talking about multi-dimensional processes, where the preconditions differ in each town and the actual hub process is complex as well as slow. The issue is not whether the one or other case has "succeeded" *per se*, but how the process is unfolding, what the critical problems or obstacles turn out to be and how these can be tackled in a (more) effective way. This makes it critical to learn from each case study as well as from reports about the day-to-day dynamics of small-town LED efforts.

In chapter 7 we try to bring together these lessons from the three cases and the Western Cape tourism cases in order to further detail a framework that should help to evaluate contemporary experience and generate improved interventions.

CHAPTER 6
APPLYING THE HUB APPROACH TO TOURISM TOWNS

6.1 Introduction

The hub framework presented in chapter 4 was not limited to small towns with a particular dominant sector. We stressed that the model is relevant for small towns with any pattern of dominant and subsidiary economic sectors. Typical examples of dominant or catalytic sectors driving small-town LED are mining, fishing, transport, higher education (e.g. a university), labour-intensive manufacturing or crafts and agri-processing. Tourism is a further category of such catalytic sectors, with examples spread across the globe. In fact, in developing countries tourism is playing that catalytic role in a large number of small towns.

A similar trend is found in South Africa, which is the reason why this chapter focuses on tourism-led small towns as the basis for a deeper analysis of the sector dimension of the hub model.

If we look at tourism-led small towns, the Western Cape is an appropriate regional base for deeper analysis, given the significance of this sector in the province's economy and its proactive nature of tourism support.

Thus, we now come to the second part of the case-study research, focusing on tourism-led small towns in the Western Cape Province. Before we look at the dynamics of three specific small towns (Prince Albert, Vredendal and Beaufort West) we try to put the full spectrum of Western Cape small towns into LED perspective, differentiating the economic base of those towns and showing which of them actually do have a tourism-based growth dynamism.

In contrast to the approach in chapter 5, where we looked in detail at only three small towns (with tourism a significant growth factor in two of the three cases) we now look at a far wider range of towns in this region, to see whether the hub approach seems relevant and should be able to guide future policies and programmes.

6.2 South Africa's Tourism Sector in an African Perspective

With the growth of tourism as one of the drivers of South Africa's post-apartheid economy, we find a wide range of local development activities focusing on tourism, spread over large cities, smaller localities and rural areas. The attraction of business tourism through the building of new convention centres and leisure tourism through new waterfront developments, the hosting of festivals or the establishment and branding of themed routes or maximising the benefits of shopping tourism flows from sub-Saharan Africa are all elements of an array of LED activities anchored upon local tourism promotion (Rogerson and Visser, 2002). The hosting of "mega-events" such as the rugby and cricket world cups, the World Summit on Sustainable Development as well as the 2010 Fifa World Cup have offered high-profile opportunities to stimulate tourism-led growth in several South African cities. In this chapter, however, we focus on tourism's impact on small- town LED.

The last decade has seen a rapid and consistent expansion in South Africa's tourism sector, measured in both international and domestic tourism flows. This growth happened against the background of long-term increases in international tourism flows with significant year-to-year growth fluctuations and diverging sub-continental growth patterns. The 2010 Soccer World Cup which was hosted in South Africa contributed to a rapid increase of tourism inflows into the country over that period, and it has placed South Africa in the minds of many potential international visitors.

Irrespective of the global growth in tourism activities, the African continent still plays a very modest role in this sector, catching a mere two per cent of the world's tourist arrivals. There are however clear signs that Africa is also experiencing a long-term expansion of tourism activities, although the more immediate impact on rural areas and small towns across Africa is still very modest. It is also unfortunate that in most African countries, especially in those where democracy is still not well entrenched, LED has not yet been accepted as a strategically critical task of local authorities. Due to this and other factors the tourism potential is only being activated slowly and very unequally across countries.

In some contrast, in South Africa the constitutional base has been laid for LED efforts by local authorities to include tourism in LED strategies. This has however not always been the case. The South African Tourism White Paper (RSA, 1996) describes the development of tourism in the country as essentially a missed opportunity. According to the white paper, the tourism industry had in the past been protected from foreign competition and hampered by sanctions, resulting in limited international investment in tourism facilities. After 1994 the challenges ranged from satisfying demanding long-stay tourists with only a limited flow of international visitors to the suppliers catering to a largely homogenous and predictable (mostly white) clientele. As a result of this narrow range of tourists, the potential of the tourism industry to spawn entrepreneurship, create new services, drive other sectors of the economy, strengthen rural communities, generate foreign-exchange income and create employment had not been realised to its fullest potential.

Since the publication of the 1996 White Paper, many visible changes with regard to tourism in South Africa have taken place. Until 1995 the Tourism Department of the national government was largely neglected

and had been unable to fulfil the full range of services. The South African government realised this and started investing more resources into this department. Satour, an association focusing on predominantly privileged tourists, was restructured to accommodate the new realities, especially to promote the interests of the previously disadvantaged groups and was renamed South African Tourism (SAT). SAT's budgets were increased, and greater co-operation between the private sector and government resulted in aggressive, tangible and visible marketing campaigns, the highlight being the "Welcome Campaign" that was launched in major overseas markets in the late 1990s.

Together with the restructuring of the tourism-promotion process, greater authority and autonomy were given to the nine provinces in South Africa to market and promote tourism in their regions. This resulted in some disarray, but also a lot of good since provinces could now design their own tourism structures as well as marketing and promotion strategies and programmes. As the white paper had stressed, tourism is a fiercely competitive business for destinations all over the world. Competitive advantage is no longer natural but increasingly man-made and driven by science, technology, information and innovation. Therefore the importance of creating and maintaining a solid domestic tourism base cannot be over-emphasised.

Aside from the fact that a sound domestic tourism industry creates and maintains jobs and infrastructure, it also lays the foundation for a healthy international tourism market. Determining the nature of the domestic market is however a complex task. Domestic movements are difficult to monitor, while most domestic tourists are engaged in one-day trips and visits to friends and relatives (Futter and Wood, 1997). This can be particularly important for small towns, which hope to benefit from tourism activities. At the same time, creating or maintaining a strong

tourism focus in small towns can play a very important role in attracting investment to those towns.

Thus, viewed within that broader perspective South Africa has over the past two decades moved from an economy with a weak tourism sector to one with a strong, broadly based and dynamic tourism sector. Notwithstanding this sector growth, the attention given to regionally diverse small-town tourism is still limited and needs more attention.

From an African perspective South Africa is relatively advanced in the modern spheres of international tourism, given its experience with several mega-events over the past decade. In Africa research and policy-shaping related to the small-town segment of domestic as well as international tourism has been getting even less attention, given low urbanisation levels and extremely limited municipal capacities. This includes more focused studies and policy planning with regard to informal tourism (a hugely important segment in Africa), community-focused tourism projects and city tourism. Developments and challenges highlighted in this chapter may thus be relevant for future Africa-focused research in this sphere.

Given these diverse tourism growth trends and patterns it seems appropriate as a next step to briefly distinguish the main subsector categories in tourism across the continent, as a basis for our focus on the potential LED impact of tourism.

6.3 Diversity of Tourism Activities

We indicated earlier that small-town LED can be initiated or led by different sectors with the nature and dynamics of those growth sectors differing widely Here we want to briefly summarise the diversity of factors which determine or influence the impact of tourist flows upon

small towns. After all, every town attracts a different mix of visitors and this mix shapes the LED dynamism.

First of all the geographic origin of visitors will differ, given the following categories of tourists.

Foreign tourists, which may come from

- distant continents or countries (the UK, USA, China or Brazil),
- the African continent (e.g. north, west or southern Africa),
- South Africa's neighbouring territories (like Namibia or Lesotho).

Domestic tourists, which may come from

- up-country (e.g. Johannesburg, Bloemfontein or Durban),
- the Eastern Cape (including the geographic roots of many Africans in the Western Cape),
- other places in the Western Cape (known as regional tourism),
- places in the vicinity of the visited places (local tourists).

It should be clear that the motivation, expectations, financial abilities and spending patterns of visitors from these different places will vary widely, also related to the other factors listed below.

The second set of differentiating factors relates to the income categories of visitors, i.e. whether they are high-income tourists, middle-class tourists or low-income visitors. This differentiating factor shapes the spending pattern of the visitors, which then has a significant impact on their aggregate spending and the impact those tourist flows have on the local economy (e.g. will there be demand for up-market restaurants and golf courses?).

A third distinguishing factor is the clustering of the visitors. Do they (mostly) come as individuals, families, small (organised) groups or as

large groups. This will shape the nature of the accommodation demand as well as the preference for larger eating/drinking places or for (informal) home-based facilities.

A fourth distinguishing factor relates to the driving force behind the visitor flows, i.e. are they mostly conference- or business-focused visitors, sports people attending some sports event, sight-seeing visitors looking for some famous building or scenic attraction, cultural tourists coming for some performance or just leisure tourists from the vicinity. Naturally, these differences will have a critical impact on the needs, demands and expectations of the visitors.

Finally we have to distinguish between the different types of business activities related to the influx and demands of tourists. The list below also indicates the nature of the sector stimulation likely to be effected by tourist inflows.

- Food and refreshment supplies
- Accommodation (single night, short period, longer stays)
- Local and area transport
- Sport and entertainment facilities/programmes
- Sight-seeing and local tours
- Memorabilia, crafts and other local products

These local supplies of services and goods can come from formal businesses, or they could be supplied by informal operators (like informal street traders or voluntary guides). In many small towns these informal suppliers of tourism services dominate the scene, especially if the demand is limited to short-time spells during the year.

On a more general level a distinction can be made between externally-driven suppliers of tourism services and locally-driven suppliers. The

former include efforts by tour operators based elsewhere, who arrange for the local supplies when and if they come around to the small town with a group of visitors. These operators do not focus on the general development of local capacities, but primarily on the satisfaction of their specific needs. Such efforts may fall short of really developing the local tourism-service capacity. In contrast, locally-driven efforts will emphasise the creation of facilities and the marketing of those facilities to expanding demands. Naturally, for maximum LED impact these efforts should be locally-driven, though in close co-operation with external operators.

Taking into account these diverse activities and groupings of visitors we can view the following as examples of potential "tourism hubs" in small-town development, along the lines of our model outlined in chapter 4.

- An international hotel (or a cluster of hotels) as the centre of local tourism
- A major sight-seeing attraction, sports complex or popular theatre
- An open market with clearly identified activity dates
- A transport terminal
- A local tourism office, situated close to the local tourism centre

It should be clear from the factors distinguished here that it is the interaction of these different factors which shapes the LED impact of tourism upon small towns, making every place a unique dynamic process.

6.4 Strengthening Tourism's LED Impact

Taking tourism as one of the sectors that can shape small-town LED, the last section highlighted the many factors that determine the size and nature of that impact – i.e. the dynamics of tourism-driven LED in small towns.

We now want to go one step further, showing ways through which that development impact can be expanded, strengthened or maximised. We can illustrate this important interaction with a very simple example:

If a small town, located relatively close to a larger city, has a unique tourist attraction for (inter-)national visitors, this potential could be utilised in two different ways.

- National tour operators could "bus-in" the visitors in the morning, show them the unique site, feed them with food from the city and take them back in the afternoon. There would be almost no LED impact.
- Local tourism-service suppliers can partner with national tour operators in order to maximise the local business involvement in the service of the visitors. There would also be provision for (some of) the visitors to stay overnight and to visit other (potential) attractions.

In the second example a further question relates to the recipients of those LED benefits: Is it only a small local elite who benefits from the tourism activities, or are the benefits also felt among the poor, unemployed, marginalised, etc.? It is in this context that the concept "pro-poor tourism" (PPT) has been used in the literature to cover the broader impact of tourism-development benefits.

To strengthen the local development impact of tourism it is necessary to address the different local impact areas, which we can briefly summarise here.

- Profile local attractions so that local residents are aware of them and can realise the significance of the tourism sector for local business and broader socio-economic development. This should also include efforts to make local people aware of all the dimensions of tourism activities and the full spectrum of visitors. In that way they can realise

where they (as individuals or segments of the community) might get involved.

- Use local facilities (either existing ones or initiate steps to create them).

- Utilise local land for the establishment of new facilities (though safeguarding against the "alienation" of such land).

- Use local labour for the creation or expansion of tourism activities or services (and train local people to meet the needs).

- Utilise local products or services (e.g. locally produced agricultural products in restaurants).

- Create partnerships between external tourism-service suppliers and local operators (making sure that external operators fully understand local socio-economic, cultural and socio-political dynamics as they affect the tourism sector).

- Utilise local contractors in the establishment of tourism facilities (e.g. the construction or upgrading of accommodation facilities).

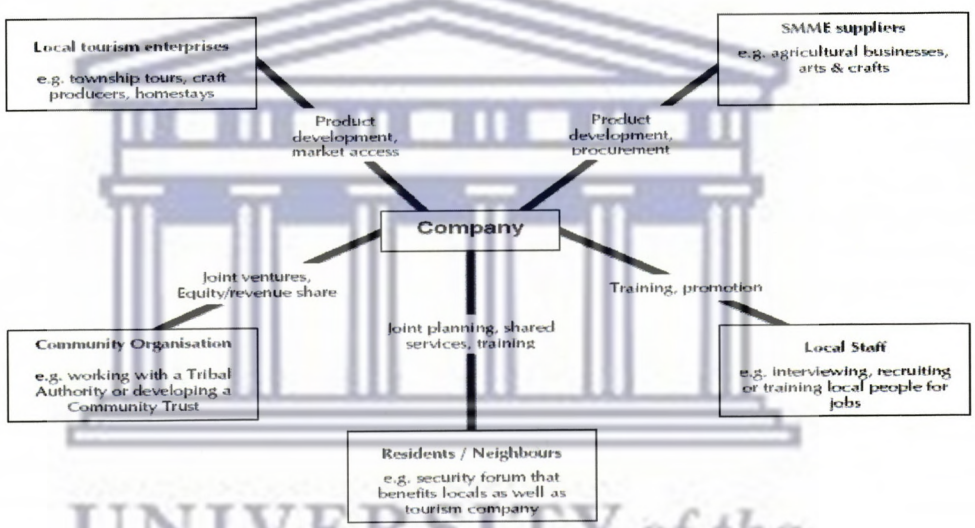
In sharp contrast to these conditions for effective pro-poor tourism development the mere handout of CSR benefits or donations would be viewed as inadequate.

We can illustrate such a desirable approach to LED- supporting tourism development with the example cited by Meyer, Ashley and Poultney (2004).

A company keen to form closer links with local suppliers might become involved in joint product development as part of its local procurement strategy, placing greater emphasis on joint planning and decision making and offer training programmes and initiatives for a variety of local stakeholders including residents, local SMMEs and staff.

The figure below presents the linkage process and relationships between the different stakeholders.

Figure 6.1: PPT linkages between companies and local communitites



SOURCE: Meyer, Ashley and Poultney (2004)

Pro-poor tourism can thus be linked to three objectives.

- Getting companies to engage with previously disadvantaged communities and assisting them to integrate into the local mainstream economy,
- getting companies to effectively engage these communities by adapting to a changed business environment through including communities into their "business as usual" implementations and

- shifting from a humanity perspective to a more involved approach through "active engagement" (Ashley and Haysom, 2004).

PPT has also been linked to the debates around CSR, and more recently socio-economic and enterprise development as part of the broad-based black economic empowerment (BBBEE) of South Africa. By administering such an approach it is vital that the stakeholders can count on long-term economic security and the company can continue building on their corporate reputation, therefore presenting a win-win situation where both parties benefit from the linkages formed. Ashley and Haysom further reported on four approaches to CSR which potentially also have a direct impact on a pro-poor approach. They are summarised in Table 6.1 below.

Table 6.1: Four approaches to CSR

Minimalist approach	Philanthropic approach	Encompassing approach	Social-activist approach
Basic stakeholder support	Project-specific support	Looks beyond the immediate business-stakeholder group to broader community	Approach is the foundation of the business
Addressing aspects that are generally human-resources orientated	Related to specific issues relevant to the particular organisation	Embedded in company values and management style	Business is a catalyst for change
Tokenistic	Donations and gifts	Seeks to lead change	Seeks to effect change on others
	Seeks to change		

SOURCE: Ashley and Haysom (2004)

A social-activist approach needs the support of all stakeholders and, more importantly, the support of the government and, in the context of a small town, the local authority governing in that area.

To illustrate such pro-poor tourism approach we can refer to three South African cases of successful pro-poor tourism pilot programmes which promoted LED. These initiatives are the Wilderness Safaris at Rocktail Bay (KwaZulu-Natal), the Sun International Sun City Resort (North West Province) and Spier Leisure in the Western Cape Province. Spier is a good example of a tourism hub located in the Winelands region of the Western Cape. In November 2000 Spier opened The Village, a four-star hotel offering 155 rooms, and in 2002 they opened the Deli restaurant and take-away. In 2003 Spier opened in partnership with Moyo the "Moyo at Spier" restaurant hosting 800 seats. Since 2002 Spier has implemented a "business change strategy focusing on pro-poor tourism. Through this strategy Spier now employs local people for their on-site laundry, and the local community can sell their produce through Spier, including crafts and greeting cards. Other business practices that involve the local community include clearing alien vegetation, supplying liquid petroleum gas for the deli, supplying fuel wood and deck construction on site (Ashley and Haysom, 2004). Other action such as establishing a tourism desk managed by the local authority brings Spier close to functioning as a tourism-development hub. Aside from this Spier comes close to meeting most of the criteria usually linked to "fair trade in tourism", which creates benefits like

- community acceptance of the firm,
- enhanced corporate governance and market appeal,
- government procurement and preferred partnering,
- strengthening of the brand and unique selling propositions,
- easier access to corporate finance,
- risk reduction.

