AGRICULTURE AS A CONTRIBUTOR TO LOCAL ECONOMIC DEVELOPMENT (LED) IN Nkonkobe Local Municipality

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AGRICULTURE AS A CONTRIBUTOR TO LOCAL ECONOMIC DEVELOPMENT (LED) IN NKONKOBE LOCAL MUNICIPALITY

By

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DECLARATION OF ORIGINALITY

I Jongikhaya Rali, 212424653, hereby wish to declare that the dissertation of Master’s Degree in Development Studies and the work contained in this dissertation is my own original work, that all sources used or quoted have been indicated and acknowledged by means of complete references; and that this dissertation was not previously submitted by me or any other person at any other university for a degree.

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J. RALI  DATE
DEDICATION

I would like to dedicate this achievement to my mother, Buyiswa Elizabeth Rali, who brought me up under difficult circumstances after the death of my father in 1989. This is for her, “My mother, it is never easy being a single parent”. To my late father, Mfowethu Rali, who was my inspiration, this is a gesture of appreciation to him for believing in me the way he did. Lastly, I would like to dedicate it to my entire family for being so understanding when I was not able to spend enough time with them.
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ABSTRACT

Africa while being underdeveloped in terms of industry and infrastructure has much rural land and therefore has significant potential to provide global food security. This study investigates agriculture as a contributor to economic development of Nkonkobe Local Municipality, Eastern Cape, South Africa. While the potential of agriculture, in Nkonkobe Local Municipality is high, this sector has not been fully developed to the benefit of the community and the municipality at large. The results of this study have pointed out that the Eastern Cape, Nkonkobe Local Municipality in particular is where communal farming is practiced on the largest scale and where further growth can take place.

This study is informed by the goals of reconstruction and development, as expressed in the Government’s Reconstruction and Development Programme (1995) tabled to meet the basic needs of the people, develop its human resources and to build the local economy. This study aims to transform Nkonkobe Local Municipality into an economically developed area of Amathole District Municipality, by improving the area’s agricultural contribution to the Local Economic Development (LED) of the area. This study supports entrepreneurship and innovation, job creation, raising the quality of basic services to the poorest citizens of Nkonkobe Local Municipality, and increasing the distribution of agricultural land to small holders. This study promotes the development of agricultural sector, which will enable it to absorb more low skilled labour which will assist in poverty alleviation, and promote LED initiatives. This study also develops and promotes the sustainable contribution of agriculture to LED programmes, and improves the participation of local communities in these programmes. The study was conducted using qualitative research methodology.

The findings of the study reveal that agricultural infrastructure in support of LED in Nkonkobe Local Municipality must be established and improved. Such infrastructure should include the reticulation of services, such as irrigation schemes, big dams, farming equipment, tractors, laboratories, cold storages and communication links. These services are currently inadequate in the area, and hamper development and progress
that the area clearly has great potential to add in terms of global food security and poverty alleviation.
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CHAPTER 1

1.1 INTRODUCTION

This study assesses agriculture as a contributor to Local Economic Development (LED) focusing specifically on the Nkonkobe Local Municipality. This municipality is located in the Eastern Cape Province in the former homeland of Ciskei, under the Amathole District Municipality (Nkonkobe Municipality IDP, 2012).

Figure 1: Nkonkobe Municipality in Eastern Cape, South Africa (Source: Nkonkobe Municipality IDP, 2012-2017)

The Nkonkobe Local Municipality is the amalgamation of the previous Alice Transitional Local Council (TLC), Fort Beaufort TLC, Middledrift TLC, Hogsback TLC, Seymour TLC, Victoria East Transitional Rural Council (TRC), Fort Beaufort TRC, Balfour TRC and Middledrift TRC. It is the second largest local municipality in Amathole District
Municipality (ADM) covering 3 725, km², and constituting 16% of the surface area of the Amathole District Municipality. Nkonkobe Municipality has an average population density of 43 persons per km, or 0.43 persons per ha (Nkonkobe Municipality IDP, 2012-2017).

The agricultural sector, which has always been hailed as an area of potential growth in South Africa continues to register an average performance. Nkonkobe Municipality has been specifically identified as a local municipality with immense agricultural potential that has gone largely untapped. Although a number of high value crops have been identified in the area, it has been extremely difficult to improve agricultural development significantly.

The rural areas around Nkonkobe have high agricultural potential, but they are uncoordinated, under developed and there is a severe lack of management in accordance with a clear, collective policy and strategy. Consequently, the strategies that are in place have failed to capitalize on the diverse agricultural resources of this area. This has limited the ability of the Municipality to provide much needed agricultural skill development opportunities, and sustainable agricultural development programmes, which would equip the community to eradicate poverty and improve LED initiatives. Current management efforts are typically focused on short-term results, and are reactive in nature, fragmented and un-coordinated. Economic development opportunities are thus being squandered. A dedicated study is therefore needed to assess the contribution of agriculture to LED initiatives in the Nkonkobe Local Municipality, so that this municipality and its communities can better harness their resources to ensure the effective and meaningful contribution of agriculture to LED initiatives in that area. The potential for such an initiative is beneficial in the short term and long term.

According to Van Niekerk (1990: 36) the areas under traditional methods of farming situated in the former homelands (Bantustans) represent more than 23% of South Africa’s agricultural potential. This emphasizes their value in the agricultural milieu. However, their potential cannot be fulfilled without the inputs already enjoyed by white agriculture, such as tariff protection of products in the home markets, export credit for
certain products, development of infrastructure, technical advisory services, credit facilities and so forth. The former homeland (the region known as Ciskei) has remained a typical example of an undeveloped rural area, with all the dynamic economic influences bypassing them while draining them of their labour resources.

The situation in the former homelands is continually deteriorating; exacerbated by an ever-increasing population and declining agricultural resources. The people of the region are trapped in a vicious cycle, which perpetuates low productivity in subsistence agriculture. Rural development and LED projects in the former homelands have not always been successful. Failures are attributed by many authors to the use of “top down” methods that fail to involve the local population in a “bottom-up” approach.

Commercial agriculture in South Africa is widely regarded as a highly developed and successful sector (World Bank, 2004). In its recent study of South African agriculture the World Bank (1994) reached the conclusion that the performance of South Africa’s commercial agriculture is easily overestimated, in that it successfully conveys the appearance of efficiency. This study examines and probes this appearance of efficiency and reveals where the veneer detracts from the reality of agriculture in South Africa’s current context.

In sharp contrast to the status of commercial agriculture in the country, rural agriculture has been under-developed. Racist policies of the last two centuries have resulted in the concentration of about eight million blacks on 13% of agricultural land, primarily in the former homelands. Combined with inadequate infrastructure, support services and access to markets, these policies caused the virtual elimination of small-scale black agriculture. The ‘hangover’ of these racist policies has prevented the development of a viable, employment-intensive rural economy centered on agriculture. A vibrant and wide range of informal business activities usually created through forward and backward linkages of agricultural development have never had an opportunity to emerge in South Africa’s rural economy (Binswager, Kirsten & Van Zyl, 1996: 7).
The type of study that is needed in this situation is one that will bring about a shift in thinking on the part of National government. Nkonkobe Local Municipality, as many other local municipalities situated in the former homelands, is seen as a poor disadvantaged, undeveloped area. This study should challenge these perceptions highlighting the potential for the transformation and development of Nkonkobe Local Municipality’s economy, and particularly of its rural areas. It is held that it is through the contribution of agriculture to LED programmes that the South African Constitution’s promise and commitment to improving the quality of life of all its citizens will be achieved (Republic of South Africa, 1996:1). This improvement must be relevant to the people of the area in order to be sustainable, while protecting the natural environment for the benefit of present and future generations to come.

Firstly, then, this study should be informed by the government’s goals of reconstruction and development through its Reconstruction and Development Programme. Secondly, this study should aim to transform Nkonkobe Local Municipality into an economically developed area of Amathole District Municipality, by improving the contribution of agriculture to LED. Thirdly, this study should support entrepreneurship and innovation, improve job creation, raise the quality of basic services to the poorest citizens of that area, and increase the distribution of agricultural land to small holders. This study should also promote the development of the agricultural sector, which will enable it to absorb more low skilled labour, assist in poverty alleviation, and promote LED programmes. Lastly, this study should also develop and promote the sustainable contribution of agriculture to LED programmes, and improve the participation of local communities in these programmes.

The importance of local ownership of the development process, however, is central to most local economic development approaches, which must view development within the context of governance and civil society at all levels. The approach is also spatially useful, whether in urban or rural areas (Natural Resource Institute, 2004).
LED requires the creation of an environment that enables the stimulation of new opportunities in both rural and urban regions, where historic limited opportunities may exist for economic growth. This study argues that LED programmes have an additional purpose, namely to strengthen and reinforce local governance and its commitment to positively impact the people they are tasked to serve. Local governments can do this by identifying long-term income-generating opportunities that will financially support the local community, with a strong focus on alleviating poverty, which is so prevalent in these rural areas. As a starting point and in view of the above, it is important to assess the contribution of agriculture to LED programmes in Nkonkobe Local Municipality. Thereafter recommendations to the improvement and growth of this sector should be evident.

1.2 PROBLEM STATEMENT

The concept of the 'research problem' refers to a problem identified by the researcher in the context of either a theoretical or practical situation and to which the researcher seeks a solution. It furthermore involves the demarcation of a problem area within a certain context (Kruger & Welman, 1999:12)

Although the municipality is trying to improve the condition of life for the people, an analysis of the status quo reveals unacceptably high levels of poverty, malnutrition and unemployment, inadequate social services, low agricultural productivity, poor agricultural infrastructure, and poor agricultural practice as some of the challenges facing Nkonkobe Local Municipality (Nkonkobe Municipality IDP, 2012-2017).

