DEVELOPMENTAL LOCAL AUTHORITIES IN SMALL RURAL TOWNS OF THE NORTHERN CAPE – THE CASE OF VICTORIA WEST

A research report submitted to the School of Government, University of the Western Cape, in partial fulfilment of the requirements for the degree of Master in Administration

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May 2004

DECLARATION

I hereby declare that this is my own, unaided work. It is being submitted for the **Degree of Master of Administration** in the School of Government, University of the Western Cape. I further testify that it has not been submitted for any other degree or to any other institution of higher learning.

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DATE: 13 MAY 2004

ACKNOWLEDGEMENTS

I would like to express my gratitude and appreciation to some organisations and individuals:

- My loving wife and beautiful daughter, Euruka and Mieke Nothnagel for your unconditional love and belief in me, your interminable patience and made time and space to make this mandate part of the loving nature of the Nothnagel family.
- My parents and sister, Steve, Claude and Monique Carsten for your love, prayers, support and belief in me and my studies. I love you.
- My parents-in-law, John and Cupie Drury for the support, your love and for whom no sacrifice is ever too big.
- Prof. Wolfgang Thomas for his inspiration, continuous interest, encouragement and guidance in the completion of this study despite his heavy workload.
- My friends, David and Gail Robbins, for their faith in the Apollo project, their friendship, interest and contribution to one of the most successful community-based development projects in the Northern Cape.

- The Mayor, Councillors and Personnel, and Ubuntu Municipality for supporting me as Municipal Manager and believing in this local economic development initiative.
- The Chairman, Board Members and Staff, Apollo Development Association for serving through this project the beautiful people of Victoria West.

ABBREVIATIONS

ADA	:	Apollo Development Association
AFF	:	Apollo Film Festival
ANC	:	African National Congress
BASA	:	Business & Art South Africa
DBSA	:	Development Bank of South Africa
B&B	:	Bed and Breakfast
CBO	:	Community based organization
CDE	:	Centre for Development and Enterprise
CMIP	:	Consolidated Municipal Infrastructure Programme
DA	:	Democratic Alliance
DACST	:	Development of Arts, Culture, Science & Technology
DEAT	:	Department of Environmental Affairs and Tourism
DSH	:	District Health Authority
FRU	:	Film Resources Unit
IDP	:	Integrated Development Plan
LA	:	Local Authority
LED	:	Local Economic Development
NAMAC	:	Northern Cape Manufacturing Advice Centre
NCACC	:	Northern Cape Arts and Culture Council
NCTA	:	Northern Cape Tourism Authority
NDA	:	National Development Agency
NFVF	:	National Film & Video Foundation
NGO	:	Non-Governmental Organisation
NLF	:	National Lotteries Fund
PPP	:	Public-Private Partnership
SBAS	:	Standard Bank Arts Sponsorship
SMME	:	Small, Medium, Micro Enterprise
SWOT	:	Strengths, Weaknesses, Opportunities, Threats
VIP	:	Very important person

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CHAPTER 1: INTRODUCTION

1.1 Subject choice

For the last seventeen years I have been actively involved in local government management and I have also been schooled in this academic field. I made this milieu my career as I have an intense yearning to stand in service of the general community, - more specifically the rural communities in South Africa.

Practical engagement in this field also taught me that democracy goes hand in hand with urbanisation and, if not countered, the pauperisation of rural districts. The result of this is impoverishment and increasing unemployment.

I see concerned "local economic development" as one of the only instruments through which rural communities can master themselves and so contribute to the economic development of smaller towns and platteland areas, thereby also contributing towards emotional growth and human dignity.

Professor Jeff McCarthy (1996) of the Centre for Development and Enterprise (CDE) suggested that there is a danger that many of South Africa's small towns - like Victoria West 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.

In the words of the CDE research: "Some of the most creative thinking about the future of small towns emanates from local institutions of civil society within certain small towns. But this response is uneven and what is achieved is seldom published or shared with small towns elsewhere in the country." (Tomlinson, 2002: 1).

These conclusions also apply to local economic development in the Northern Cape; in fact it motivated the research for this thesis.

Local authorities' main objective - to deliver affordable infrastructure and services to the population it serves - cannot be sustained unless economic development initiatives are given high priority. However, small-town local authorities find it difficult to understand economic development imperatives and to secure development funding from the various government sources. The question therefore arises, whether there are alternative grassroots-based economic development conduits and arrangements, and how local authorities can relate to them.

As we shall demonstrate in this study local authorities need to divide their attention between service delivery and development promotion, differentiating clearly between infrastructural and economic development initiatives.

1.2 Role of local authorities

This study focuses on the role of local authorities in the economic development planning of small towns.

In South Africa local authorities are expected to deliver basic services to their constituents and to contribute to the economic development of the community.

During the years of apartheid, local authorities mainly concentrated on "white areas", where local economic development projects were first initialized.

This resulted in a situation where "non-European" communities were seen as more "affixtures to developed 'towns'". Naturally, the (European) suburbs and industrial areas, seen from a local government management viewpoint developed into elite areas with high quality infrastructure.

To counter those trends, the South African Constitution, Act 108 of 1996, states in para 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; and to promote the social and economic development of the community"; and that it should b) participate in national and provincial development programmes. In the language of the 1998 White Paper:

"One of the strengths of working together with local citizens and partners is that it recognises the linkages between development, delivery and democracy". Building local democracy is a central role of local government, and municipalities should develop strategies and mechanisms (including, but not limited to, participative planning) to continuously engage with citizens, business and community groups.

In that context the White Paper on Local Government, March 1998 stated that municipalities require active participation by their citizens at four levels:

- as voters - to ensure maximum democratic accountability of the elected political leadership for the policies they are empowered to promote;
- as citizens- who via different stakeholders and associations express their views before, during and after the policy development process, thereby ensuring that policies reflect community preferences as far as possible;
- as consumers and end-users- who expect value-for-money, affordable services and courteous and responsive service;
- as organised partners involved in the mobilisation of resources for development via for-profit business, non-governmental organisations and community-based institutions.

From the above excerpts, it should be clear that the focus on service delivery implies efforts to reach all segments of the population. Besides, effective service delivery is only possible through sustainable development at local level.

This study uses Victoria West to establish the extent to which public participation can contribute to "local economic development". This implies:

- balancing local economic strategies to achieve increased competitiveness as well as poverty eradication and job creation;
- addressing pent-up demand for service delivery, in particular where services

have not reached vulnerable members of society, and where there are severe affordability constraints;

- fostering more open, transparent and mutually respectful state-society relations; and, finally,
- forging new inter-governmental relationships.

1.3 The broader context

In the case of Victoria West – as in most other rural centres - these challenges include all the pressures associated with South Africa's political transition to democracy. These are related to the many residual effects of apartheid, which increased demands for municipal delivery capacity, and to a more rigid fiscal policy than under the previous governments. These factors also determined how the municipality positioned itself to meet its developmental objectives, and how central and provincial government support is utilised.

South Africa seems unique in Africa by having many developed settlements outside the main urban centres. In fact, there are approximately 500 small towns (now amalgamated into 282 local authorities) with populations below 50000 and a well-developed physical and social infrastructure ***(South Africa, 1998: Section.9)***. Whilst this represents a major resource we have to admit that, in numerous cases, these assets are neglected or under-utilized. In the platteland the lack of economic opportunities often leads to the departure of the best of their economically active people, leaving a residue of children and elderly, as well as a middle group unable to find work

elsewhere. Thus, small towns frequently lack intellectual muscle to cope with the changes needed to implement and sustain new policies and re-create development momentum.

In such a context, efforts towards "sustainable economic development" become even more important. Traditionally, small-town local authorities were primarily concerned with service deliveries to the 'white' parts of towns, with little attention paid to the facilitation of infrastructure or economic development in the townships.

"South Africa is faced with major challenges as only a portion of the population enjoys well-developed and maintained infrastructure. The backlogs of infrastructure development and upgrading and maintenance programmes have greatly contributed to the underdevelopment of localities. This problem is further compounded by high levels of unemployment and poverty. Addressing the efficient and effective delivery of infrastructure within this contest requires innovative approaches". **(The Local Authority's Role in Economic Development, 1998)**

Since 1994, the imperatives have shifted. Local Authorities are now pressed to divide their time between the delivery of services on the one hand and 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.

Substantial amounts of money have in the past decade been spent on housing and infrastructure, including water and electricity provision, waterborne sewerage systems, roads and adequate storm-water arrangements. There has, in fact, been a significant improvement in the material conditions of people's lives. Yet, this improvement has been accompanied by a crisis of affordability. New services generate new financial demands, normally serviced from rates income. The affordability of major improvements is, however, often in question, especially in small towns with high unemployment. The much-debated 'culture of non-payment' for services is often rooted in a genuine inability to pay - with disastrous consequences for the local authority concerned.

On the other hand, failure to develop the economic potential of small towns leads to even more joblessness, poverty, and further inability to pay for the services delivered. It threatens the financial viability of local authorities and contributes to depopulation and social instability in the platteland.

No wonder therefore, that the attention of the state has been turned on economic development in general and local economic development in particular.

1.4 Background to the LED paradigm

Municipalities in South Africa have always played a role in the economic development of towns and villages. Municipalities employ people from the local area; they purchase goods and services, develop the infrastructure and regulate the development of land. All these activities impact on the local economy.

In addition to these "traditional" roles of service provision and regulation, the Constitution defines one of the objectives of local government as the "promotion of social and economic development".

The White Paper on Local Government reinforces this mandate by introducing the concept of "Developmental Local Government", which is defined as:

"Local Government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives".

Local Government's developmental mandate encourages municipalities to address poverty directly, joblessness and the redistribution of wealth in their areas of jurisdiction. In addition municipalities are required to participate in economic development programmes of provincial and national government. **(Local Economic Development Series, 2000)**

It is worth paying some attention to the difference between "economic development" and the concept of "local economic development". Economic development is normally seen to depend on medium to large investments, stimulated by major expenditure or intervention by the state. Such economic development efforts tend to create jobs, but

hardly enough to satisfy the appetite of South Africa's job hungry small towns. Local economic development, on the other hand, focuses on the creation of small and medium enterprises inside the economies of specified geographical areas. It is seen to mobilise local resources, both human and material, in new ways.

Major difficulties are being encountered the implementation of this new local economic development emphasis. Since the advent of democracy in 1994, small-town councils and municipalities have incorporated people who are often inexperienced, due to having been excluded from local government in the past. This reality is compounded by the new and more complex nature of local economic development (as opposed to infrastructure and service delivery). Few precedents exist for action to be applied. Other difficulties concern the shortage of administrative and financial resources, as well as party political manoeuvring over power and patronage within small-town local government.

To help tackle that tight complex of problems and obstacles there is need for complementary action in the advancement of local economic development in South Africa's small towns.

In this study we are looking at such a complementary approach. It is based on the idea of partnerships between the public sector, the private business sector, and the civil society, with the latter often represented by non-governmental organisations (NGO's), community based organisations (CBO's), and other loose groups of citizens.

The roots of such complementary action go back to the 1950s up to the middle 1970s when the concept of the "welfare state" was prominent in Europe on both sides of the iron curtain. Nick Taylor, executive director of the Joint Education Trust, has pointed out that "During the cold war period the liberal democracies of the West and the communist states of the East shared one important feature: a strong state which dispensed largesse to its citizens in the form of health, education and welfare services. The last two decades have seen a dismantling of many aspects of the welfare state."

The rationale behind this dismantling process had two parts. The first was economic: governments could no longer afford to shoulder the full burden. The second was socio-political: the collapse of the socialist economies and the rise of democracy in previously communist countries brought forcibly home to everyone that the concept of all-powerful states, however benevolent, retarded democratic impulses in other sectors of national life. Specifically, the business or civil society sector, which Taylor called the 'third sector'.

"In the West," Taylor writes, "these functions (of health, education and welfare services) are being picked up by a variety of for-profit and non-profit organisations. By contrast, the delivery of services in many former communist countries is being severely hampered by the poor state of development of the business and non-profit sectors."

Taylor refers to a study in seven developed countries that had shown:

- that the civil society sector provides 1 in 8 jobs in the service industry and 1 in 20 jobs generally;
- that the collective expenditure of civil society organisations represented an average of 5% of total GDP;
- that the civil society sector was one of the fastest growing in the countries surveyed, accounting for 13% of new jobs in France, Germany and the United States between 1980 and 1990;
- that the principal sources of revenue of civil society organisations were fees and sales (47%), government funding (43%), and private donations (10%).

"This last point illustrates two important principles underpinning the work of these institutions (the civil society organisations). First, they are increasingly being subjected to market forces and, second, there is a mutual dependence between these sector organisations and government." **(N Taylor, JET Bulletin, Nov 1996)**

1.5 Challenges of small, rural towns

The post-1994 South African state has followed these trends, adding significant development dimension to the new thinking. Economic development is to be the subject of partnerships between civil society and government, or local authorities and organisations growing out of civil society.

Municipalities around the world are faced with increasing demands for improved services, fiscal constraints and competition for resources. Municipal services in the platteland became too expensive to maintain. Thus, local residents cannot afford the standard services. Depopulation of the rural areas results in low residential density. The higher the density of the population, the more affordable municipal services will become. Many successful local authorities are responding to this challenge by exploring public/private partnerships (PPP's) as a way to improve the delivery of services. This approach uses the expertise, investment and management capacity of the private sector to develop infrastructure as well as to improve and extend efficient services to all residents.

These partnerships are increasingly viewed as an important tool for meeting infrastructure and service needs in the face of limited resources. According to the 1997 Green Paper on Local Government, "where this type of partnership is municipally-driven, and aims to harness the capacity of the private sector to meet public interests, substantive benefits can be derived, including getting cheaper services, of better quality, to more consumers". (**The Local Authorities Role in Economic Development, 1998**)

In the small town context, where resources are extremely limited, these partnerships are even more important. Yet, the problems of the successful implementation of such partnerships are equally daunting.

1.6 Problem statement and structure of the report

Victoria West experiences high levels of unemployment and related social ills such as crime. Naturally, the question arises how local economic development in the municipal area can tackle these poverty-related issues of the community. This study addresses the problems facing small-town local authorities in their economic process, and outlines opportunities of cooperation with civil society organisations committed to economic development. In this research we try to arrive at a framework for the facilitating role that local authorities can play in the economic development of small towns.

During the late 1990s and early 2000s the small Northern Cape town of Victoria West has received significant development funding. The Victoria West Local Authority received funds for housing (R2,2-million) and services infrastructure (R500 000), but little for economic development projects and direct poverty relief. The Victoria West-based Apollo Development Association (ADA), on the other hand, has been able to attract over R1,4-million from private as well as public sector sources, with the prospect of considerable additional amounts. This money has been used exclusively, to promote "economic development through culture and tourism". The Apollo Development Association's efforts have centred on the re-opening of an old cinema not only for local use but also as a tourism centre around which local economic development opportunities are being deliberately created. Youth involvement and relevant training are also central to the Association's concerns.

It is this growing and in many ways complex and often strained relationship between the Victoria West Local Authority and the Apollo Development Association, which is at the centre of this study.

Through this examination, the respective roles of local authorities and civil society organisations will become clear. In particular, this study will assess perceived values around this relationship, in the hope that it will provide an appropriate framework for the Local Authority's facilitation of economic development within its area of jurisdiction.

Against this background the objective of this research will be to test the following three propositions:

1. the Victoria West Local Authority is concerned primarily with services delivery and some infrastructural development, with local economic development efforts coming a poor third;
2. the Apollo Development Association offers a more direct and effective route to local economic development;
3. a close relationship between the Local Authority and the Apollo Development Association is possible and, in fact, necessary for successful development.

The particular local authority chosen for this study is that of Ubuntu Municipality in the Northern Cape Province, which combines Victoria West, Richmond and Hutchinson to the east and Loxton to the west of the N12. The partnership to be examined is that between the Ubuntu Local Authority and the Apollo Development Association , a community-controlled Section 21 company based in Victoria West.