At the same time PPT also creates its own challenges, like the need for a champion to guide and drive the process as well as appropriate community partners for the unfolding of the process of PPT.

In these efforts to strengthen tourism's LED impact existing tourism-support policies can also play a significant role. We can refer here to the Tourism Enterprise Programme (TEP), which is a national-government programme to facilitate SME development in the tourism sector. Administered by DEAT and the Business Trust, the programme includes both non-financial assistance (like information sessions, business matching support, tender advice and business training) and financial assistance.

Another national initiative is the Integrated Tourism Entrepreneurship Support Programme (ITESP) which also includes financial support, skills training and market access support for primarily black-owned enterprises. The ITESP functions as a partnership between the DEAT, the provincial tourism departments and the Development Bank of Southern Africa.

To conclude this section, it should be clear that efforts to maximise the LED impact of tourism (in small towns) have to go much further than just steps to "attract" more tourists or effectively market the local tourism potential. It touches upon all the dimensions of the local tourism sector with particular emphasis on the engagement of local (new, emerging or expanding) enterprises in this sphere as well as the facilitation of local development related to the sector.

Against this background the second half of this chapter will now focus on the dynamics of small-town tourism development in the Western Cape Province.

6.5 Small Towns in the Western Cape Tourism Scene

We can start with a brief overview of the wide range of more than a hundred small towns in the Western Cape, which has about 10 per cent of South Africa's population.

Small towns in the Western Cape are quite diverse with the different tourism attractions shaped by the geographical location of the town. The different districts in the Western Cape have their own characteristics attracting a diverse kinds of tourists. It is this variety of attractions the area has on offer, that lends itself to a diverse tourism experience, hence the attractiveness of Western Cape tourism routes. Diverse sector developments also play an important role in the attractiveness of the province as tourist destination.

In this context Western Cape agriculture is very well positioned and developed, with tourism an "add-on" to support this dominant sector in all five districts of the Western Cape. On the other hand, the West Coast, Overberg and Eden districts have become very popular for fishing, while part of the Boland and Central Karoo LED are influenced by the railway-transit routes.

To provide an overview of the size range of Western Cape towns, Table 6.2 lists 121 places, based on data collated by Van der Merwe (2005), using 2001 census data. Given differential population growth (or decline) rates of towns, the 2013 pattern will be slightly different, but that seems immaterial for our purpose of ranking.

A few conclusions can be drawn from this table.

Table 6.2: Population size categories of Western Cape towns

A <1 000	B 1 001–5 000	C 5 001– 10 000	D 10 001– 20 000	E 20 001– 30 000	F >30 000
Aurora Betty's Bay Bitterfontein Brenton-on-Sea Buffelsbaai Dwarskersbos Elandsbaai Eendekuil Franskraal Gouritsmond Haroldsbaai Herbertsdale Jacobsbaai Jongensfontein Kleinbrakrivier Kliprand Koekenaap Koringberg Matjiesfontein Nature's Valley Nuwerus Op-die-Berg Pearly Beach Pringle Bay Redelinghuys Rietpoort Strandfontein Volmoed Yzerfontein **[29]**	Agulhas/ Struisbaai Albertinia Arniston Barrydale Botrivier Calitzdorp De Rust Doringbaai Elandsbaai Elim Goedverwacht Gouda Greyton Haarlem Hopefield Jamestown Kailand Kalbaskraal Klapmuts Klawer Kranshoek Kylemore Laingsburg Langebaan Leeuw-Gamka Lutzville McGregor Merweville Murraysburg Napier Paternoster Pniel Prince Alfred Hamlet Rawsonville Rheenendal Riebeek Kasteel Riebeek-Wes Riviersonderend Sedgefield Slangrivier Stanford	Bonnievale Citrusdal Clanwilliam Darling De Doorns Franschhoek Franskraal Genadendal Hawston Heidelberg Kleinmond Ladismith Lamberts Bay Moorreesburg Onrus Piketberg Porterville Prince Albert Saron St Helena Bay Touwsrivier Tulbagh Van Rhynsdorp Velddrif Villiersdorp Wolseley **(26)**	Ashton Bredasdorp Dysseldorp Groot Brakrivier Hermanus Montagu Riversdale Swellendam Vredendal **(9)**	Ceres Grabouw Malmesbury Plettenberg Bay Robertson **(5)**	Beaufort West George/ Wilderness Knysna Mossel Bay Paarl Oudtshoorn Saldanha Strand Vredenburg Wellington Worcester **(11)**
	Stilbaai Suurbraak Uniondale Witsand Wittedrif Zoar **(47)**				

SOURCE: Van der Merwe (2005)

- If a relatively well developed province of South Africa's nine provinces has more than a hundred towns, we realise that South Africa as a whole has 1 200 to 1 500 towns, which again highlights the significance of research into the LED-growth potential and -growth strategies of South African small towns.

- Out of the 121 places shown in the table, 76 (or 63%) had a population of less than 5 000 and 102 (85%) had less than 10 000 inhabitants in the early 2000s.

- In the review of the hub potential of Western Cape towns the focus falls upon places with a population size between 10 000 and 30 000, assuming that
  - those below 10 000 residents are too small to develop a significant hub and
  - those above 30 000 will also have other significant sectors to underpin the LED dynamics.

If we are looking at the tourism potential and tourism attractions of Western Cape towns, we can distinguish a range of 11 categories, summarised below.

1 Metropolitan area (Cape Town only)
2 Diversified (interior) centres
3 Coastal towns
4 Coastal resorts/places (fishing, beach, surf, etc.)
5 Farming/agricultural centres or places
6 Inland scenic or artistic places
7 Cultural or heritage spots
8 Transport-route stop-over places
9 Event centres, incl. sport, adventure, business
10 Retirement places, second homes
11 Rural Spots

The basis of this categorisation is outlined in Appendix VII which fits each of the towns under all relevant categories. Based on these tourism attraction categories and other information, Appendix VIII shows the full list of Western Cape towns, including the information relevant for this section, viz.

- names of towns/places,
- districts,
- population size (2001) and size group (see Table 6.2),
- place identities,
- tourism-attraction categories (the 11 categories shown above).

This database has been used to select a sample of 10 places for interviews with regard to tourism as a potential hub for LED. The approach to that survey is explained in the next sub-section.

6.6 Tourism-hub potential in the Western Cape

In order to assess the potential of Western Cape towns to generate tourism-based hubs a survey was undertaken in ten sampled towns. To determine the sample, 43 places were selected out of the 121 towns included in Table 6.2, taking 10 each out of the four more populous districts (West Coast, Boland, Overberg and Eden) and three from the Central Karoo. Table 6.3 provides key information about these 43 places, including population sizes and the basis for their tourism development.

The information in Table 6.3 helped us to select the ten places on which a more detailed survey has been held to assess the role of tourism as base for LED. These 10 places are listed alphabetical in Table 6.4. As shown on the map in Figure 6.2, these ten places are well spread across the province. The sample excludes coastal towns, since these were regarded as national tourism icons, which do not need proactive LED efforts to generate LED momentum.

Table 6.3: Western Cape population profile and unique characteristics

SELECTION CRITERIA						
		Unique factors				
			Cultural			
District	Population size 10 000 to 30 000	Retirement places 2nd homes	Artistic	Events	Town potential	Final selection
WEST COAST						
Moorreesburg	x	x	x	x	x	x
Lambert's Bay	x	x	x	✓	✓	x
Paternoster	x	x	x	x	✓	x
Piketberg	x	x	x	x	x	x
Vanrhynsdorp	x	x	x	x	x	x
St Helena Bay	x	x	x	x	x	x
Lutzville	x	x	x	x	x	x
Citrusdal	x	✓	x	x	✓	x
Malmesbury	✓	✓	✓	x	✓	✓
Vredendal	✓	✓	x	x	✓	✓
BOLAND						
Ceres	✓	✓	✓	x	✓	✓
Ashton	✓	x	x	x	x	✓
Genadendal	x	x	x	x	x	x
Franschhoek	x	✓	✓	✓	✓	x
McGregor	x	x	x	x	x	x
Tulbagh	x	✓	✓	✓	✓	x
Riebeek-Kasteel	x	x	✓	✓	✓	x
Montagu	✓	✓	✓	x	✓	x
De Doorns	x	x	x	x	x	x
Barrydale	x	x	✓	x	x	x
OVERBERG						
Agalhus/Struisbaai	x	✓	x	x	x	x
Bredasdorp	✓	x	x	x	✓	✓
Grabouw	✓	x	x	x	x	x

Table 6.3 continued

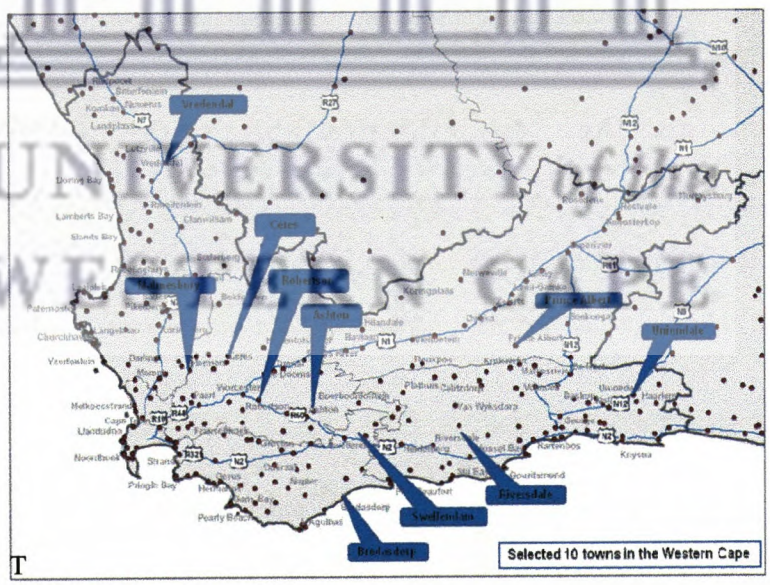
Hermanus	✓	✓	✓	✓	✓	x
Napier	x	x	✓	x	✓	x
Riviersonderend	x	x	x	x	x	x
Swellendam	x	✓	✓	x	✓	✓
Botrivier	✓	x	x	x	x	x
Caledon	x	x	x	x	✓	x
Robertson	✓	✓	✓		✓	✓
EDEN						
De Rust	x	x	x	x	x	x
Dysseldorp	✓	x	x	x	x	x
Uniondale	x	x	✓	x	✓	✓
Zoar	x	x	x	x	x	x
Riversdale	✓	✓	✓	x	✓	✓
Slangrivier	x	x	x	x	x	x
Heidelberg	x	x	✓	x	✓	x
Ladysmith	x	x	✓	x	✓	x
Plettenberg Bay	✓	✓	✓	✓	✓	x
Groot Brakrivier	✓	✓	✓	x	✓	x
Central Karoo						
Touwsrivier	x	x	x	x	x	x
Prince Albert	x	✓	✓	✓	✓	✓
Leeugamka	x	x	x	x	x	x

SOURCE: Van der Merwe (2005)

Table 6.4: Western Cape tourism profile of 10 selected towns

No. *1	Place	District	POPULATION		Place identity	Tourism-attraction category [3]
			2001	Size group[2]		
4	Ashton	BL	11 650	D	Fruit processing	5
12	Bredasdorp	OB	12 800	D	Home of merino wool	2
15	Ceres	BL	28 100	F	Fruit and snow on mountains	9, 6, 5, 10
57	Malmesbury	BL	25 800	B	Breadbasket	2
73	Prince Albert	CK	5 200	C	Swartberg town	6, 10
80	Riversdale	ED	12 800	D	Hessequa centre	2, 8, 10, 9
82	Robertson	BL	21 600	E	Robertson Wine Route	5
91	Swellendam	OB	13 600	D	Agricultural centre on transit route	5, 7, 10
94	Uniondale	ED	4 100	B	Klein Karoo agricultural centre	5
99	Vredendal	WC	16 200	D	Olifants River centre	2,9

Figure 6.2: Geographic location of the 10 towns selected for this study



1 See Appendix VIII
2 See p. 148
3 See Appendix VII

he survey was conducted during 2011, with local-authority officials the main respondents to the following nine questions.

1) Is there a documented local tourism strategy?
2) Is there a documented LED strategy?
3) Do the two strategies interact?
4) In what ways do you co-operate with other authorities and the local business sector in the promotion of tourism and LED in your area?
5) Is there any proactive development-hub strategy in your town?
6) Is there any LED hub or centre already in existence?
7) Do you think a development hub could contribute to the LED of your town?
8) Do you think that tourism promotion could have a significant positive effect in the LED in your town?
9) How would you rate your town's overall success in using tourism to stimulate LED in your town.

These questions were part of a much larger set of questions about the local process of LED and tourism promotion, which fall outside the focus of this chapter. Appendix X contains the full questionnaire used in the survey. Appendix IX includes all responses to the above questions. Here we can limit the feedback to a summary of the answers.

Questions 1 and 2

Respondents from all ten towns confirmed that they have documented tourism and LED strategies.

Question 3

- Seven of the ten towns are *convinced* that their tourism and LED strategies interact, while the remaining three towns *strongly believe* that their tourism and LED strategies are aligned and interact.

Question 4

Six of the ten towns are *convinced* that there is adequate cooperation in the promotion of tourism and LED in their area, while four towns believe that the co-operation in the promotion of tourism and LED is *very limited.*

Questions 5 and 6

Eight of the ten towns surveyed are *convinced* that there is no proactive development-hub approach in their towns, while one of the towns felt that a development hub does exist, although the approach is not fully compliant/adequate. One town believed that they have a proactive development-hub approach in their town.

Question 7

Five of the ten towns *agreed* that a development hub would contribute to the economic-growth potential of their towns, while the other five towns *strongly agree* that a development hub would contribute to the economic growth potential of their towns.

Question 8

Seven of the 10 towns strongly believe that tourism promotion *can* have a positive effect on the economic stimulation of their towns, while three of the towns *believe* that tourism promotion *can* have a positive effect on the economic stimulation of their towns. Only a few of these small towns felt that they already have access to a tool such as the development-hub framework to assist them in planning and driving economic growth more actively and effectively.

Looking at these responses as a whole this random selection of Western Cape municipalities suggests a relatively limited interaction between LED and tourism strategies as well as the absence of focused, proactive

tourism-led initiatives. With one exception none of the towns have an integrated hub strategy based on the tourism sector.

6.7 Case Reviews

To complement the three in-depth case studies in chapter 5, this section adds three relatively brief development reviews of Western Cape small towns, where tourism is a part of the growth potential. The three places differ in population size and the wider growth potential.

Town	Population	Growth potential
Prince Albert	10 500	Retirement, tourism and agriculture
Vredendal	16 200	Deciduous fruit, tourism and transport
Beaufort West	30 700	Transport axis, agriculture and tourism

The towns were selected on the basis of their potential to become a dynamic tourism-led development hub, but also as further examples of the challenges faced by those small towns.

6.7.1 Prince Albert

Prince Albert is a well established agricultural hub and tourist destination in the central Western Cape, which gets a significant influx of local and foreign tourists every year. The town has an old-world charm and is known for its variety of well preserved buildings, its scenic beauty, rich natural history and awe-inspiring mountain passes in the vicinity. The area is also served by a good road infrastructure. The urban area comprises Prince Albert, the municipal seat and the nearby small settlements of Leeu-Gamka and Klaarstroom. The town has a significant number of retired academics and researchers which increases the potential for LED of this small town. The population that resides in these three places numbers about 10 500 people. The biggest land use in the area is for sheep farming and fruit growing, with agriculture being the

region's main source of income and employment. With the exception of some fruit-processing, local agricultural produce is sold in raw form and processed elsewhere. There is thus an opportunity for value-adding SMMEs being established in this area. Olive-growing has proved to be successful and there is potential for high-value products such as olive and other essential oils. There is also commonage to provide 65 smallholders with their own land to expand their present production, with financing available from the Land Bank and DBSA.

The tourism sector of Prince Albert has a long history, with local B+Bs, guesthouses and restaurants offering a wide range of services. The flow of visitors is also shaped by the large number of retirees who came from Gauteng, Cape Town and other urban centres to settle here.

A variety of developmental challenges face this community. One of these is poor relationships between the stakeholders in the town (i.e. the private sector, municipality and wider community). The development of basic services remains a challenge for the municipality. The lack of co-operation of local stakeholders might be improved by providing a platform for the establishment of an LED forum, where local stakeholders can communicate and jointly improve the conditions for LED. The tourism-information office is currently managed by the private sector, with very little involvement from the local authority. This poses a hurdle in terms of collaborating and developing a joint LED and tourism strategy that will benefit the private and public sectors as well as the local community.

Development-hub opportunity: The tourism office could, with the right structure and support from the municipality and with political buy-in, become a fully functional development hub as described in chapter four.

Lead sectors: The lead sectors in the area are agriculture and tourism with other activities linked to professional and academic work of the retirees.

The production of fruit (including olives) provides some scope for fruit-processing and the branding of such (semi-)processed fruit for sale to tourists. On the other hand, the academics resident in the town could initiate efforts to hold conferences in Prince Albert, with the town and its surroundings additional draw cards, and with plenty of accommodation and restaurants available.

Role players: The different stakeholders who play a role in the development of the economy of Prince Albert include

- the local municipality,
- academics,
- farmers,
- the local business community,
- the tourism-information office and
- community leaders.