While the potential of agriculture, forestry and tourism here is high, these resources have not been fully developed to the benefit of the community and the municipality. The research problem for this study is that the municipality is characterized by high poverty, resulting from the high unemployment rate, low income and a lack of basic skills and education, which are essential for LED.
1.2.1 Sub-Problem 1

According to Leedy (1993: 45-70), research sub-problems are “problems related to the main problem identified by the researcher. They flow from the main problem and make up the main problem”.

In the context of this study, then, the sub-problems are the following: Firstly, the area needs market assisted agricultural development, which involves providing eligible beneficiaries with a grant and access to credit or other forms of financial assistance. This will allow them to access agricultural resources, such as equipment (Van Zyl, Kirsten and Binswager, 1996: 9-10). Such a market assisted agricultural development would improve agricultural productivity in the Nkonkobe Local Municipality.

1.2.2 Sub-Problem 2

Sustainable agricultural development must be encouraged in the area. This comprises farming systems that are productive, economically viable and environmentally sound in the long term. Sustainable agriculture can be defined as “the successful management of resources for agriculture to satisfy changing human needs, while maintaining or enhancing the natural resource base and avoiding environmental degradation (Power & Prasad, 1997:2)”.

1.2.3 Sub-Problem 3

Infrastructure in support of current LED initiatives in Nkonkobe Local Municipality must be established and improved. Such infrastructure would include the reticulation of services, such as irrigation schemes, big dams, farming equipment, tractors, laboratories, cold storages and communication links. As these services are currently inadequate in the area, such developments are vitally necessary to the growth of these projects.
1.3 OBJECTIVES OF THE STUDY

This study of agriculture as a contributor to LED in Nkonkobe Local Municipality has three main objectives.

1.3.1 Objective 1

Firstly, it sets out to assess agriculture as a contributor to LED in Nkonkobe Local Municipality. Agriculture, is presently the primary sector in that area, and has the potential to make even greater contributions to poverty eradication and a more balanced and sustainable growth and development of the area and its people.

1.3.2 Objective 2

Secondly, this study will assess the potential of an agricultural economy in the Nkonkobe Local Municipality.

1.3.3 Objective 3

Thirdly, this study will demonstrate that market assisted agricultural development in the former homeland (Ciskei) and in areas such as Nkonkobe can improve agricultural production and facilitate economic growth.

In addition to the above the research objectives of this study are the following:
• To examine the contribution of agriculture to poverty alleviation in Nkonkobe;
• To examine the role of LED programmes or services in improving the agricultural economy in the area;
• To examine the potential of the agricultural economy in the area;
• To examine the creation of sustainable job opportunities in the area;
• To investigate the establishment of economic activities related to agriculture;
• To examine the integration of agrarian economy of the area into the wider provincial economy;
• To investigate and find cost-effective ways of increasing agricultural production from subsistence to commercial levels;
• To investigate the increase efficiency, equity and employment intensity in Nkonkobe Local Municipality by moving towards a more diversified farm structure centered on competitive commercial, owner-operated and family farms;
• To investigate how agriculture in that area can become more independent of government subsidies;
• To examine the promotion of private sector support for agriculture in Nkonkobe Local Municipality;
• To investigate the establishment of comprehensive and equal opportunities for all role players in the agricultural sector;
• To examine the broadness access to agricultural services for all farmers, both large and small.

1.4 KEY QUESTIONS PERTAINING TO THE STUDY

Key questions, which this study intends to answer, are the following:
• What is the current situation regarding agriculture’s contributions to LED in Nkonkobe Local Municipality?
• Is the current agrarian economy able to alleviate household food security problems for the poorest families in Nkonkobe Local Municipality?
• What can be done to improve the contribution of agriculture to Loca Economic Development (LED) in Nkonkobe Local Municipality via selected key areas for stimulating the growth of the local agricultural economy?
• Which agricultural programmes are in place in the area and how far have they progressed?
• Are the programmes developed according to local circumstances and, in particular, in collaboration with local communities?
• Can the successes experienced by others municipalities be adapted to local development realities?
• What are the major problems or challenges pertaining to the sustainability of agricultural programmes in Nkonkobe?
• Is there any specific support available to help poor communities to adjust to the new economic environment?
• What solutions could support agricultural development bring in Nkonkobe Local Municipality?

1.5 RESEARCH METHODOLOGY

The research methodology for the study is descriptive as it is sourced from available literature. Due to the restricted extent of the research, no empirical survey was conducted. A number of normative criteria to deal with the research problem will be identified from the available literature, from which conclusions will be drawn and recommendations made.

The normative criteria gleaned from the literature is used to compile and propose a number of recommendations in the last chapter.

1.6 GLOSSARY OF TERMS

1.6.1 Agriculture – refers to the sustainable and productive utilization of natural resources that involves the inputs by human beings, for plant and animal production purposes either for own consumption or marketing (Green Paper on Agriculture, Eastern Cape Province, 1997:2).

1.6.2 Agri BEE - sectoral broad-based black economic empowerment framework intended at a deliberate and systematic support of Black South Africans to actively participate fully in the agricultural sector as owners, managers, professionals, skilled employees and consumers (National Department of Agriculture, 2004:7).

1.6.3 Agricultural Development - to make land available to people for agricultural purposes, by increasing accesses to agricultural land by black people (Africans, Coloureds, and Indians), and also improve the nutrition and incomes for the rural poor who want to farm on any scale (Ministry of Agriculture and Land Affairs, 2000:6).
1.6.4 Agricultural Marketing - environment that improves the efficiency of marketing functions in order to reduce costs and increase demand (National Department of Agriculture, 2004:7).

1.6.5 Agricultural Production System - is location specific that is uniquely determined on the basis of interacting physiochemical soil, climate, radiation etc. (Power and Prasad, 1997:2).

1.6.6 Commercial Farm - Is a farm that is registered for Value Added Tax (VAT) (Statistics South Africa, 2002:10).

1.6.7 Commercial Farmer - A farmer that includes those who operate in the market economy, (Van Zyl, Vink and Van Rooyen, 1991).

1.6.8 Commercial Farming - Means crop production, operations at nurseries, the raising of livestock, game poultry, rabbits, fresh water fish, and other animals; and the production of milk, wool, pelts or fur, eggs and honey, for commercial or business purposes or for sale or profit in the markets (Statistics South Africa, 2002:10).

1.6.9 Economic Development - Economic development is typically measured in terms of jobs and income, but it also includes improvements in human development, education, health, choice, and environmental sustainability (Riberio and Warner, 2004).

1.6.10 Economic Environment - economic context that refers to rate of employment, presence and activity of commerce and industry, presence and scope of informal economic activity (Swanepoel and De Beer (1996:8).

1.6.11 Emerging Farmer – It is a small-farmer who is graduating to commercial farming.

1.6.12 Environmental Sustainability - The capacity of agricultural system that meets the basic needs of all peoples and reproduces into the future without unacceptable pollution, depletion or physical destruction of its natural resources (Hill,S.B., 1985:32-36).

1.6.13 Farmer - Is a land user, irrespective of his/her race or gender or scale of production, who engages productively in agriculture, either on a full time or part time basis (Statistics South Africa, 2002:10).

1.6.14 Large Scale Farming - Farmer who produces mainly for the market, possesses political power and is skilled in extracting subsidies and services from the state (Eicher, 1990).
1.6.15 Local Economic Development - Process by which public and business non-governmental sector partners work collectively to create better conditions for economic growth and employment generation (World Bank, 2005).

1.6.16 Productive Sustainability - The capacity of an agricultural system to supply sufficient food to support the non-farm population (Francis, Flora and King, 1990:15).

1.6.17 Small Scale Farming - Farming that took place on an area equal to or smaller than twenty hectares (du Plessis and Van der Stoep, 1995:9).

1.6.18 Socio-Economic Sustainability - The capacity of agricultural system that is economic viable and socially acceptable to provide an acceptable economic return to those employed in the productive system (Francis, Flora and King (1990:487).

1.6.19 Subsistence Farmer - A farmer that includes those who produce mainly for home consumption and produce surpluses by coincidence (Van Zyl, Vink and Van Rooyen, 1991).

1.6.20 Sustainable Agriculture - farming system which is productive, economically viable and environmentally sound over time (Pierce, 1992).

1.6.21 Sustainable Development - development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Morris (2002:1-2).

1.6.22 Water Supply - the farm’s water source that means the source from where the particular farmer receives his water, it could be from a dam, canal, borehole, water-board connection, or a municipal connection (Water Research Commission (2001:102).

1.7 SUMMARY

Agriculture has been identified as the most important economic sector in the area but it is severely undeveloped. The future contribution of agriculture to LED is critically affected by the degree to which equitable policies are designed and implemented. The future contribution of agriculture to LED is furthermore dependant on market assisted agricultural development, sustainable agricultural development and the establishment of infrastructure in support of LED programmes in the Nkonkobe Local Municipality.
In the next chapter, various selected and applicable literature sources are provided from which normative criteria are drawn and which is used to compile and propose a number of recommendations.
CHAPTER 2

SUSTAINABLE AGRICULTURAL ECONOMY IN NكونكوBE LOCAL MUNICIPALITY

2.1 INTRODUCTION

This study, which assesses agriculture as a contributor to LED programmes, serves as an economic manifesto for the Nkonkobe Local Municipality and places a major reliance on a permanent commitment from the local private sector and civil society at large to participate in the economic programme. Its purpose is to show a meaningful and focused impact on the inconvenient challenges of unemployment and the limited economic opportunities in this area.

This study does not attempt to address all the social and economic problems of the Nkonkobe Municipal area. However, it seeks to focus on some of the root causes of some social and economic problems and create a collaborative space where meaningful successes can be recorded in the shortest possible space of time using the limited resources available to the Municipality and social partners of Nkonkobe.

The approach to economic development, which is subscribed to in this study, therefore, represents a fundamental departure from traditional approaches, which had set broad intentions without measurable outputs. It is recognised that the quantification of intent is not always easily achievable. This study attempts to go as far possible in setting measurable and realistic goals.