Victoria West is situated on the N12 national road, some 360 kilometres south of Kimberley and 600 kilometres north of Cape Town. The current population is about 14000, including 10500 Coloured, 2500 African and a thousand White inhabitants. The whole Ubuntu Local Authority area, on the other hand, houses 23600 people, of which 16300 are Coloured, 4100 Africans and 3200 Whites.

The new Ubuntu Local Authority includes the former Victoria West Transitional Local Authority, with

- 5 African National Congress Councillors
- 2 New National Party Councillors

  as apposed to (formally)

- 4 Democratic Alliance Councillors
- 4 African National Congress Councillors

The ADA was established in February 1998 as a legally defined common law association. Prior to its establishment, the general idea behind the association was communicated to the Victoria West Town Council. After considerable discussion, the Council unanimously accepted the concept, and two council members (one of them the Mayor) became founding members of the Apollo Development Association.

The study consists of four chapters aside from this introduction section. Chapter 2 outlines the statutory transformation of local government in South Africa, and it's impact on smaller towns and, in particular the development challenge. Chapter 3 tackles the other "leg" of the study, viz. the economic characteristics and development challenges of Victoria West and the new municipal area. Against that contextual

background chapter 4 looks at the rise and dynamics of the Apollo Development Association as a significant actor in attempts by the public and private sector to activate economic development in the area. The last chapter tries to broaden the conditions beyond the particular bodies of Victoria West and the Ubuntu Local Authority.

CHAPTER 2: CHANGING ROLES OF SOUTH AFRICAN LOCAL AUTHORITIES

2.1 Local government in transformation

In South Africa, three spheres of government are provided for by the Constitution: national, provincial and local. Throughout the world, national and regional governments are deemed to be too "remote" from the people in the cities and urban as well as rural areas to effectively provide services needed at local level like water, electricity, refuse removal, streets, traffic control and libraries.

After 1994, the transformation of local authorities constituted a major component of South Africa's overall socio-political transformation process. One of the national challenges that faced local government during the transition period was to unscramble the legacy of apartheid-driven local government structures. The four major racial groups in South Africa were not only divided by law but also geographically and by standards of municipal services.

Although Chapter 7 of the Constitution paved the way for a new dispensation for the local sphere of government, a more in-depth policy document was required. This document was the White Paper on Local Government, dated 13 March 1998. As a policy document of the government, it constituted a point of departure for a wide range of issues to be addressed by way of subsequent legislation.

The first such legislative measure was the Local Government: Municipal Demarcation Act, Act No. 27 of 1989. An independent Demarcation Board was established in terms of this act, consisting of a Chairperson, Deputy Chairperson and nine members – one from each province.

This Demarcation Board had to re-demarcate the boundaries of 843 municipalities according to guidelines provided in Section 25 of the Demarcation Act. The Board then had to delimitate wards within the newly demarcated municipalities. The Board's delimitations resulted in the formation of a new three-tiered system of local government in South Africa, viz.

- six category A metropolitan councils: Cape Town, Port Elizabeth, Durban, Johannesburg, the East Rand, and Pretoria. These metropolitan areas are also popularly known as uni-cities or mega cities.
- 47 category C municipalities better known as district municipalities or district councils. Some of these have cross-provincial boundaries, provided for in the Cross-Boundaries Local Government Act, No 20 of 2000.

  Table 1 lists all these district municipalities in the Northern Cape. Amendments to sections 84 and 85 (through the Amendment act No 33 of 2000) provide that certain functions previously performed at local council level, should now be rendered by district councils. Scope is also created for the possibility that district councils can act as agents for the local councils. The underlying reason for this measure is to enable district councils to perform a developmental role, especially in the severely disadvantaged rural areas.
- 231 "Category B municipalities" or local councils, which are further discussed below.

Table 1: Category C Municipalities in the Northern Cape:

DISTRICT AREA	NAME BEFORE AMALGAMATION	NEW NAME
Kalahari	Kalahari-Kgalagadi District Municipality	Kgalagadi District Municipality
Diamandveld	Diamandveld District Municipality	Frances Baard District Municipality
Namakwaland and Hantam	Namakwa District Municipality	Namakwa District Municipality
Bo-Karoo	Bo-Karoo District Municipality	Karoo District Municipality
Benede Oranje	Benede Oranje District Municipality	Siyanda District Municipality

2.2 Local Councils

2.2.1 Merger of former municipalities

The councils are also referred to as "stand alone" councils and they constitute the backbone of the local authority system in the ex-metropolitan areas of South Africa, which covers approximately 85% of the geographic area of the country and more than 60% of the population. The previously racially segregated communities are now grouped together under one umbrella structure, with each of the new municipalities the result of the amalgamation of two or three municipalities from the interim period of transformation. Table 2 lists all the new category C municipalities of the Northern Cape.

In practice, the merging of "smaller and bigger" towns created various functional problems. In the platteland, municipal councils automatically decided, that the bigger towns normally based on physically larger jurisdictional areas, more residents and a more vibrant business sector, should be the headquarters or principal seat of the council. Rural municipal offices in smaller towns were demoted to merely administrative units with very limited powers of decision making, limited rendering of services and staffed by only the minimum number of (junior) staff. Senior staff and equipment were moved to headquartering towns, from where service-rendering is supposed to be given to the full, "amalgamated" community.

Because of these developments many rural people feel that the smaller towns lost their independence, status and most of their responsibilities. The settlement of municipal executive and senior personnel as well as senior councillors in these central "towns" made proximity to rural residents, which, in many cases, live 100 to 300 kilometres away from headquartering towns, virtually impossible.

Table 2: Category B Municipalities in the Northern Cape:

AMALGAMATED TOWNS		NEW NAME AFTER DEMARCATION PROCESS
Richtersveld	Port Nolloth	Richtersveld Municipality
Kommagas O'Kiep Steinkopf	Springbok Concordia	Nama Khoi Municipality
Garies Leliefontein	Kamieskroon	Kamiesberg Municipality
Calvinia Brandvlei	Loeriesfontein Nieuwoudsville	Hantam Municipality
Williston Sutherland	Fraserburg	Karoo Hoogland Municipality
Pella	Pofadder	Khoi-Ma Municipality
Loxton Richmond	Victoria West	Ubuntu Municipality
Noupoort	Colesberg	Umsobomwu Municipality
Britstown Hanover	De Aar	Emthanjeni Municipality
Carnavon Vosburg	Van Wyksvlei	Kareeberg Municipality
Van Der Kloof Petrusville	Phillipstown	Renosterberg Municipality
Marydale Prieska	Niekerkshoop	Siyathemba Municipality
Strydenburg	Hopetown	Thembelihle Municipality
Griekwastad Campbell	Douglas	Siyancuma Municipality
Mier		Mier Municipality
Kakamas Kenhardt	Keimoes	Kai Garieb Municipality
Upington		Khara Hais Municipality
Groblershoop	Brandboom	!Kheis Municipality
Postmasburg	Olifantshoek	Tsantsabane Municipality
Danielskuil		Kgatelopele Municipality
Kimberley	Richie	Sol Plaatje Municipality
Delportshoop Windsorton	Barkley West	Dikgatlong Municipality
Warrenton		Magareng Municipality
Hartswater Pampierstad	Jan Kempdorp	Phokwane Municipality
Kuruman	Mothibestad	Moshweng Municipality
Kathu	Deben	Gamagara Municipality

2.2.2. Status, powers and functions of municipalities

With respect to the status of the newly amalgamated municipalities the Constitution of the Republic of South Africa, 1996 states that:

"151. (1) The local sphere of government consists of municipalities, which must be established for the whole of the territory of the Republic.

(2) The executive and legislative authority of a municipality is vested in its Municipal Council

(3) A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution

(4) The national or a provincial government may not compromise or impede a municipality's ability or right to exercise its powers or perform its functions"

The Constitution states the following on the powers and functions of municipalities:

"153. (1) A municipality has executive authority in respect of, and has the right to administer-

(a) the local government matters in Part B of Schedule 4 and Part B of Schedule 5; and

(b) any other matter assigned to it by national or provincial legislation."

Along the old style of limited, explicitly stated responsibilities, Schedule 4 (Part B) lists (i.a.)

> "Air pollution, Building regulations, Child care facilities, Electricity and gas reticulation, Fire fighting services, Local tourism, Municipal airports, Municipal planning, Municipal health services, Municipal public transport, Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law, Pontoons, ferries, jetties, piers and harbours, Storm water management systems in built-up areas, Trading regulations, Water and sanitation services".

Within the new dispensation of a broadened approach to local government the Constitution of the Republic of South Africa, 1996 lists the objects of local government as:

- providing democratic and accountable government for local communities;
- ensuring the provision of services to communities in a **sustainable** manner;
- promoting social and **economic development**;
- promoting a safe and healthy environment; and
- encouraging the involvement of community organisations in the matters of local government.

The two aspects of "promotion of social and economic development" are new to local government in as far as they have not previously been explicitly part of their traditional functions. Social development includes, for example, aspects of child welfare, for instance feeding schemes and day care centres, which are services

requiring skilled employees and substantial funding. However, Section 10D(1)(b) of the Local Government Transitional Act, stipulates that powers and duties conferred or imposed upon or delegated/assigned to a council can only take place if sufficient resources for the exercise of such power or the performance of such duty are made available.

2.3 Local economic development - a new paradigm

The Constitution also states (in section 153.A) that a municipality must:

- structure and manage its administration and budgeting and planning process to give priority to the basic needs of the community; and to promote the social and **economic development** of the community; and
- participate in national and provincial development programmes.

This mandate gives local authorities a new responsibility for local development planning, involving partnerships with the private sector, community organisations, unions or Non Governmental Organisations **(Rogerson 1999:32)**.

In fact, by making local government responsible for the social and economic development of communities, government has subsequently stressed the need to create and develop a new culture of developmental local government **(Republic of South Africa 1889:45)**.

Much of the local economic development literature fails to recognise the inherent limitations of local municipal initiatives. For example, efforts to attract inward investment face very intense competition from other local authorities and larger towns. It is also important that national government does not see developmental local government as a means of shifting their responsibilities. The limited financial and

human capacity of most platteland local authorities is an obvious constraint. Thus, "weak" authorities need more government assistance if they are to build up a strong economic basis for expansion from below.

Against this background, we are looking at the rise of local economic development (LED) as a broad-based approach or "paradigm" to socio-economic development at municipal level, but not limited to municipalities.

LED is the outcome based on local initiatives driven by local stakeholders. It involves identifying and using primarily local resources, ideas and skills to stimulate economic growth and development with the municipality playing a pivotal, though not extensive role. The aim of local economic development is to create employment opportunities for local residents, alleviate poverty and redistribute resources and opportunities to the benefit of all local residents.

It is furthermore important in this context, to realise that local economic development is an ongoing process, rather than any single project or a series of steps to follow. Furthermore, LED encompasses all stakeholders in a local community, involved in a number of different initiatives aimed at addressing a variety of socio-economic needs in that community.

LED initiatives always take place in a very specific context of regional, national and global economies. These larger environments impact on local economies in different ways. For example, fluctuations in the gold price may lead to the closure of a gold mine, which might be the main employer in a small town, thereby leading to increased unemployment. Essentially, LED initiatives have to be adapted to changing regional,

national and global circumstances, being designed in a way which assists local areas to respond to these contexts creatively.

There is no single approach to local economic development, which will work in every local area. Each local area has a unique set of opportunities and problems, and the different LED stakeholders must develop a strategy (or combinations of strategies) that is specific to the local context.

For example, some local areas have physical features (such as a beautiful coastline, or close proximity to a harbour or airport) valuable as resources for local economic development. Others may draw on different resources such as a thriving commercial or industrial sector, well-developed infrastructure, or a skilled work force. Good relationships between local stakeholders and enthusiasm as well commitment around local goals and challenges are further important resources for successful local economic development.

In its very nature LED is a locally driven process designed to identify, harness and utilise resources to stimulate the economy and create new job opportunities. As mentioned already, it is not just one specific action or programme; rather it is the sum total of individual contributions of a broad spectrum of the community. It occurs when the local authority, business, labour, NGOs and – most importantly – individuals strive to improve their economic status by combining skills, resources and ideas.

In the context of LED and in the spirit of the Constitution it is imperative that local authorities and all the other LED players pursue a dual focus of both stimulating economic growth and increasing the access of previously disadvantaged individuals

and communities to economic opportunities. A central theme of all economic development efforts should in fact, be the extension of economic opportunities, (particularly jobs) to the broader community. In addition to these very specific goals all the desired outcomes listed below have been linked to LED efforts:

- Creating jobs and new employment opportunities;
- Increasing income levels and enable people to pay for services;
- Broaden the tax and revenue base of a local authority;
- Enabling the local authority to provide more and better services and facilities;
- Concentrating on human resource potential and opportunities for development;
- Building new institutions for sustainable economic development, and
- Promoting linkages between developed and under-developed sections within the local authority areas.

2.4 Critical elements of the LED process

Municipalities in South Africa have always played a role in local economic development. They have employed people from local areas, purchased goods and services, developed infrastructure facilities and regulated the development of land. All these activities affect the local economy.

In addition to these "traditional" roles of service provision and regulation, we are now looking at the national goal of "promotion of social and economic development". The White Paper introduces the concept of "developmental local government", which is defined as:

"Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives."

As we already indicated, local government's developmental mandate encourages municipalities to seek to address poverty, joblessness and redistribution in their local areas. Municipalities are also required to participate in various economic development programmes of provincial and national government. The actual question, however, is the "how", i.e. how this role can be fulfilled. In preparation to the main theme of this study, the role played by the Apollo Development Association as a partner in Victoria West's public-private partnership approach to LED, we focus in the remainder of this section on a number of critical dimensions of the broader LED focus, viz:

- the central role of leadership
- service delivery as a critical function of municipalities
- public-private partnerships as roles of LED
- co-operative government

2.4.1 Leadership in LED

Individuals can achieve great success on their own. However, when acting in co-operation with others, greater success can be achieved, both for one's personal gain and for that of the community at large. At local development level this co-operation can include any group, ranging from the local chamber of commerce to the smallest community organisation. It takes strong leadership to mobilise the commitment and participation of these stakeholders in pursuing efforts to support economic growth. As the elected representatives of the entire community, local authorities - directly through their councillors and indirectly through their staff - can demonstrate their leadership by serving as champions for economic growth and development, initiatives, projects and programmes.

To play this role, local authorities must develop a clear understanding of the economic conditions and comparative advantages in their own locality. Strategic decisions will be required on budget priorities and revenue levels, but also in ways to imbue pride and generate community ownership of economic development.

Viewed in a broader context the leadership role of local authorities in local economic development can be seen to include the following functions:

Policy maker: Through their ability to determine policy and enforce it, local authorities can help ensure that small businesses have access to the tender process, prevent regulations and by-laws from becoming barriers to growth and investment, create streamlined approval processes for investment and development projects and assist the training and capacity-building of local NGOs.

Entrepreneur: As owners of land and buildings, local authorities can explore the commercial potential of these assets. Often these assets are left vacant or under-utilised without an awareness of the best potential earnings to the local economy. Local authorities can act as entrepreneurs to maximise the commercial potential of its land and buildings, including parkades, open public spaces, beaches, caravan parks, roads reserves and pavements. Naturally, local authorities can explore this potential by involving private sector partners and other stakeholders.

Promoter: Local authorities can promote economic development by creating a positive image of its locality. An effective way to do this is to establish a team of key councillors and officials to meet with investors, trade delegations and others to highlight the strengths and opportunities of the locality.