Experience over the past years suggests a need to focus on the interaction between the identified stakeholders and the supply of integrated support towards LED. In this context the development hub could be a valuable referral point and feeder into the services that the different stakeholders could provide. To achieve this local leaders and stakeholders need to work together, guided by the key objectives of an integrated strategy to maximise local resources.

6.7.2 *Vredendal*

Located in the Western Cape's north-west, Vredendal, also referred to as Theewaterskloof, is situated in the smallest of the world's six floral kingdoms with a rich diversity of flora and fauna. Graced by high

mountain ranges it is also known for its cultural and historical attractions. The mountain fynbos and indigenous forests are relatively well protected and the area has fertile soil and good water resources, with the most productive sector being agriculture. Most of the fruit farms are large-scale commercial enterprises, with about 70 per cent of all deciduous fruit grown in South Africa produced in the region and much of it intended for export. Agriculture-related industries include fruit- and juice-processing as well as packaging and transport businesses. Other crops grown in the municipal area are barley, wheat and onions.

One of the biggest challenges facing Vredendal is the lack of effective local public-transport system. This seriously affects farm workers and rural dwellers in reaching social, health and shopping facilities. From the surveys done, no LED strategy exists in the town, which implies a lack of direction with regard to LED. There is also a great divide between the public and private sectors in the town, with very little communication between the two parties. This affects service delivery and buy-in into community projects initiated by the local authority. The community and the business sector in Vredendal jointly established a very strong tourism office which already acts as a mini-development hub. This tourism office, however, receives very little support from the municipality.

Development-hub opportunity: The tourism office, with the right structure and support also from the municipality and with political buy-in, has the potential to become a fully functional development hub as described in chapter four.

The lead sector in the area is agriculture with the supporting sectors being tourism, light manufacturing and transportation.

With its close proximity to the N7 Vredendal has the potential to become a mini-transport hub by attracting truck drivers to overnight in the town.

The town will, however, have to build the right facilities (such as a safe area where trucks can overnight) and create other attractions that can draw truck drivers. Vanrhynsdorp at the moment gets much of the truck traffic travelling between Cape Town and Namibia.

The Vredendal area already attracts a lot of tourists coming to the area to view the Namaqua flowers and fynbos. This, however, only happens once a year which makes it important for Vredendal to market the area during the rest of the year for its cultural and historical attractions as well as for its agriculture.

Role players: The different stakeholders that play a role in the development of the economy of Vredendal include

- the local municipality,
- farmers,
- the business community,
- the tourism-information office,
- community members and others.

As in the case of Prince Albert, maximum attention should be placed on improving partnerships between these stakeholders in order to expand LED.

6.7.3 Beaufort West

Beaufort West is described as a northern gateway from the Western Cape to Gauteng, the Northern Cape and the Free State. On its own it is a remote destination, with average distances of 160 to 200 km to its neighbouring towns. It is, however, strategically situated as a re-supply centre for traffic along the N1 and N12 national roads since all traffic utilising these national roads is channelled through the town. As a result 15 000 vehicles and 1 000 trucks travel through Beaufort West on a daily basis. In addition, the Karoo National Park, one of the largest national

parks in the Western Cape, is situated approximately 10 km south-west of Beaufort West.

In the agricultural sphere the community of Beaufort West, with assistance from Woolworths, started a sustainable enterprise-development co-operative, which established herbal tunnels from which Woolworths purchases supplies to sell in their stores. Naturally, such efforts could also be expanded. The existing cultural village just down the road from the herbal tunnels could serve as a further tourism attraction.

Beaufort West's attractions are listed as agri-tourism, hiking, stargazing, bird and game watching, succulent-vegetation tours, farm stays, Victorian settlements (the Donkin House, Beaufort Manor and Clyde House) and the birthplaces of important figures in South African history, including Chris Barnard, with a museum dedicated to his life.

Since most travellers using the N1 or N12 only use Beaufort West to refuel, the challenge is to have travellers stay at least one night when travelling through the town. The municipality and industry should continue to dissuade transport and road agencies from diverting the N1 route around the town. At the same time as in many of these small towns, the marketing efforts in the area have not been effective enough to keep tourists in the area. The LED strategy is also not appropriate for implementation on grassroots level, and the municipality experiences challenges with sustainable development. One of the big contributors to this state of affairs is that little co-operation exists between the public and private sectors. This makes it difficult to get these sectors to work together on projects that could benefit all key stakeholders, i.e. the municipality, the local community, local NPOs and farmers as well as the businesses in the area.

Given this potential and the challenges the establishment of a local-development hub is critical for the mobilisation of the different attraction elements. In the light of its close ties to the business community, the local tourism office might play such a role, if support from the municipality can be achieved and all key stakeholder groups are co-operating. Beaufort West could then be marketed as a destination rather than a gateway only, focusing on Karoo attractions in the Northern Cape, Eastern Cape and the Kalahari.

6.8 Lessons from Western Cape Tourism

Looking at the hub model and tourism-based LED in small towns, the discussion in this chapter leads to a number of conclusions.

- There is a large number of small towns in the Western Cape Province, with many of them having a distinct potential for tourism-based LED. This applies even more to places which exclude the very small towns (<10 000) and the larger places (>30 000) which may have several LED-growth sectors.

- From the sample survey of 10 places we note that most small towns have LED strategies and tourism-development strategies, but these are not closely integrated with each other. A major reason for this dichotomy may be the dualism in the orientation of municipal (LED) officials and tourism promoters.

  - In South Africa's small towns conventional tourism in the past focused on white visitors staying in local, white-owned accommodation (B+Bs, guest houses and hotels), with so far very little spread of benefits to the local black community and little active engagement of black entrepreneurs.

- The small-town municipalities are focusing on basic services and needs of local black residents, with the development focus on poverty relief, basic infrastructure developments and services as well as BEE support. White-centred tourism is seen to contribute very little to these needs.

Given the scarcity of professional and managerial expertise in small town communities and municipalities it is understandable that the existing staff is seldom able to give equally effective attention to *both* these spheres. The result is a lack of co-operation and joint initiatives.

- Although there is potential for concerted hub developments in many of these small towns, the dualism complicates the process. If the tourism office tries to be the hub leader, the municipality may object or withhold support. On the other hand, if the municipality drives the process, the (white) private sector may withhold co-operation or active support. As a result the potential for fast LED is not (fully) utilised.

- While the tourism sector is fairly visible in the local development process and has the potential to spread across colour and class divides, the obstacles to broad-based LED linked to other sectors (e.g. a factory or farming sector) can be even greater.

All of the above suggest that proactive hub promotion is even more important in this sector, but needs to be combined with strategies structured to also address past socio-political legacies. These issues will be taken up in chapter 7.

CHAPTER 7
IMPLEMENTING AN INTEGRATED STRATEGY

7.1 Introduction

This chapter brings together the strategy outlined in chapter 4 and the applications presented and discussed in chapters 5 and 6. It is the purpose of this chapter to show how an integrated hub strategy for small-town LED can unfold if the critical elements of the process are handled effectively and support is provided by all relevant stakeholders.

The three cases as well as the tourism cases (in chapters 5 and 6, respectively) have shown the uniqueness of each town and its LED process, but also the existence of important common elements, risks and interactions. We now have to link those common elements with a hub strategy that can be applied in other small towns too.

The presentation in this chapter is done in four steps.

- We first look at the start or initiation of an accelerated LED process in small towns (section 7.2).
- We then highlight critical elements in that hub process, i.e. elements which are crucial for accelerated growth (section 7.3).
- We also show the potential role that the different LED-stakeholder groups can (or should) play in order to help accelerate local development (section 7.4).
- Finally, we highlight the need for partnerships and interactive capacity-building between the different stakeholders (section 7.5).

Bearing in mind that each of the in-depth cases is currently not in a phase of successful, ongoing development or "unfolding" of the hub process, the last section looks at the challenge of "maintaining momentum" in the small-town LED process.

7.2 Initiating the Hub Process

Looking at the large number of small towns still in existence in South Africa and at our model of hub-driven small-town LED, one critical question relates to the start or initiation of the hub process. From the cases we can deduce four distinct factors in that initiation process, which can be highlighted in this section.

7.2.1 Awareness of a development potential

The first factor is an awareness by the local community of the development potential of the place, linked to an emerging commitment of local leaders to utilise that potential.

It is a fact that socio-demographic, geographic and historical characteristics contribute to the success or failure of LED in small towns. Such characteristics are mostly unique to the specific small town and play a very important role in identifying and developing LED potential in the different sectors of each town. Residents need to be aware of, analyse, understand and associate themselves with the uniqueness of a town, aligning initiatives to promote towns. For example, Victoria West, located close to a major highway, and Botšhabelo, part of a unique settlement, attract visitors with relatively little effort. Bekkersdal on the other hand has no natural attraction, nor a major highway running through or passing it. Only with an intervention, such as the Department of Housing providing funds for major expansion in the town, was the construction sector established. This became a catalyst to the establishment of the film industry, which further contributed to increased economic activity in the town.

A comparison can here be drawn to the small towns surveyed in the Western Cape, where the tourism sector also opens opportunities in complementary sectors, contributing to further economic growth. Such other growth sectors are agriculture, where catalytic projects could be olive farming (in Prince Albert), professional hunting (in Uniondale) and the cultivation of Abalone (in Stilbaai). This attracts tourists to visit these towns, resulting in the wider spread of economic activities. Thus, in the absence of major highways or natural attractions it is necessary to establish new lead sectors that can act as catalysts for economic growth. This is the only way in which small towns can become sufficiently attractive to retain and draw the necessary investments and resources to revive their local economy.

The need for a unique, local trigger is all the more important since national and provincial growth and development strategies mostly focus on larger towns or places that show a natural potential for growth, resulting in smaller towns often being neglected and not receiving the necessary policy interventions and financial support.

7.2.2 *Community commitment*

The second critical factor in the initiation of a hub process is the mobilisation of community commitment towards concerted, accelerated growth efforts.

The central government's concern and focus is on reducing poverty through the creation of more jobs, while driving international competitiveness and LED. The South African government has since 1994 developed and implemented many interventions to accelerate the growth of SMMEs as a way to address the challenges of job creation and economic growth. The dilemma, however, in small towns is that the population size is declining and small-town people are ageing, and there

is a shortage of good schooling, both resulting in a shortage of educated and experienced workers. There is also often a decline in industries and a lack of new firms being created. This reinforces the need to develop an integrated approach towards LED. Such an approach has to link up with sector-specific reforms and development programmes that can strengthen the capacity of local small enterprises to compete provincially, nationally and internationally, exploiting each community's local competitive advantage.

Small towns located close to each other should complement each other and not compete directly for investments into the region as a whole. For example, where neighbouring towns have different attractions, they may develop as a corridor with tourists visiting all the places along that corridor. A typical example would be South Africa's Garden Route.

Another dimension of this community commitment relates to the psycho-social impact of the hub process. Experience has shown that LED efforts will not work without accompanying developments in the psycho-social field. In fact, this basic principle has been illustrated repeatedly during the failures littering the LED- and SMME-support terrain.

As long ago as the early 1940s, Abraham Maslow first worked out his "hierarchy of human needs". Although this famous theory of human motivation has had its detractors, it remains a much-used managerial tool that provides a unique insight into the mechanisms underlying processes of development. Maslow concluded that the higher needs such as "self-actualisation" could only come into focus with any clarity once the lower needs such as "material deficiency" have been satisfied. Thus, if the authorities in an under-developed region, challenged with inadequate housing and widespread hunger, seek to introduce business skills as a way of tackling poverty, they may be disillusioned since their efforts are bound to fail. The general populace might then be accused of being

"uninventive and lazy". However, thinking in terms of Maslow's theory, those basic physiological needs, especially the need for food, shelter and security, cannot be shelved while people reach up into the apex of Maslow's hierarchy to find the creative-thinking and problem-solving abilities which are required to succeed as entrepreneurs. As the saying goes: "A hungry man is an angry man".

Maslow's whole attention is focused on this basic physiological need. If a persons cannot think beyond these needs, they certainly cannot be creative or constructive about much else. To imagine the opposite is literally to put the cart before the horse. Thus, even when so much has been done and continues to be done to improve the material conditions of people's lives, the challenge of sustainable grassroots economic activity remains. People hanker after steady jobs rather than entrepreneurial opportunities, and they long for their government to provide sufficient incentives and cash for this to become a reality. Unfortunately, the contemporary reality is that no government has such massive resources available, hence the hope that LED as well as SMME developments can complement the resources made available for housing, the reticulation of water and electricity as well as the upgrading of roads and infrastructure.

Against this background, LED- and SMME-development programmes should deliberately include efforts to create the conditions that might encourage a change of self-perception and communal perception with regard to specific goals and interventions, facilitating the building of communities that are more economically viable. The method is to include interventions that are much broader than those relating narrowly to poverty relieve and temporary employment. The goal is to create new neighbourhoods, wards, towns and poverty nodes which can become self-sustaining, self-actualising and economically viable for local residents, creating an environment that is conducive to active participation by communities.

Also related to the creation of community commitment is the awareness creation and information sharing about new and potential developments. Thus, public awareness of development projects is very important, as seen in the case studies and annexures of newspaper articles referred to in chapter 5. The hype of local media, through newspapers, radio or film, can contribute positively to the exposure that small towns receive. In fact, the development hub might be used as a central point where such contacts can be established, tasking stakeholders involved in the hub with disseminating and continuously updating the media with the most relevant and up-to-date information on progress made. The hub can also provide a platform where information can be shared through a central web portal or local library.

To succeed with these efforts, commitment is needed from stakeholders that have a vested interest in a town, to help identify the potential the town holds and awaken that potential. In many cases small towns were established when mineral or other natural resources were found locally. While these resources were mined, the town flourished, but once the resources were exhausted, the town came to a standstill. These towns, however, may still hold other opportunities such as attracting tourists interested in the history of that town or other sectors that started while the town was booming, can be revitalised. The success of such initiatives depends on an interest that can be regenerated and commitments obtained from relevant stakeholders, who are willing to invest time, effort and funding into reviving the town. This goes hand in hand with an integrated approach to pull efforts together.

7.2.3 Existence of a development sector

The third factor critical for the initiation of a hub process is the existence of a lead sector with clearly identifiable anchor projects.

The focus on catalytic sectors has shaped the development hub concept, providing a platform whereby dominant sectors support economic growth and develop the potential of other sectors in a town. It is all too easy in the confusion of LED-incentive implementation to forget the central place that different sectors should occupy in the development process, hence the focus on different sectors as a distinctive signature of the development-hub model.

Dominant sectors in towns range from transport to manufacturing, construction, tourism and culture, to name only a few. Sectors that stand out in this study include agriculture and tourism. The significance of the cultural dimension in the refocusing of a community in poverty becomes clear if we look at the macro-context of South African poverty-stricken small(er) towns. Tourism and culture are widely acknowledged and appear in most of the cases and towns studied in chapters 5 and 6, hence the focus on these sectors and their potential to become drivers and catalysts that can help develop other sectors. In Victoria West a stagnating tourism sector was brought to life by deliberate strategies introduced by the ADA, providing important LED incentives, stimulating interest among the community members and generating participation in activities from the local residents.

The tourism potential of the Apollo Theatre and particularly the annual Film Festival brought new possibilities into Victoria West's LED arena. The presence in an economically depressed region of a significant cultural asset brought a measure of enrichment to many of the impoverished people. Those who came to the Apollo Theatre were introduced to history, architectural conservation and film appreciation. Also via the festival, national filmmakers were presented as exciting inspirational models to local young people. The result of this deliberate mingling of cultural animation and LED provided the beginnings of a

new outlook on economic self-help and thus helped with the development of a viable regional economy.

Culture and tourism also played (and continue to play) an important role in Bekkersdal, where there are plans to stage a jazz festival at the Donaldson Dam. As explained, the heritage of Botšhabelo and the area can be used for cultural and tourism promotion purposes. In fact, tourism and culture form the core around which all developmental packages of the Botšhabelo project are developed, given that Botšhabelo with its varied landscapes as well as historical and cultural buildings offers a variety of tourism and cultural services. Put in an even broader context, culture is seen in all these cases as "the artistic and social pursuits, expressions, and tastes valued by a society or class" (Harper, Collins, 2006). This includes music, film, theatre, art, writing, crafts, sports, exhibitions, libraries and festivals.

Other examples in the study presented economic-growth opportunities in olive farming (Prince Albert), professional hunting (in Uniondale), the cultivation of Abalone (Stilbaai) and Sasolburg with its petro-chemical processing plants. In fact, according to South Africa's National Development Plan, the country's vision for 2030 places a significant focus on the reactivation of the agricultural, agri-processing and manufacturing sectors, which highlights the search for towns with such potential spread across the country.

7.2.4 Process facilitation

However much we have stressed the uniqueness of each (small) town and its growth dynamics, it should still be clear that ultimately the success and the dynamics of any small town's LED process depends on the availability of appropriate support and process facilitation. Such support has to start at the time of hub initiation, and it has to evolve during the hub-development process.

In the case studies we have seen that such support can come from the hub centre, the local municipality or a wide range of external players. Conclusions about critical elements in this support process are summarised in the next section, followed by a closer look at the different players in that process and the importance of close interaction and partnerships between those players in order to improve the effectiveness of the support.

7.3 Critical Elements in the Unfolding Hub Process

Chapter 4 outlined the key elements of the hub process and briefly described important aspects of each of the elements. The case studies revealed the complexity of the LED process and the many factors that can influence progress. Against the background of the initiation of the process covered in the last subsection we now look at five critical elements in the unfolding hub process, viz.