2.2 BACKGROUND OF THE SUSTAINABLE AGRICULTURAL ECONOMY IN NكونكوBE LOCAL MUNICIPALITY

A national consensus has emerged of late that economic development should be localized in order to ensure that optimal economic participation takes place at a community level instead of in unstructured international markets. Such international initiatives often, avoid those who are trapped in hopeless poverty, those who are caught
in the inhuman cycle of unemployment and those who are geographically dislocated from the heights of the economy in the country’s urban and peri-urban centres (Theewaterskloof Municipality LED Strategy, 2004:1).

In many instances rural municipalities have capacity to grow, but need their local resources to be mobilised and deployed in a concerted effort to create economic opportunities at a local level, specifically through the agricultural sector. This, however, cannot take place in a vacuum; especially if there is a deliberate disregard for trends and developments that occur on the world stage, at a national level and, indeed within the provincial domain of economic activity. Every effort at a local level should enhance what takes place within all of these spheres. Without continuity between governmental levels, economic sustainability becomes threatened and sustainable agricultural economy can become irrelevant in areas, such as Nkonkobe Local Municipality (Theewaterskloof Municipality LED Strategy, 2004:1).

This study explores agriculture as a contributor to LED through a sustainable agricultural approach, and focuses specifically on such an endeavour in the Nkonkobe Local Municipality. The study aims to provide confidence, order, substance and a sense of purpose to these realisations, while the Nkonkobe Municipality should be the custodian of an economic vision and mission for the communities that it serves and ensure the participation of these communities in an agricultural economic programme, which brings about the most advantageous utilisation of municipal resources and the sustainable expansion of agricultural economic opportunities in Nkonkobe (Theewaterskloof Municipality LED Strategy, 2004:1).

Sustainable agricultural development on small farms has been a powerful force promoting growth and reducing poverty in many poor countries. Support for agriculture has been particularly beneficial in countries where large numbers of people earn a living as farmers or landless labourers. Furthermore, agricultural development has often stimulated growth that extends well beyond rural areas. Over the past few decades,
higher incomes from agriculture and access to cheaper food have assisted hundreds of millions of people towards a satisfactory standard of living (World Bank, 2005:1).

One resolution of the Millennium Development Goals (MDGs) is to halve the number of people who suffer of extreme hunger and poverty by 2015. This resolution was adopted by the international community, but it is the level of support provided by governments and donors for agriculture, that will largely determine whether this goal is achieved in many low-income countries. Agriculture will also play a major part in the realization of the MDGs in terms of environmental sustainability (Millennium Development Goals Report, 2005:4).

The Eastern Cape Provincial Growth and Development Plan (PGDP) in support of the MDGS have poverty eradication as its primary core objective. According to the PGDP (2004-2014:8) the systematic eradication of poverty in the Eastern Cape can be achieved “through a holistic, integrated and multi-dimensional approach creating a foundation for economic development for all”.

In spite of the strong connections between broad-based agricultural growth, overall economic growth and poverty reduction, international support towards agriculture has declined sharply since the late 1980s, (Millennium Development Goals Report, 2005:5). Many factors have contributed to this decline which include increased competition for resources from priorities emerging in other sectors, an unwillingness on the part of the Government to make a long term commitment, which is required for agricultural development, the high costs, complexity and risks of some types of agricultural support, and the under-representation of rural people in decision making forums. Yet, broad-based agricultural growth in low-income countries is essential in order to reach the Millennium Development Goal (MDG) of halving the number of people who live in extreme poverty and cutting hunger in half by 2015. Moreover, agriculture is a vital sector in order to realize the MDGS of gender equality, as well as environmental sustainability (Millennium Development Goals Report, 2005:5).
2.3 FORMER CISKEI DEVELOPMENT ORGANISATIONS

The Nkonkobe Local Municipality is situated in the former homeland of Ciskei, previously the Victoria East district. This homeland was divided into seven major districts, namely Mdantsane, Zwelitsha, Peddie, Victoria East, Hewu, Middledrift and Keiskamahoek. According to the Development Bank of South Africa (1985:34) "Specialist organizations were established with one or more development dimensions as their field of activity". The following were probably the most active at that stage, namely:

**Ciskei Peoples Development Bank Ltd.** - The bank was established in terms of the Ciskeian Corporations Act, 1981 (Act No. 16 of 1981) in order to plan, finance, coordinate, promote and carry out the development of the Republic of Ciskei and its people in the field of industry, commerce, finance, mining, agriculture and any business. With the establishment of further specialised development institutions some of the above mentioned functions were transferred to those institutions, as mentioned below.

**Ciskei Agricultural Corporation** - The agricultural corporation was established on 1 September 1983 in order to regulate and control production, distribution, marketing and the production of agricultural products, supply agricultural input requirements to producers, conduct ongoing research programmes, and to administer and manage the large irrigation schemes.

**Ciskei Agricultural Bank (CAB), which was previously known as the Ciskei Agricultural Loan Fund** - The CAB was established on 1 April 1984 to finance agricultural, forestry and fishing activities, particularly with regard to small farmers, cooperatives and smaller projects; and to mobilize the savings and investments of small farmers and cooperatives.

**Ciskei Small Business Cooperation** - This cooperation was established on 1 September 1982 to assist small manufacturers especially by providing workshops, the
necessary finance, advice on running of a business, development of marketable products and the marketing of such products.

**Ciskei Tourist Board, Ciskei Nation Tourist Office and Ciskei Tourist and Holiday Trust** - CINTO acts as an executive of the Ciskei Tourists Board, which coordinates all tourism activities. The Ciskei Tourists and Holiday Trust was entrusted with a specific task to develop the Bira and Mgwalana Holiday resorts.

Ciskei Transport Company - with the Ciskei Development Bank and the South African Development Trust Corporation as joint shareholders, the Ciskei Transport Company provides extensive passenger services throughout Ciskei and its adjacent border areas.

### 2.4 SOCIO-ECONOMIC SITUATION OF NKONKOBÉ LOCAL MUNICIPALITY

In as much as economic policies are generic in nature, it should be noted that economy is dynamic and the structure of different geographic areas impacts and creates specific economic indicators. Although the economic structure and patterns of ownership in Nkonkobe broadly reflect that of South Africa at large, there are many other variables, which affords the Nkonkobe local economy with different opportunities.

According to Lewis (1984:36), livestock farming, in particular, had a multiple function within the Nkonkobe economy. Cattle acted as a means of subsistence, as a means of exchange, as well as an object of accumulation in that area. The social organisation of farming cattle involved all three of these functions and they were not clearly separated within the homestead. Cattle, as a means of consumption and subsistence, were the most basic level. Such consumption was usually performed entirely within the Nkonkobe area.

By contrast, cattle, as a means of exchange and an object of accumulation, were subject to economic and ideological relations, which were constituted in relationships between homesteads that extended beyond the confines of any homestead and linked them in
determinate relationships. Milk was a major food source, as it was drunk as amasi or sour milk, and was of undoubted importance as a primary object of consumption. It (amasi) forms the chief article of food for all classes, who sometimes, for months on end consume no other food. The cattle were herded on the land in the vicinity of the cattle kraal and were kraaled each night. Herding was carried out by men or workers, though mostly by boys of the family or community.

Therefore, the socio-economic situation within the former rural Ciskei homeland, where the Nkonkobe Local Municipality is situated, is informed by this rural lifestyle which is so deeply interwoven with the cultural environment. Development of this rural environment is described by Bekker and Hughes (1984:4-7), in support of Lewis (1984:36), as follows:

(a) Production

Two thirds of the former Ciskei residents live in rural areas, while probably less than five percent earn their living from cultivation and stock farming. The vast majority of the employed men and a majority of employed women, worked outside Ciskei most often in unskilled jobs within urban areas. Those who were close enough to East London and King Williams Town, commute on a weekly or fortnightly basis between their rural homes and their places of employment. Others migrate for substantial periods to towns and cities far from their rural homes. Stated simply though, two thirds of Ciskei residents live in rural areas, though agriculture was the occupation of only a few.

Rural household income, therefore, were derived from sources that were sent in from outside the area, such as remittance from migrants and commuters, as well as state paid pensions, in particular. Less than one quarter of cash income was obtained from work within the rural areas itself. Food that was obtained from household gardens and food plots, and was consumed by the household directly, was an important source of supplementary subsistence income. There was little evidence of cash cropping. There
was also a measure of state initiated commercial agriculture, which has shown some financial successes.

Pineapples, vegetables, dairy and citrus farming specifically along Kat River in Nkonkobe Local Municipality were examples. Some of these schemes included individual Ciskeians as farmers and as food plot producers. Within the wider cash economy of Southern Africa, households have become accustomed to purchasing food (including staples such as maize and vegetables), processed by large South African food industries.

The strategy that a rural household follows in this situation was to send out a number of able bodied adults in order to secure cash income and simultaneously produce a supplementary source of food at home for household consumption.

Since that supplementary source of income was not in cash, and was in any case insufficient for the household’s needs, the ability to find a cash-earning opportunity outside of Ciskei, was perceived as a fundamental need by rural households. Secondly, at least ten percent of Ciskeian households which were located in rural areas, did not have access to either arable land or to grazing, thus the ability to produce supplementary food was totally absent.

Production in the Nkonkobe Local Municipality then points to the activities its rural people undertake in order to obtain goods (such as foods) and services (such as transport) for themselves and others within their community. Production can be measured in terms of the amount of money, which a rural family earns, or in terms of the amount of food that the family grows and consumes.

(b) Consumption

The absence of most adult men and many adult women from their rural homes, has resulted in a demographic profile, which comprises a large majority of babies and
children in a rural community and an over-representation of the elderly. The few able-bodied adults who lived in the community, were overwhelmingly women. In such a demographic situation, it was clear that primary basic needs fell into two categories namely essential needs for poor rural households where there was access to clean water, wood, fuel as well as access to a garden for supplementary food production.

Basic needs for babies and children fell into two classes which were services that assumed adequate levels of nutrition, as well as health care and educational facilities, many of whom would seek employment in urban areas as soon as they could.