Catalyst: Local authorities can take actions that catalyse new development initiatives. For example, by releasing land or planning infrastructure programmes, they can encourage developments in deteriorating and under-developed open areas. New

investments or expansions can be catalysed by providing serviced sites. In addition, local authorities can creatively utilise their facilities to attract major sporting and cultural events, which in themselves can increase the locality's visibility and image.

Lobbyist: Local authorities can lobby national and provincial government for policies and programmes that benefit their localities.

Co-ordinator: Here the municipality acts as a co-ordinating body. An important tool for co-ordination is the Integrated Development Plan (IDP), which draws together development objectives, priorities, strategies and programmes of a municipality. The IDP can help co-ordinate local economic development initiatives with other municipal programmes, and link national and provincial initiatives.

Stimulator: In this role municipalities stimulate business creation or expansion. For example, the municipality may provide premises at low rent to small enterprises, compile brochures on local investment opportunities, or promote a particular tourism theme or activity in a key venue.

The ability of any municipality to fulfil these diverse roles depends largely on the quality, information and leadership capacity of key municipal functionaries – including management and councillors. In chapter 4 we reflect on some of these aspects with respect to Victoria West.

2.4.2 Service delivery

Under apartheid, South Africa's cities, towns and rural settlements were divided into vastly unequal areas. While some areas were well endowed with municipal services (i.e. water, sanitation, refuse collection and roads) and management capacity, and had the resources to pay for services, others were under-resourced, poorly located and suffered from many other development constraints. The resultant gross inequalities to

service standards are well known and well documented. However, these inequalities led to inefficiencies, which further slowed economic development. Poor service standards also stifled household productivity; for example, people have to queue to obtain water and they are unable to use power tools such as electric sewing machines or electric drills. People also suffer from ill health as a result of living in poorly heated houses or lack of access to clean and adequate water and sanitation.

"Developmental local government has to address this backlog. Its central mandate is to develop service delivery capacity to meet the basic needs of communities. Basic services enhance the quality of life of citizens and increase their social and economic opportunities by providing health and safety and stimulating new productive activities"**(White Paper on Local Government, March 1998).**

Minister Zola Skweyiya, Minister of Public Service and Administration, said in 1997: "When I was elected to office I knew that one of Governments most important tasks is to build a public service capable of meeting the challenges of improving the delivery of services to the people. Access to decent services is no longer a privilege to be enjoyed by a few; it is now a rightful expectation of all citizens, especially those previously disadvantaged. This is why the guiding principal of public service transformation and reform is "service to the people" **(White Paper on Batho Pele, October 1997).**

The eight principles of Bato Pele are:

Consultation, Service standards, Access, Courtesy, Information, Openness and Transparency, Readiness and Value for money. Chapter 8 of the Local Government: Municipal Systems Act, No 32 of 2000 states that a municipality must

- give priority to the basic needs of its local community, and

- ensure that all members of the local community have access to at least minimum levels of basic municipal services.

Chapter Two of the Constitution contains the Bill of Rights, which includes socio-economic rights. These rights are important because they place a duty on the government to try to solve many problems that people have about education, health, water and housing.

Municipalities have a range of delivery options to enhance service provision. They must strategically access and plan for the most appropriate form of service delivery for the specific areas. In choosing the delivery options municipalities must be guided by:

- **Accessibility of services:** All citizens regardless of race, gender, must have access to at least the minimum level of service. Imbalances must be addressed through development of new infrastructure or upgrading of existing infrastructure. The Consolidated Infrastructure Programme (CMIP) has been established to provide capital grants. Accessibility also means that services must be easy and convenient to use (e.g. taking people with disabilities into consideration).
- **Affordability of services:** When the service infrastructure is in place, services must be financially affordable. This can be assured by:
    - setting tariffs at levels, which balance economic viability of continued service provision with the ability of the poor to pay for the service.
    - setting appropriate service levels
    - cross-subsidising between consumers.

- **Quality of products and services:** This indicates suitability for the purpose, convenience and safety to service users. There should also be a professional relationship between service provider and user.
- **Integrated development approach:** An integrated approach to planning and service delivery should be adopted by councils.
- **Sustainability of services:** Sustainable service provision depends on sound financial and organizational systems.
- **Value for money:** This requires that the best possible use is made of resources.

According to the White Paper, choices about service delivery options should be guided by clear criteria such as coverage, cost, quality and the socio-economic objectives of the municipality.

Municipalities can consider delivery mechanisms like the following:

- **Building on existing capacity:** Municipalities have different levels of administrative capacity. Approaches must be adapted to existing capacities, based on an evaluation of available skills.
- **Public-public partnerships:** Such partnerships allow for horizontal co-operation between municipalities to exploit economies of scale. They also allow vertical co-operation to improve co-ordination at the point of delivery.
- **Partnerships with CBO's and NGO's:** These partnerships can be effective ways of gaining access to external expertise, in particular in small places, when local authorities' capacities are limited. It can also stimulate service delivery and local economic development.
- **Contracting out:** Municipalities can contract specialist private companies to provide service, with municipalities still safeguarding standards.

The real issue facing municipalities in the light of these alternatives is to find an appropriate option, which is adapted to the circumstances of the local place and community.

The commitment to service delivery calls on municipalities and their councils to search for new ways of working which put the needs of communities first. It calls for changes in the way services are delivered, focusing on information accessibility, capacity building and community integration, responsibility to the public and holistic management.

2.4.3 Public-private partnerships

Attempts to combine private and public sector initiatives on the provision of services to the community, the launching of projects or the implementation of programmes usually demands a new, focused "institution". A "Section 21, not-for-profit Company" is generally felt to be the most appropriate of such institutional actions, although practice has shown the need to be more flexible in the creation of new delivery vehicles. This subsection briefly reviews the facts and assessments about the Section 21 vehicle for PPPs. A section 21 company is a not-for-profit company, which may not distribute any profits it makes to its members. In as far as it is formed for implementing LED, it must reinvest any "profits" it realises back into LED implementation.

Advantages of Section 21 companies as LED-vehicles

- **Legal Status:** Section 21 companies have the status of a legal person i.e. the company may contract with other organisations and individuals. It may also hold assets and liabilities in its own name.

- **Limited liability:** In the case of bankruptcy, members of Section 21 companies are protected from being held personally liable for the debts of the company. In this respect Section 21 companies are similar to ordinary companies.
- **Structure and management style of commercial enterprises:** Section 21 companies are equipped to undertake a wide range of LED activities, secure funding from a range of sources and interact with a variety of stakeholders. The accountability framework of a Section 21 company provides safeguards when spending public funds. Further, the company structure helps bind a partnership of stakeholders into the LED initiative through the Board of Directors. The directors are legally obliged to prioritise the interests of the company.
- **Transparency and tight legal framework:** The tight framework under which Section 21 companies operate tends to enhance transparency and minimise the scope for individuals or interest groups to manipulate or mis-use the company.

Disadvantages

- **Expensive and time-consuming to establish:** The Registrar of Companies has to establish that the company is being formed for the purpose of its stated objectives, rather than as a profit-making venture. This makes the process of legal establishment lengthier.
- **Complex structure:** Ownership of Section 21 companies is usually separated from management. For example, in the case of a local economic development institution, the owners of the Section 21 company will be the community stakeholders, including the municipality. However, the company will be run

by the Board of Directors. This may make decision-making more complex and time-consuming.

- **Founders may lose control of the company:** The same independence that is mentioned as an advantage has an important negative aspect. Unless municipalities or community groups are able to retain close control over the Section 21 Company through ownership or funding, there is a possibility that the institution may become increasingly distant, and even eventually break away from the founders.

As we will show in chapter 4, the ADA operated as a section 21 company in Victoria West and many of the above points were relevant in its year of operations.

2.4.4 Co-operative Government

Local government is a sphere of government, distinct from the other two spheres of government, viz. provincial and national government. However, it is also inter-related and interdependent with the other spheres. Co-operative governance requires that all three spheres of government work together. This means, for example, that:

- national and provincial government should support municipalities to carry out their functions;
- different spheres of government should respect the status, institutions, powers and functions of the other spheres;
- provincial government should monitor local government to work out what capacity needs to be build in municipalities;
- different municipalities should also work together

Co-operative governance demands not only willingness towards joint decision-making amongst the spheres of government, but also joint action. Planning for development, in the same geographical area, for instance, should be conducted jointly. Local Government does not determine sustainability of human settlements alone. Other spheres of government, either by independently conducting their programs in the same area as a municipality, or by regulating the operations of municipalities in line with their own objectives, also affect the overall shape of settlements and the livelihoods of people in local areas.

The national policy environment within which municipalities operate is also becoming much more complex. In that context, local government is increasingly viewed as a point of integration and co-ordination for programmes of other spheres of government. To illustrate this important point we can list a few central government programmes which directly impact on the local level.

- **Department of Health:** The department is in the progress of decentralizing significant functions to local authorities, and will designate municipalities as District Health Authorities (DSH). The DSH should improve health planning, which brings cost savings and improvements to service delivery.
- **Department of Transport:** The department proposed a Bill, which envisages the designation of municipalities as transport authorities. This implies:
    - the development of transport policies
    - plans of operation, maintenance and management of transport plans
    - the regulation of transport matters
- **Department of Trade and Industry:** Ever since the 1997 national conference on SMME promotion, there has been a strong emphasis on the role of local government in boosting local economies, enhancing local

competitiveness and promoting small scale enterprise, with local government drawn into small, medium and micro enterprise (SMME) initiatives.

- **Department of Safety and Security:** New legislation enables municipalities to establish municipal police forces.
- **Department of Housing:** A new Bill tries to ensure that all inhabitants in their respective areas have access to adequate housing. This is to be achieved through the setting of housing delivery goals at municipal level.
- **Department of Environmental Affairs and Tourism:** Tourism is a concurrent competence, which requires effective co-operation and mutual support between spheres of government.

In general, national government is increasingly looking to local government as a logical point of co-operation and a necessary vehicle for the implementation of policies and programmes. Similarly, provincial governments are decentralizing certain functions to local government. At the same time, local government is constitutionally obliged to participate in national and provincial development programmes.

Many of these policies can have a positive impact on municipal capacity and co-generate synergy with municipal programs. Thus, national and provincial government can build local government capacity through the way they execute their programs.

This happens through:

- working with local governments directly
- integrating programs into municipal IDP's
- co-ordinating decentralization and the assignment of powers, i.e. the devolvement of powers and functions to local government.

As far as provincial authorities are concerned, their role in LED has also been classified in the 1998 White Paper on local government. Under the heading "development role", it states that provincial government should ensure that municipal integrated development plans combine to form a viable development framework across the province, and are vertically integrated with the Provincial Growth and Development Strategy. Provincial government is also responsible for processing grants to municipalities for bulk infrastructure, housing and public works. Provincial government should ensure that municipal planning and budgeting processes give priority to the basic needs of the community and promote the social and economic development of the community as required by Section 153 of the Constitution.

2.5 Conclusion

It follows from our discussion and references so far that a new developmental "model" for the advancement of LED is in fact evolving in South Africa. Its success and effectiveness will depend on the evolution of each of these components and the circumstances in each place, with smaller towns often in a particularly sensitive position. In this context, Victoria West is an ideal case study, as we will see in chapters 3 and 4.

CHAPTER 3. VICTORIA WEST – SMALL TOWN IN THE RURAL SETTING OF THE NORTHERN CAPE

3.1 Victoria West in provincial context: a profile of the Northern Cape

In order to understand the development challenges which the Victoria West Municipality and ADA tried to address, we first have to understand the development context of Victoria West. This includes the broader provincial development environment as well as that of the vicinity of the town, and the town's development scene itself. Maps A-D provide further background to this section.

The Northern Cape covers the largest area of all the provinces in South Africa (30%), but has the smallest population (2.1%), yet it has the third highest average per capita income level of South Africa – after Gauteng and the Western Cape.

The province consists of a mosaic of landscapes. Immense, sun drenched plains, dotted with wind-sculpted boulders and jagged mountain outcrops contrast with the lush green agricultural belt flanking the Orange River. There is also the unforgettable floral carpet of Namaqualand. The result is a landscape of exquisite and unique beauty.

The region's major airports are situated in Kimberley and Upington. The Northern Cape is serviced by an excellent road network, which makes its interior easily accessible from South Africa's major cities, harbours and airports.

Important towns are

- **Kimberley** - the capital has a broad-based local economy, underpinned by the diamond industry, strong commercial and transportation sectors, and the province's administrative headquarters;

- **Upington** – the centre of the karakul sheep and dried-fruit industries is at the same time the centre of the irrigation-based agricultural area of the lower Orange, the most northerly wine-making region in South Africa, and a gateway into the southern reaches of sub-Sahara Africa - enveloping Namibia, Botswana and Angola;
- **Springbok** – located in the heart of the Namaqualand spring-flower country and along the N7 Cape Town to Windhoek link;
- **Kuruman** - border town to the North West province along the N14 route to Johannesburg and close to the vast Sishen iron or deposits – a historic town founded by the missionary Moffat;
- **De Aar** - hub of the South African Railway network;
- **Sutherland** - the coldest town in the country, with the world-renowned observatory;
- and the sheep-farming towns of **Carnarvon, Victoria West, Colesberg, Kenhardt** and **Prieska.** Most towns have their origins rooted in the region's colonial past, having been strategic military or dominion outposts, or places blessed with minerals. (like O'Kiep)

Apart from the narrow strip of winter-rainfall area along the Atlantic coast, the Northern Cape is a semi-arid region with scant rainfall mostly in summer. Weather conditions are extreme - cold and frosty during the winter and extremely hot in the summer.

The Namaqualand-Karoo is known worldwide for its spectacular display of spring flowers, attracting thousands of tourists between August and October each year. The area is also home to many rare plant species, such as the elephant's foot, tree aloe and a large variety of succulents. To further diversify, the tourism potential of the region,

the province has several national parks and conservation areas, such as the Kalahari National Park, which together with the gemsbok National Park in Botswana, is Africa's first "transfrontier game park", known as the Kgalagadi Transfrontier Park. This is one of the largest nature conservation areas in southern Africa, and one of the largest remaining protected natural ecosystems in the world. The Park provides unfenced access to a variety of game between South Africa and Botswana and has a surface area of more than two million ha. To mention a further diversity in the tourism scene, nowhere is the Orange River more impressive than at the Augrabies Falls, which ranks among the world's greatest cataracts on a major river. The Augrabies Falls National Park was established to preserve this natural wonder. The far-western Namaqualand corner of the Northern Cape presents another (different) set of natural attractions, including the Richtersveld Park and the coastal fishing and diamond stretch between Port Nolloth and Oranjemund.

The last remaining true San people live in the Kalahari area of the Northern Cape. The whole area, especially along the Orange and Vaal rivers, is rich in San rock engravings. A good collection can be seen at the McGregor Museum in Kimberley – which is also the no.1 city in the world for the history of the diamond industry.

MAP A

Key Distances (by car):

Victoria West to De Aar – 150 km
Victoria West to Johannesburg – 900 km
Victoria West to Kimberley – 360 km
Victoria West to Upington – 500 km
Victoria West to Cape Town – 580 km

Along the renown coastal stretch government and other stakeholders have united to form an association aimed at promoting mariculture and fishing development projects, in an attempt to alleviate the widespread poverty of communities along the coast.

The economy of a large part of the Northern Cape - the interior Karoo - depends on sheep farming, while the karakul pelt industry is particularly important in the Gordonia district of Upington.

The province has fertile agricultural land along the Orange River, especially Upington, Kakamas and Keimoes, where grapes and fruit are intensively cultivated. Wheat, fruit, peanuts, maize and cotton are produced at the Vaalharts irrigation scheme near Warrenton in the east.

The Northern Cape is also rich in minerals. The country's chief diamond pipes are found in the Kimberley district. In 1888, the diamond industry was formally established with the creation of De Beers Consolidated mines. Alluvial diamonds are also extracted from the beaches and the Atlantic Ocean between Alexander Bay and Port Nolloth. The Sishen Mine near Kathu is the major source of iron ore in South Africa, and the copper mine at O'Kiep is one of the oldest mines in the country. Copper is mined at Springbok and Aggeneys. The province is also rich in asbestos, manganese, fluorspar, semi-precious stones and marble.