- the evolution of the hub core,
- utilisation of external support,
- infrastructure development in small towns,
- enhancing local capacities,
- funding development support.

The different stakeholders or role players in the LED process are relevant in each of these elements of the process, leading to conclusions about their significance and strengths as well as weaknesses. In section 7.4 we shall look separately at each of these groups in order to see how their roles and inputs can be enhanced.

7.3.1 Developing the hub core

In the model outlined in chapter 4 and in our discussions of the cases in chapters 5 and 6 much reference has been made to the "hub concept", which is viewed as a central element in successful LED. Given the great

diversity in LED processes, widely differing connotations have been linked to a hub. In the light of these differences we now want to distinguish some of the main types of hubs.

Our starting point is that LED initiatives or efforts to accelerate LED processes need to be led, facilitated, co-ordinated or spurned by

- particular local leaders,
- one or more specific local projects (catalytic projects) or initiatives,
- one or other locally visible organisation (which could be an NGO/NPO, a business chamber, the local municipality or a tourism office, etc.),
- an influential private enterprise which has a visible presence in the town,
- an educational centre which is committed to LED programmes or has active staff engagement in the local area.

In larger towns or cities there are so many of these actual or potential facilitators that our model cannot be applied. In small towns, many of which have been stagnating or declining for some time, there is usually a lack of such facilitators or leaders, i.e. one has to look carefully for those who could (and are willing) to play such a role.

There are, thus, two conditions underlying the development of such a hub core, viz.

- finding a potential facilitator (out of the different categories suggested above) and
- giving that facilitator enough scope for action.

On that basis it could be argued that the local municipality (or the LED section within the municipality) *should* be the hub core. It should have the staff, expertise, funds and operational leverage to support and steer LED. Yet, limitations about small-town municipalities (as revealed in our

diversity in LED processes, widely differing connotations have been linked to a hub. In the light of these differences we now want to distinguish some of the main types of hubs.

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On that basis it could be argued that the local municipality (or the LED section within the municipality) *should* be the hub core. It should have the staff, expertise, funds and operational leverage to support and steer LED. Yet, limitations about small-town municipalities (as revealed in our

case studies) drastically change this situation. Thus, we have to look at a much wider spectrum of potential hub cores. This is where local businesses, active community organisations, donor agencies and other players could play a critical role. As mentioned in the case studies, very practical aspects like the availability of meeting spaces, spare offices and office equipment (at low or no cost) can be quite important in that process.

In this search for (or evolution of) an effective hub core local socio-political dynamics and polarisations can play an important role, as we have seen clearly in the Victoria West case. In small towns the polarisation between white and black, business and the public sector, old and young, better and poorly educated/skilled can easily become a major obstacle on the LED path. In those cases bridge-building organisations or individuals could play a significant role, with the local church, a local newspaper or some training body possible examples.

As shown in the case studies the hub core need not only be one entity but could be spread over several institutions. It is here where local tourism offices (which are usually closely linked to the private business sector), LED offices of municipalities, one or other development-focused NGO/NPO and a progressive local business (or a branch of a corporate) can complement each other and thus jointly become the "driver" of the LED hub.

Experience across South Africa suggests that "local development agencies" (Ledas) may also be viewed as ideal bodies to fulfil the role of hub core. Yet, here again we should be careful in our hopes and expectations if it comes to small towns. Most of the better known Ledas are based in small-to-medium-sized towns in order to justify their budgets. What is more, an externally initiated Leda may often lack close contact to the local socio-political dynamics and may not be very

effective in stimulating grassroots developments. Nevertheless, their potential role as a conduit for public LED funding and local capacity enhancement should be appreciated.

To conclude, the emergence of a locally-based and respected hub core is one of the greatest challenges in the strategy proposed here.

7.3.2 *Utilising external support*

It is in the very nature of small towns (if we leave aside those well endowed with some resource or growth base) that they lack sufficient resources to provide all the LED needs, let alone fuel a steady expansion process. As discussed, municipalities are also mostly constrained in their capacity, if at all present in the place, while direct grants from other levels of government or CSR commitments of the private sector can at best provide *ad hoc* relief for specific needs.

In the context of an integrated, hub-driven LED strategy small towns have to be aware of

- their general and more specific needs, taking into account their desired growth path,
- the different sources of support that might be available for their needs and
- possible strategies to tap those resources.

To illustrate these challenges, Table 7.1 provides examples of the support needs of small towns if they want to boost their development. Not each of these needs is relevant for every small town, and the list of needs could be further expanded if we look closer at the variety of places and their LED challenges.

Based on these support needs we have to look at potential support suppliers. These relate to the full spectrum of LED stakeholders. Some of

these are active inside small towns while the majority is operating externally, but might be engaged to provide support specifically for a town. As discussed in chapter 3 these support suppliers include all levels of government, NGOs/NPOs, private-sector firms and organisations, donor agencies and community initiatives.

Table 7.1: Examples of support needs for small-town LED

1	Financial and leadership support for hub core bodies
2	Expertise and capacity to profile the place
3	Media contacts and support
4	Training of local LED leaders
5	Support for locally organised, LED-focused functions
6	Help for local SMMEs (finance, training, mentoring, etc.)
7	Support for larger projects (incl. feasibility studies and partnerships)
8	Engagement in potential growth sectors
9	External corporate engagement at the local Bottom of the Pyramid
10	Grant finance and other support for social-development backlogs
11	Capacity-building support for the local municipality team
12	Help with the assessment of local unemployment trends and the scope for local job-creation initiatives

The real challenge for small-town LED activation lies in the ways local players approach those external support suppliers in order to assure their support action – not only once but in a continuous, need-based way. It is here where local leadership and management capacities as well as close co-operation between local leaders and external parties becomes critical.

Our in-depth cases have clearly shown how diverse the needs and support channels can be, with the hub cores (like the ADA in Victoria West)

often playing a central role in efforts to match needs and external support. In fact, the learning process in the search for and matching of support needs and suppliers is one of the biggest challenges in small-town LED. The better known and effectively profiled small towns are, the easier it may be for them to find and attract the most appropriate types of support. This applies to support from corporates, national or international NGOs and donor agencies, but also to support from provincial- and national-government departments, which usually have an abundance of applicants for their support programmes.

7.3.3 *Expanding the local infrastructure*

The critical role of infrastructure services and facilities in LED is generally accepted and has been referred to in earlier chapters. Without going into greater detail here, urban infrastructure is seen to include

- internal road links (inside the town and townships),
- water supply to the town (volume and consistency),
- water supply to individual properties (and shacks),
- sewage collection network and disposal/processing,
- electricity supply to the town (consistency and capacity),
- internal connections to the electricity supply (including informal settlements),
- telecommunication links and local connections,
- rubbish collection and processing,
- street lighting (coverage and consistency),
- street signage,
- storm-water collection,
- road and rail links to other towns.

We stressed in chapter 2 that many small towns suffer in their development efforts from a lack of even the most vital infrastructure facilities. The reasons relate to lack of funds at municipal level, low (or

no) priorities in the budget of the relevant provincial or national infrastructure suppliers and diseconomies of small-scale (which make it uneconomic to install certain services).

As explained in chapter 4, the LED-hub approach recognises this infrastructure dilemma and aims to address it in a number of different ways, as revealed in the cases.

We can summarise the need and scope for action under three headings.

A: Assessing the present situation

One of the tasks in the early phase of a reactivated small town is an objective, systematic and comprehensive assessment of the state of (under)development of the LED infrastructure, including all dimensions listed above. This should not be in the form of a technical report drawn-up by a consultant working for one or other local, regional or national authority and filed away in some office. It has to be a review by a team that includes local stakeholders and is done in a way that is transparent to local communities. It also has to take into account local sensitivities and frustrations about serious shortcomings (and the existence or likelihood of protest actions). What is more, it has to show how (some of) these shortcomings actually dampen local development in the town.

Reports on such a reality check should be an important input into local discussions about the development path and possible LED-support strategies. At the same time such honest discussion about infrastructure development levels and trends should help to bind together the different local community segments and development stakeholders.

B: Clarifying public supply plans and commitments

Once there is clarity about the *status quo* and future infrastructure needs, it is critical to also get clarity about current plans and commitments (by

the relevant authorities) to address these needs in the foreseeable future. This, again, should be a sober and disillusioned assessment, so that planning in related fields (like attracting investors who rely on infrastructure availability) can also be realistic.

If this process happens against the background of a town committed to co-ordinated, hub-based LED and strong public-private partnerships, it seems likely that some of the infrastructure suppliers may actually strengthen their commitments to deliver.

C: Mobilising complementary infrastructure suppliers

Against the background of the gap between needs and expected supplies it seems possible (and appropriate within the context of this LED model) for local leaders and development stakeholders to also look at alternative (interim) suppliers. This could include the commercialisation of some infrastructure services, the use of community initiatives to fill (temporary) supply gaps or the mobilisation of private-sector resources to share the cost of specific services (thereby possibly accelerating the supply process). None of these alternatives are "easy" or without distinct risks, but they can be addressed on an ongoing basis. A critical factor is the self-help attitude which should not just relate to the infrastructure challenges but many other dimensions of the hub strategy too.

7.3.4 *Enhancing local capacities*

"Local" economic development is in the first place a task for local operators, leaders or managers. In the average type of small town competent, appropriately trained and experienced development operators are scarce, if at all available. This may include local municipal staff (and councillors), just as much as LED-focused persons engaged in the private sector or services establishments. At the same time most of the local leaders in the LED sphere lack technical knowledge with regard to LED processes and policy implications.

Given that reality, the ongoing and diversified training and capacity-building of leaders and development stakeholders will have to constitute an important part of the hub process. These will have to include

- municipal officials active in the local LED sphere,
- leaders of locally active business and sector associations as well as NGOs/NPOs,
- senior staff of SMEs and corporates which plan to get engaged in the LED-support process,
- community leaders and members who may also want to get engaged in this process.

Such training or capacity-building will have to be adapted to local circumstances, training capacities and local-development dynamics, which does not make it easy, nor makes it a short-term task. In addition, much will depend on the willingness of (experienced) white officials and private development stakeholders to share their know-how and didactic abilities with local black people in a non-racist and non-paternalistic way.

Suitable tools for such training and capacity-building are the conventional LED training programmes, but also local or regional workshops, development forums and closer interaction with professional and university training programmes (but adapted to local absorption capacities). Equally important is the production of fact sheets and training material reflecting local situations and issues.

7.3.5 Funding the process

A superficial view of the goal of accelerating LED in small towns might sound like the following hypothetical quote: "Sufficient funds have to be mobilised to enable small-town municipalities and other development stakeholders to be able to supply all necessary services and facilities"

This however, would be totally unrealistic and contrary to the hub strategy.

The strategy proposed here accepts the scarcity of resources and seeks to adjust the process in a way that not only saves costs but also generates new types of resources (from the private sector, NGOs, NPOs or donors as well as from public-sector bodies). It is up to the actively engaged local-development players to find the most appropriate ways (ideally through public-private partnerships) to mobilise resources for the LED process. Ideally, such a creative approach will also find a much greater and more diverse scope for resource mobilisation than with the conventional way of expecting "the government" to do the job.

7.4 Implementation Stakeholders

As discussed in earlier chapters, many different institutions, organisations, community segments and individuals are involved in the LED process. In the case studies we showed how some were very effective while others failed notwithstanding a particular role. Much of the discussion centred around the role and (in-)effectiveness of municipalities, but it has repeatedly been stressed that they are but one stakeholder group.

We now look again at the implementation stakeholders, in order to draw conclusions about their potential role in the LED-hub process and how that role can be strengthened.

We can distinguish five stakeholder groups.

- Central-government departments,
- provincial authorities,
- municipalities,
- the business community which consists of

- externally-based businesses,
- locally-based corporates,
- local small and medium enterprises,
- micro-enterprises and the informal sector,
- business organisations and trade unions,
- individual business leaders,

♦ civil society, which includes

- local communities (through their leaders),
- the media,
- NGOs/NPOs and donor agencies,
- local households and municipal voters.

Before we briefly look at each of these five categories, it seems important to stress a few general points, which also relate to earlier references to the capacity-building process.

It seems important that all stakeholders are fully aware of the nature, dynamics and potential of the respective small town/s so that they can understand what is possible and what could (or should) be achieved.

♦ These stakeholder groups should (be made to) realise that LED progress in those places does not just depend on action by the municipality or the one or other specific group, but that success depends on the interaction of *all* relevant groups and their engagement.

♦ The nature of such interaction can be very diverse, for example through business relations or municipal-, provincial- or national government involvement, *ad hoc* initiatives or focused strategies. Some of these interactions may lead to significant results in the desired direction (e.g. the attraction of an external investor through some government-incentive scheme) while others may only have a

measurable impact after some time (e.g. greater appreciation of the tourist attraction due to certain marketing efforts).

- Finally, all stakeholder groups have to realise that LED is a slow process (because it is multi-dimensional and quite complex). Thus, action by any of the development stakeholders will take time, with often no clear results visible for considerable time. This fact is particularly problematic for the local (municipal) politicians, who would like to promise action and results ahead of local elections.

Bearing in mind these general points, we can now briefly look at each of the five categories of local development stakeholders in the context of the proposed LED-hub approach.

7.4.1 *Central government*

In chapter 2 we reviewed the position of the central government in the support of LED and indicated its more indirect role, given the more specific responsibilities of provincial and local governments. It does, however, have an oversight responsibility and central-government departments are heavily involved in functions which indirectly affect the dynamics of small towns. This leads to a few suggestions in the context of this study.

- The government should more explicitly recognise and acknowledge the significance of small towns in the overall urbanisation process of the country.

- The government should realise that local authorities (in their current rationalised and consolidated form) are poorly equipped to give adequate attention to the challenges of small towns.

- The government should also see that the hub approach with its emphasis on close co-operation between the different development stakeholders has a real chance to strengthen the scope for small-town LED.

- Against that background the relevant government departments should join public-private partnership initiatives in the LED-support field. This could, for example, result in the co-operation of government and some private enterprise/s in funding and implementing critical infrastructure projects in small towns.

- Finally, government should help to publicise and spread knowledge about this approach.

7.4.2 *Provincial authorities*

As discussed in chapter 3, the provincial authorities have a far more direct and comprehensive responsibility in the field of (small-town) LED support than national government. In chapter 6 we briefly touched on this with respect to tourism-focused small towns in the Western Cape. From this we can conclude that provincial authorities should

- recognise the hub strategy as one way to help small towns with their LED efforts,
- help to spread the wider acceptance of the hub approach (both in the provinces concerned as well as the spread to other provinces),
- in their relevant departments encourage or facilitate the implementation of the hub strategy, both in poor and in materially better-off small towns. Such help could be through training support, the stress on public-private partnerships and the mobilisation of co-finance for specific functions or projects.

As shown in chapter 6 there are signs of reasonable success with these provincial support efforts in the Western Cape, with the need for such intervention even greater in several of the other provincial areas.

7.4.3 *Municipalities*

It follows logically from our literature review and the history of LED policies in South Africa that municipalities (should) play a central role in LED efforts. Naturally, this should also apply to small towns. Yet, past experience has shown that most (small-town) municipalities are neither effectively equipped nor committed for this task. To help overcome this dilemma and help small towns, the following desirable approach has crystallised from the last two chapters.

- (Small-town) Municipalities have to upscale the LED-support role to become a more significant and better staffed segment of their responsibilities. This implies expanded internal capacities and stronger links between the LED-support staff and other key departments, but also increased and more proactive external engagement.

- Municipalities which have been rationalised in their office structure (not any more having an effective presence in each town falling under their jurisdiction) have to address this practical lack of capacity in local areas. Part of the answer could be a closer link with locally evolving LED hubs and the sharing of activities with private-sector institutions.

- Municipal staff should develop greater pragmatism in LED-focused programmes and in project support. This might also help to depoliticise the LED process, where the politisation has in the past (e.g. in Victoria West) had serious negative consequences.

- Municipalities should support hub strategies and the related public-private partnership approach as a way to overcome their financial as well as other capacity constraints and accelerate the development process.

7.4.4 *The business community*

At the start of this section we indicated the different components of this sector if we are looking at the involvement in LED and any support for its process. The distinction between the different segments is important, since each view local-development dynamics in a different way. What is more, each should play a rather different role in the activation of the LED process. We can highlight a few of these differences as they were revealed in the case studies.

- Externally-based companies usually look at a town as an addition to their total turnover with the opportunity to increase overall profits. Seldom do they look at the local LED momentum and potential or their possible roles in that process (since such steps might reduce net profits). Thus, they may not care about the impact of their supply upon existing local (smaller) enterprises or local employment. If, for example, an external firm is extracting local agri-products, they may totally ignore local processing opportunities. All of such action may actually dampen local development.

- Locally-rooted companies are more inclined to take the local business and development dynamics into account, but even here we get companies which support local processing or supply-chain down-streaming efforts and those who do not.

- Locally-rooted small enterprises are often viewed as the business development base of small-town economies. Yet, even here different attitudes and behaviour patterns are likely. Some of these SMEs are

well run and can supply goods or services at a competitive price and quality, thus competing effectively with external suppliers. Others are poorly managed and offer low quality at inflated prices, thus disadvantaging local consumers. If external competition is not allowed into the town, local households actually suffer, and the development momentum of the place is harmed. In such a case the entry of a competitor (a larger chain store or another SME) might benefit longer-run developments.