Another basic need that warranted attention then, since many older Ciskeians returned to rural areas once they had completed the most productive period of their lives elsewhere, was the issue of pension payments, as well as social and of social welfare, which was one of immediate relevance to the typical rural community. Since the responsibility of organizing and sustaining rural households fell to the women, it was worth noting that the delivery of government services which was aimed at meeting basic needs, should be explicitly designed to involve, and be of relevance to, rural, adult women.

(c) Organisation

The former system of Tribal Authority (TA) was characterized by a high degree of centralization of decision making within the central government. By and large, budgetary decisions that related to TA areas of jurisdictions were taken by officials at Bhisho, which was the capital town of Ciskei. This centralization of authority was reflected within a TA. Appointed councilors, together with the Chief, had more authority than elected headmen and sub-headmen. Such a system operated efficiently, solely in terms of communication between representatives of TA and decision makers within the central government, who were responsive to rural issues and requests.
At the level of TA, the elected headmen often found it difficult to handle the dilemma of a lack of authority, which was linked to the need for representation. This short overview of the former rural Ciskei homeland was necessary for the purposes of this research study, which shows what the situation was like at the time and in the words of the Ciskei Commission it was “a low level equilibrium trap”.

A strategy of rural development, through sustainable agricultural economy in Nkonkobe, therefore, should have two distinct aims. The first should address itself to meeting the basic needs of the rural population, which found itself in a trap at the time, and this can be referred to as a short-term strategy. The second, which is a long term strategy, should then aim to break free of the equilibrium trap through innovative and agricultural entrepreneurial actions.

**2.5 AGRICULTURAL ECONOMY**

Substantial and sustained increases in agricultural output could presumably be attained only by using modern inputs or a system of modern agriculture, such as chemical fertilisers or pesticides, which is supplied by the non-agricultural sector. In order for this system to be effective, it should be based on a formal agricultural research system, within an industrial sector, which is capable of producing inputs such as fertilisers, transportation and communication networks, which would ensure that these inputs could be supplied to farmers.

Given the above state of the socio-economic status of the Nkonkobe Local Municipality, most scholars would agree that with the expansion of agriculture through the use of traditional inputs, which were essentially exhausted and with the population growing at a rapid rate, the mechanization of agriculture is urgently needed to avoid deterioration in per capita production and the standard of living (Barker, Rose & Sihna, 1982:2).

In the absence of modern inputs from the urban industrial centre in Nkonkobe Local Municipality, surplus labour should be mobilised under a commune structure for capital
investment, for example, irrigation development, land improvement and organic fertiliser production.

In the Nkonkobe Local Municipality, the agricultural sector can serve as a resource base, which could be exploited in the service of development strategies. Economic planners should gain control over and extract a maximum level of surplus from agricultural production for the needs of planned growth within an agricultural economy.

The collectivisation of agricultural production and the sale of agricultural surplus, by means of quotas to the Municipality at below-market prices, should be major features of the system of modern agriculture and economic development in the Nkonkobe Municipality (Barker et al 1982:5).

Barker et al (1982:70) argue that in a traditional model, the role of agriculture can be characterised by the collectivisation of production. An increase of agricultural production through a mobilisation of collective resources, which includes labour, with limited direct investment provided by the state. The acquisition of the necessary agricultural surpluses in order to meet the needs of the non-agricultural sectors through agricultural taxes and contract purchases by the state procurement agencies at below market prices. And the realization of the desired level and commodity mix of agricultural products by means of hectare plans (by crop), yield targets, and predetermined quotas for delivery to the state.

Agricultural taxes provide a major source of revenue for the state. The Nkonkobe Local Municipality should introduce a progressive tax on agricultural land. Cultivated land should be classified according to yields under normal conditions and taxes should be paid in kind, as a share of normal (not actual) yields. Tax rates should be set relatively low, while it is fixed for a period of years and should progressively decline with lower land quality.

Agricultural surpluses can also be obtained through administrative directives which are issued by local authorities. These directives should be worked out in consultation with
local communities and thereby ensure the fulfilment of state crops and sale quotas and deny farmers of any ejective bargaining power. Prices for the most agricultural items should be set by the state, which should maintain low and stable prices for necessities such as raw and processed agricultural products.

The collectives should mobilize land and labour issues under their control in order to raise capital for communal investments, which would increase labour efforts and allocate current inputs in order to alleviate existing bottlenecks within production. Thus, collectives should increase agricultural output by relying only on traditional inputs, such as increased organic fertiliser usage, multiple cropping, interpolating inputs or expansion of irrigation systems (Barker et al, 1982:71)

This research study, on assessing agriculture as a contributor to LED programs in Nkonkobe Local Municipality, should provide a basis for arguing that a concerned government, which has the welfare of its citizens in mind, should introduce effective agricultural policy strategies. In order to acquire an adequate supply of agricultural products for governmental use and to improve the standard of living in Nkonkobe, the government should contribute concrete resources, not just launch campaigns or propose institutional changes.

Although this study will not call for an increase in direct state investment in agriculture, it suggests altered priorities for growth within industries. State investment to industries, which has supplied inputs to agriculture, such as chemical fertilizer and agricultural machinery industries, should receive increased state funding to effectively support agricultural initiatives in Nkonkobe Local Municipality (Barker et al 1982:74).

2.6 POVERTY AND FOOD SECURITY

Food security is detailed in Section 27 of the Constitution of the Republic of South Africa (1996) which states that every citizen has the right to sufficient food and water, and subsection 2 states that "the state must take reasonable legislative and other measures,
within its available resources, to achieve the progressive realisation of each of these rights”.

The Reconstruction and Development Program (RDP) (1994:1) had identified food security as a priority policy objective. As a result, the Government reprioritised public spending, which would focus on improving the food security conditions of historically disadvantaged people. The policy resulted in increased spending in social programmes of all spheres of government, such as school feeding schemes, child support grants, free health services for children between 0-6 years, pregnant and lactating women, pension funds for the elderly, and water works and community public works programmes.

It also included provincial community food garden initiatives, such as Siyazondla Homestead Food Programmes, land reform and farmer settlement, production loan schemes for small farmers through the Eastern Cape Rural Finance Corporation (Uvimba), an infrastructure grant for smallholder farmers and the Presidential tractor mechanization scheme (Eastern Cape Provincial Growth and Development Plan 2004-2014, 2004:8).

By 2000, changes had become necessary in order to improve the unsatisfactory situation brought about by the implementation of many food security programmes by different government departments in all spheres. As a result, cabinet had decided to formulate a national food security strategy that would streamline, harmonize and integrate the diverse food security programmes. Therefore, appropriate exploitation of Nkonkobe’s agricultural and natural resources will generate growth, not only in its rural areas, but throughout the economy and not only among agricultural producers, who often receive only a relatively small part of the final value of the product, but also among those who work to store, process, transport, and sell agricultural goods in that area (Integrated Food Security Strategy, 2002:5).
To enjoy the high, sustained levels of economic growth, which is necessary to reduce poverty, the Nkonkobe Local Municipality should strengthen the ability of the private sector to take advantage of these resources and to respond quickly to rapidly changing market conditions. With the lowering of barriers to trade, this is true even for countries with large domestic markets like South Africa. Those markets extract pricing and investment cues from international markets as well.

2.7 LAND TENURE

As a first step, it is important to deal efficiently with land reform to ensure rural stability and market certainty. The process of economic empowerment in Nkonkobe agriculture begins with improved access to land and the vesting of secure tenure rights to people in areas where these do not exist.

In order to deal effectively with land reform in the Nkonkobe Local Municipality, it is important that all avenues of land access such as restitution, redistribution and tenure reform is afforded adequate attention. These processes should include land uses for non-agricultural purposes, such as housing (Strategic Plan for South African Agriculture, 2001:5).

According to the Strategic Plan for South African Agriculture (2001:5), following the slow progress with the implementation of land redistribution in the first five years after 1994, the programme has been redesigned. The new Land Reform for Agricultural Development (LRAD) programme has been designed to expand the range of support measures that will be available to previously disadvantaged South African citizens so that they can access land specifically for agricultural purposes.

It strengthens the philosophy of market-assisted land redistribution of the earlier land reform programmes. International experience has shown that market-based programmes of state-directed land redistribution tend to perform better than programmes that are operated exclusively by the public sector. The redesigned
programme has the potential to speed up delivery of land because it is a unified and simple programme, driven by beneficiaries who can use it in flexible ways according to their objectives and resources.

It is, therefore, acknowledged that land reform and farmer settlement cannot take place in a vacuum and that provincial departments of agriculture and local government should play an active role in assisting beneficiaries. This will require that the capacity problems of provincial and local governments are addressed as a matter of urgency (Strategic Plan for South African Agriculture 2001:5).

Because the majority of the rural poor live and farm on communal land, issues of tenure security should be urgently addressed, since it is critical to provide improved incentives and investment opportunities in these areas. Also, because this is a sensitive matter, a process of continuous engagement should be undertaken with traditional authorities in order to ensure the success of this process. This should be accompanied by the rehabilitation of irrigation schemes in the area, as well as the transfer of their management and ownership to qualified farmers and communities (Strategic Plan for South African Agriculture, 2001:5).

2.8 LED

According to the World Bank Group (2006:2), "LED offers local government, the private and not-for-profit sectors and local communities the opportunity to work together to improve the local economy". It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive. LED encompasses a range of disciplines including physical planning, economics and marketing. It also incorporates many local government and private sector functions including environmental planning, business development, infrastructure provision, real estate development and finance.
The World Bank Group (2006:3) further argue that

“the practice of LED can be undertaken at different geographic scales. A local government pursues LED strategies for the benefit of its jurisdiction, and individual communities and areas within a local government's jurisdiction can also pursue LED strategies to improve their economic competitiveness. Such approaches are most successful if pursued in partnership with local government strategies. LED is thus about communities continually improving their investment climate and business enabling environments to enhance their competitiveness, retain jobs and improve incomes”.