As we can see from the map and the details given above, Victoria West is a relatively insignificant, small town in the provincial context. It is not one of the main attractions nor does it have major mining resources or other prominence. Being located along the N12 national road from Kimberley (and Johannesburg) to Beaufort West (and Cape Town) gives it some prominence, as does the proximity to the N1 and the Carnavon-Graaff Reinet link. In fact, apart from being one of half a dozen sheep farming towns in the province, Victoria West is – in its official intrinsic characteristic – merely a place with "locational potential". As we shall see, it is exactly this potential, which has been activated by the ADA, the cinema and the film festival. In fact, Victoria West is an excellent example of the latent potential, which small, "insignificant" rural places have, if only that potential is activated through some entrepreneurial LED process.

3.2 Victoria West in local context

3.2.1 Economic Geographics

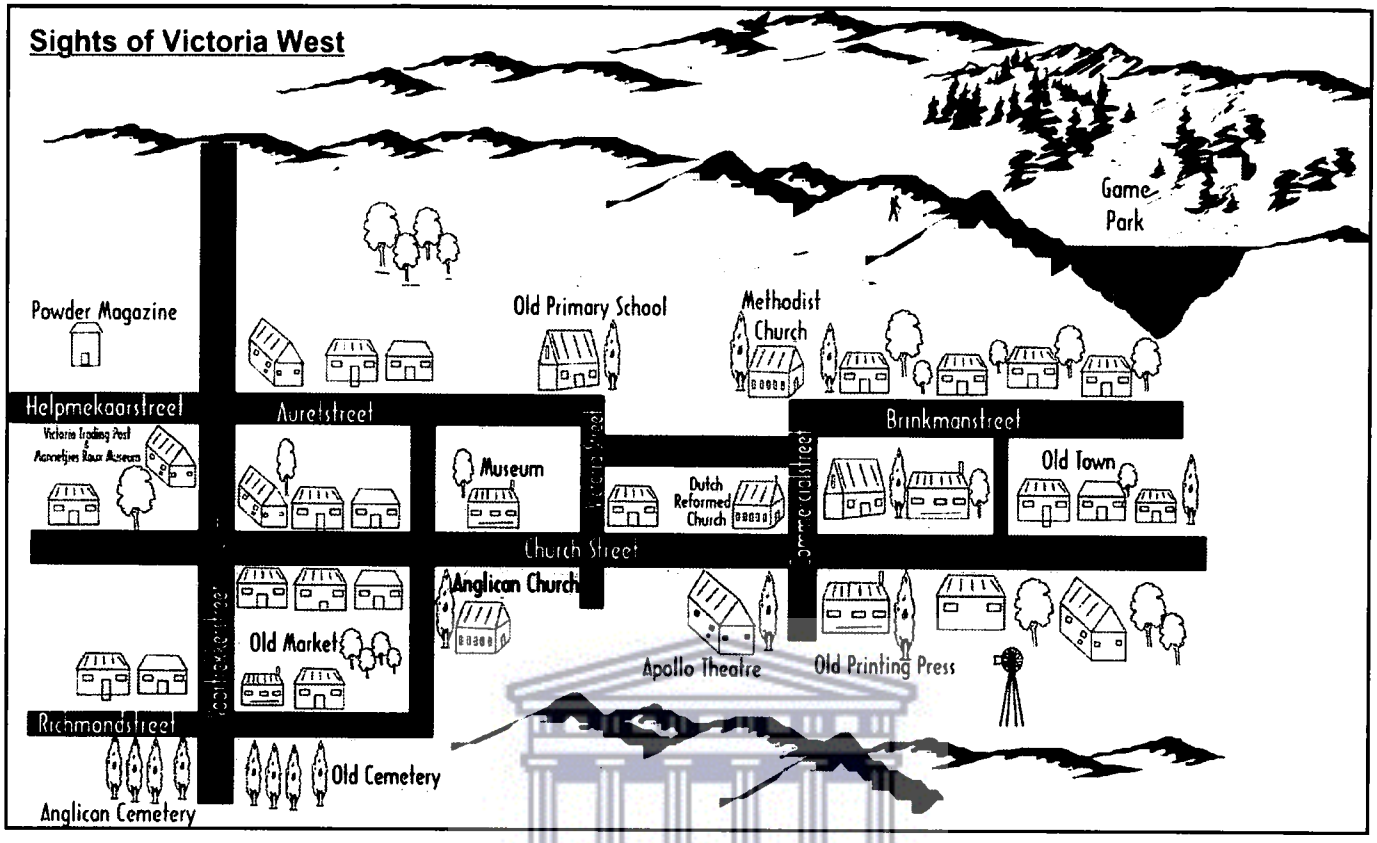
Victoria West is situated between 31° 24° L and 23° 07° B. The region forms part of the Karoo landscape that is characterized by Karoo plains and low ridges. The vegetation comprises mainly of Karoo bushes and grass plains. The natural plains (veld) are hard, with a relatively high drainage during rainstorms. Dry riverbeds are a common occurrence. Trees generally grow only along the rivers.

Victoria West is easy accessible by car, bus or light aircraft. The N12 main road between Johannesburg, Kimberley and Cape Town forms part of Victoria West's main street. Hutchinson station, on the main railway line between Johannesburg and Cape Town, is only 10km from town and the airfield is just outside the town.

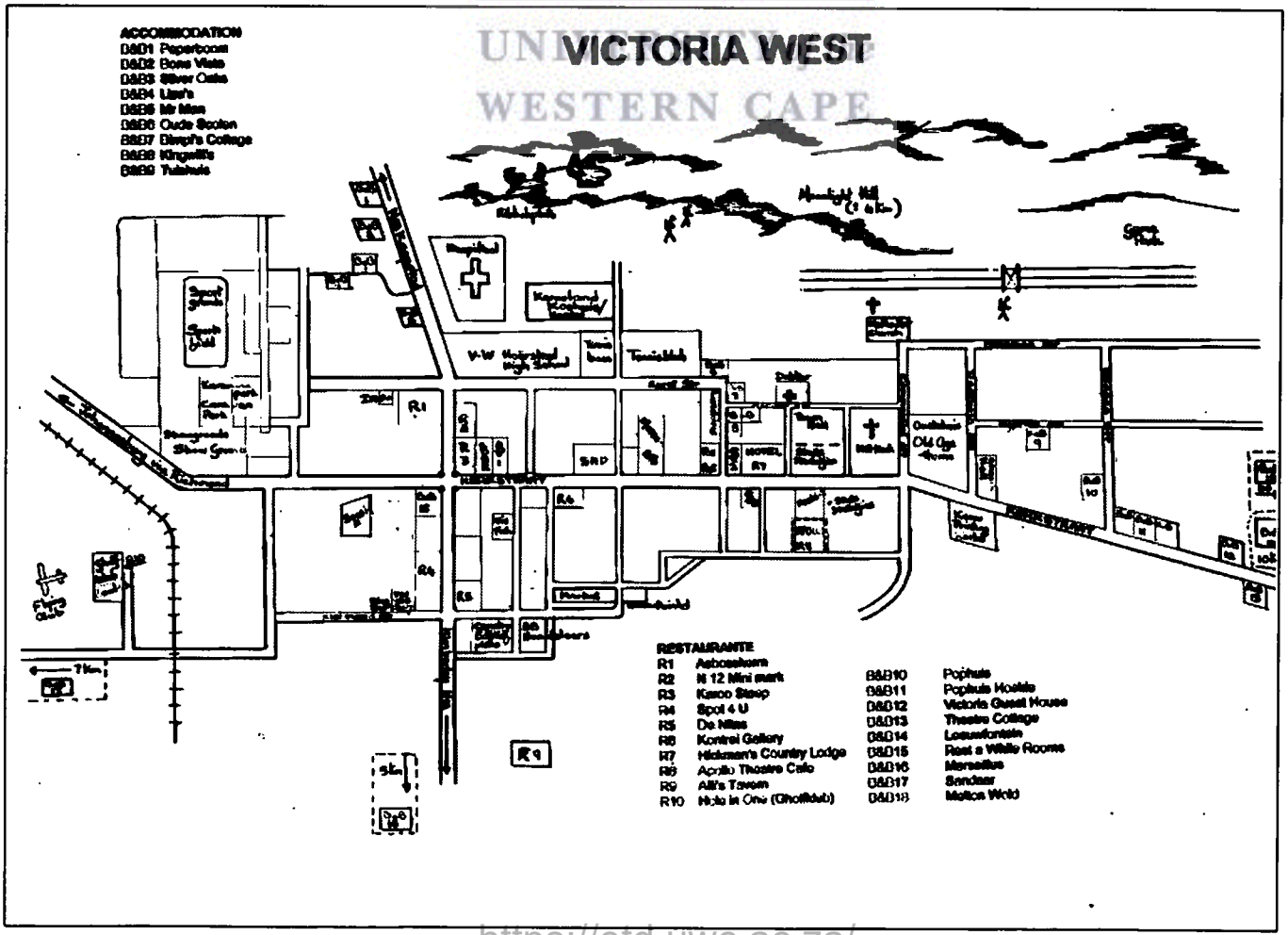
Victoria West is the Mecca of the Merino and Dorper sheep and Angora goat farming of South Africa and boasts breeds of exceptional standards.

Agriculture is the primary economic activity. Game farming and hunting also forms an important part of the local economy with increasing focus on foreign markets. Sheep are marketed for their wool and meat. Wool is an import and export product of the Ubuntu Region.

MAP B



MAP C



Tourism activities have, during recent years, become increasingly important in Victoria West. Since these activities relate closely to historical sites and events taking place inside the town (rather than some external attractions). Maps B and C depict the town and its different places of attraction. We can briefly list these:

- **Old Town**: We find the distinctive domestic architecture in the homes of the gazetted area. All the houses bear National Monuments' Council plaques.
- **Museum**: Part of the museum depicts the growth of the population of Victoria West while a second part concentrates on the prehistory of the Karoo and features a display of fish fossils, including the 250-million-year-old Atherstonia seeleyi, which was found in the district.
- **Karoo Printing Press (Karoo Drukpers)**: The printing press started operating in 1876, when the first edition of the *Victoria West Messenger* was printed. The printing press consists of two mechanical dinosaurs, an original Heidelberg press and a Linotype setting machine.
- **Mannetjies Roux Museum**: Mannetjies Roux played 27 rugby matches for South Africa in the 1960s has and became a legend for his bursts of speed and fearless tackling. Adjoining the museum is his wife's bric-a-brac shop, the *Victoria West Trading Post*.
- **Victoria West Primary School**: The old primary school built in 1891, is currently a private residence.
- **Powder Magazine**: This interesting structure was built in 1851 as an ammunition store. It is situated on a small kopje overlooking the town.
- **St. Johns Anglican Church**: It dates from 1869 and was designed by Sophia Grey, the wife of the first Bishop of Cape Town. It houses a lead glass

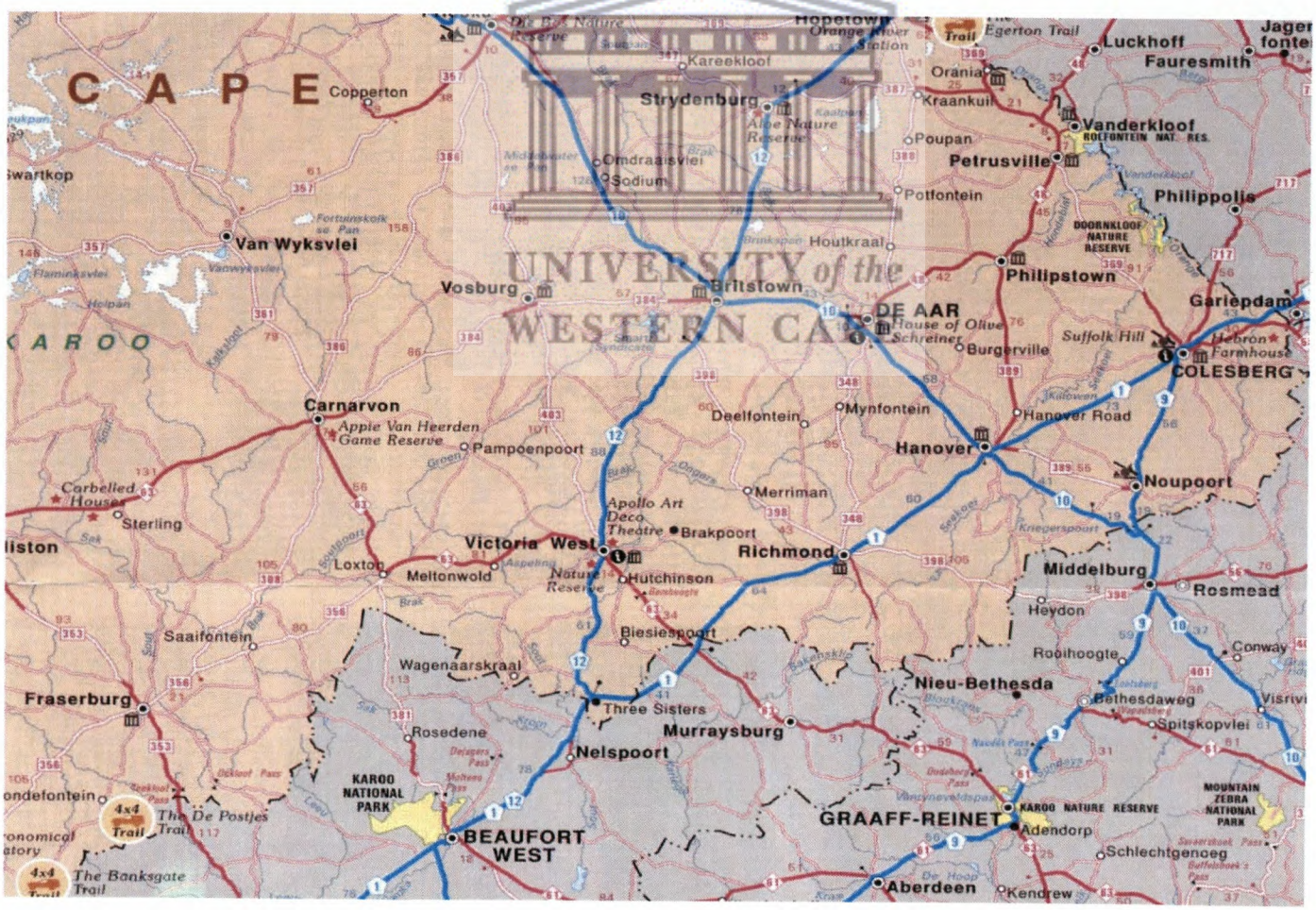
window designed to commemorate the victims of the 1871 flood when thirty-four mudstone houses were destroyed and 62 people died.

- **Methodist Church**: This was built in 1860 as a public library. Later it was used by the Jewish community as a synagogue. In the late 1960's it was taken over by the Methodist Church.
- **Dutch Reformed Church**: The church, which was inaugurated in 1850 and has been declared a Historic Monument, was for many years the centre of activities. It was originally built with a thatched roof, but this was replaced with corrugated iron in 1881.
- **Apollo Theatre**: The theatre was built in the late 1920's. It was revamped in 1950. Today it is the only surviving Art Deco cinema in South Africa. The Apollo Development Association was formed in 1998 with the purpose of restoring it to its old glory.
- **Anglican Cemetery**: It is best known for its Boer war graves.
- **Old Cemetery**: This is the oldest graveyard in Victoria West. It also contains the community grave for the victims who died in the 1871 flood.
- **Moonlight Hill Koppie Trail**: This trail runs along the Moonlight Hill and Ribbokplato ridges to the south of Victoria West. The vegetation along the trail is part of the rich floral diversity of the Karoo. The Victoria West koppies contain a dwarf shrubland, with a higher number of larger shrub species than the plains.
- **Accommodation:** A variety of accommodation is available in and around the town, including the following:

Bimpie's Cottage	Leeufontein
Bona Vista	Liza's
De Oude Pastorie	Marseilles
De Oude Scholen	Melton Wold
Die Peperboom	Mr Mann
Die Pophuis	Rest A While
Die Pophuis Hoekie	Sandaar
Hickman's Country Lodge	Silver Oaks
Karooland Hostel	Theatre Cottage
Kingwills	Tuishuis

- **Sport facilities:** The town also boasts facilities for golf, tennis, bowls, squash and hiking.