- Informal settlements are usually seen as a burden for small-town LED, since they create a demand for social housing and publicly-funded infrastructure developments. Yet, these settlements can also be seen as a longer-run growth force: However poor the households, they do have spending power, which may increase steadily. Besides, many of these "squatters" are entrepreneurial and may react positively to well planned business opportunities. This even applies to foreign refugees, who often take refuge in informal settlements.

- Many smaller towns have some local business associations, but most of them are organisationally very weak and represent only a fraction of the local business community. Notwithstanding this dilemma business organisations (i.e. general "chambers" or sector associations like taxi or tavern associations) are important (potential) tools for communication and strategy planning between business people and between them and other development stakeholders. The creation of such bodies should thus be seen as a priority goal in LED strategising.

- Even in smaller towns larger companies are under pressure to fulfil goals of black economic empowerment (BEE) as well as other obligations in the sphere of corporate social responsibility (CSR) and engagement at the Bottom of the Pyramid (e.g. in townships). The obligation of larger companies to help support LED and local

employment in small towns should be viewed as merely an extension of the CSR, BEE and BoP commitments. It is, in fact, one of the challenges for policy-shapers to have these efforts as closely related to each other as possible and to tie all into a co-ordinated hub strategy.

Having shown some of the differences in the operation of business-sector groups, we can conclude this subsection with a few recommendations with regard to the role of the sector in the evolving small-town LED-hub process.

- Notwithstanding the open-ness of our national economy and our participation in a highly competitive global economy, the business community has to see (small) towns as an LED entity, which needs support to maximise the growth, employment and development process. In this context it is highly important for local business leaders to really understand the background, current dynamics and longer-run growth potential of their town.

- The business community should also (try to) understand the role and dynamics of the other LED players, including public-sector bodies, trade unions (if locally active), community action groups and civil-society organisations. This should help them to understand their LED-related actions and to realise with whom they might partner in the development process. Naturally, an understanding of the LED-hub process and strategies (if they exist already) should be part of that process.

- Wherever possible, the business community should play a constructive and proactive support role in a local hub-development process. In these efforts close partnerships with other important players would be critical.

A strategy evolving along the lines stipulated here might look as if the private sector "takes over" the LED process, but this should not be the case. As we indicated earlier, the public sector (i.e. municipalities) cannot succeed on its own and needs such partnerships evolving out of a negotiated process.

7.4.5 *Civil society*

Having discussed the other key partners in an LED-hub process, this last subsection can be very brief. Parallel to business leaders and business subsectors we can also identify community leaders who represent particular interest groups (like the unemployed, school leavers, women or disabled people) who deserve to be heard in negotiations about LED. Should the presence of women be "protected" in local street markets? Could school leavers have the ability to learn about small-enterprise opportunities and SME management? If constructively handled (i.e. incorporated into the broader hub-planning process) these civil-society inputs could be very productive.

A similar positive effect can come from the input of NGOs or NPOs active in specific LED areas (e.g. focused skills training for small farmers or workshops about the management of local co-operatives). Practice has shown that donor agencies like the German GIZ, the British DfID and the American USAid have played very constructive roles in small-town development efforts. Their contribution may be particularly valuable with respect to the mentoring of hub managers and the negotiation of complex strategy compromises.

Finally, we can refer to local media facilities as part of civil society. Once again local newspaper reports, occasional progress reports, radio slots, a comprehensive website and a presence in social media (e.g. facebook) may play an important and effective role in disseminating

details about current developments, project successes (and failures) and future plans to the local public and to interested external stakeholders. Much will depend on the quality and style of such reporting, but that makes it part of the whole LED-hub process.

7.5 Partnerships and Leadership

Having outlined the main elements in the unfolding of a small-town LED-hub process, we can come to what is probably the most critical question, viz. what keeps the momentum of the process going? We have referred to the multitude of potential players in the process and the diversity of support programmes or policies, but the existence of these does not assure that the process keeps unfolding. What is more, in two of the three case studies the LED process was stalled due to complex interactions of events.

The two critical factors clearly revealed by the case studies are leadership and partnerships. As far as partnerships are concerned our discussion about the role of the different LED stakeholders showed how often action by specific groups has to be in co-operation (i.e. partnership) with other groups in order to be effective. In many cases the partnership referred to joint action by the municipality and some private-sector players; in others it referred to joint action by different levels of government or by donor agencies and public- (or private-)sector players.

As far as such partnerships are concerned, we can distinguish several different types.

- ***Ad hoc* partnerships** can be created within a particular initiative (e.g. to attract an investor) or in a specific project, with flexibility as far as the share of each partner's inputs is concerned.

- **There can be joint policies or programmes.** This could for example be between provincial, district and/or local authorities to attract investors, or between a business chamber and a municipality to regularly disseminate LED-focused information to local business people.

- **Institutionalised partnerships** exist where two or more bodies create a joint operation to fulfil certain LED tasks. Such partnerships could be *regulated* on the basis of clear legal conditions and formalised structures (as it happens between public-sector bodies), or it could be less formal in so-called *cross-sector partnerships*.

- On an equally informal basis a **development forum** could create the opportunity for the consideration of joint action and formal decisions about such action, while the implementation may be left to specific bodies.

Over the past two decades the creation of LED agencies (Ledas) has been popular in some countries and has also been adopted in South Africa. These institutions may go much further than the hub cores referred to in section 7.3.1, but they are closely related in as far as they try to co-ordinate and facilitate LED support action. A well known example of a successful agency is the Midlands Meander Association in the UK, which facilitated tourism development (Lourens, 2007 a and 2007 b).

In South Africa a partnership between the UNDP, Unops and the DTI underpinned between 1999 and 2003 the establishment of a series of Ledas agencies. According to the ILO, Ledas are "independent organizations, shared by public and private institutions with the aim of implementing strategies of shared territorial development with particular emphasis on favouring access for the most marginal portions of a population to opportunities of income and decent employment" (ILO,

2003). Originally, Ledas were "participatory structures established at local level to encourage sustainable economic growth, income generation, employment and decent jobs" (Pretorius and Blaauw, 2005). The specific focus was on small entrepreneurs and the poor with entrepreneurial potential. This was initially targeted at district municipalities in the provinces of Limpopo, Mpumalanga, Northern Cape and Eastern Cape.

The initial Ledas, which reported to Seda, based their structure and operational models on international examples of similar initiatives, and they had a chequered support in South Africa, with the majority ceasing to function after donor support came to an end (Pretorius and Blaauw, 2005). Essentially, their failure can be explained in terms of the fact that they were not "true Ledas" in the sense of fostering the creation and exploitation of local economic partnerships and opportunities. This first wave of Ledas rather pursued a traditional micro-enterprise-promotion approach.

A second generation of LED agencies have been adopted by several South African municipalities, where dedicated capacity is organised to implement targeted economic-development initiatives (Khanya-AICDD, 2006). Legally the agency can be constituted as either a registered company, a Section-21 company or a trust. In practice an agency can provide a legal form for establishing a public-private partnership of stakeholders in an area and receive support from a variety of sources. Such an agency can be a vehicle "for ensuring that the culture of the organisation promoting economic development is not a bureaucratic culture, but more of a private sector culture which is needed if economic development is to happen" (Khanya-AICDD, 2006).

Thus, there are many different types of partnerships, and it would be wrong to assume that partnerships will always be a successful way of

tackling LED strategies in small towns, which brings us back to the other core factor, viz. *leadership*.

Small towns, especially those with very little or no development momentum are exposed to two extremes: Either having no leaders at all or having a few strong leaders acting as "dictators". This may be the extreme but it is often a reality. More generally, small towns face a scarcity of well educated, capable leaders in the critical areas of LED. This usually includes municipal staff, but also local business associations, heads of larger corporates, media offices and most likely even the heads of local educational institutions. The reasons for this situation are closely related to the very nature of many small towns: With a stagnating population and few visible expansion opportunities better educated and entrepreneurially-minded local residents (rooted in the town) or their children move on to larger centres with more opportunities.

This is where the other side of partnerships could play an important role. Here we look at

- larger firms in other towns which want to expand their market to include a series of smaller places,
- external firms who become aware of (new) business opportunities in those smaller town (e.g. agri-products that can be locally processed or tourism activities unique to the area),
- larger firms in bigger towns which want to extend their supply chain by utilising lower-wage labour in such small towns,
- external educational bodies which want to expand their (part-time) training services,
- research centres which want to explore new development opportunities (e.g. in the solar-energy sphere),
- (district) municipalities which want to strengthen their presence in hitherto neglected small towns,

- housing developers concerned with squatter upgrading in small towns.

This type of partnership implies that the (neglected) small towns are being integrated into the network of larger places through initiatives from the larger places which are taken up by local players in the small town. What is more, the hub core could at an initial stage play a significant role as contact point between external interested parties and potential local partners. For example, a dynamic head of a local tourism office in a small town would be an ideal contact, since that person is in continuous contact with visitors and business people from other places.

To succeed with these types of partnerships it seems necessary that

- local partners keep their eyes open for such contacts and opportunities,
- external partners take a positive, developmental approach, rather than an approach that only "milks" local opportunities without constructively helping to develop local business.

To succeed in these fields a strong developmental strive of the local community is important, linked to effective local communication with regard to opportunities, successes and lessons (to be) learned, where i.a. the local media and the hub core could play a significant role.

To put the significance of this dimension of partnership (and leadership) into perspective we can argue that a well equipped Leda or other local-development body may be of little practical use if these bodies do not make this partnership creation a central concern in their operational style.

7.6 Maintaining Momentum

In this last subsection we have to reflect on the continuity of the LED-hub process and the lessons to be learned from the apparent "failures" of

specific cases. We can start by briefly summarising the current phase of the three in-depth case studies presented in chapter 5.

- **Case study A** – The Apollo Theatre in Victoria West

  Since the project originators and champions have exited from the project and the town, local tourism activities have been reduced to primarily bed-and-breakfast facilities as well as catering for passing visitors. The municipality and local politicians appointed a new project manager who was "a friend of the party". This was not sustainable as the project manager did not have the relevant experience and capacity to run a project of this nature. Internal politics of the municipality made the transition difficult since the new stakeholders did not have the same vision for the project. External funding dried up as the supporters had little trust in the new management team and board. As a result the National Film Festival was moved to be hosted by another town. This further resulted in the ADA Theatre as well as other small businesses around the theatre closing.

- **Case study B** – The development hub in Bekkersdal

  When the contract of the company that started and managed the project came to an end after six years, a new project team with very little LED experience was appointed to take over the project. This team did not have a champion to drive the integrated approach, nor did it have the necessary capacity to keep the momentum of the project going. They further did not portray the same vision as the original team for the development hub, hence the project came to an end. What is left of the original initiative are some of the smaller projects which were borne during Phase One, but these had already reached maturity before the initial project team exited the programme. All other projects died a "silent death."

- **Case study C – Botšhabelo Cultural Village**

  The project is still ongoing and is making progress in line with the original project plan. Things are moving slowly, but progress is being made according to the original vision and strategy. Stakeholders who bought into the project right from the start are still onboard and are keeping the momentum, making the future of the project dependent on the original stakeholders continuing to support and drive it.

In looking at these disappointing results it has to be stressed that the selection of the cases was not random but rather related to the researcher's access to the detailed information. Yet, there can be no doubt that even with a proactive hub strategy many small towns will go through difficult phases, where success or failure may often be difficult to distinguish.

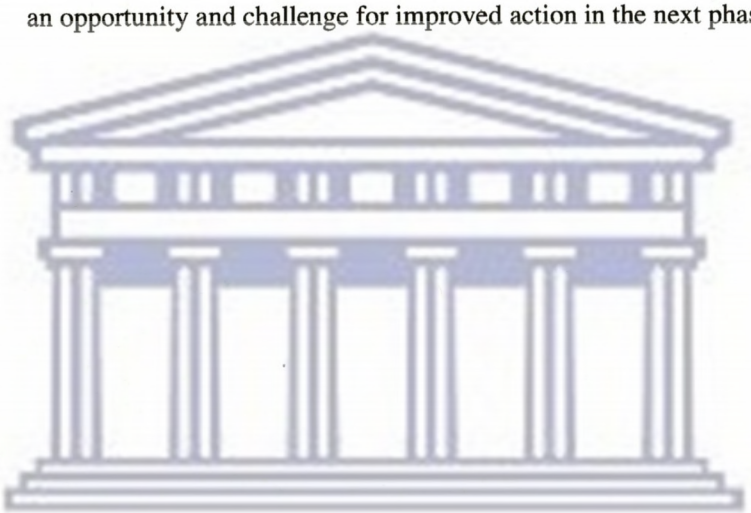
In a way the LED-hub approach for small towns has many parallels to the start-up and operation of small enterprises. Notwithstanding the start-up inputs and hard work of entrepreneurs, a high percentage of new SMMEs fail in the first few years. This calls for steps to improve the start-up process, more efforts to support SMMEs (via better access to finance, markets, advice, training, etc.) and closer co-operation of SMMEs with bigger firms, business-development agencies and other small enterprises.

When LED initiatives fail, as in Victoria West and Bekkersdal, the challenge is for local-development stakeholders to critically review the situation, adjust processes and mobilise leadership for a new, revised initiative. Once again, local and external partnerships should be allowed to play a significant role in adjusting the strategy and creating or strengthening new initiatives.

To encourage such a process of continuous upgrading or renewal of LED efforts in small towns the objective and constructive review of relevant

case studies seems most important. This could be through short training programmes, LED forum sessions, web-based training or in-depth media reports. Once again such efforts need a wider partnership approach since local political and personality tensions or sensitivities may prevent honest assessments of past problems in specific places.

Essentially, thus, the "crisis" or failure of a particular phase of an LED-hub process should not be viewed as the end of the whole initiative, but an opportunity and challenge for improved action in the next phase.



CHAPTER 8
SUMMARY AND RECOMMENDATIONS

8.1 The Small-Town Challenge

In a world with a rapidly expanding population, the economic development of towns, cities and metropolitan areas is currently one of the greatest development challenges. In this context relatively little serious attention is given to the dynamics, challenges and development strategising of small towns, i.e. towns in the range of 1 500 to 50 000 inhabitants.

This neglect seems particularly serious in Africa, where overall urbanisation levels are still relatively low (but are increasing rapidly), and much of the attention currently falls on capital cities and mega-cities.

Against this background it is the goal of this study to develop a framework or integrated strategy which can help local development players in (South) Africa to systematically tackle LED challenges in small towns. The suggested approach has evolved out of the researcher's own experience of professional engagement in South African municipal management and close to a decade's practical research in the LED sphere in a range of South African towns.

8.2 Literature insights

The literature-review section of the study consists of two distinct parts, viz. general LED literature and specific literature on small towns. As far as the general literature is concerned, South Africa follows international thinking, which stresses the role of the public sector in LED initiatives, a diversity of strategies and the emphasis on projects to stimulate specific local development.

South Africa's LED history has been shaped by the early settlement history, followed by the apartheid-led local-development strategies (which mostly kept black South Africans out of genuine development processes) and the post-1994 shift in the LED focus towards pro-black and pro-poor local development. Over those past twenty years many different programmes and strategies have been pursued in the LED field, with the actual results at best rather mixed.

The different players in the LED sphere have always included both the public sector (i.e. all four levels of government: national, provincial, district and municipal) and the private sector. However the focus has in the past been on the former, with relatively little expected from the private sector, viz. businesses and business associations, NGOs/NPOs, civil society and donor agencies.

As far as small towns are concerned, chapter 3 looked at the relative share of these smaller towns in Africa's total (rapidly changing) urbanisation process. About 20 to 40 per cent of Africa's population are currently resident in the town category of 1 500 to 50 000 inhabitants. In South Africa there are about 500 small towns amalgamated into the new structure of 284 local authorities.

As basis for the case-study discussion in chapters 5 and 6, chapter 3 reviewed the range of obstacles currently constraining LED in these small towns. They range from the demographic decline and skilled-people exodus to infrastructure deficits, municipal restructuring and local capacity constraints and most importantly, the lack of proactive public-private partnerships in the LED process.

The seriousness of some of these constraints differs between provinces and between individual places, with Western Cape small towns mostly in a relatively better position than small towns in several of the other

provinces. There are many examples of creative LED strategies and projects in specific places, but their overall impact is still modest as far as this wide range of "small towns" is concerned. This is the context for the search for a practically feasible LED strategy for small towns in this study.

8.3 The Hub Strategy as a Model for Small-Town LED

The hub strategy presented in chapter 4 recognises the diversity of small towns and their growth base. A local growth phase has to be initiated, based on the particular growth base of the place (e.g. local tourism or a new local enterprise). During such an initial phase, where a hub core could play a significant role, a process of gradual, incremental LED should be triggered, based on the mobilisation and utilisation of external support and close interaction between local development players. This should go far beyond the traditional reliance on local-government efforts, to include the full spectrum of government, business, civil society and potential donor bodies.

The funding of the hub core as well as the different support services should also be as widely spread as possible, including creative ways to utilise public funds (e.g. through a Section-21 company or a trust) or through mobilised private-sector resources. In these efforts strong emphasis has to be placed on public-private partnerships, i.e. the widest possible engagement of private-sector players, both locally and from other parts of the country.

These efforts have to be based on a clear realisation of the sector-growth potential of the local town, the scope for catalytic projects (and who could take the lead in such projects) and the potential interaction of leading and induced growth opportunities.

In efforts to create and maintain such a dynamic process a "hub core" can play a very significant role. This could be the office of a particular institution (municipal, civil society, educational or corporate) which helps to bring together local residents and development players. The interaction between such a hub core and local public- as well as private-sector players is then viewed as the LED-hub process, which creates the potential for co-ordinated dynamic development.