Local communities respond to their LED needs in many ways, and a variety of approaches can be taken, which include:

- Ensuring that the local investment climate is functional for local businesses;
- Supporting small and medium sized enterprises;
- Encouraging the formation of new enterprises;
- Attracting external investment (nationwide and internationally);
- Investing in physical (hard) infrastructure;
- Investing in soft infrastructure (educational and workforce development, institutional support systems and regulatory issuers);
- Supporting the growth of particular clusters of businesses;
- Targeting particular parts of the city for regeneration or growth (area-based initiatives); and
- Targeting certain disadvantaged groups.

Blair (1995:184-185), in support of the World Bank, has suggested five types of activities communities may use to target economic development efforts. These are:

(a) **Routine operations**

In mature industrial areas, routine operations are hampered by high level wages, fringe benefits and unionisation rates. Therefore, firms that perform routine operations would not be attracted to declining industrial areas. If a declining industrial area sought to focus on attracting this type of employment, Blair (1995:185) suggest wage cuts, investment in education, out migration assistance or impart substitution.
(b) **Precision operations**

Firms, which are engaged in precision operations, require a workforce that is skilled in technology. However, mature regions tend to have a less mobile workforce, many of whom are near retirement age. Therefore, these areas are in danger of losing their competitive edge in skilled labour. The public policy directives should encourage young, skilled individuals to remain in the area by providing an environment that appeals to them.

(c) **Research and Development**

Because this activity has received substantial media coverage recently, the research and development path tends to be the one that is most often desired by development officials. In order to evaluate the area's potential, the authors assess doctorates in science and engineering, as well as funds allocated to university research and development, as the primary criteria.

(d) **Central administration**

One of the markers of advanced LED is an important role in central administration. In order to measure this, a "count" is taken of the fortune firstly and secondly five hundred firms are located in the region. If there is an adequate number, then others will take advantage of the tertiary services, which are provided within the region. One disadvantage of "heavy industry towns", however, is their bad track record in terms of hiring women and previously disadvantaged individuals (PDI). If these opportunities are missing, the community will not be attracted to two wage earner couples who are mobile, highly educated and who are pursuing specialized careers.
(e) Entrepreneurship

In order to cultivate entrepreneurship, the environment should be fertile to cultivate new businesses. The environment should foster innovation, creativity and risk taking, as well as provide a source of capital. The critical question becomes whether the costs of restructuring the local culture to stimulate entrepreneurship is justified, based on the likely benefits. Many communities will find it difficult or impossible to create an entrepreneurial climate.

Finally, choosing community development paths should be likened to government public policy. The government effects economic development when it allocates funds for university research, higher education, transportation, infrastructure repair and airports. Although economic development impacts are often unintentional, they can affect the government’s settlement patterns for years to come.

2.9 OBJECTIVES OF ECONOMIC DEVELOPMENT

Blair (1995:168-169) identifies and explains three economic development programmes objectives, namely:

(a) Job and Income Creation

Communities with a loose labour market are characterized by high unemployment, low wages, discouraged workers and underemployment. Many of these communities have experienced painful plant closures, as well as declines in the number of available jobs. Currently, many individuals are 'piecing together' a living with several part-time jobs. Individuals who are within the loose labour market are often forced to leave their areas in order to find work. Programmes which encourage more local jobs, including public employment, and private sector developments will have the effect of retaining a local workforce. However, private sector job creation efforts account for many more new jobs than direct public job efforts.
Most economists regard job creation as a primary purpose of LED strategies, while many state and federal grant programmes employ job creation as an explicit programme goal along with other important grant selection criteria. Job creation is closely associated with improvements in real incomes. However, planners should distinguish between per capita income growth, which will benefit current residents, as well as increases in total incomes, which could occur primarily because new residents have moved to the area in order to secure existing jobs.

(b) Fiscal improvements

Many municipalities encourage economic development in the expectation that new businesses contribute more to tax revenues than any extra municipal services would cost. Generally, land uses that are devoted to commerce and manufacturing generate net revenues for the municipality, while middle and lower income residential property tends to cause public service costs to increase by more than the tax revenues that are generated. Thus, communities, which seek to strengthen their fiscal positions, usually attempt to attract either upper-income residential housing or business.

(c) Physical improvements

Many urban officials view economic development as a way to achieve physical improvements within their communities. For example, public officials may want to attract a new business to a particular corner of a downtown area as a means to remove an existing eyesore or because too much vacant land there creates an image of a lack of progress. This motive is a remnant of the urban renewal period of economic development when physical change was the principal criterion that was used to evaluate the success of economic development predictions. At present, many neighborhoods’ economic development efforts emphasize physical improvements.
2.10 SUCCESSFUL LED

Hill and Nel (2000:70-71) argue that “the principle goal of LED is to stimulate local employment opportunities in sectors that improve the community, using existing human, natural and institutional resource’s”. LED can materialize when local people seize the initiative and engage in actions that unify communities, business and relevant authorities in their local area in a joint endeavour to improve their economic conditions. The following are the key components of LED namely:

- People should have a clear vision of what they want to do and passionately believe that they can do it;
- Communities should be actively involved in the process and take responsibility for what happens and what is planned;
- A community should have capable and respected local leaders;
- Their plan should be practical and realistic with short term objectives and long term goals;
- There should be a shared vision and commitment to partnership and cooperation;
- In order to get things done, communities should organize themselves in a professional way;
- Where appropriate, they should utilise outside skills and resources (these could include development orientated NGO’s and institutions);
- They should have an entrepreneurial approach and utilise opportunities as they arise;
- Action is often spurred by an economic crisis;
- Cohesive community structures and democratic decision making are highly required;
- The utilisation and development of local skills and a sense of entrepreneurship should be encouraged within the whole process;
- The establishment of local business and development support, as well as advice centres to capitalise on local potential; and
- Sustainability and self-perpetuating development should be the objective.

2.11 RURAL MARKETING AND DEVELOPMENT OF RURAL-URBAN-SMALL TOWN LINKAGE

The Nkonkobe Local Municipality mainly comprises rural and small towns such as Fort Beaufort, Middledrift and Alice. According to Hill and Nel (2000:101-102), "In South Africa the need to provide services to people within rural areas and small towns is as necessary and urgent as it is in the rest of Africa". For example, health, educational services, access to skills training, advice on creating employment opportunities, access to luxury and basic consumer goods and access to recreational activities are essential to raise living standards.

It is suggested that although attaining these kinds of services may be a lengthy process, it could be achieved through strengthening rural-urban links. Development planning is currently aimed at increasing living standards through an improvement of service levels available in the rural areas. The problem with this, in South Africa, is that many rural areas are remote with dispersed populations, which makes the logistics of service delivery complex, time consuming and costly. Within South Africa, small towns that have a failing economy are unable to provide services to the people who live there, let alone to those who live in surrounding rural areas. The development of a small town is, however, considered as a reflection of the socio-economic situation in its surrounding rural areas.

Along with surplus goods comes the necessity to set up a means of marketing goods. The promotion of markets to sell produce would provide the town with access to fresh produce and the rural areas with a means of income. Market opportunities include employment opportunities, as well as opportunities for trade. They would provide people in rural and urban areas with access to basic and eventually luxury consumer goods, as well as access to recreational activities (Hill & Nel 2000:101-102).
2.12 CHALLENGES FACING THE SOUTH AFRICAN AGRICULTURAL SECTOR

The Strategic Plan for South African Agriculture (2001:1) has identified and defined five challenges with regard to the South African Agricultural sector, namely:

(a) Constrained competitiveness and low profitability

Indications are that the South African agricultural sector has responded positively to the challenge for increased competitiveness. However, there is also evidence that some sub-sectors of agriculture and value-adding activities are uncompetitive within the local and international market. This has various causes, which include high input costs combined with low productivity, poor business strategies and inefficiencies, as well as unfair trade practices by competitors. The lack of international competitiveness also leads to low profitability and below normal returns within the sector, which is again responsible for low investment in certain industries. This is possibly the major challenge that should be addressed in order to place agriculture on the high growth path that is envisaged.

(b) Skewed participation

Because of the legacy of exclusion and discrimination within South African agriculture, the challenge is presently to improve participation in all facets of the sector and to rid it of the many entry barriers, which are rooted in its historical dualism. The challenge is especially to identify programmes that will encourage new entrants whether black or white, young or old, men or women, and small or medium-scale enterprises, which should enter the sector. It is important to find ways to ensure that all these different constituents of the sector genuinely feel and see themselves as part of a single entity.
(c) Low investor confidence in agriculture

The poor investor confidence in agriculture is caused by low returns, as well as definitive and hard-core economic and social problems, which impact on investment and production, such as the spate of farm murders, evictions and illegal occupations. Investor confidence is, therefore necessary to achieve a vibrant and growing agricultural sector.

(d) Inadequate, ineffective and inefficient support and delivery systems

The lack of delivery and implementation of a wide range of government measures, regulations and programmes, as well as ineffective support systems, are critical to ensure an enabling environment for agriculture and constitute major concerns and a challenge to all state agencies, which support the agricultural sector. Aspects that contribute to this problem include the fragmentation of certain services, inadequate resources, weak governance and accountability, as well as poor executive decisions and often long delays in taking decisions.

(e) Poor and unsustainable management of natural resources

Unused land of high and medium potential is not abundant within South Africa and there is a limit to the horizontal extension of agricultural production. In addition, the infrastructure and services, which support sustainable land use, are inadequate. Government programs, such as Land Care and Working for Water, which are aimed at protecting the resource base are successful, but insufficient. Land degradation remains a problem on good and marginal lands. With increasing pressure on agriculture to increase output per unit of land, it is a major challenge to ensure that this does not take place to the detriment of the natural resource base (Strategic Plan for the South African Agriculture, 2001:1).
2.13 SUMMARY

In summary, the research study, which assesses Agriculture as a contributor to LED in Nkonkobe Local Municipality, highlights the marginal macroeconomic impact that the agricultural economy could have on LED programmes in Nkonkobe, while confirming the socio-economic benefits that could be achieved within that area. These benefits should arise principally through the stimulation of the historically disadvantaged and economically marginalized communities' participation within the economy, by providing opportunities, economic entry points and/or role models on the basis of which the economic imbalances could be addressed.