MAP D: Victoria West's neighbouring towns



3.2.2 The new municipality

Ubuntu ("humanity" in Zulu)– The Local Authority of Victoria West, is the name for the new municipality of Victoria West, which includes Victoria West, Hutchinson, Merriman, Richmond and Loxton within one single local authority (see map D above). Victoria West, situated on the N12, is the main town; Richmond is the second largest, situated on the N1 about 70km to the east, and Loxton about 80km directly west of Victoria West. Merriman and Hutchinson are small railway villages, still owned by Transnet.

Negotiations are in progress to officially transfer the two towns to the Ubuntu Municipality in tandem with the integration of the region.

The Ubuntu Local Authority resorts under the Pixley Ka- Seme District Municipality, with offices in Victoria West, Richmond and Loxton.

The population breakdown of these five components of Ubuntu is as follows:

	Coloured	African	White	TOTAL
Victoria West	6 568	2 873	1 998	11 439
Richmond	2 018	1 524	2 539	6 081
Loxton	1 046	413	587	2 046
Merriman	157	0	0	157
Hutchinson	273	61	0	334
Ubuntu	**10 062**	**4 871**	**5 124**	**20 057**

TABLE 3: Ubuntu Local Authorities - councillors and staff

Vision: "the provision of efficient, sustainable and affordable services to the inhabitants of Ubuntu within a safe environment"

Current (April 2004) composition of the Council

New National Party	-	Mr. M.R. Mac Intosh
	-	Mr. H. Vorster
	-	Mr. B. Koopman
	-	Mr. T. van Heerden
African National Congress	-	Mr. J. Lolwana
	-	Mr. P. Minnies
	-	Ms. K. Riegert
	-	Mr. B. Arens
Mayor (since September 2002)	-	Mr. M.R. Mac Intosh

(This is the 5th mayor since the 2000 election/amalgamation)

Administrative Staff:

Municipal manager (Acting)	-	Mr. S.M. Sokatsha
Office Managers	-	Ms. M. Maans (Loxton)
	-	Mr. M. Kivedo (Richmond)
Financial Manager	-	Ms. E. Christiaansen
Head: Public Works	-	Mr. S. Dignon
Head: Electrical	-	Mr. F. van Wyk
IDP/LED Officer	-	Mr. H. Jacobs
Personnel Officer	-	Mr. M. Fillis

3.2.3 Socio-demographic characteristics

The 2001 Census reviewed the following age breakdown for the 20 057 inhabitants of Ubuntu.

Age	Number of people	Share (%)	
0-6 years	3 118	15.5%	
7-18	5 262	26.3	
19-39	6 546	32.6	**Economically active 49.4%**
40-59	3 364	16.8	
60+	1 767	8.8	
Total	**20 057**	**100%**	

Based on these numbers and normal labour force participation rates, the Ubuntu labour supply (or labour force) would have been about 8625 in 2001. Census statistics indicated identified employment of about 7540, which would suggest an unemployment level of about 1100, or 12.6 percent. This should include those in informal (self-) employment activities, which are not statistically covered in employment data. Thus, the "real" unemployment rate would be even lower than the 12,6% - which would be odd in the light of the widespread feeling that high unemployment is a major problem in towns like Ubuntu.

Several factors might explain this relatively low level of unemployment. Thus,

- the census might not have captured all residents in the area
- some of the identified employment might only be seasonal
- there may be jobseekers in Victoria West who actually come from outside the area (i.e., remote rural areas with few, if any, employment opportunities), with a small town like Victoria West merely the first step towards the urbanisation/jobsearch process.

Based on the same Census the table below summarises the monthly income patterns of the 4057 households, with the average size of households about 5 persons.

Monthly Household income levels in Ubuntu (2001)		
Category	**Number of households**	**Percentage of all households**
No income	246	6.1%
R100-200	266	6.6
R207-500	1339	33.0
R501-1000	832	20.5
R1001-1500	458	11.3
R1501-2500	425	10.5
R2501-3000	142	3.5
R3001-4500	87	2.1
R4501+	262	6.5
Total	**4057**	**100.0%**

If we take about R200 per month the poverty level income (i.e. R1000 per household), about 66% of all households were below the poverty line, which confirms high poverty levels and suggests that the low unemployment ratio merely indicates that people earned "some income", probably only for a part of the year.

A breakdown of sector activities can be based on employment by sector, as revealed in the 2001 Census and adjusted for some undercounting:

Sector	**% of employment**
Agriculture	44.4%
Mining	0.2
Manufacturing	3.2
Construction	5.3
Electricity & Water	0.8
Trade	11.8
Tourism	8.8
Transport & Communication	4.6
Financial & Business Services	3.3
Personal Services	2.3
Social & Government Services	15.3
Total	**100.0%**

It is clear from these figures that farming, trade, tourism and the public sector are the four core sectors of the regional economy.

3.3 Development challenges

To sharpen our focus on current socio-economic problems and strategic goals as well as policy programmes perceived by the Victoria West community this section briefly summarises the outcome of a local SWOT analysis (undertaken by the municipality in Victoria West) as well as subsequent plans by the municipality. This can then serve as further background to our discussion of the ADA as a particular instrument for LED in Victoria West.

3.3.1 SWOT analysis

During a workshop held in June 2003 at the Community Hall in Victoria West a total of 427 persons representing the community were brought together to discuss developmental issues and challenges of Victoria West in the context of the new complete municipality. The proceedings were chaired by the municipal manager with seven of the elected councillors attending. Higher-level authorities – provincial government, Karoo District Municipality – were also represented.

In the discussion the emphasis fell on two dimensions, viz. institutional developments, problems and challenges on the one hand and local economic (sector) development on the other, with particular attention given to tourism. On the institutional side, the strengths reflected the existence of a well-functioning municipal administration, a solid office infrastructure, vacant buildings suitable for the offices and the capacity to tackle further challenges. Problems or weaknesses related to a weak payment record with respect to service fees, weak community and business participation in municipal

affairs, "political infighting" and polarisation between white and black and, in general, insufficient funds for service delivery (in particular health services). Given such a situation, it is only logical that opportunities and needs centred around training and sensitising of local people in issues and tasks related to municipal and community development, with the advancement of local people in the municipal administration and steps to narrow the racial divide further challenges.

In the sphere of sector development, the focus fell on tourism, mainly because relatively little could be done about the main pillar of Victoria West's economy, viz agriculture in the vicinity. The other major employer, social services (including municipal services) was covered in the institutional section; its growth depends critically on the mobilization of local funds as well as external contributions. The third most important sector – trade – was viewed as closely linked to tourism, so that they are covered jointly.

On the strengths side of tourism and LED critical points included the ADA (including the film festival as annual event), the Karoo habitat (as (a draw card for nature tourists), local quality museums, good hiking trails, first-class game farms, excellent rail and national road connections (N1 and N12) which creates through-traffic, and the airstrip as well as a well developed local retail sector. Together, these strengths give Victoria West a distinct competitive advantage over many of the other small towns in the Northern Cape.

On the down side, the quality and upkeep of existing facilities and services were viewed as a problem, together with the lack of recreational facilities, vandalism and

alcoholism, insufficient marketing of the town and its attractions, and infrastructural inadequacies in the townships.

Reviewing the SWOT-workshop critically and in a more distanced way, there is one striking dichotomy in the whole exercise: for (low income) township dwellers – both African and Coloured – the lack of affordability of basic services constituted the main concern, with the municipality seen as a potential "tool" to get such facilities (and the councillor the instruments). On the other hand, the tourism sector's promising development most directly touched local traders, B&B's, restaurants and others supplying services to tourists or servicing tourism enterprises. The entrepreneurs, managers and owners in this category had little concern for the lack of basic services in the townships or the "survival strategies" of destitute families. Yet, they expected the municipality (or ADA) to satisfy their needs for an adequate tourism infrastructure and for competitive tourism services. In large cities, those different "worlds" – the tourism sphere and the township poverty sphere – are usually much further apart, with only a few contact points. In a small town, these two worlds are very close to each other, with the councillors and the municipal administration dead centre.

The "bridge" between these two worlds, which is often stressed in discussions around these tensions and challenges is, of course, the job creation potential of the tourism sector. Yet, neither do our official census figures reflect such data, (the census did not capture that category at all), nor are these jobs at all visible. Besides, tourism-related jobs are often seasonal, generally only modestly paid and frequently go to "outsiders" brought into the area by the owner of the facility as a variation of "friends and relatives". Thus, local jobseekers often doubt that tourism activities create sustainable jobs with scope for the advancement of locals. This scepticism, naturally, encourages a negative attitude towards payments for services, since local jobseekers feel that the

municipality gives too much attention to a "white-centred" sector of the local economy.

3.3.2 Upgrading of the local infrastructure

Given that the lack of basic infrastructure facilities for township households is a critical issue, we can briefly summarise the situation:

- **Supply of water**

The entire Local Authority is dependent on underground water, which is extracted through boreholes and pumped to reservoirs or pressure towers, from where it is distributed to the towns. The quality of the water is generally poor, because of its high salt content. In fact, although boreholes with a strong source of water have been identified, Victoria West suffers a water shortage. The municipal five-year plan makes provision for the drilling and equipping of further boreholes in Victoria West and for the upgrading of reservoirs in Richmond, Victoria West and Loxton.

- **Sewerage**

The town's sewerage and water works are in need of being upgraded, although at this stage the municipality does not have a proper sanitation and water maintenance plan in place. Out of a total of 4057 households in the municipality, only 37% have flush toilets and a further 15% pit or VIP latrines. This implies that close to half of all households still use the bucket system (47.5%) with all its well-known problems, health hazards and inconveniences. The municipal five-year plan makes provision for the phasing out of all bucket systems in Ubuntu, the upgrading of the sewerage pump station at Victoria West and the upgrading of oxidation dams at Victoria West, Richmond and Loxton.

- **Electricity**

Eskom supplies bulk electricity to the region. Local distribution networks are, however, in need of upgrading. In principle, all houses have access to electricity, although many cannot afford it. Street lighting is problematic.

- **Housing**

With a total of 4057 households in the Ubuntu municipal area no less than 1840 families (or 45.4%) do not have an own dwelling, i.e. are either accommodated in a shack or living in with others. Out of these 1840, approximately 975 are in Victoria West, 600 in Richmond and 265 in Loxton. The municipality has moved all households that resided in informal structures to service urban. They are now formally registered on a waiting list for subsidisation of houses through the National Governments Housing Scheme. The five-year plan of the municipality makes provision for 935 of such subsidised houses.

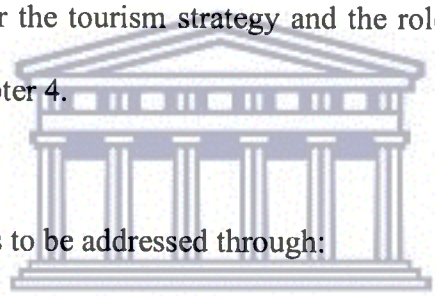
3.3.3 LED strategies and policy goals

Viewed from a broad socio-economic perspective the following key goals summarise the LED challenge for Ubuntu municipality:

- The improvement of the income levels of all inhabitants
- The creation of job opportunities to decrease unemployment and absorb new entrants to the labour market
- The initiation of programmes focusing on poverty relief, capacity building and black economic empowerment in the area
- The improvement of health services and the establishment of new health programmes

- The establishment of educational programmes focusing on water conservation, payment of services, HIV/AIDS, tourism awareness and other municipal issues
- The improvement of sport and recreational facilities within all the towns of the municipal area

Without going into details here, the list below highlights some of the policies and programmes considered or decided upon to address these goals. Details are reflected in the annual IDPs and in ongoing council documents. In the context of this study, we only need to be aware of these programmes, with some of them particularly relevant for the tourism strategy and the role of the ADA, which we further examine in chapter 4.



- The poverty issue is to be addressed through:
    - the determination of local minimum wages
    - the utilisation of external funds for poverty relief projects
    - the free supply of municipal services for destitute households
    - efforts to create more jobs via LED
- The job creation goal is to be addressed through:
    - further efforts to expand tourism activities in the area, i.e. through the compilation of a "Tourism Development Plan" as a guide for municipal and other action.
    - the upgrading of the Horse Museum at Richmond (via own and DBSA funds), and
    - the use of unemployed people in infrastructure projects funded via relief projects.

- LED efforts in general will be accelerated through:
    - the preparation of a feasibility study on a wool factory in the area, as a step to stimulate local processing
    - support for a local garlic and vegetable project
    - The attraction of DBSA funds for local infrastructure upgrading projects

In the remainder of this study, we shall focus on the tourism sector and how its contribution to LED can be – and has been – enhanced.

CHAPTER 4. THE APOLLO DEVELOPMENT ASSOCIATION – AN EVALUATION

4.1 History and background of Victoria West and the Apollo Theatre

The history of Victoria West, founded in the early 1840's is dominated by typical frontier preoccupations – including sudden floods.

The first flood was the most severe. In 1870, a wall of water rushed through the narrow valley drowning over 60 residents. The foundations of the essential character of the town had been laid earlier. The great South African diamond discoveries of the late 1860's and early 1870 had brought a period of considerable prosperity to Victoria West. The town became an important stop-over for thousands of fortune hunters heading north. But the boom did not last for long. By the early 1880's, when the Cape railway system was extended across the Karoo towards Kimberley, it by-passed Victoria West by 14 kilometres and the town slipped into obscurity.

Yet, Victoria West was not immune to the rapid technological developments occurring in the rest of the world. Local photographs from the last third of the 19th century abound, and moving pictures were being projected as early as 1902, a remarkable fact considering the remoteness of the town and also that the generally accepted birth date for cinema is 1897.

The films were shown on a piece of open ground in the middle of the town. Folklore has it that wealthier residents removed the seats from their automobiles and sat in some rudimentary comfort to watch the images from a hand-turned projector flicker on the end of a white-washed building. Matters improved in 1910 with the completion of the Victoria West town hall, and for the first time the performances moved indoors. They stayed there under the supervision of a Philip Vos until the late 1920's.

An important figure in the evolution of cinema in Victoria West was a young Greek immigrant named Andrew Aristides Bassil. He had come to South Africa in 1928 and was living in Upington when someone asked him to relocate to Victoria West to manage the Good Hope Café, a ramshackle establishment opposite the new Town Hall. It is not certain when Andrew Bassil took over from Philip Vos as the cinema entrepreneur of the town. By the end of the decade, however, he had enlarged the Good Hope Café to include space for cinema performances at the rear. The Apollo had been born.

The new venue was widely known as the Apollo Talkies Theatre, so it can fairly be assumed that it came into being after 1928, the year of the advent of sound. By the early 1930's the cinema was in full swing with films being projected onto the front wall of the squat auditorium.