Such a process is no guarantee against development constraints or obstacles, but it should help to accelerate the overall LED process and to facilitate efforts to tackle these obstacles.

8.4 Case-Study Reviews and Lessons

In the two core chapters of this study we reviewed, in some depth, three town cases of planned/executed LED initiatives and one sector focus on LED efforts.

The three extensive case reviews in chapter 5 showed the complexity of LED efforts in small towns, but also highlighted potential causes and consequences of obstacles in the process. It is here where attention to detail is essential with, for example, the personalities of LED leaders, the dynamics of the interaction between public- as well as private-sector bodies and the attitudes of corporate leaders at times highly significant.

In chapter 6 we first tried to show how significant tourism-related activities can be for LED efforts of small towns. Against that background we reviewed a sample of ten Western Cape tourism-focused small towns to see whether this is closely linked to their LED strategy. The results were sobering in as far as there was little evidence of a proactive, focused LED strategy with clear tourism orientation. The additional three shorter case studies once again revealed diverse conflict areas in the pursuit of such integrated strategies.

These cases do not refute the significance of systematic, co-ordinated approaches to sector-focused LED strategising. They do, however reveal the different areas of risk or limited performance of the development players, which have to be addressed through the hub strategy.

8.5 Recommendations for Action

Chapter 7 brought together the main elements of an integrated strategy, to be pursued in small towns, linking the model outlined in chapter 4 with the cases considered in chapters 5 and 6.

The chapter looked at the initiation of growth efforts, critical elements in the unfolding process and expected action from the key-development stakeholders. It also stressed the critical role partnerships between the public and private sectors could (and should) play in maintaining the momentum of the whole process and overcoming obstacles along the unfolding of this process.

To summarise the main findings of the study we can conclude this section with four sets of "Recommendations for action" summarised in Table 8.1.

Table 8.1: Recommendations for action

A	General approach to small-town LED
1	Each small town has to be regarded as unique in its LED history, potential and dynamics.
2	There needs to be full understanding and appreciation among local development players of this LED challenge and potential.
3	The LED strategy should not be project-driven but process-focused, with strong emphasis on the link between specific projects.
4	The strategy should not be controlled or driven by the respective local authority, but through a public-private development partnership, with a fair degree of institutional flexibility.

Table 8.1 continued ⇒

Table 8.1 continued

B	**The hub as tool in the LED process**
5	The hub core is to be regarded as *one* important development tool in the LED process of small towns
6	The institutional shape of the hub core is flexible: Its role can be fulfilled by (i.a.) a development associations, local tourism office, corporate project or a Section-21 company.
7	The hub centre should be clearly visible in the town, being suitable for (i.a.) meetings and co-ordinating offices.
8	The funding of the hub core and the hub process has to be pragmatic and incremental, utilising resources mobilised out of the different partnerships.
C	**Key activity areas in the process**
9	Each town needs to have a clear sector focus in its LED strategy, but there should also be scope for sector diversification.
10	The LED process can be initiated or expedited through *catalytic and anchor projects*, which need priority attention among the development partners.
11	Development-support services have to be mobilised in a range of key areas, including * Small-enterprise support (including improved access to finance, training, advice and mentoring, market access, etc.) * LED monitoring and communication * Preferential local procurement * Black economic empowerment * Local infrastructure development * Training in LED-awareness and facilitation (accessible to all local development partners)
12	* All different local-development stakeholders have to be involved in the mobilisation and utilisation of development support.
D	**Underlying drivers of the process**
13	A development mindset or strong development orientation among all segments of the total population
14	Proactive steps to create/maintain social cohesion and solidarity among the local population
15	A strong public-private partnership approach in all actions and initiatives of the LED process
16	The creation and promotion of leadership within all segments of society and sectors of the local development process.

8.6 Further Research

Given the significance and complexity of the small-town LED process there is vast scope for further research related to the approach propagated in the study. We can briefly mention some areas calling for urgent attention.

- Comparative studies of small-town LED strategies in other countries, both globally and in Africa.

- Focused studies on sector-focused LED strategies, covering less prominent sectors than tourism, government centres and harbours.

- Exploring the supply and utilisation of small-town LED support services by different agencies and development partners (including universities).
- Practical examples of effective partnerships between public- and private-sector bodies in the LED-support sphere.

Possibly more urgent than any of these important research areas is the production of objective, up-to-date and easily understandable "LED Fact Sheets" on a wide range of small towns. Such fact sheets should facilitate the training process as well as communication between researchers, policy planners and local LED leaders. We just know too little about the range of (successful AND unsuccessful) LED initiatives and processes in small towns.

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APPENDICES

Appendix I

Apollo Film Festival 2003

APOLLO FILM FESTIVAL 2003

a showcase of South African independent film **20 – 27 September, Apollo Theatre, Victoria West**

Cannes in the Karoo

There are no yachts on an azure blue Mediterranean sea, nor the endless jostling parade of Hollywood glitterati, but with the Apollo Film Festival what you have is South Africa's only remaining art-deco cinema, set in a quaint farming town, screening the best in independent local film. No glitz, no hype, just the real thing. It's all happening from 20 to 27 September in Victoria West.

The Apollo Theatre may be situated in the small Karoo town of Victoria West, but it is far from being a pokey village cinema. On the contrary, the Apollo has a huge cinemascope screen, the best equipment in the country and can accommodate 16mm, 35mm, betacam and various digital formats and the theatre boasts a 200-seat auditorium.

This year's Festival will see South African filmmakers of the calibre of Oliver Schmitz, Jason Xenopoulos, Dumisani Phakhati, Zola Maseko, Sechaba Morojele, François Verster, and Craig and Damon Foster and many others, competing for the Apollo Awards that are presented at the Gala Evening on 27 September.

When Gail and David Robbins first encountered the Apollo Theatre back in 1997, they were mesmerised by its genuine 1950's style, complete with vintage art-deco chairs, raked oregon pine floors, swish red-velvet curtains and peppermint green walls plastered with Hollywood legends. What was even more striking was that the cinema, in perfect working order, had been closed for 20 years.

The number of entries for competition has increased this year. The Apollo received 78 entries this year compared to 62 in 2002. In competition are 24 short-listed films and the retrospective films include *Windprints*, *Mapantsula*, *Shot Down*, and *The Stick*, plus from Senegalese legendary filmmaker Djibril Diop Mambety, *Hyénes* will be screened.

Appendix II

The Decline of the ADA

FOCUS COMMUNITY POLITICS

Rising then tumbling: the sad tale of the Apollo

The resuscitation of the Apollo Theatre in the Karoo town of Victoria West failed to survive the short-sighted politicking of the local community

By **David Robbins**

Most people concerned with development in post-apartheid South Africa have heard of the historic Apollo Theatre in Victoria West.

It was the last remaining intact Art Deco cinema in the country, and the only community-operated one. It became the venue for the first national film festival devoted exclusively to South African films. Most importantly, though, it served as headquarters to a development project that in its first six years made significant impacts on local economic development and tourism expansion, education and cultural enrichment, as well as urban renewal and HIV awareness.

The Apollo dates back to the late 1920s when a Greek immigrant built a suitable space behind his café in Victoria West's main street. The facility was substantially revamped by the same owner in the 1950s, and then closed in the late 1970s as television and the depopulation of the platteland took their toll.

In the late 1990s, interest was rekindled, particularly in the potential of the theatre as a centre for development in a socially and economically depressed Northern Cape town. My wife, Gail, and I were the original creators of this developmental concept, and we became the project managers once a community-based organisation had been established. This happened in February 1998, when the Apollo Development Association (ADA) was launched under an inaugural board comprising representatives from the local authority, the provincial department of arts and culture and community members.

Negotiations with the owner of the theatre, then living in Cape Town, yielded a lease agreement with an option to purchase. This agreement was signed in May 1998, and the ADA was free to commence operations.

A "Friends of the Apollo" initiative had already been started and newsletters were being distributed. By July 1998, a Youth Involvement Project had been launched. Small amounts of funding from various sources (R38000 in 1998), most significantly from the provincial department of arts and culture, began to be received. A resources centre with television and VCR facilities

The Apollo theatre in Victoria West

continued

was established. And during the 1998/9 summer holidays, the ADA held its first mini film festival. But it was not until May 1999 that the ADA received its first major funding — R150 000 from De Beers — that the project began to fly.

Infrastructural development was crucially important to the overall aims of the ADA: to work aggressively towards the economic sustainability of the theatre, to promote cultural enrichment, and to support small business development.

On the infrastructural side, the theatre was re-equipped in time for a full Summer Youth Festival in December 1999 and the commencement of regular fortnightly film performances. In 2000, since a fashion store was still occupying the front foyer, a rear foyer, complete with mezzanine museum and kitchen/restaurant area was established. In 2001, the ADA purchased the entire theatre complex, and made major additions to the infrastructure. At the same time the ADA became a Section 21 company. In 2002, a further R1,8 million was spent on a significant urban renewal project around the theatre, and the rebuilding of the front foyer to include a coffee bar, offices and shops to help with the sustainability of the complex.

On the cultural enrichment side, during the four-year period from 2000 to 2003, numerous events took place at the Apollo. Worthy of special mention is the national Apollo Film Festival, the growth of which can be seen by comparing the combined box office and restaurant takings: R17 000 in 2001; R55 000 in 2002; R87 000 in 2003. In addition, an annual Apollo Public Speaking & Debating Competition involved hundreds of children from high schools in the then Upper Karoo region.

Of equal importance was the development of the Apollo's cluster of small businesses to which the ADA provided financial management and marketing expertise for a percentage of income. By 2003, the cluster comprised an arts and crafts cooperative, catering and building cooperatives, a stationery business, a video production business, and a computer centre and internet café.

The computer centre had been developed primarily for training purposes, and by early 2003, the Apollo had been coupled with the Northern Cape Rural Further Education and Training (FET) College, the first time any form of tertiary training had been offered to local residents. At the same time, the ADA had taken over the tourism promotion function from the local authority, and was soon operating a centralised booking system for the burgeoning bed and breakfast industry. The ADA also became booking agents for the bus lines operating through Victoria West.

It is easy enough to provide lists of ADA successes; instead, though, we must confront its failures.

In April 2006, the MEC for Sport, Arts and Culture in the Northern Cape, Kagiso Molusi, announced that his department had decided to withdraw all financial support from the ADA. In 2005, an amount of R211 000 had been given by the department to prevent the takeover of this "essential asset" by a group of private individuals. But when the Provincial Internal Auditors visited the Apollo earlier this year (2006), "they were refused access to the financial records".

This is an astonishing action by an organisation registered as a Section 21 company and therefore subject to the conditions of the Companies Act. What had happened to bring the ADA from the highflying days of the period between 2000 and 2003 to what is tantamount, three years later, to a position of considerable disgrace?

As early as 2001, I had relinquished the chairmanship of the ADA board to a local schoolteacher. Then at the end of 2002, we began a process of "phased withdrawal" designed to shift control of the management of the project gradually into local hands.

This involved, as a starting point, the establishment of board committees to control all aspects of project activity, including finance, so that closer cohesion could be achieved between those with the authority to decide (the board) and those with the responsibility to execute (the project managers). To support this move, training workshops were introduced for board members. Despite this, most committees quickly collapsed, with the exception of those dealing with finance and events. The relationship between board and project management began to deteriorate.

> In early 2006 the provincial internal auditors were refused access to the financial records, an astonishing action by an organisation subject to the conditions of the Companies Act

For this reason, it became increasingly clear that the ADA had reached the point in its development where it would be most vulnerable to external pressure.

The threat was well illustrated by the ADA's relationship with the local authority. As funding had begun to flow into the ADA, this relationship changed from one of general tolerance to specific challenge. It was publicly stated, for example, that all development funding should be channelled through the local authority, rather than through a civil society organisation dominated by a small group of people from Gauteng (although we were rate-payers of Victoria West). For a sustained period, local authority representation on the ADA board ceased; and at the same time the ADA found itself under attack from representatives of political parties who searched

relentlessly for signs of financial mismanagement while at the same time accusing the organisation of being unrepresentative. Several community meetings, and specially convened meetings between the ADA and political parties, were hostile affairs as interest groups struggled for control of an undeniably successful project.

> The white community saw the Apollo as a manifestation of black and coloured socio-economic mobilisation, while the ANC saw it as a source of social mobilisation that operated outside its control

To further illustrate the general problem, consider the matter of the ADA's services account. At the start of operations, the council had resolved to provide electricity and water free to the community controlled Apollo Theatre. As the project expanded, however, pressure from both the African National Congress (ANC) and the white-dominated Democratic Alliance (DA) mounted for the payment of a large amount of "arrears". The controversy dragged on for months, even though the ADA had declared its willingness to pay for services. The ADA even agreed to pay for the electricity consumed by the streetlights that had been erected at ADA expense in the new public pedestrianised area in the town centre! It might be worth commenting that the pedestrianisation project had been achieved by a road closure, permission for which the council itself had applied; and the additional lights had been connected by the municipal electrician.

There can be little doubt that the white community saw the Apollo as a manifestation of black and coloured socio-economic mobilisation, while the local ANC saw it as a source of social mobilisation that operated outside its direct control.

The situation was seriously exacerbated when agents with clearly political motives attempted to gain direct access to the considerable resources now invested in the ADA (a total of nearly R9 million had been raised by the end of 2003) by disrupting an otherwise highly loyal and motivated ADA staff. Consider the case of a short-term contract employee who resigned, and was consequently replaced. She was then persuaded to withdraw her resignation. While for obvious reasons project management requested that the board not accept her withdrawal, the board was clearly influenced in the opposite direction. The result was that the young woman was paid out for the duration of her contract, even though she had left the project, having gained employment at a local bank. This action resulted in a loss to the ADA of around R15 000, a sum that the finance committee "found" from other dedicated line items on the budget.

Finally, my wife (the senior project manager) was excluded from participation in the executive committee of the ADA. At that stage, late in 2003 and a year into our phased withdrawal period, we made the decision to disengage.

Very soon the Apollo project went into decline. Regular film showings ground to a halt. The ADA lost its links to the Northern Cape Rural FET College. The cluster of cooperatives and small businesses disappeared. Income from rented commercial space was lost as tenants moved out in the face of unrealistic rent increases. And, so it now seems, acceptable financial controls began to disappear. As MEC Molusi now says: "We are aware that the ADA has lost credibility with several major funders in this country who have put massive amounts into the development of the theatre and its programmes, and have been alienated through lack of accountability."

Although contacted for this *Focus* article, the ADA board has as yet not responded.

It is important to attempt to understand some of the processes that led to the ADA's great stumble. Were the seeds for its later problems sown even as it was being born? We think that this is probably the case. The main problems can be summed up as follows:

Method of start-up

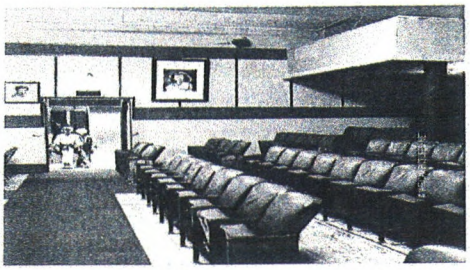
There are two basic routes to the establishment of development projects. The first and more conventional is the community-based model. The second is the champion driven model.

- The first has the theoretic advantage of enjoying the support of the community — although it is often susceptible to quarrelsome community subdivisions. Other disadvantages are that the process is slow, often unimaginative and frequently lacking in expertise and know-how.
- The second (used in the case of the Apollo) is where an individual or small group drives the process. This model tends to be quick and innovative, characterised by high levels of energy and expertise. The main disadvantages are that community involvement is not automatic, and that for the model to work in its early stages it must necessarily be autocratic.

Non-productive period

One of the difficulties encountered at the Apollo was the time lag between the establishment of the ADA and the delivery of any economic development results. It took 21 months to restore basic infrastructure and reopen the theatre. During this period, ADA project management found it extremely difficult to hold the attention of the board — with the exception of one or two members who could visualise the

continued



The last-remaining intact Art Deco cinema in the country has fallen empty and quiet

potential — let alone the attention of the communities at large.

Administrative support

The lack of operating capital at the centre was an endemic problem for the ADA. Although some financial assistance in this regard came from the national department of arts and culture for 2000 and 2001, it was withdrawn for 2002 at precisely the time when it was most needed. The official answer from the department was that operating funding was only given for a two-year period. Requests for assistance from provincial sources fell on deaf ears. In response to this problem of operating support, the project was correctly divided into cost centres, each one striving for financial self-sufficiency. Although subsequent funding from many quarters was extremely generous, it was always earmarked for specifics, and the ADA could take only ten per cent (sometimes less) for administration. This was insufficient, particularly as the project increased in size and complexity. It should be noted that the varied expertise brought to the Apollo by the founders was almost impossible to replace simply because senior project management had never been a line item on the operating budget.

Organisational type

The irony is that the initial strength of the project — the insistence on broad community participation and control — became in the end its Achilles heel. The idealistic concept of community participation allowed control to be wrested by groupings and individuals with little apparent interest in broad-based community development. It has already been stated that the ADA finally became an important economic prize in this generally impoverished plattteland community. But there emerged around the Apollo another issue of fundamental importance to development, and to democracy, in South Africa. The idea seems to be widespread that the dominant political party — which is seen as synonymous with the state — should control all. Partnerships with civil society organisations (whether they be for-profit companies or simply community-based initiatives) while espoused as reasonable at the national policy level have little place as one descends into the platteland bedrock. It is impossible not to conclude that the ADA in its initial manifestation fell foul of this contradiction.