Ultimately, agricultural economy could go some way to providing a springboard to encourage redistribution and reduce economic concentration, which, in turn, would foster competition and promote ejective and appropriate resource allocation to LED programmes. In order to ensure that objectives of agricultural economy to LED programs are achieved, effective systems should be introduced which enable the recording, tracking and monitoring of the programmes and services that are rendered.

In the next chapter, various selected and applicable legislative frameworks are discussed from which normative criteria is drawn and used to compile and propose a number of recommendations.
CHAPTER 3

LEGISLATIVE FRAMEWORKS FOR AGRICULTURE AND LED

3.1 INTRODUCTION

In order to have successful contribution of agriculture to LED in Nkonkobe Local Municipality, it is important to first establish legislative frameworks for Agriculture and LED in South Africa. In this chapter key legislative frameworks starting the Constitution and other relevant legislations is consulted to give a legislative framework overview to this study.

3.2 LEGISLATIVE FRAMEWORKS FOR AGRICULTURE

For this study of agriculture as a contributor to LED in Nkonkobe Local Municipality certain pieces of relevant legislation to agriculture and LED are identified and presented below.

3.2.1 Constitution of the Republic of South Africa, Act 108 of 1996

Section 27 states that . Health care, food, water and social security.- (1) Everyone has the right to :

(a) Health care services, including reproductive health care;
(b) Sufficient food and water; and
(c) Social security, including, if they are unable to support themselves and their dependents, appropriate social assistance.

(2) The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of each of these rights.

(3) No one may be refused emergency medical treatment.
Section 195 states the basic values and principles governing public administration. Public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles:

(a) A high standard of professional ethics must be promoted and maintained.
(b) Efficient, economic and effective use of resources must be promoted.
(c) Public administration must be development-oriented.
(d) Services must be provided impartially, fairly, equitably and without bias.
(e) People’s needs must be responded to, and the public must be encouraged to participate in policy-making.
(f) Public administration must be accountable.
(g) Transparency must be fostered by providing the public with timely, accessible and accurate information.
(h) Good human-resource management and career-development practices, to maximize human potential, must be cultivated.
(i) Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.

(2) The above principles apply to-
   (a) Administration in every sphere of government;
   (b) Organs of state; and
   (c) Public enterprises.

(3) National legislation must ensure the promotion of the values and principles listed in subsection (1).

(4) The appointment in public administration of a number of persons on policy considerations is not precluded, but national legislation must regulate these appointments in the public service.

(5) Legislation regulating public administration may differentiate between different sectors, administrations or institutions.
(6) The nature and functions of different sectors, administrations or institutions of public administration are relevant factors to be taken into account in legislation regulating public administration.

3.2.2 The Eight Principles of Batho Pele

1: Consultation
Citizens should be consulted about the level and quality of the public services they receive and, wherever possible, should be given a choice about the services that are offered.

2: Service Standards
Citizens should be told what level and quality of public services they will receive so that they are aware of what to expect.

3: Access
All citizens should have equal access to the services to which they are entitled.

4: Courtesy
Citizens should be treated with courtesy and consideration

5: Information
Citizens should be given full, accurate information about the public services they are entitled to receive.

6: Openness and transparency
Citizens should be told how national and provincial departments are run, how much they cost, and who is in charge.

7: Redress
If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic, positive response.

8: Value for money
Public services should be provided economically and efficiently in order to give citizens the best possible value for money.
3.2.3 Municipal Systems Act, Act 32 of 2000

Chapter 2: Legal Nature and Rights and Duties of Municipalities
Section 3. Co-operative government:

(1) Municipalities must exercise their executive and legislative authority within the constitutional system of co-operative government envisaged in section 41 of the Constitution.

(2) The national and provincial spheres of government must, within the constitutional system of co-operative government envisaged in section 41 of the Constitution, exercise their executive and legislative authority in a manner that does not compromise or impede a municipality’s ability or right to exercise its executive and legislative authority.

(3) For the purpose of effective co-operative government, organized local government must seek to-

(a) develop common approaches for local government as a distinct sphere of government;

(b) enhance co-operation mutual assistance and sharing of resources among municipalities;

(c) find solutions for problems relating to local government generally; and

(d) facilitate compliance with the principles of co-operative government and intergovernmental relations.

3.2.4 Municipal Finance Management Act, Act 56 of 2003

Section 34. Capacity building

(1) The national and provincial governments must by agreement assist municipalities in building the capacity of municipalities for efficient, effective and transparent financial management.

(2) The national and provincial governments must support the efforts of municipalities to identify and resolve their financial problems.
(3) When performing its monitoring function in terms of section 155(6) of the Constitution, a provincial government-

(a) Must share with a municipality the results of its monitoring to the extent that those results may assist the municipality in improving its financial management;
(b) Must, upon detecting any emerging or impending financial problems in a municipality, alert the municipality to those problems; and
(c) May assist the municipality to avert or resolve financial problems.

(4) Non-compliance with this section or any other provision of this Act by the national or a provincial government does not affect the responsibility of a municipality, its political structures, political office-bearers and officials to comply with this Act.

3.2.5 Agricultural Legislation in the Republic of South Africa

The South African Poultry Association (SAPA) provides agricultural legislation in South Africa. The legislation listed below is that which is currently in force. Departmental responsibility for the enforcement of Acts and Ordinances is indicated between brackets. At present all National Acts are being re-written by the National Department of Agriculture in accordance with the provisions of the Constitution, which assigns certain powers to the National Department of Agriculture, for example the setting of norms and standards.

**FENCING ACT, 1963 (ACT NO. 31 OF 1963)**
(PROVINCIAL)
This Act regulates matters with regard to boundary fences of farms and provides for the obligatory contribution to the erection and maintenance of boundary fences and their conversion into jackal-proof fences in proclaimed areas. The Directorate of Engineering and Resource Conservation is responsible for the enforcement thereof.

**CONSERVATION OF AGRICULTURAL RESOURCES ACT, 1983 (ACT NO. 43 OF 1983)**
(PROVINCIAL)
This Act provides for control over the utilization of natural agricultural resources in order to promote the conservation of soil, water sources and vegetation, and the combatting of weeds and invader plants. The Directorate of Engineering and Resource Conservation is responsible for the enforcement thereof.

**ANIMAL DISEASES ACT, 1984 (ACT NO. 35 OF 1984)**
(PROVINCIAL)
This Act provides for control measures for the prevention of diseases and parasites and for schemes to promote animal health. The Directorate of Veterinary Services is responsible for the enforcement thereof.

**ABATTOIR HYGIENE ACT, 1992 (ACT NO. 121 OF 1992)**
(PROVINCIAL)
This Act provides for the maintenance of proper standards of hygiene in the slaughtering of animals and in the handling of meat and animal products. The Directorate of Veterinary Services is responsible for the enforcement thereof.

**CONTROL OF MARKETS IN RURAL AREAS ORDINANCE, 1965 (ORD. NO. 38 OF 1965)**
(PROVINCIAL)
The Directorate of Agriculture and Rural Development (encompassing the Regional Support Service and Agricultural Economics components) is responsible for the enforcement thereof.

**PROBLEM ANIMALS CONTROL ORDINANCE, 1978 (ORD. NO. 14 OF 1978)**
(PROVINCIAL)
The Directorate of Agriculture and Rural Development (encompassing the Regional Support Service and Agricultural Economics components) is responsible for the enforcement thereof.
FERTILIZERS, FARM FEEDS, AGRICULTURAL REMEDIES AND STOCK REMEDIES ACT, 1947 (ACT NO. 36 OF 1947)
(NATIONAL)
The registration of fertilizers, stock feeds, agricultural remedies, stock remedies, sterilising plants and pest control operators is regulated by this Act. Provision is also made for control over the acquisition, disposal, sale and use of fertilizers, farm feeds, agricultural remedies and stock remedies. The Directorate of Agricultural Production Resources and Livestock Improvement is responsible for the enforcement thereof.

LIVESTOCK BRANDS ACT, 1962 (ACT NO. 87 OF 1962)
(NATIONAL)
This Act regulates the registration of a brand in the name of an owner of livestock for the purpose of identifying the livestock. The Directorate of Agricultural Production Resources and Livestock Improvement is responsible for the enforcement thereof.

AGRICULTURAL CREDIT ACT, 1966 (ACT NO. 28 OF 1966)
(NATIONAL)
This Act provides for a system of assistance to persons carrying on or undertaking to carry on farming operations, and for control in respect of assistance rendered. The Directorate of Financial Assistance is responsible for the application of the Act.

MARKETING ACT, 1968 (ACT NO. 59 OF 1968)
(NATIONAL)
This Act provides for the introduction of a system of control over the marketing of agricultural products and regulates the quantitative control over the import or export of these products. The Directorate of Marketing Administration is responsible for the enforcement thereof.
SUBDIVISION OF AGRICULTURAL LAND ACT, 1970 (ACT NO. 70 OF 1970)  
(NATIONAL)  
This Act regulates the subdivision of agricultural land and its use for purposes other than agriculture. The Directorate of Resource Conservation is responsible for the enforcement thereof. Investigations are done by the Provincial Department in support of the execution of the Act.

PLANT BREEDERS’ RIGHT ACT, 1976 (ACT NO. 15 OF 1976)  
(NATIONAL)  
This Act regulates the granting of certain rights relating to new varieties of certain kinds of plants, the protection of such rights and the issue of licenses in respect of the exercising of the rights. The Directorate of Plant and Quality Control is responsible for the enforcement thereof.