By the mid-1950's, Bassil was ready to expand again. This time he engaged the services of a firm of Cape Town architects who designed an Art-Deco movie house complete with galleries, raked auditorium and electrically-opened red velvet curtains. At the same time, the Good Hope Café was remodelled into the Apollo Cafe. It was certainly the place to go before venturing into what the media, at the new Apollo's opening in March 1957, referred to as the Karoo's most modern and beautiful cinema. It is revealing to examine the architect's 1956 drawings from a social perspective. Separate entrances for black and white provided, and separate ticket offices. While whites enjoyed the glass and marble palace in front, black and brown patrons took their refreshments at the rear, being served at a barred window. In the theatre itself, white people occupied the main auditorium while black and coloureds sat in the galleries. Interesting to note that even the apartheid preoccupation prevailed, the larger gallery being allocated to coloured people, while the smaller gallery-crude wooden benches on a raw concrete floor-was reserved for "natives".

Then, in 1981, the theatre closed. Bassil had already died, and the new owner, Cas Le Grange, could no longer compete against the advent of television and the steady depopulation of the Karoo. The Apollo Café was closed to make way for a Foshini store. In the process, the auditorium was bricked up. It lay interred and virtually untouched for 17 years. Le Grange was sometimes asked to lease the auditorium as a warehouse. He resisted these temptations, believing that the usefulness of the Apollo was not yet over.

How right he was. The Apollo Development Association was formed in February 1998 for the purpose of preserving the architectural and social history aspects of the old theatre, and for using it as a cultural asset for Victoria West, and in particular as the focal point for tourism-based local economic development endeavours in an economically and socially depressed corner of the Karoo.

By June 1998, the community-based Apollo Development Association was working to clean up the cinema. The Apollo Youth Club was formed shortly thereafter. Small amounts of funding began to trickle in and strong relationships were established with the Victoria West Local Authority.

4.2 The Apollo Development Association: history and background

The Apollo Development Association, established in February 1998, is an organisation controlled by a board made up of members of the Victoria West community, including representatives of the local authority and provincial Arts & Culture directorate, and is representative of all races and both genders. The Apollo Development Association is based in the Apollo Theatre, South Africa's last remaining intact Art-Deco cinema. From the beginning, the Apollo Development Association's slogan was "economic development through culture, tourism and youth training", and all its activities emanate from this basic mission.

The table below summarises these activities:

Main activities of ADA (1998-2003):

- Restore and re-equip the theatre as a local cinema and tourist attraction. (1998/9)
- Reopen theatre as a community-operated facility using local young people as staff. (1999)
- Establish film festivals to stimulate LED. (1999/2000)
- Build rear foyer and kitchen facilities. (2000)
- Equip theatre for conferencing. (2000)
- Train local people in catering/hospitality, using theatre kitchen facility. (2001)
- Establish a Section 21 company to further tighten the ADA's financial controls and clarify its legal standing. (2001)
- Launch 'cluster model' for local economic development. (2001)
- Renovate a nearby cottage as Apollo Training Centre. (2002)
- Establish training in computer literacy and video production. (2002)
- Renovate stables as crafts centre. (2002)
- Establish crafts initiative in conjunction with provincial Arts & Culture. (2002)
- Restore Victoria West's river wall as tourist attraction. (2002)
- Establish the Apollo precinct incorporating the cottage, stables, river wall and the Apollo itself into a composite tourism facility. (2002)
- Reconstruct Apollo front foyer, including commercially rentable units, and the Diamond Route Café and kitchen. (2002)

4.2.1 The catalytic role of ADA

The Apollo Development Association is a civil society organisation that is primarily concerned with economic development, using the Apollo Theatre in Victoria West as anchor. Out of the consequent cultural and tourism activities, as well as the training programmes necessary to support them, has grown the economic 'cluster concept' where a core of essential services is being used by a growing number of small businesses and cooperatives.

If we are to think creatively about the perennial problems of poverty alleviation and job creation in the Karoo, it is necessary first to list some of the impediments. Small and isolated communities have suffered official neglect for generations in a region economically dominated by white agricultural interests. Since 1994, serious attempts have been made to introduce the means (finance, capacity building) for local development to take place. The results have been uneven, and the main concern remains, viz now to deliver a brand of economic development that can eventually sustain itself.

The solution lies in the mindset of ordinary people. How do they perceive their position in relation to the support structures that are necessary for development to begin - and continue? Such support structures are invariably in the form of third tier government: local and district councils, municipalities, and other state machinery. Sufficient evidence is available to indicate that these structures are often far from credible, having been distorted and rendered inefficient (often severely so) by their political content. Local authorities that have become battle grounds for political parties as well as individual politicians are hardly the structures to carry forward the spiritual and economic development of communities inured to isolation and poverty, depression and failure.

How is the mindset of ordinary people to be changed? In the platteland (Karoo) setting, this question seems to probe into the central concepts surrounding democracy, particularly a deliberately participative brand of democracy, as much as it does into the realms of economics. Post-1994 democracy has tended to emphasise the ballot box and the accompanying state machinery as the main instruments of democratic freedom and economic progress. This emphasis has missed the most essential ingredient of both: the power and potential of civil society itself.

The pivotal issue for South African democracy and development today - and nowhere has this issue been more starkly visible than in the platteland - is therefore how it harmonizes the power of the state as development agency with that of civil society.

The reality is that civil society hardly exists as a coherent force in the Karoo. There are several obvious reasons for this. It is something of a truism to observe that people felt powerless under the humiliating structures of apartheid. The articulation of ideas that might clash with the intentions of the regime then in power, was discouraged. Economic development for most people was ignored. Education, both in the general spheres and particularly in relation to the rights and responsibilities of citizenship, was inadequately funded for black and coloured residents. In general terms, the poverty, isolation and lack of individual mobility all conspired to prevent the growth of civil society as a developmental force.

In the post-1994 period, very little improvement has been evidenced. The main reason for this lack of progress (in both the rise of civil society and in local economic development) is that democracy has been seen too simplistically as emanating from the new state structures and the notion that politically-run institutions should drive

(control) all economic development initiatives. The mixing of party-political considerations with economic development has been detrimental to the latter and has led to increasing disillusion with post-1994 development efforts and state institutions, not to mention the political parties that have tried to control both the institutions and the efforts.

The more successful conditions for democratic and economic development will be characterised by the rise of efficient and powerful civil society structures that can moderate the power of the state and - as importantly - bring an added dimensions to the state's struggle for sustainable economic development.

In short, the growth of civil society power is an essential corollary to sustainable economic development. The two elements appear to be inseparable. But how can we test this proposition? The most obvious way is to examine an existing model, concentrating on its essential characteristics at both a philosophical and practical level. The Victoria West experience in recent years provides such a model in the rise and growth of the Apollo Development Association (ADA) and in its relationship with the Victoria West (now expanded to the Ubuntu) Local Authority.

4.2.2 Personalities linked to the Apollo

Like many of the successful NGO's and CBO's the Apollo Development Association had the luck during its start-up phase to bring together a small team of extraordinary people, combining entrepreneurs, drive, talent and community spirit. Here we can briefly refer to half a dozen.

David Robbins – Founding member of the Apollo Development Association

Writer, journalist and development practitioner. David has published ten books, including travel, history, biography, fiction and socio-political analysis. In addition, he has written hundreds of articles on subjects ranging from culture and the arts to the major development issues confronting the developing world. His journalism has been published in leading South African newspapers, as well as South African, British and American journals. His special focus areas include housing, urbanisation, local government, education, transport, economic development and health. He has won South Africa's most coveted literary award, the CNA prize, as well as numerous awards for his journalism. On the practical side, he founded the Apollo Development Association, one of the most successful community-based development projects in the Northern Cape. David's wife, Gail Robbins has also become involved in the ADA, with focus on the film festival, discussed in section 4.5.4 below.

Nolufefe Sonkwala – Theatre Manager

Nolufefe was born and raised in Graaff Reinet. She did her studying in Port Elizabeth before committing her energies to the Apollo Project. "I enjoy the challenge," says Nolufefe, who joined the ADA staff early in 2001, bringing with her a B Tech degree in which she majored in Public Management and Development.

Xola Yoyo – Project Manager

Xola Yoyo, born in Victoria West and educated in Adelaide and at the Border Technikon outside East London, joined the Apollo Project late in 1999 as the ADA prepared to permanently reopen the old cinema.

The ADA was looking for projectionists, and Xola very quickly distinguished himself in this department. His technical prowess has kept him closely involved in the growing array of equipment in a projection room. Xola did much of the pioneer marketing of the Apollo, representing the ADA and Victoria West at several Tourism

Indabas in Durban. He has also served as training manager at the Apollo, being responsible for the linkages with the Northern Cape FET College, which has resulted in the Apollo becoming a registered learning centre of that institution. Since May, Xola has served as Internal Project Manager for the ADA.

Johan Hartog – Crafts Development Officer

Johan Hartog, a professional artist who moved to Victoria West in 2002, is the crafts development officer at the Apollo. His expertise and sensitive approach to people's creativity is yielding impressive results.

Johan is no stranger to the world of socio-economic development, having worked for several years in grass-roots projects in the old homeland of Venda, now part of Limpopo province. He holds a BA degree majoring in psychology and sociology from Pretoria University. He then studied art through Unisa, and is the holder of numerous diplomas in specialist arts and crafts areas, as well as in the development field.

Claire-Rose Julies – Tourism Manager

The ADA's tourism manager, Claire-Rose Julies, brings to the Apollo a three-year National Diploma in Tourism Management from the Cape Technikon.

Clair joined the ADA in May 2002. Under her control, the tourism office is becoming widely acknowledged as the most reliable source of tourism information for the entire Pixley ka Seme district of the Northern Cape.

Claire, who matriculated in Prieska, operates the accommodation bureau for the Ubuntu Local Authority. In addition she has opened a Greyhound agency where bookings on the daily busses passing through Victoria West can be made.

4.2.3 Operation of the Association

ADA began as a common law Association and it is now a Section 21 company. Throughout the life of the Association, a board comprising members of the community has been in place. As a Section 21 company, a minimum of three directors are required, and these comprise the Chairman and deputy Chairman of the board and Chairman of the Association's finance committee. The constitution stipulates that board members should be community representatives that have shown an interest in the work of the Association. There are currently 15 members on the Apollo Development Association board.

The board is responsible for assimilating information from its various committees as well as from project management, and for strategising the general policy direction of the Apollo Development Association. Reporting to this board are six committees. The roles of each are briefly summarised below.

The **Executive Committee** comprises the chairpersons of all other board committees, with the chairman of the board automatically the chairman of Executive Committee, and with project managers operating as full committee members. The task of the Executive Committee is to make decisions relating to the operation of the ADA and to the execution of the general policy decisions of the full board. Under the overall guidance of the Executive Committee, the project manager coordinates the projects on a daily basis.

The **Finance Committee** comprises a chairman, two other board members (including the board chairman) as well as the financial manager and the project manager. The financial affairs of the entire Association, including the cluster model, (see 4.3 below

for more details), fall under the jurisdiction of Finance Committee. Only matters relating to the ADA's overarching financial policy are referred to the full board.

The **Events Committee** comprises a chairman and two other board members (including the board chairman) as well as the ADA's events and marketing manager, theatre manager, and project manager. This committee makes decisions on all the events organised by the ADA, including festivals, public speaking competitions, conferences and other facility uses. Only matters relating to general ADA events policy need to be referred to the full board.

The **Training Committee** comprises a chairman and two other board members (including the board chairman) as well as the Apollo Development Association's training manager and Apollo Development Associations project manager. This committee makes decisions pertaining to all training activities at the Apollo, including training charges and the ADA's relationship with training providers within or outside the cluster. Only matters relating to general ADA training policy are referred to the full board.

The **General Development Committee** comprises a chairman and two other board members (including the board chairman), the enterprise facilitator (at this stage directly funded by the International Labour Organisation) and ADA's project manager, as well as members of the broader community. This committee has been constituted to take charge of general development in and around the ADA, to increase the number of businesses plugged into the cluster model, to maintain fruitful relationships with the local authority, and to guide the overall economic development policy of the Association in conjunction with the Ubuntu Local Authority and other

relevant stakeholders. Only matters relating to general ADA development policies need to be referred to the full board.

The **Communications Committee** comprises a chairperson and two other board members (including the chairperson of the board) as well as the marketing manager and project management. The function of this committee is to ensure all board members remain abreast of Apollo Development Associations progress in its various directions so that they can contribute meaningfully to the affairs of the project. Decisions are also taken regarding general information dissemination (via media, pamphlets, special information sessions/meetings, etc) to keep the broader community fully informed of ADA activities.

The general principle at play in this governance system is that the administration of the project is the joint function of board members and staff, with ultimate responsibility for day-to-day issues residing with the staff, and with overall policy decisions made by the board in conjunction with the staff. This avoids the problems that invariably arise (particularly those emanating from individuals with political agendas) when the authority to decide and the responsibility to execute decisions are placed too far apart.

4.2.4 Administrative Structure

Beneath the governance structures described above a full-time staff has been established, viz. employees directly responsible for the administration of the project in accordance with the general policy directions as recommended by the various committees and combined into a coherent policy and action plan by the full board.

At the head of the administration is the project manager, whose duties it is to coordinate the various activities of the project as an executive director, to liase with the various board committees about proposal writing, fund raising and budget setting, and to take responsibility for the acquisition of new staff, as well as staff deployment, development and discipline. Reporting to the project manager are a number of portfolio managers.

- The **theatre manager** takes full control of the theatre and related facilities, assisted by a part time **maintenance manager** and the **cleaning staff**. The theatre manager's duties include control of the box office and related revenues, such as conference charges and hiring fees. He also manages the **theatre staff** that operates the facility.

Most of the remaining ADA staff performs activities arising out of the cluster model. These include financial management, marketing and training.

- The **financial manager** designs appropriate financial systems, controls ADA's investments, operating accounts and funding, as well as all financial movement in and out of the cluster's business entities, provides financial updates to assist in the management of the entities, determines the ADA's commission, and generally advises on matters relating to financial management. ADA's money/cheques and inter-account transfers are handled by an independent **accounting officer** in accordance with the policy of maintaining separation between the project and the control of project money.

- The role of the **marketing manager** is to promote the ADA as a tourism and economic development facility. Individual marketing plans are prepared for festivals and other events, conferences, and general efforts to attract tourists or

promote other markets for cluster services. This includes the maintenance of a website and extensive mailing lists. The marketing manager also assists business entities in the cluster with their efforts to attract potential customers, secure contracts and orders, evaluate existing and new markets and customise products or services to match market needs.

- The **training manager** controls all training undertaken by ADA. Such training covers projection, front-of-house management and ticketing, theatre management, computer literacy, catering and hospitality, and video production. With regard to the cluster model, specific training needs for specific business entities are identified and satisfied, supplementing more general small business training. In addition, specialised training like English writing, business plan and proposal writing, and a module on "the introduction of economic development via the cluster module" are also undertaken or in a planning stage.

- The **enterprise facilitator** assists with the full spectrum of ADA activities of the General Development Committee, and provides encouragement to emerging small businesses and cooperatives. This may cover financial and business-plan advice, or just explain ongoing support available through the cluster model. In essence, this enterprise facilitator is here to help grow the size of the cluster, encourage Local Economic Development endeavours and strengthen the ADA's drive towards self-sustainability.

4.3 The cluster approach to add-on activities

During the middle to of 2001, the Apollo Development Association's "cluster idea" began to develop, when the catering & hospitality training programme led to graduates forming a catering cooperative. A system of partnership and control was designed that has subsequently gone through regular permutations and refinements and is now used, with individual variations, for all cooperatives and small businesses joining the cluster.