Resources, capacity, accountability

For development to work, this is the essential trio. There is no question that the ADA received considerable financial resources in its first six years. The capacity to use it for the development of key staff did exist, although the retention of quality staff in the middle of the plattteland is almost impossible. And the fact that the project managers were Johannesburg-based and regularly absent from the project told against effective and sustained capacity availability in the medium term. But the final part of this essential trio, accountability, is undoubtedly the most important. To quote MSC Medusi again: major funders have now lost faith in the ADA "through lack of accountability". That's on the financial side, and that's why the ADA became a Section 21 company in the first place, so that it could be held publicly accountable. But there's an equally important social accountability that needs to be taken into account.

Since 2003, however, it seems the trend has been all downhill. Listen to the conditions that the MSC has placed on the ADA before he will consider re-establishing the old relationship:

- That the ADA broadens its community base to represent all communities
- That the current ADA board resign and a democratic election take place
- That a full financial audit be conducted by the provincial authorities.

Accountability, accountability, accountability. It will be this element of the essential developmental trio that will determine whether the precarious predicament of the ADA can be contained as a stumble, or whether it will find fruition in a sprawling and permanent fall. ☐

David Robbins is a writer and journalist. Gail Robbins runs a company that specialises in culture-based socio-economic development.

Appendix III

Bekkersdal Development Hub

Department of Housing

Westonaria Local Municipality

BEKKERSDAL

Bekkersdal Development Hub is launched

The Gauteng Department of Housing hosted the Bekkersdal Local Economic Development (LED) Indaba on 5th and 6th June 2008. The aim of the Indaba was to engage business, government, community and academic stakeholders on how best to promote sustainable communities through local economic development, vocational training, job creation and poverty alleviation initiatives.

In her keynote address, MEC Mokonyane, outlined the three pillars of the BRP vision: to create a sustainable human settlement and relocate 15,000 households currently living in informal settlements on unsafe dolomitic land; to upgrade the infrastructure of the formal areas of Bekkersdal; and to create sustainable local economic development.

"Local economic development projects are planned to diversify the local economy, create much needed jobs and provide local businesses with new business opportunities. The Bekkersdal Development Hub (BDH) will be central to this development," said MEC Mokonyane. "Additional projects are to be identified based on community needs and availability of private sector funding. Bekkersdal is among the few places in Gauteng with no incidents of xenophobia. I'm grateful and proud of such a harmonious community, and appeal for patience and co-operation from the community," she said.

"The BDH, currently under the management of Powerhouse Consortium will assist local business to access government SMME funding, training, and to facilitate the private sector's involvement and partnerships with local Bekkersdal businesses," MEC Mokonyane added.

MEC Mokonyane unveils the plaque at the launch of the Bekkersdal Development Hub, together with the Executive Mayor of the Westonaria Local Municipality, Ms. NK Khumalo and the Executive Mayor of the West Rand District Municipality, Ms. Faith Matshwaza

MEC Mokonyane and Executive Mayor Khumalo greet members of the Bekkersdal Development Forum, Malome Marumo and Thembinkosi Situman, at the LED Indaba exhibition.

BDH programmes will include:

- Training that promotes entrepreneurship and sustainable SMMEs;
- Assistance to SMMEs to secure finance for starting or growing business ventures;
- On the job skills training to improve the skills and experience of jobseekers from the community;
- Supporting the development of business ideas and the incubation and growth of new business ventures;
- A labour brokering service that includes maintaining a skills database of all jobseekers in the township; and
- Identifying employment opportunities in local industries and matching the requirements with trained personnel.

MEC Mokonyane tours the Bekkersdal Development Hub and visits trainees being skilled in construction skills.

The following LED projects will be coordinated in the Bekkersdal Development Hub

- Agribusiness projects (including herbs and vegetables)
- Brick making plant to supply bricks to the housing sector in Westrand
- Dairy farming
- Livestock breeding ranch
- Nursery and instant lawn
- Bakery project
- SMME development
- Training and capacitation for local beneficiaries

Appendix IV

Botšhabelo's Tourism-Market Segments

1 International tourists	Services to be provided
• Visit Botšhabelo as part of a package tour organised by an inbound tour operator • Mainly older people, spend maximum two hours on site • En route to or from the Kruger National Park or other Mpumalanga destinations • French and other European visitors mainly want to visit the Ndebele Village and experience their colourful culture (architecture, food, dance, music, customs) • German visitors combine the Ndebele Village with a "pilgrimage" to the church, the fort and other mission buildings	• Interpretive experience by accredited guides from Botšhabelo • Signage in various international languages • Variety of curios, kiosk selling food and beverages • Cultural interactive experiences – cultural show consisting of song, dance and meals
2 Domestic market	**Services to be provided**
• Mainly from Gauteng and middle-income group • Families (4 members) spending on average two days at Botšhabelo • Enjoy the countryside – go on hikes, bird watching, game viewing, horse-back riding • Self-catering, but will use restaurant if available • Repeat visits over weekends • Weddings and other functions • Camping	• Improve accommodation to en-suite facilities • Provide full self-catering service – kitchenware, towels, microwave and private braai areas • Organised adventure activities for children • Guided tours to Ndebele Village, Historical Village and game reserve • Restaurant and Kiosk on site serving meals, etc. • New caravan park
3 Local market	**Services to be provided**
• Strong Middelburg and Witbank support • Day visitors – families and friends • Enjoying the countryside • Picnics, braais, hikes, horse-back riding, bird watching, game viewing • Largest segment of market • Weddings and events • School groups, educational, camps • Camping	• Dedicated day-visitors site with all required amenities: swimming pool, kiosk, tea garden, playground, braai area with chairs and tables • Guided tours • Wedding and event planner • Game-drive vehicles • Interpretive signage • Heritage interpretation • New caravan park • Upgraded youth hostel • Marketing: local trade shows, websites, brochures, local tourism authorities, events, linkage with other products

continued

Appendix IV continued

4 Corporate market	Services to be provided
• Day visitors • Functions – year-end, meetings • Local business • Support is minimal	• Hotel and convention centre • Event planning and organisation • Launches, conferences, meetings, workshops • Team-building activities • Corporate lodges/camps • Adventure activities
5 Youth market	**Services to be provided**
• School groups • Environmental education • Day visits • History, culture and heritage • Youth Hostel • Horse-back riding	• Improved youth hostel • Youth catering • Educational programmes: environment, culture and history • Guided tours • Adventure activities

Appendix V

Heritage significance of Botšhabelo

	Criteria	Applicability	Rating
1	Importance in the community or pattern of history	Role of Botšhabelo as mission station, forced removals	High
2	Possession of uncommon, rare or endangered aspects of natural or cultural heritage	Architecture, e.g. Fort Merensky, cycads	High
3	Potential to yield information to understand the natural or cultural heritage	Potential archaeological resources, intangible heritage sources, oral history, plants	High
4	Importance in demonstrating the principal characteristics of a particular class of South Africa's natural or cultural places or objects	Classic example of mission station	High
5	Importance in exhibiting particular aesthetic characteristics valued by a community or cultural group	Architecture	High
6	Importance in demonstrating a high degree of creative or technical achievement at a particular period	Farming, workshops, printing, fort, etc.	Medium
7	Strong or special association with a particular community or cultural group for social, cultural or spiritual reasons	Pedi and Kopa communities, Berlin Mission Society	High
8	Strong or special association with the life and work of a person, group or organisation of importance in history	Merensky, Wangemann, Seroti, Eiselen, etc.	High
9	History of slavery/labour	Labour conditions on mission stations	Medium

Appendix VI

Botšhabelo Development Packages

1 GATEWAYS	Project	Aims
1.1	Train our guides	• Comply to industry standards, operational income • Guides – game drives, game walks, Ndebele tour, historical-village tour, museums
1.2	Erect signage	• Design and place tourism signage along the main tourism routes (N4, Middelburg, Loskop Dam Tourism Route)
1.3	New entrance gate and administration	• Build a new attractive gate with support amenities, i.e. administration offices, information centre, parking, curio outlets
1.4	Upgrade access road	• Provide an approved fixed surface intersection at the gate • Re-align and resurface access road to the village
1.5	Staff village (see 5.2)	• Establish staff village opposite entrance gate, providing improved staff quarters for 50 employees
2 SETTLEMENT VILLAGE		
	Design village theme	• Create an authentic rural-settlement area
3 HOSPITALITY IMPROVEMENTS AND EXPANSIONS		
3.1	Hotel and conference facilities	• Construct new hotel, conference facilities
3.2	Restaurant restoration	• Upgrade the "old" restaurant, provide décor and hospitality equipment • Conserve the heritage feel and look of the restaurant • Operate the restaurant as part of the operational business at Botšhabelo (three-star facility, also providing for events, weddings, etc.)
3.3	Grützner Rooms improvements	• Upgrade the current tourism rooms in the Grützner Lodge, Seroti House, Milk Rooms and Labourers Rooms into three-star self-catering facilities
3.4	Guest-house improvements	• Convert Gastrow House, Nietzsche House, Pakendorf House, Seroti House and Beuster Rondawel into three-star guest houses in the style of the 1920 and '30s
3.5	New caravan park	• Build a new caravan park (20 stands) with comfortable amenities

continued

Appendix VI continued

3 HOSPITALITY IMPROVEMENTS AND EXPANSIONS *continued*		
3.6	Youth hostel	• Improve the current 100-bed hostel into a three-star backpacker youth hostel
3.7	New tea garden	• Provide a tea garden at the day-visitors' area
3.8	Day-visitors' area	• Design and establish relaxing day-visitors' areas along the banks of the river
3.9	Activity centre	• Construct/establish an activity centre with equipment
3.10	Wilderness camps	• Construct four corporate camps with support amenities
4 EQUESTRIAN PROJECT		
4.1	Infrastructure upgrade	• Construct new bulk infrastructure: roads, sewage, water, electricity
4.2	Access road	• Construct new access road with fixed surface
4.3	Equestrian estate	• Construct 40 units with support amenities, i.e. stables, house, paddocks
4.4	Game fence	• Erect new game-proof fence around the property
5 HERITAGE CONSERVATION		
5.1	Develop historic interpretation	• Prepare and provide historical information and a research facility
5.2	Staff quarters	• Demolish and remove existing staff quarters and structures (see 1.6)
5.3	Amphitheatre	• Build a new open-air amphitheatre for cultural events in the day-visitors' area
5.4	Restoration of mission churches and parsonage	• Restore, renovate and maintain the two mission churches and adjacent parsonages; provide information signage and displays to show the history of the mission churches and parsonage • The significance of these buildings contributes to the National Heritage Site application, therefore the restoration has to be done in accordance with the SAHRA requirements • Use the "big" church as a tourism attraction and a venue for weddings, with the adjacent parsonage as a bridal overnight and dress facility • Contribute to operational income (weddings, events, photographic opportunities); market it as one of the major tourism attractions in Mpumalanga

continued

Appendix VI continued

5 HERITAGE CONSERVATION *continued*		
5.5	Pedi and Bakopa Forts	• Restore the two old forts by reconstructing
5.6	Stone walls	• Repair all old stone walls on the Botšhabelo property by applying stone-masonry techniques and making use of indigenous knowledge
5.7	Ndebele village	• Upgrade the Ndebele village to provide three-star tourism accommodation within a living cultural village
5.8	Botšhabelo Museum	• Re-establish the "old" Botšhabelo Museum in the Baumbach House with artefacts (furniture, decorations, clothes, etc.) currently in the possession of the Gauteng Museum Services
5.9	Fort Merensky	• Repair the Fort Merensky structures and walls as a heritage site and provide tourism interpretation
5.10	Museum at "old" Botšhabelo settlement	• Rebuild one of the old houses as an "old" Botšhabelo settlement museum depicting the lifestyle of people who lived at Botšhabelo before the forced removals
5.11	Old cemeteries	• Maintain the two old cemeteries
5.12	Pedi cultural village	• Construct a new Pedi cultural village (three-star) depicting the culture of the Pedi people of Botšhabelo
5.13	Blacksmith and book-pinting shop	• Repair the old blacksmith and book-printing shops as museum exhibitions with limited hand-craft exhibits
6 NATURE CONSERVATION		
6.1	Game-viewing routes	• Upgrade and maintain game-viewing routes
6.2	Conservation management plan	• Review the conservation-management plan in line with the master plan
6.3	Broodboomkrans	• Link Broodboomkrans with the remainder of the game reserve
6.4	Hiking-trail huts	• Build two over-night huts and improve hiking trails
6.5	4 x 4 route	• Design, construct and market moderate 4 x 4 route
6.6	Game fence	• Replace the Botšhabelo perimeter fence with new game-proof fence
6.7	Environmental education centre	• Provide a new environmental education centre for schools and other interest groups (about 80 seats)

Appendix VII

Tourism-Attraction Categories in the Western Cape

1	**Metropolitan area**	Range of attractions	City of Cape Town and the metropolitan edge	
2	**Larger interior towns**	Diverse attractions	George Paarl Worcester Vredendal Beaufort West Caledon Riversdale Moorreesburg Bredasdorp	
3	**Coastal towns**	Diverse attractions	Knysna Mossel Bay Saldanha-Vredenburg Langebaan Plettenberg Bay Hermanus	
4	**Coastal resorts/places**	Strandfontein Doringbaai Lambert's Bay Eland's Bay Dwarskersbos Velddrif/Laaiplek St Helena Bay Stompneusbaai Paternoster Jacobsbaai Yzerfontein Rooi Els/Pringle Bay/Hangklip Betty's Bay	Kleinmond Hawston Gaansbaai/Kleinbaai Pearly Beach Buffelsjagbaai Agulhas/Struisbaai Arniston/Waenhuiskrans Witsand/Infanta Jongensfontein Vleesbaai	Danabaai Hartenbos Groot/Klein Brakrivier Glentana Heroldsbaai Victoria Bay Wilderness Sedgefield Buffalo Bay/ Brenton-on-Sea Kranshoek Keurboomstrand
5	**Farming-services centre**	**Larger** Hopefield Aurora Koekenaap Graafwater Gouda Porterville Eendekuil Koringberg	**Smaller** Villiersdorp Riebeek West Rawsonville Klawer Stanford Wolseley Vanrhynsdorp Napier	Riviersonderend Ashton Bonnievale Barrydale Albertinia Murraysburg Uniondale Haarlem

continued

Appendix VII continued

6	**Inland scenic or cultural places**	**West Coast** Citrusdal Clanwilliam De Doorns Riebeek-Kasteel	**Winelands** Greyton Franschhoek McGregor Montagu Stellenbosch Tulbagh Villiersdorp	**Overberg** Botrivier Grabouw	**Eden/Central Karoo** Calitzdorp De Rust Prince Albert Rheenendal
7	**Cultural heritage spots**	Amalienstein Darling Dysseldorp Elim Genadendal Goedeverwacht Leeugamka		Nuwerus Saron Suurbraak Wittedrif Wupperthal Zoar	
8	**Transit-travel spots**	Beaufort West Touwsrivier Matjiesfontein Laingsburg Leeugamka	Prince Alfred Hamlet Bitterfontein Vanrhynsdorp		
9	**Event centres**	Cape Town George Oudtshoorn	Vredendal Stellenbosch		
10	**Retirement places**	**Coastal** Plettenberg Bay Sedgefield Mossel Bay Hartenbos Stilbaai Witsand Arniston/Waenhuiskrans Struisbaai Hermanus Langebaan Yzerfontein Nature's Valley Onrus Pringle Bay		**Inland** George Prince Albert Calitzdorp Franschhoek Paarl Wellington Stellenbosch Swellendam	
11	**Rural spots**	Franskraal Redelinghuys Slangrivier Kliprand		Rietpoort Merweville Op-die-Berg Vermaaklikheid	

Note: Category number are used in Appendix VIII.