PLANT IMPROVEMENT ACT, 1976 (ACT NO. 53 OF 1976)  
(NATIONAL)  
This Act provides for the registration of establishments where plants and propagation material are sold and packed, for the introduction of schemes for the certification of certain propagation material, for the requirements to which plants and propagation material sold for the purposes of cultivation must conform and for quality control over plants and propagation material imported or exported. The Directorate of Plant and Quality Control is responsible for the enforcement thereof.

LIVESTOCK IMPROVEMENT ACT, 1977 (ACT NO. 25 OF 1977)  
(NATIONAL)  
This Act regulates the collection and sale of semen and ova and the artificial insemination and in ovulation of certain animals, the establishment of a system for the evaluation and certification of the performance of certain animals, quality control with regard to the importation and exportation of certain animals, semen, ova and eggs, the incorporation of livestock breeders' societies and the maintenance of the legal personality of livestock breeders' societies, and the granting of certain exclusive powers
relating to the registration of pedigrees of certain livestock to the South African Stud Book and Livestock Improvement Association. The Directorate of Agricultural Production Resources and Livestock Improvement is responsible for the enforcement thereof.

**DESIGNATED AREAS DEVELOPMENT ACT, 1979 (ACT NO. 87 OF 1979)**
(NATIONAL)
This Act provides for measures for the promotion of the density of population and of farming activities in certain areas designated by the Minister for the purpose. The Directorate of Financial Assistance is responsible for the application of the Act.

**CO-OPERATIVES ACT, 1981 (ACT NO. 91 OF 1981)**
(NATIONAL)
This Act regulates the formation, registration, management and functioning of various types of co-operatives and the winding-up and dissolution of co-operatives. The Directorate of Cooperatives is responsible for the enforcement thereof.

**VETERINARY AND PARA-VETERINARY PROFESSIONS ACT, 1982 (ACT NO. 19 OF 1982)**
(NATIONAL)
This Act provides for the establishment, powers and functions of the South African Veterinary Council, for the registration of persons practicing veterinary and para-veterinary professions and for control over the practicing of veterinary and para-veterinary professions. The South African Veterinary Council is responsible for the enforcement thereof.

**PERISHABLE PRODUCTS EXPORT CONTROL ACT, 1983 (ACT NO. 9 OF 1983)**
(NATIONAL)
This Act provides for the control of perishable products intended for export from the Republic of South Africa and for the continued existence of a statutory board to bring about the orderly and efficient export of perishable products from the Republic. This
board, namely the Perishable Products Export Control Board, is responsible for the enforcement thereof.

**AGRICULTURAL PESTS ACT, 1983 (ACT NO. 36 OF 1983)**
(NATIONAL)
This Act introduces measures for the prevention and combatting of agricultural pests. The Directorates of Plant and Quality Control and of Resource Conservation are responsible for the enforcement thereof.

**AGRICULTURAL RESEARCH ACT, 1990 (ACT NO. 86 OF 1990)**
(NATIONAL)
This Act establishes a juristic person, the Agricultural Research Council (ARC), to undertake agricultural research and regulates matters with regard to the ARC’s proceedings, powers, duties, management, control, employees, financing and related matters. The ARC is responsible for the enforcement thereof.

**AGRICULTURAL PRODUCT STANDARDS ACT, 1990 (ACT NO. 119 OF 1990)**
(NATIONAL)
This Act provides for control over the sale and export of certain agricultural products and other related products, with a view to the maintenance of certain standards regarding the quality of products and the packing, marking and labeling thereof. The Directorate of Plant and Quality Control is responsible for the enforcement thereof.

**AGRICULTURAL PRODUCE AGENTS ACT, 1992 (ACT NO. 12 OF 1992)**
(NATIONAL)
This Act provides for the establishment of an Agricultural Produce Agents Council (APAC) which uses fidelity funds in respect of agricultural produce agents, and is responsible for the control of certain activities of agricultural produce agents. This Act has not been brought into operation in its entirety, but will eventually replace the Commission for Fresh Produce Markets Act, 1970 (Act No. 82 of 1970), and the Agricultural Produce Agency Sales Act, 1975 (Act No. 12 of 1975).
SOUTH AFRICAN ABATTOIR CORPORATION ACT, 1992 (ACT NO. 120 OF 1992) (NATIONAL)
This Act provides for the privatization of the South African Abattoir Corporation. At the incorporation of the Corporation as a company the Abattoir Industry Act, 1976 (Act No. 54 of 1976) will be repealed. The South African Abattoir Corporation and the Directorate of Agricultural Administration are responsible for the administration thereof.

AGRICULTURAL DEVELOPMENT FUND ACT, 1993 (ACT NO. 175 OF 1993) (NATIONAL)
This Act provides for the establishment of and control over an agricultural development fund for the handling of money received for development. The Directorate of Finance is responsible for the application of the Act.

3.3 National Framework for Local Economic Development (LED) in South Africa.

The following range of key policies and policy papers have, either directly or indirectly, defined or contributed to this Framework:

• The Constitution (1996)
• LED Strategies and Instruments
• LED Guidelines to Institutional Arrangements (2000)
• Discussion document on LED Policy (2002)
• Policy Guidelines for implementing LED in South Africa (2005)

There are ten (10) guiding principles identified for the framework supported by seven (7) main objectives and eight (8) main outcomes for the next five years. This framework supports the Strategic Agenda for Local Government and the 5-year Local Government
Implementation Plan (2006-2011). LED is one of the five Key Performance Areas (KPAs) for Local Government. As a key performance area, LED as an outcome, is strongly interrelated and dependent on the other four KPAs. These include: Municipal Transformation and Organizational Development, Basic Service Delivery, Municipal Financial Viability and Management, and Good Governance and Public Participation. The framework promotes a strategic approach to the development of local economies and a shift away from narrow municipal interests focused only on government inputs into ad-hoc projects. The application of the National Spatial Development Perspective (NSDP), Industrial Policy, ASGI-SA and the Provincial Growth and Development Strategies (PGDSs) through joint action with municipalities institutionalized in IGR forums is the driving force for local and hence national economic growth and development.

Objectives of this framework

• To shift towards a more strategic approach to the development of local economies and overcome challenges and failures in respect of instances where municipalities themselves try to manage litany of non-viable projects or start-ups.
• To support local economies in realizing their optimal potentials and making local communities active participants in the economy of the country.
• To elevate the importance and centrality of effectively functioning local economies in growing the national economy.
• To wage the national fight against poverty more effectively through local level debates, strategies and actions.
• To improve community access to economic initiatives, support programmes and information.
• To improve the coordination of economic development planning and implementation across government and between government and non-governmental actors.
• To build greater awareness about the importance and role of localities and regions which globally are playing an increasingly significant role as points of investment facilitated by supportive national policies.
3.4 SUMMARY

For this study of agriculture as a contributor to LED in Nkonkobe Local Municipality to be better examined the above legislative frameworks have been selected as cornerstones and legislative guidance to agricultural LED initiatives in that local municipality.

In the next chapter, various selected and applicable research methodologies are provided from which normative criteria is drawn and which is used to compile and propose a number of recommendations.
CHAPTER 4

A RESEARCH METHODOLOGY

4.1 INTRODUCTION

In order for agriculture to successfully contribute to LED in Nkonkobe Local Municipality, it is important to first establish a comprehensive and clear agricultural development plan. Secondly, active community participation in the processes is required. To formulate such a plan, the necessary information had to be collected in this study. This study is qualitative in nature, and as such explores a number of published and unpublished literature sources. This chapter then concludes with a brief summary.

4.2 RESEARCH METHODOLOGY

According to Brewer and Miller (2003: 192), “research methodology is the set of rules and procedures that are used to guide research and against which its claims can be evaluated hence it is fundamental to the construction of all forms of knowledge”. This study has collected qualitative data. The qualitative approach is an intensive study of as many features as possible of one or small number of phenomena or facts. Instead of condensing information, it seeks to build understanding through depth. Meaning is achieved not by looking at particular features of many instances of a phenomenon but rather by looking at all aspects of the same phenomenon to identify their interrelationships and to establish how they come together to form a whole. The focus of this approach is on outlining how combinations of attributes and conditions come together (Miller & Brewer, 2003: 192).

According to Bouma (2000: 171), the qualitative approach is designed to provide an impression; to tell what kinds or types of ‘something’ there are; to tell what is like to be, do or think something. Qualitative researchers exercise great discipline in order to find out ‘what is going on here?’ from the perspective of those who are in the situation being
researched. The research methodology as applied to this study has relied on literature review of the topic.

4.2.1 Literature review

According to Gray (2000: 400), a literature review in the context of a research project is the selection of documents (published or unpublished) on a particular topic that contains information, ideas and evidence. It also includes the evaluation of these documents in the context of the particular topic of research.

Miller and Brewer (2003: 171) argue that such a literature search is an essential skill in social research, as it allows the researcher to identify relevant previous sources of information. Various sources can be identified by canvassing colleagues who are knowledgeable in the area of interest, contacting recognized experts or research groups working in the field to request reports and papers, and to search through the libraries following up references in research publications and, in more recent decades, using computer based search strategies.

An in-depth literature review for agriculture as a contributor to LED programmes in Nkonkobe Local Municipality was properly conducted. One source was applied in the information search as a technique to formulate objective and applicable recommendations for this study, namely secondary sources. These included books, computer searches, reports strategies, plans and other publications that were studied in order to review the existing knowledge of agricultural economy in South Africa, Nkonkobe Local Municipality in particular and other countries of the world. These sources were discussed in chapters one and two above.

4.2.2 Identifying normative criteria from the literature

According to Salkind (2000:10,11), non-experimental research includes a variety of different methods that describe relationships between variables. Included in such
methods is the descriptive / historical research method, which describes the characteristics of existing and past phenomena.

Historical research relates past events to each other and/or to current events (Salkind, 2000:12). Historical research answers a question regarding the nature and extent of events that took place in the past. Researchers often accomplish historical research through the use of primary sources, such as original documents and first-hand information, as well as secondary sources that may originate from second-hand sources.