By mid-2003, the cluster comprised:

- a catering cooperative
- a construction cooperative
- craft shops (for a crafts cooperative)
- a computer centre (a small business)
- video production (a cooperative)
- a stationery and document centre (a small business)
- a research consultancy (a small business)

The rationale behind the cluster system is based on economic realities and a few key concepts, viz:

- poverty alleviation cannot be separated from the economy as a whole; therefore, the whole economy (not simply the bottom end) must be accommodated within the cluster (e.g., video production and computing as well as crafts and construction);
- economic development activities must be at least partly owned by civil society, hence the governance arrangements of the ADA.
- the general direction of the cluster should be connected to an overall economic development direction for the area in which the cluster operates; this makes a

relationship with the Local Authority and the IDP a vital consideration and places emerging small businesses in a logical relationship with the local/regional economy as a whole;

- most small businesses and cooperatives (business entities) fail in their early years through lack of management expertise (particularly financial management); in fact, many of these business entities never get off the drawing board through lack of basic resources (training, equipment, start-up funding) as well as realistic and effective marketing, which needs to be addressed on a partnership basis.

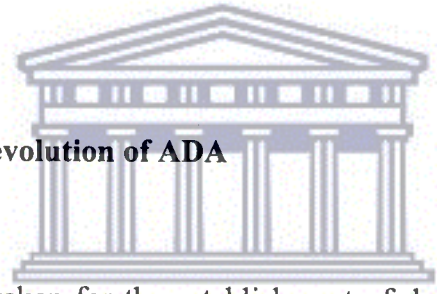
Based on these principles, the following relationship has evolved between the business entities and the ADA:

- Each business entity is constituted as a for-profit business, registered with the Revenue Service and paying local levies.
- Each entity has its own bank account under the joint control of the ADA and the entity's management.
- A contract between the ADA and the entity:
    - protects the ADA non-profit organisation status
    - establishes the percentage of commission paid by the entity to ADA
    - defines the services provided by the Apollo Development Association to the business entity
    - defines the conditions under which the business entity can exit from the contract, whenever they feel ready to do so.

Thus, the cluster model operates as a vitally important staging post for people on their way to become an independent small business and, thereby creating employment opportunities. It is a partnership between individual initiatives on the one side and, on

the other side the ADA's properly designed and managed financial systems, plus training support and professional marketing assistance. Underlying all these elements incorporated within the cluster service is a governance approach rooted in community participation.

As an important aside, it has been found in the ADA's experience that the combination of the arts with economic development is a highly fruitful mix. Economic development is bound to be more difficult without creativity, lateral thinking and individual self-esteem. The arts provide these elements, while at the same time helping to break the isolation and introversion so characteristic of people in the platteland.



4.4 Critical issues in the evolution of ADA

4.4.1 ADA's start-up

Two basic routes can be taken for the establishment of development projects. The first and more conventional way is the community-based model. The second is what is now widely being called the champion-driven model.

The community-based model has the theoretic advantage of enjoying the support of the community, although it is often susceptible to quarrelsome community subdivisions. The other disadvantages are that the process is slow, often unimaginative and frequently lacking in expertise and know-how. The result of all these disadvantages is an extremely high failure rate.

The champion-driven model is where an individual or small group drives the process. The model has become favoured internationally over the past decade, because the

process tends to be fast and innovative, often characterised by high levels of energy and expertise.

The main disadvantages are, however, that:

- community involvement is not automatic, and must consequently be worked on as a specific objective, and secondly,
- for the model to work in its early stages it must necessarily be autocratic.

Civil society organisations generally lend themselves to the champion-driven model. It was certainly the model used to establish the Apollo Development Association. Against this, however, must be weighed the political hostility that easily arises during the early life of an organisation and that seems to linger when the linkages with local authorities are being forged, stabilised and refined. The ideal solution is a combination of the two models. This can best be achieved by ensuring that governance structures are configured in such a way that community members are brought directly into the running of the organisation. Yet, this should only happen at a point when the organisation is beginning to deliver results. Before that stage, the board's usefulness is its advisory capacity, and to keep the community informed about the organisation.

A second hurdle encountered in the Apollo project was the time lag between the establishment of the Association as a legal entity and the delivery of tangible local economic development results. This time lag was exacerbated by the need to establish the basic organisational infrastructure and acquire the necessary equipment to reopen an historic theatre - a process that took 21 months and cost approximately R200 000.

Because of the multiplicity of developmental projects that are mooted but subsequently disappear or initiatives that are established only to fail soon thereafter, platteland communities have developed a cynical attitude towards development and often remain unconvinced about new initiatives until actual results are evident. In the case of the Apollo, it proved extremely difficult to retain the attention of the board - with the exception of one or two members who could visualise the eventual outcome - let alone the attention of the wider community in Victoria West.

Several devices were used in an attempt to counteract this cynicism, and at the same time to broaden the base of the project as a necessary antidote to political hostility and individual opportunism. Three aspects can be reviewed here:

- **The inclusion of young people**: Working through a respected police officer in town, the Association was able to assemble a number of interested youth (the Apollo Youth Group) who were brought into the theatre to assist with cleaning and the initial revamp of the facility. In exchange, the youth were exposed to basic entrepreneurial training (the Ventures programme) and to videos dealing with HIV/Aids and other lifestyle issues. Social events (like braais and picnics) were used to reinforce the identity of the 'Apollo Youth', both before and after the theatre became operational. This was combined with financial rewards. In fact, the theatre is deliberately overstaffed, with the R30 000 annually paid from the box office into young people's pockets, bringing a measure of credibility to ADA.

- **Publicity:** The local press and community meetings helped to keep the business of the Association in the public mind, supplemented by efforts to

mobilise national media attention. The latter undoubtedly increased the credibility of the project, whereas the most sustained criticism levelled against the Association over the years relates to its alleged failure to communicate effectively with local constituencies. Of course, the use of the champion-driven start-up model meant that communication was not given the creative or budgetary priority it might have deserved as a cooperative initiative. At the same time, the inability of the board to disseminate useful information must also be noted. New configurations in the governance and administration of ADA are now being put in place to improve the situation. This includes the establishment of a communications committee. In reality, however, the situation is improving on its own. The reason for this is obvious: as the Association begins to "deliver" on its LED mission, people begin to be convinced about its utility. It is this conviction, above all, that tends to dissolve accusations of poor communication. People are now motivated to find out for themselves.

- **The local economic development mind-set:** As mentioned earlier the development scene in the platteland contains a strong element of pessimism and hopelessness. There is a deep-seated belief that failure is the norm, and that no amount of effort will significantly alter the status quo. This entrenched view prevails around issues pertaining to the local economy as well. There is a lack of animation and enthusiasm, a profound lack of confidence, and a perception that only secure jobs (supplied by an external force like "government" or "big business") will save the day. In an attempt to break this vicious circle ADA has attempted to improve morale by:
    - employing educated young people on ADA's staff

- concentrating on youth training in high-tech fields
- directing LED efforts at the whole economy, rather than into the "lower end" only.
- emphasising the arts (cinema, crafts, music, public speaking & debating, etc) as a means of stimulating creativity and a zest for life
- using colourful and fashionable Love-Life material and activities (the Apollo Development Association is a Love-Life franchise holder) to generally enliven the local youth scene
- being honest about local economic development prospects and difficulties, constantly shifting the attention away from external solutions to self-help.

4.4.2 Relationships with Ubuntu Local Authority

A first approach by ADA to the Victoria West Local Authority was made by the founders of the Association more than six months before it was established. An informal meeting with the full council was held, in order to enlist their support and involvement before the Association became a reality. Some hostility to the idea was expressed, partially because the founders were white and the town council predominantly black and coloured, but the official response was one of unanimous support.

Because of this partnership between third-tier government and a civil society development agency:

- the existing mayor and one other councillor became founding members of the Apollo Development Association board in February 1998;

- active assistance (in the form of occasional free labour and a 100% services subsidy) was provided to the Association once the organisation had taken occupation of the Apollo Theatre;
- as the Apollo project gathered momentum, the Association made regular formal presentations to the Victoria West town council.

As funding began to flow into the project, however, the relationship changed. Tolerance of ADA changed to challenge, possibly fuelled by envy about its apparent success and visible appeal to local citizens. It was publicly stated, for example, that all development funding should be channelled through the local authority, and there was some resentment when this was not happening. For a sustained period, Local Authority representation on the Apollo Board ceased and the Association found itself under attack from representatives of political parties who insinuated financial mismanagement within the Association, also accusing the organisation of being "unrepresentative". Several community meetings, and specially convened meetings between the ADA and the African National Congress, turned hostile as interest groups struggled for the control (or destruction) of an undeniably successful development project. Attacks also came from the political right (the Democratic Alliance-controlled Ratepayers Association) who resented the use of Local Authority earth-moving machinery on an ADA/Local Authority urban renewal project. The result of this agitation was the withdrawal of Local Authority support in February 2001, even though the particular project at issue was being undertaken on public open space. About the same time, new faces appeared on the restructured Ubuntu Local Authority council. Attempts were made to rescind the original services subsidy agreement. Accounts were tendered for large 'arrears' amounts, and at several times electricity and water supplies to the Apollo Theatre were cut.

The Association survived these troubled times through acting along the following lines:

- The organisation understood that its position was at the cutting edge of new configurations, which were required to generate sustainable economic development in the platteland
- The organisation never deviated from its policy of 'economic development through culture, tourism and youth training'.
- The Association began to employ significant numbers of local people during its facility upgrade phase, and these people provided a new groundswell of popular support.
- The Association remained strictly "non-political".
- ADA networked tirelessly in and around the local authority, using in particular the development responsibilities of Local Authorities as expressed in the current local government legislation as a convincing rationale for the Local Authority to maintain a relationship with a civil society development agency like ADA.
- ADA began to build its cluster model with local people becoming the beneficiaries.

As a result of these steps, as well as considerable patience displayed by the board and parties within the Local Authority, a new relationship has evolved with Ubuntu Local Authority, which is now characterised by the following:

- Renewed Local Authority representation (one councillor and Ubuntu's Integrated Development Planning Officer) on the Apollo Board

- The services subsidy is re-established and confirmed in an official letter from the Local Authority for the Apollo Theatre. All other services will be charged at normal rates.
- An agreement has been concluded to join forces in a consolidated "Ubuntu tourism programme". This includes an ADA staff member partly subsidised by the Local Authority, but resorting under the functional guidance of the ADA's marketing and enterprise facilitation.
- An Ubuntu Economic Development Conference was held in 2003. It was organised by the Association, funded via the Apollo Development Association by the National Development Agency and hosted jointly by Ubuntu Local Authority and the Association. The purpose was to find ways of re-aligning the local economy to lessen its dependence on white-owned agriculture.
- The opportunity was created for regular conversations on tourism and economic development between the local authority (including its IDP process) and ADA supported by internal and external expertise and direct access to a range of funding sources as well as national and international information/partnership networks.

4.4.3 ADA Finances

The table below lists ADA's funding partners between 1998 and 2003. In total, more than R5 million have been sponsored up to early 2003.

ADA funding partners 1998-2003

- National Department of Arts, Culture, Science & Technology (DACST)
- Northern Cape Arts & Culture Council (NCACC)
- National Department of Environmental Affairs & Tourism (DEAT)
- Northern Cape Tourism Authority (NCTA)
- De Beers Fund
- Standard Bank Foundation
- Standard Bank Arts Sponsorship
- National Lotteries Fund
- National Film & Video Foundation (NFVF)
- Film Resources Unit (FRU)
- Business & Art South Africa (BASA)
- National Development Agency (NDA)

If the Association leaves aside the money used directly on the upgrading and re-establishment of the Apollo Theatre and the surrounding precinct and related facilities, very limited additional funds have been used. In fact, little more than operating costs have been used to establish the cluster model. It needs to be stated, however, that the two functions - facility upgrading and economic development facilitation - are virtually inseparable. An anchor project (like the theatre) supports a cluster initiative in (i.a.) the following ways:

- There is an immediate focal point and 'branding' recognisable to local people.

- The cluster model is subsidised through the revenue created by the anchor project. Currently, the Association draws gross revenue from the theatre complex to the tune of R4000-R5000 monthly.
- Financial systems and auditing services are shared between the Apollo Development Association anchor project and the cluster-model participants, thus reducing overall costs.

The table below lists the total number of people involved/employed through ADA and the cluster:

ADA and cluster employment

ADA	Theatre Manager (1)	Theatre Staff (15)
	Maintenance Manager (1)	Accountant (1)
	Cleaners (2)	Finance Manager (1)
	Training Manager (1)	Marketing Manager (1)
	Enterprise Facilitator (1)	
Cluster	Craft Cooperative (15)	Video Production Cooperative (2)
	Catering Cooperative (6)	Computer Trainer (1)
	Construction Cooperative (10)	Small Business Consultant (2)
		and documentation (1)

The table above lists the total number of people involved/employed through ADA and the cluster. The salary bill for the cluster management team will be less than R14000 per month in 2003, largely funded by the National Development Agency as an experiment to see what a fully staffed central administration can achieve in terms of cluster growth and turnover. However, it should be noted that the Association started

on a very basic staffing level. A single person (who now serves as the financial manager) controlled the entire cluster during the early phase.

4.5 ADA and tourism promotion

4.5.1 The Ubuntu Tourism Office

The Ubuntu tourism office opened during January 2003 as a joint venture between the Ubuntu Local Authority and ADA.

The main objectives of this office is the promotion of tourism as an integral part of economic development and in as broad an area as possible. Its purpose is to reinforce the cultural and economic development process, and to promote and encourage the cultural life of its target area by promoting films, art and other exhibitions, educational enrichment programmes, debating and other appropriate competitions, and the conducting of national and regional festivals in association with suitable partners.

This office's first venture was to build relationships with local bed-and-breakfast facilities as well as provincial and regional tourism bodies. The tourism office now has a formal relationship with 32 local B&B facilities as well as the Greyhound Bus Company.

These facilities pay a membership fee, with the tourism officer acting as booking office with commission split between the local authority and the Association.

Future developments currently under investigation include:

- close links with coach and train companies
- tour packages for visits to the Ubuntu region
- establishment of a regional tourism office for the Upper Karoo area
- links with bed-and-breakfast facilities in neighbouring towns

4.5.2 The Apollo as museum and tourism facility

By day, the Apollo Theatre functions as a tourist centre and coffee bar to be patronised by local people and tourists alike. School groups also use the facility.

Plans to develop a museum in some of the buildings at the rear of the Apollo show great promise. Equipment from the Apollo's earlier days would be on show. In addition, the Northern Cape's Museum Services has intimated that additional exhibits could be brought from Kimberley, thus establishing a regional cinema museum at the Apollo. Museum Services has already promised technical support, and they have been in contact with the Ben Susan Museum of Photography (in Johannesburg) which has also expressed interest in the Apollo. All this promises to transform the Apollo into a significant centre for the history and development of the cinema in the Karoo if not in 'platteland South Africa'.

Coupled to these museum initiatives are the social-history elements of the Apollo itself: the old "non-European" entrance, galleries, refreshment kiosk and the somewhat grotesque 'separating wall' are all carefully preserved and clearly explained in appropriately positioned information panels.

Then there is the historic Apollo auditorium itself, which the National Monuments Council is in the process of listing. Visitors could be provided with a brief montage of 1950s film material, including clips from newsreels. The Northern Cape Tourism Department has agreed to supply a set of provincial videos for regular screening in the Apollo.

In addition to these attractions, the foyer of the cinema provides ample space for photographic and other exhibitions celebrating tourism-related attractions in the region. Possible examples are the built environment of Victoria West, the mid-19th century Rhenish Mission buildings in Carnarvon and the railway heritage of

Hutchinson and De Aar. Local and regional tourism brochures would naturally also be on display.

4.5.3 The Apollo as cinema

By night, at least over the weekends, the Apollo offers a pleasant place to go out to, an opportunity to socialise in the foyer and at the coffee bar, and a venue to be entertained and culturally enriched by films on show.

The successful running of the Apollo as a commercial venture depends on the demand for such a facility among the local population. To gauge public opinion, a small survey was conducted in October 1997, which revealed overwhelming support for a cinema in Victoria West.

The success of the venture, even on the limited basis envisaged, will also depend on the availability of up-to-date films before they are available on television or video.