Appendix VIII

Full list of Western Cape towns

No.	Place	District*[4]	Population		Place identity	Tourism-attraction category[5]
			2001	Size group[6]		
1	Agulhas/Struisbaai	OB	3 200	B	"Foot of Africa"	3, 10
2	Albertinia	ED	4 700	B	Aloe and thatch	5
3	Arniston/Waenhuiskrans	OB	1 260	B	Fishing village	3
4	Ashton	BL	11 650	D	Fruit-processing	5
5	Aurora	WC	350	A	Sandveld village	–
6	Barrydale	BL	2 450	B	Route 62 arts and wine	6
7	Beaufort West	CK	30 700	F	Cape northern gateway	8, 2
8	Betty's Bay	OB	900	A	Coastal village	4, 10
9	Bitterfontein/Nuwerus	WC	900	A	Namaqualand flowers	8
10	Bonnievale	BL	6 800	C	Breede River pantry	5
11	Botrivier	OB	4 100	B	Rural agricultural town	5, 8
12	Bredasdorp	OB	12 800	D	Home of merino wool	2
13	Caledon	OB	11 200	D	Hot springs and casino	2
14	Calitzdorp	ED	3 200	B	Port-wine capital	6, 5, 10
15	Cape Town	Metropolitan	3 250 000	F	Western Cape capital	1

continued

[4] District abbreviations: BL = Boland, ED = Eden, CK = Central Karoo, OB = Overberg, WC = West Coast

5 See Appendix VII

6 See Table 6.2

Appendix VIII continued

No.	Place	District	Population		Place identity	Tourism-attraction category
			2001	Size group		
16	Ceres	BL	28 100	F	Fruit and snow on mountains	9, 6, 5, 10
17	Citrusdal	WC	5 100	C	Citrus, hot springs, mountains	6
18	Clanwilliam	WC	6 100	C	Rooibos-tea capital	6, 9, 10
19	Darling	WC	7 600	C	Arts, vinyard	6, 10
20	De Doorns	BL	8 700	C	Hex River vineyards	5
21	De Rust	ED	2 800	B	Gateway to Meiringspoort	8
22	Doringbaai, incl. Strandfontein, Ebenhaezer	WC	1 150	B	Crayfish village	4
23	Dysseldorp	ED	11 100	D	Rural settlement	7
24	Eendekuil	WC	850	A	Rural village	–
25	Eland's Bay	WC	1 700	B	West coast fishing and surfing	4, 10
26	Elim	OB	1 300	B	Moravian Mission	7, 10
27	Franschhoek	BL	9 000	C	Huguenot ctr.	6, 10
28	Gansbaai, incl. Pearly Beach and Franskraal	OB	7 400	C	Shark-diving centre	4, 10
29	Genadendal	BL	5 450	C	Mission station	7, 10
30	George, incl. Pearly Beach and Franskraal	ED	120 000	F	Centre of the Garden Route	2, 10
31	Goedverwacht	WC	1 400	B	West-coast Mission station	7
32	Gouda	BL	2 600	C	Berg River canoe stop-over	6

continued

Appendix VIII continued

No.	Place	District	Population		Place identity	Tourism-attraction category
			2001	Size group		
33	Gouritsmond	ED	500	A	Sea-side town	4, 10
34	Graafwater	WC	1 850	B	Sandveld village	5
35	Grabouw	OB	21 600	E	Appel town	5
36	Greyton	BL	1 100	B	Victorian village	6, 10
37	Groot/Klein Brakrivier	ED	10 100	D	Sea-side village/s	4, 10
38	Haarlem	ED	2 400	B	Mission station	7
39	Hawston	OB	7 250	C	Abalone fishing town	4, 10
40	Heidelberg	ED	6 800	C	Agricultural transit place	8, 5
41	Herbertsdale	ED	700	A	Rural town	5
42	Hermanus	OB	17 400	D	Retirement and tourist town	3, 10, 9
43	Hopefield	WC	4 750	B	Agricultural village	5
44	Jamestown	BL	1 450	B	Stellenbosch satellite	–
45	Jongensfontein	ED	300	A	Second-home resort	10
46	Keurboomsrivier	ED	200	A	Scenic coastal resort	4, 10
47	Klapmuts	BL	4 000	B	Transport and light industry	8
48	Klawer	WC	4 500	B	Agricultural transport centre	5
49	Kleinmond	OB	6 400	C	Mountain and sea resort	4, 10
50	Knysna, incl. Buffelsbaai, Brenton-on-Sea,	ED	40 000	F	Oysters, lagoon, arts,	3, 10, 9

Noetzie crafts *continued*

Appendix VIII continued

No.	Place	District	Population		Place identity	Tourism-attraction category
			2001	Size group		
51	Kranshoek	ED	2 100	B	Griqua coastal settlement	7
52	Kurland	ED	2 750	B	Griqua interior	7
53	Ladismith	ED	5 500	C	Cheese, wine	5
54	Laingsburg	CK	4 400	B	Agriculture, transit	8
55	Lambert's Bay	WC	5 100	C	Fishing and bird island	3
56	Leeugamka	CK	2 150	B	Rail transit	8
57	Lutzville, incl. Ebenhaezer, Strandfontein, Doringbaai, Koekenaap	WC	2 150(+)	B	Olifants irrigation	4
58	Malmesbury	BL	25 800	B	Bread basket	2
59	Matjiesfontein	CK	400	A	Victorian transit resort	7
60	McGregor	BL	2 400	B	Agricultural retreat	6, 10
61	Merweville	CK	1 140	B	Karoo village	6
62	Montagu	BL	10 300	D	Route 62 resort	6
63	Moorreesburg, incl. Koringberg	WC	8 600	C	Swartland centre	2
64	Mossel Bay	ED	52 000	F	Eden harbour centre	3, 10, 9
65	Murraysburg	CK	4 400	B	Karoo village	5
66	Napier	OB	3 200	B	Rural artist village	5, 6
67	Onrusrivier	OB	5 500	C	Coastal artist retirement village	4, 10

continued

Appendix VIII continued

No.	Place	District	Population		Place identity	Tourism-attraction category
			2001	Size group		
68	Oudtshoorn	ED	55 200	F	Klein-Karoo centre	9, 2, 10
69	Paarl	BL	105 500	F	Boland centre	2, 10, 9
70	Paternoster	WC	1 500	B	West-coast fishing hamlet	4
71	Piketberg	WC	9 300	C	Swartland agricultural town	5
72	Plettenberg Bay, incl. Nature's Valley, Wittedrift	ED	18 600	D	Holiday and retirement resort	3, 10, 9
73	Porterville	WC	5 850	C	Olifants agricultural centre	5
74	Prince Albert	CK	5 200	C	Swartberg town	6, 10
75	Prince Alfred Hamlet	BL	3 800	B	Agricultural town	5
76	Pringle Bay/Rooi Els	OB	600	A	Coastal retirement village	4, 10
77	Rawsonville	BL	1 950	B	Wine and brandy centre	5
78	Rheenendal	ED	1 900	B	Garden Route forestry village	5
79	Riebeek-Kasteel	BL	2 500	B	Retirement and arts village	6, 10
80	Riebeek-West	BL	2 700	B	Swartland agricultural centre	5
81	Riversdale	ED	12 800	D	Hessequa centre	2, 8, 10, 9
82	Riviersonderend	OB	3 600	B	Agricultural transit place	5

continued

Appendix VIII continued

No.	Place	District	Population		Place identity	Tourism-attraction category
			2001	Size group		
83	Robertson	BL	21 600	E	Robertson wine route	5
84	Saron	BL	6 000	C	Mission station	7
85	Sedgefield	ED	4 100	B	Garden Route retirement	4, 10
86	Slangrivier	ED	2 300	B	Eden rural village	–
87	St Helena Bay	WC	8 100	C	West-coast fishing centre	4
88	Stanford	OB	3 450	B	Overberg village	3
89	Stellenbosch, incl. Kylemore, Pniel	BL	60 000	F	Wine, university	2, 7, 10
90	Stilbaai	ED	3 100	B	Eden river and sea resort	4, 10
91	Suurbraak	OB	1 900	B	Mission station	7
92	Swellendam	OB	13 600	D	Agriculture, transit route	5, 7, 10
93	Touwsrivier	CK	6 750	C	Rail-transit town	8
94	Tulbagh	BL	7 100	C	Agriculture, tourism centre	5, 6, 10
95	Uniondale	ED	4 100	B	Klein Karoo agriculture	5
96	Vanrhynsdorp	WC	5 200	C	Agricultural centre	5
97	Velddrif, Laaiplek, Dwarskersbos	WC	7 600	C	West-coast fishing resort	4
98	Villiersdorp	BL	7 600	C	Agricultural centre	5
99	Vredenburg, Saldanha, Langebaan	WC	52 500	F	West-coast centre	3, 10, 9

continued

No.	Place	District	Population		Place identity	Tourism-attraction category
			2001	Size group		
100	Vredendal	WC	16 200	D	Olifants River centre	2, 9
101	Wellington	BL	40 600	F	Boland service town	2
102	Witsand	ED	2 400	B	Coastal resort	4, 10
103	Wolseley	BL	8 200	C	Boland rural town	5
104	Worcester	BL	81 500	F	Boland centre	2, 8, 9
105	Yzerfontein	WC	600	A	West-coast holiday resort	4, 10
106	Zoar	ED	4 100	B	Mission station	7

Appendix IX

Results of the 10-town survey

QUESTION 1

Is there a documented local tourism strategy in your town?

Answer	Do not exist at all	Limited existence but not compliant or adequate	In existence and compliant or adequate	In existence but more than compliant, adequate
Malmesbury			✓	
Vredendal			✓	
Ceres			✓	
Ashton			✓	
Bredasdorp			✓	
Swellendam			✓	
Robertson			✓	
Riversdale			✓	
Uniondale			✓	
Prince Albert			✓	

QUESTION 2

Is there a documented local economic development (LED) strategy in your town?

Answer	Do not exist at all	Limited existence but not compliant or adequate	In existence and compliant or adequate	In existence but more than compliant, adequate
Malmesbury			✓	
Vredendal			✓	
Ceres			✓	
Ashton			✓	
Bredasdorp			✓	
Swellendam			✓	
Robertson			✓	
Riversdale			✓	
Uniondale			✓	
Prince Albert			✓	

QUESTION 3

Do these two strategies interact?

Answer	Strongly agree	Agree	Disagree	Strongly disagree
Malmesbury	✓			
Vredendal		✓		
Ceres		✓		
Ashton		✓		
Bredasdorp		✓		
Swellendam		✓		
Robertson	✓			
Riversdale		✓		
Uniondale		✓		
Prince Albert	✓			

QUESTION 4

In what way do you co-operate with other authorities in the promotion of tourism and LED in your area?

Answer	No co-operation	Very limited	Adequate co-operation	More than adequate
Neighbouring towns	zero	20%	80%	zero
Local authority	zero	40%	60%	zero
Local business sector	10%	30%	60%	zero

QUESTION 5

Are there any signs of a proactive development-hub approach in your town?

Answer	Do not exist at all	Limited existence but not compliant, adequate	In existence and compliant, adequate	In existence but more than compliant, adequate
Malmesbury	✓			
Vredendal		✓		
Ceres			✓	
Ashton	✓			
Bredasdorp	✓			
Swellendam	✓			
Robertson	✓			
Riversdale	✓			
Uniondale	✓			
Prince Albert	✓			

QUESTION 6

Is there any LED hub or equivalent thereof in town?

Answer	Do not exist at all	Limited existence but not compliant, adequate	In existence and compliant, adequate	In existence but more than compliant, adequate
Malmesbury	✓			
Vredendal		✓		
Ceres			✓	
Ashton	✓			
Bredasdorp	✓			
Swellendam	✓			
Robertson	✓			
Riversdale	✓			
Uniondale	✓			
Prince Albert	✓			

QUESTION 7

Do you think that a development hub will contribute to the economic-growth potential of your town?

Answer	Strongly agree	Agree	Disagree	Strongly disagree
Malmesbury		✓		
Vredendal	✓			
Ceres	✓			
Ashton		✓		
Bredasdorp	✓			
Swellendam		✓		
Robertson	✓			
Riversdale	✓			
Uniondale		✓		
Prince Albert		✓		

QUESTION 8

Do you think that tourism promotion will have a positive effect on the economic stimulation of your town?

Answer	Strongly agree	Agree	Disagree	Strongly disagree
Malmesbury		✓		
Vredendal	✓			
Ceres	✓			
Ashton		✓		
Bredasdorp	✓			
Swellendam	✓			
Robertson	✓			
Riversdale	✓			
Uniondale		✓		
Prince Albert	✓			

QUESTION 9

Rate your town's overall success in using tourism promotion to stimulate LED

Answer	No success	Very limited success	Success	Highly successful
Malmesbury		✓		
Vredendal		✓		
Ceres		✓		
Ashton		✓		
Bredasdorp		✓		
Swellendam		✓		
Robertson		✓		
Riversdale		✓		
Uniondale	✓			
Prince Albert		✓		

Appendix X

Questionnaire about Small-Town Tourism Promotion in the Western Cape

Small-Town Tourism Promotion in the Western Cape

October 2010

A survey conducted through the University of the Western Cape

Please complete *all* questions

Basic details

Town: _____ Municipal area: _____

Population (est. 2006): _____ District municipality: _____

1 *De facto* tourism activity

1.1 Significance of different categories of tourists in this town

(1 = highly significant, 4 = virtually none)

	Category	Significance (1–4)	% share of all visitors
1 a	Overseas tour groups		
1 b	Overseas individuals/couples		
2	Visitors from other African countries		
3 a	Domestic tourist groups		
3 b	Domestic single/couple visitors		
4	Leisure and sight-seeing tourists		
5	Event visitors (sport, religion, business, academic, etc.)		
6	Business visitors (excluding events)		
7	Adventure and nature exploration		
8	Culture and heritage		
9	Visiting friends and relatives		
10	Passing-through visitors		
11	Second home/pre-retirement visitors		
12	Other		
	Total (The total will exceed 100% due to overlap of categories)		

1.2 Comments

1.3 Local tourist attractions I (please tick ☑ those applicable in your town)

☐ (Famous) Monuments	☐ Annual (agric.) show	☐ River/lagoon/ estuary
☐ Scenic through-routes	☐ Wildlife/game park	☐ Boat-riding facilities
☐ Along route to major tourism destinations	☐ Nature reserve park	☐ Large pools
☐ Old-style buildings/clusters	☐ Unique vegetation/plants	☐ Fishing
☐ Cultural attractions (year round)	☐ Unique agricultural scenes	☐ Surfing
☐ Religious attractions	☐ Unique sport attractions	☐ Major youth attraction
☐ Top-class/well known hotel	☐ Rare sport activities	☐ Excellent shopping
☐ Major school/hostel	☐ Home town of famous person	☐ World-class hospital
☐ Annual events/festival	☐ Attractive beach/es	☐ Cultural village/s
☐ Mountain climbing nearby	☐ **Other** (specify):	☐ **Other** (specify):
	_____	_____

1.4 Local tourist attractions II

1.4.1 Top three attractions

a) _____

b) _____

c) _____

1.4.2 Other tourist draw cards

a) _____

b) _____

c) _____

1.4.3 Are any "catalytic projects" being planned to attract more tourists?
(please tick ☑ applicable)
Yes ☐ No ☐ (give details, if *yes*)

_____

_____

_____

1.5 Rate your town's current tourism potential (please tick ☑ applicable)

Low ☐ Medium ☐ High ☐

2 Local capacity to cope with tourism

2.1 Accommodation

	Accommodation	Number of places	Number of beds
1	Hotels		
2	B+Bs		
3	Guest houses		
4	Backpackers		
5	Camping/caravan park		
6	Self-catering		
7	Home-stays		
8	Visiting friends or relatives		
9	Others (please specify: _____)		

2.2 Catering

	Catering	Number of places
1	Restaurants	
2	Take-aways	
3	Shebeens	
4	Entertainment facilities	
5	Braai facilities	
6	Open markets	
7	Community town facilities	

2.3 Transport

	Transport	Number of operators
1	Taxis	
2	Tour operators	
3	Tour guides	
4	Car rentals	
5	Air strips	
6	Rail links	

2.4 Rate your town's current capacity to serve the tourism potential
(please tick ☑ applicable)
Low ☐ Medium ☐ High ☐

3 Links between tourism and LED

3.1 Are there any organisations, associations, interest groups, etc., supporting tourism-based LED in your town?
Please provide names and contact details below.

a) _____

b) _____

c) _____

d) _____

3.2 What links are there between these organisations and your local authority?

_____

_____

_____

3.3 Employment

3.3.1 How many jobs can be attributed to tourism activities? _____ (number)

Please provide details below.

_____

_____

_____

3.3.2 How many SMMEs run by PDIs have been established through tourism?

_____ (number)

Please provide details below.

_____

_____

3.4 Are there official links between tourism development and LED?
If *yes*, in what form? (forums, joint budgets, shared offices, other)

_____

_____

3.5 Local strategies

3.5.1 Is there a documented local **tourism strategy**? (please tick ☑ applicable)
Yes ☐ No ☐ (if *yes*, please give details below)

Who prepared the document? _____

When (year)? _____ Are copies available? Yes ☐ No ☐
Are there other core documents? (if *yes*, please specify)

_____

Website _____

Please provide me with a copy of your local tourism strategy, electronically or by mail.

3.5.2 Is there a local **economic-development strategy**? (please tick ☑ applicable)
Yes ☐ No ☐ (if *yes*, please give details below)

Who prepared the document? _____

When (year)? _____

Please provide me with a copy of your local economic-development strategy.

3.5.3 Do the two strategies interact?

Yes ☐ No ☐ (if *yes*, please give details below)

How do they interact? _____

3.5.4 Is there a local **tourism-information office**?

Yes ☐ No ☐ (if *yes*, please give details below)

Address: _____

_____

Contact person: _____

Tel.: _____

Fax: _____

e-mail: _____

3.5.5 Is there a local **economic-development office**?
Yes ☐ No ☐ (if *yes*, please give details below)

Address: _____

_____

Contact person: _____

Tel.: _____

Fax: _____

e-mail: _____

4 Co-operation with other authorities in tourism promotion

In what way do you co-operate with other authorities in the promotion of tourism to your area? (please tick ☑ applicable)

	Not at all	Very little	Actively	See details below
Neighbouring town				

Example/s: _____

_____

Local municipality (give details please)				

Details/examples: _____

_____

Local Business Sector (give details please)				

_____

_____

_____

5 Rate your town's overall success in using tourism to stimulate LED in your town (please tick ☑ applicable)

Low ☐ Medium ☐ High ☐

6 Is there any proactive development-hub approach or the possibility thereof in town?

_____

_____

_____

7 Is there any local economic-development hub/centre or equivalent thereof in town?

8 Do you think that a development hub will contribute to the economic growth potential of your town?

9 If there is no economic growth in town currently, do you think that tourism promotion will have a positive effect on the economic stimulation of the town?

Thank you very much for your co-operation. If you would like to add any further information or comments about tourism promotion or facilitation efforts linked to your town/place or its co-operation with other towns or the district and province, please add details on a separate sheet.