Salkind (2000:11) stresses that not only can descriptive and historical research stand on their own, but it can serve as bases for other types of research in that a group’s characteristics can often be described from a descriptive / historical point of view in order to arrive at acceptable theoretical perspectives.

Leedy (1980:3-9) is critical of academics who display a prejudice for a given research methodology:

"it is difficult to defend the position of those who claim that unless research fits an arbitrary prejudice for a given methodology, it fails to be research. All highways are of equal excellence; each, however, traverses a different terrain, but they all converge on the same destination. In other words, when research is viewed as an offensive against ignorance of the truth, then the four principal research methodologies are merely separate avenues leading in the direction of enlightenment. No one methodology is superior to any other, and they all converge at one coveted point: the point from which we are able to discern that of which we were hitherto unaware " (Leedy, 1980:3-9).

According to Salkind (2000:188), the descriptive / historical researcher proceeds in terms of six different steps, which correspond closely to those of other types of research. The six steps are explained in the paragraphs that follow.

First, the historical researchers define a topic or a problem that they wish to investigate, in this instance, the ethical foundations of service quality in tourism and hospitality management: a theoretical perspective.
Second, the researcher formulates a hypothesis(es), which is expressed as a question, or questions.

Third, the researcher sets out to utilise a variety of sources to gather data. Salkind (2000: 188) emphasizes that while these sources may differ markedly from those in other research methodologies, the analysis of written documents are usually the domain of the historical researcher.

Fourth, the evidence gathered needs to be evaluated both for its authenticity, as well as for its accuracy. The researcher therefore needs to establish the value of the data from primary, as well as secondary sources that underlie the salient arguments of the research. This requirement is concomitant to the researcher developing a critical and evaluative attitude towards the collected information. Salkind (2000:191) holds that the evaluation of primary and secondary data is accomplished through the application of two separate criteria: authenticity (external criticism) and accuracy (internal criticism).

In light of the foregoing, the research methodology for this research is of a descriptive/historical nature which relies on a theory search and literature review and which entails examining existing primary and secondary literary sources, followed by particular recommendations. The extent of the literature review is explained in the following chapter.

4.3 SUMMARY

In summary, the relevant literature has been reviewed for this study of agriculture as a contributor to LED in Nkonkobe Local Municipality. The literature review revealed many conclusions. And some of them are that substantial and sustained increases in agricultural output could presumably be attained only by using modern inputs or a system of modern agriculture, such as chemical fertilisers or pesticides, which is supplied by the non-agricultural sector. In order for this system to be effective, it should
be based on a formal agricultural research system, within an industrial sector, which is capable of producing inputs such as fertilisers, transportation and communication networks, which would ensure that these inputs could be supplied to farmers.

Given the above socio-economic status of the Nkonkobe Local Municipality, most scholars would agree that with the expansion of agriculture through the use of traditional inputs, which were essentially exhausted and with the population growing at a rapid rate, the mechanization of agriculture is urgently needed to avoid deterioration in per capita production and the standard of living (Barker, Rose & Sihna, 1982:2).

In the next chapter, a number of recommendations are compiled and proposed based on the information gleaned from the various literature sources.
CHAPTER 5

RECOMMENDATIONS AND CONCLUDING REMARKS

5.1 INTRODUCTION

This chapter aims to draw key findings, as well as key conclusions from the study, focusing on the role of agriculture as a contributor to LED. The chapter starts off by examining the role of agriculture as a contributor to LED with a specific focus of the study area. It then draws the main recommendations emanating from the study.

5.2 RECOMMENDATIONS

Although the municipality is trying to improve the lifestyles of the people, an analysis of the status quo reveals unacceptably high levels of poverty, malnutrition and unemployment, inadequate social services, low agricultural productivity, poor agricultural infrastructure, and poor agricultural practice are some of the challenges facing Nkonkobe Local Municipality.

While the potential of agriculture in Nkonkobe Municipality is high, this sector has not been fully developed to the benefit of the community and the municipality at large. The results of this study have pointed out that the rural parts of the Eastern Cape, such as Nkonkobe Local Municipality is where communal farming is practiced. In order for this to have the desired developmental impact on the community and local economy the following suggestions need to be considered:

5.2.1 Recommendation 1

The Provincial Department of Rural Development and Agrarian Reform in collaboration with Amathole District and Nkonkobe Local Municipalities should put programmes in place aimed at capacitating the communal and emerging farmers so that they can
mature and become commercial farmers. Such an endeavour will result in economic growth and a reduced unemployment rate.

5.2.2 Recommendation 2

The agricultural sector needs to be developed in order to provide durable employment, sufficient income, for all engaged. A stable growth in agricultural production will ensure meaningful contribution to the LED initiatives in Nkonkobe Municipality.

5.2.3 Recommendation 3

Nkonkobe Local Municipality should maintain and, where possible, enhance the productive capacity of the natural resource base as a whole, through the regenerative capacity of renewable resources. Through sustainable energy and farming methods they will not disrupt the functioning of basic ecological cycles, destroying the socio-cultural attributes of rural communities, or causing contamination of the environment.

5.2.4 Recommendation 4

Nkonkobe Local Municipality should reduce the vulnerability of the agricultural sector to adverse natural and socio-economic factors and other risks, and strengthen self-reliance.

5.2.5 Recommendation 5

The young people should be encouraged to pursue farming as a career because Nkonkobe naturally has the resources for farming, namely water, land and labour. To encourage such a career choice among the youth, bursaries on farming-related studies should be offered by the government. This would also assist in improving the level of agricultural training which is lacking in Nkonkobe. This would be a particularly fortunate
opportunity for poor families as they cannot afford to send their children to tertiary institutions.

5.2.6 Recommendation 6

Nkonkobe Local Municipality should promote alternative approaches to agriculture that are more sustainable to ensure that the basic nutritional requirements of present and future generations, qualitatively and quantitatively, are met while providing a number of other agricultural products.

5.2.7 Recommendation 7

The provincial government of the Eastern Cape should actively work on giving small farmers increased access to credit and basic inputs, such as seeds and fertilisers.

5.2.8 Recommendation 8

The provincial government of the Eastern Cape should commit to spend at least 10% of their budgets on agriculture and make this spending more transparent and accountable.

5.2.9 Recommendation 9

The provincial government of the Eastern Cape should also make state intervention both smarter and more efficient and also have clear strategies to build up the private sector intervention in the agricultural sector.

5.2.10 Recommendation 10

Companies or private sector (Retail Supermarkets chain stores) in Nkonkobe Local Municipality should invest in small farmers as part of their value supply chain. This will
assist them in becoming better organised, and build long-term and sustainable relationships.

5.2.11 Recommendation 11

Agriculture should be offered as a compulsory subject at schools in Nkonkobe Local Municipality from the Primary level up to the Secondary level and learners should be encouraged in pursuing a career in it.

5.2.12 Recommendation 12

Nkonkobe Local Municipality should take steps to encourage the voice of subsistence and small farmers to be heard. This may mean playing a role in strengthening small farmer’s representative association at the District and Provincial level.

5.2.13 Recommendation 13

The successful management of resources for agriculture to satisfy changing human needs, while maintaining or enhancing the natural resource base and avoiding environmental degradation is needed in Nkonkobe. Sustainable agricultural development must be encouraged in Nkonkobe Local Municipality and should comprise of farming systems that are productive, economically viable and environmentally sound and friendly in the long term so that they can attract investment.

5.2.14 Recommendation 14

Establishment and improvement of agricultural infrastructure in support of LED in Nkonkobe Local Municipality is highly needed. Such infrastructure should include the reticulation of services, such as irrigation schemes, big dams, farming equipment, tractors, laboratories, cold storages and communication links. As these services are
currently inadequate in the area, such developments are vitally necessary for attracting investment.

5.2.15 Recommendation 15

The Nkonkobe Local Municipality in its Integrated Development Plan and its LED Plan should develop detailed interventions with a clear sector action plan, including resource implications and institutional responsibilities. These Action Plans must emerge from a process of intense engagement with all key role-players in the agricultural sector, and should reflect concrete outputs that will unlock opportunities and address identified constraints.

5.2.16 Recommendation 16

Land redistribution still left the majority of people with land parcels too scattered and small to allow efficient use of family labour. Elementary Agricultural - Producers Cooperatives, which will pool land, labour and capital in units of twenty to twenty five households, should be designed to cope with this problem. These groups should be frequently formed along pre-existing kinship ties at a village level where they should be accepted by the communities. Membership should be voluntary and workers should receive income based on land, capital, and labour contributions. All households should retain private plots for their own use.

5.3 CONCLUSION

This study of agriculture as a contributor to LED in Nkonkobe Local Municipality of the Amathole District Municipality in the Eastern Cape has outlined the Municipality’s broad approach to transform the structure and distribution of agricultural activities to meet particular economic, social, and environmental objectives. These objectives include job creation (and job retention), increased and sustained growth and output, more even income distribution, more equal spatial distribution of economic activity, transforming
ownership and control of production (including de-racialising ownership and promoting social forms of ownership), and enhanced technological capacity. This approach has taken account of national policy direction and the confines of legislated areas of Provincial competence in agricultural development.

The study acknowledges the central role and impact that areas of national competence have on agricultural development, but has used as its point of departure the assumption that this type of a study can enhance the quality of implementation and impact of national policy initiatives and leverage resources for Nkonkobe Local Municipality priorities. This study is also premised on the assumption that the Province has sufficient instruments to make an impact, including infrastructure and logistics provisioning, agro-processing upgrading and recapitalization, skills development, incentives (albeit limited), research and development, investment facilitation, financial support, as well as coordination, compacting, and clustering.

The above recommendations for this study of agriculture as a contributor to LED in Nkonkobe Local Municipality would have to be urgently developed within the state in general and Nkonkobe Local Municipality in particular, to ensure effective implementation of agriculture as a contributor to LED in that local municipality.
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