Film distributors offer the following services regarding films, which have come off the main urban circuits but have not yet been released for television or video consumption:

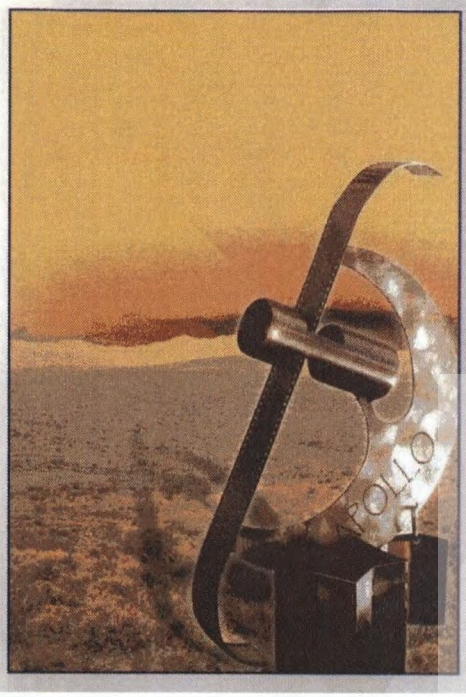
- NuMetro charges between 40% and 45% of box-office takings
- Ster-Kinekor charges R250 a week or 30% of box-office takings, whichever is the greater amount
- UIP-Warner charges R171 a week.

Simple financial plans based on Ster-Kinekor and UIP-Warner rates show that with three performances a week, most of the basic overheads could be covered, thus making it possible for the facility to be used as envisaged.

4.5.4 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, Francois 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.

Rationale

In 1902, hardly five years after the international inauguration of motion-picture technology, Victoria West was hosting frequent open-air film screenings. As discussed in paragraph 4.1, the ADA was established in 1998 to employ this historic venue as a means of cultural edification, as well as for the stimulation of LED into the disadvantaged community of Victoria West.

The Apollo is an ideal showcase platform, since it is free of film market imperatives and industry convolutions. South Africa has the need for an annual dedicated festival, particularly now that such films symbolize the artistic aspiration of the continent as a whole. Even though the main purpose of the Festival is to celebrate indigenous

cinema, its analogy is to stimulate LED by means of inducing the festival as a tourist attraction.

An additional objective is to expand the Festival to the rest of Africa, therefore inviting other countries to take part in the African Film category.

The local community elected the Apollo Festival Committee under the chairmanship of Gail Robbins to deal with the additional responsibility of organising the Festival. The vision behind the Festival is to provide a platform for short films and documentaries from South Africa and other African countries. Thus far, the consensus is that the Festival should be a premier event of the country, with the potential to become the "Cannes of Africa".

An international company called Sundance has approached the ADA with the suggestion to include some of the best African films in the independent US Film Festival in Utah. The ADA thereafter recommended several innovative and aspiring filmmakers and scriptwriters. In fact a close relationship with an international body is critical for Apollo's aim of stimulating international partnerships, and to be financially beneficial to South African film makers.

Finance

The first Apollo Film Festival (AFF) was held from 26 September to 6 October 2001. The AFC received funding from Standard Bank Arts Sponsorship, Business & Art South Africa, DGR Writing & Research and the National Lotteries Fund. Although fewer sponsors contributed to the AFF in their second year, their financial position reflected higher totals.

In 2003, the third year, marketing and planning were actively in progress when financial problems surrounding the staging of AFF2003 were experienced.

Funding for the first three Film Festivals

SPONSORS	2001	2002	2003
Standard Bank Arts Sponsorship (SBAS)	R50 000	R50 000	R75 000
Business & Art SA (BASA)	15 000	-	-
National Film & Video Foundation (NFVF)	50 000	150 000	331 400
DGR Writing & Research	28 000	-	-
National Lotteries Fund (NLF)	217 150	217 150	-
Total	**R360 150**	**R417 150**	**R406 400**

One of the reasons, that the NFVF only awarded a third of the amount suggested earlier. This setback, coupled with the ADA's failure to obtain funds from the Lotteries Board, resulted in a virtually zero-budget marketing effort and the loss of several subsidiary events and processes. Problems caused by inadequate funding include the following:

- Although there was no marketing budget, assistance from Ster Kinekor and Screen Africa regained the project's reputation, as did numerous radio stations and publications.
- No overseas VIP guests could be invited, thereby limiting the aim to place SA film industry in a fitting continental perspective.
- No publications were issued for the discussion sessions.
- Severely curtailed Festival management had to be curtailed, which resulted in too great a reliance on (uncoordinated) voluntary services.
- There was virtually no funding for consultations at regional level, although the support of the festival by local schools was a encouraging

aspect. Adequate funding might have allowed the ADA to broaden its vision even further.

Festival Facilities

The facilities linked to the Apollo and available at the annual festivals indicated the following:

- **Apollo Theatre Auditorium,** with 200 seats, a projection room with 35mm and 16mm projectors, multimedia projector for Beta SP, DVD, VCR, as well as music, public address and PowerPoint facilities.
- **River Street Foyer** situated at the rear of the auditorium, including a kitchen with a kiosk, providing light refreshments at tables in the precinct, and restrooms facilities.
- **Diamond Route Café and front foyer,** including a coffee bar and restaurant, kitchen, ticket office, as well as restrooms facilities for disabled people.
- **Apollo Training Centre,** including a computer centre, video library, video production unit, research office and documentation facility.
- **Apollo Crafts Centre,** incorporating several workshops.
- **LoveLife Office,** comprising of a seminar room.
- **Apollo Tourism Centre,** as the local tourism/accommodation centre, as well as the venue for the Book Fair.
- **Apollo Precinct,** a public open space with lighting, tables and chairs as well as access to the footpath along the top of Victoria West's historic River Wall.

Festival Events

For visitors to the film festival a variety of additional extra-curricular events and activities were arranged, including:

- an extraordinary art exhibition
- learning opportunities in fine art techniques and craft making
- a week-long "one-minute film" workshop
- a week-long scriptwriting workshop & essay competition
- the "South African Book Fair"
- local music during street festivities
- opera recitals

Festival Problems

However successful the film festivals may have been there were also numerous problems. The following problems where experienced during the 2003 festival:

- **Film Entries** - General opinion suggested that the films entered did not capture enough diverse, multicultural subjects. Thus, filmmakers were advised to cover a much wider range of national issues.
- **Catering** - Problems still exist in terms of the assessment of fare on offer and the waiting duration for orders in the restaurant. In addition, the small business that had been using the Diamond Route Café's facilities decided to vacate the premises, which gave the ADA an opportunity to search for a competent catering service. Someone with the required culinary skills needs to be found.
- An important development has been initiated with the launching of the **Apollo Book Fair** in association with the Victoria West High School, an ex-model-C Afrikaans medium school that has recently been involved in a merger with the Lillian Noveve Junior High School in Victoria West's

black township. The Fair was a definite attraction, grossing in excess of R10 000. Preparations are presently afoot to promote this event and perhaps combine it with the Northern Cape Librarians' Congress, which might help to incorporate the town to a much wider extent into the festival.

- **Accommodation** - A significant number of people were discouraged from attending the festival as the available accommodation had reached its capacity. The ADA is determined to use this opportunity to stimulate the development of B&B establishments in the previously disadvantaged local communities and the neighbouring places as well on nearby farms.

To conclude, all three film festivals held thus far have been a great success. The event itself is now regarded as one of the significant Film Festivals in South Africa, which at the same time provides a stand-alone development platform. If its high-quality standards are upheld, this project could significantly benefit socio-economic development of Victoria West and its surroundings.

4.5.5 The Apollo as regional tourism development centre

The Association's board has for some time expressed the intention to co-ordinate and encourage tourism initiatives throughout the Karoo. To this end, local tourism boards are to be established in various Karoo towns. Plans are already well advances for a first local board in Carnarvon. These steps inevitably lead to the desirability of linking such boards into a regional body, which can help coordinate efforts. The ADA is viewed as an ideal body for that purpose.

The Apollo Development Association, operating from the Apollo, might thus serve as a resource and support centre for tourism development throughout the region.

CHAPTER 5. LESSONS TO BE LEARNED

5.1 New partnerships

Our study has shown that interaction and cooperation between Ubuntu Local Authority and ADA was necessary to achieve the local economic development goals common to both. This Ubuntu/ADA partnership has been five years in the making with the cluster model having envolved over the past 18 months. The main characteristics of this dual development can be summed up in four points.

- The rise of the Apollo Development Association was heavily dependent on volunteers working within the champion-driven model.
- The initial tourism orientations of ADA's efforts in the Apollo Theatre provided the rationale for both training and cooperative development, which led to the LED-cluster model.
- Most of the cooperatives and small businesses currently plugged into the cluster have grown out of activities initiated by ADA.
- The fundamental principle underlying the cluster model- that the success of the cluster is dependent on the success of the individual business entities and vice versa – ensures that the projects plugged into the cluster are actually supported by ADA as part of the search for their economic sustainability.
- The use of the arts and of bright youth-orientated images results in a positive and creative community approach to local economic development and the generation of the relevant "social capital".

5.2 Other urban development catalysts

Developments at Victoria West can be viewed as exemplary, but they are not unique. To broaden the perspective we can briefly summaries successful LED initiatives in two other places of the Northern Cape, viz. Kimberley and Warrenton.

5.2.1 The Kopano Women's Bakery in Warrenton

In 2001 a group of 100 women, affiliated to the South African National Civic Organisation (SANCO), became involved in a poverty alleviation project established by the Department of Social Development. Unfortunately, assistance was limited and little came of this. The local authority then decided to take the project on as a local initiative, guiding the development of a business plan. The result of this cooperation was a R1,5 million subsidy for local economic development from the Department of Provincial and Local Government.

Today the Kopano Women's Bakery is a registered co-operative, owned and run by 15 woman and 3 men. It includes a shop, and is accommodated in a new building with new equipment. The project also purchased a delivery vehicle.

Kopano produces up to 960 loaves of bread per day, which gives a monthly average revenue of R60 000. The co-operative has no debt and is able to pay salaries of R800 per month to its employees.

Its ovens are able to bake 120 loaves of bread in 2 hours. Staff work in teams of 4 on two 8-hour shifts each day, seven days a week (with staff off every second weekend).

The biggest challenge is making the bread in competition with big bakeries from outside Warrenton. Apart from direct local sales, Kopano delivers to the local hospital and an old age home.

The short term goal is to buy a second oven for R200 000, which will double production capacity and create another 8 to 10 jobs.

The local authority has supported the venture by subsidizing a business site, providing free services (water an electricity), helping to access and manage the LED grant, general mentoring and linking it to training opportunities.

The Northern Cape Manufacturing Advice Centre (NAMAC), stationed in Kimberley, has provided training, advice and some other support.

Kopano is administered by a manager, who chairs monthly meetings of the workers, who are also the owners or shareholders of the business. The municipal LED officer also attends these meetings. Quarterly financial reports are prepared by the municipality's financial manager.

Kopano is essentially a co-operative enterprise, supported by the local authority and provincial government. Success factors include:

- co-operation and team work of members, who are able to separate their roles as owner/shareholder and as workers
- the willingness of members to work long hours for limited wages
- active financial and other support from the local authority
- training and technical support from MAC
- a good business approach
- an essential, locally needed product
- support from the local community as consumers

5.2.2 Galeshewe Compost project

This project started in 1999 by the Sol Plaatje Municipality in Kimberley, initially as a small operation, processing organic waste at the municipal market. During June 2001 the project moved with its old borrowed chipper machine to the old Municipal Nursery near Galeshewe with R900 000 in LED funding from the Department of Housing and Local Government. It was possible to clear the site and upgrade the building to accommodate an office, board room and a store for tools and equipment – in addition to the acquisition of a compost turner, tractor and trailer, chain saw and small tools.

The project launched with 30 new workers, supported by the municipal LED committee. The aim of the project was to establish an economically viable project which would become an independent, worker-owned business.

The project processes garden refuse and branches collected by the municipality, or dropped at the site by residents and garden maintenance contractors. This is broken down into fine bits by the chipper, and then piled in long heaps to decompose. These heaps need to be regularly watered and turned, which is done by the tractor-drawn compost turning machine.

After six weeks the compost is ready to be sieved and put into 10kg and 40kg bags, or to be sold by cubic metre. This final product is fine, rich organic compost. Prices for the product ranges from R6 for a 10 kg bag, r15 for a 40 kg bag, and R150 for a cubic metre. Income from sales are deposited into a bank account of the local authority.

Ay any one time there are six to seven rows of compost at different stages of decomposation, each between 100 and 150 metres long. The production process, given the right equipment and technique, is simple and effective in turning what is otherwise space consuming refuse, into a valuable and marketable commodity.

The compost is sold on site to residents, garden contractors, the municipality and the Department of Agriculture, with some capacity to supply additional customers.

Project workers are currently treated as temporary municipal employees, employed on one-year contracts, with their income depending on the income of the project.

Although the project employs a manager, it is run on a co-operative basis, with joint decision making via weekly meetings. The local authority provides technical advice and assistance as well as financial and management support. The project manager is

accountable to the workers, the LED unit and a project committee (consisting of the manager and three municipal representatives).

Problems encountered include the following:

- the seasonal nature of the business, reduces income during winter
- the marketing of the compost
- lack of transport to sell door-to-door
- insufficient management skills and (at times) motivation of workers
- tensions between the joint decision making and management authority
- lack of security of the site (frequent burglaries)

Success factors have been:

- local authority support
- a viable business concept
- adequate funding and equipment
- availability of technical advice and know-how

5.3 Local Authorities and NGO's as LED partners: Critical lessons

In many of its aspects the Apollo/Ubuntu model lends itself to wider application. The following lessons seem to be particularly suitable for transporting and modifying to other sites and situations:

- The local economic development cluster model should be centred on an anchor project, which could be related or filling some basic community need, such as a training or sporting facility.
- The initiative should be driven by a civil society organization.
- The initiative should be an equal partnership with the local authority regarding economic and social development as a whole, including its integration into the Integrated Development Plan (IDP).

- Initiatives should be consciously geared to animating and empowering communities through an understanding of the potential power of civil society and, on a practical level through the arts and other stimulae for creative thinking and interaction.
- The initiative should be a legal entity with financial control firmly divided between internal systems management and external management of funds in the various bank accounts.
- Initiatives should align their local economic efforts into the broader local economy, working through a partnership with the public sector.

It cannot be over-emphasized that the role of such civil society organizations is crucial to sustainable economic development. Communities are empowered to speak on equal terms (or closer to equal than without such organizations) vis-à-vis local authorities and other organs of the state, and to political groupings. Communities also begin to control their own destinies, and through their civil society organizations (with their possible links into corporate funding and expertise) to exert a measure of accountability over all players in the local development scene. Expressed in another way, the use of civil society organizations such as the Apollo Development Association brings new hope to people willing to work for their own development, while at the same time bringing a measure of protection (through the legal status and resulting independence of the organization) from the machinations of political and economic opportunists.

5.4 Scope for further research

After five years of evolution the Apollo Development Association and it's partnership with the Ubuntu Local Authority represents a(n) (provincial) asset that should be carefully nurtured and used. In effect, this partnership presents a case study where "sustainable local economic development" is visibly becoming a reality. The Apollo Development Association and the Ubuntu Local Authority are therefore ideally placed to assist with the production of well-researched guidelines for a workable (and replicable) Local Economic Development model. A few areas worth exploring and documenting include the following:

- Local economic development and tourism promotion in small platteland places
- Choosing and establishing local economic development anchor projects
- Installing the cluster model
- Stimulating inter-related and interdependent local economic development projects
- Defining useful partnerships between civil society and organs of the state
- Using arts and culture-related activities for the generation of social capital
- Tackling the educational and health impediments to developments at local level
- Establishing relevant civil society resources and data bases for use amongst local authorities across the province.

It is, indeed, hoped that the case study outlined in this thesis can trigger a whole range of grassroots-based LED studies.

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