A STUDY OF PRO-POOR LOCAL ECONOMIC DEVELOPMENT IN NDLAMBE FOR THE WORLD BANK

Alec C. Thornton and Matthew W. Gibb, University of Sussex and Rhodes University

INTRODUCTION

Ndlambe Municipality (EC 105) is a Category B Municipality located on South Africa’s southeast coast, and is centred on the administrative capital of Port Alfred. As a result of the demarcation commission’s 2001 amalgamation process, Ndlambe now encompasses substantial portions of the former Albany, Alexandria, and Bathurst transitional regional councils (TRC) areas and also comprises of the following former transitional local councils (TLC); Alexandria, Bathurst, Bushmansriver Mouth, Kenton-on-Sea, Port Alfred, as well as the local councils of Boknes / Cannon Rocks and Seafield. Ndlambe also consists of large rural farming and conservation areas (Municipal Demarcation Board [MDB], 2005; Ndlambe, 2002). In addition, the municipality is widely recognised as a leading national holiday destination for families from the Gauteng area, and in recent years has experienced growth in tourism-related industries in its coastal communities, which provides a certain number of seasonal employment opportunities for local residents (Young, 2004).

The municipal mergers have been relatively smooth in Ndlambe, integrating a number of staff members and infrastructures from previous TLCs into the new single administration. Contemporary development interventions have centred on the provision of public services to previously disadvantaged communities in order to improve quality of life and standards of living, particularly in the depressed areas. Issues relating to housing and access to running water, electricity, and water-borne sanitation remain high on the municipality’s priorities in its short and
long term planning (Ndlambe, 2002). In this respect, municipal authorities are increasingly seeing their role as that of being one of the key facilitating role-players empowered to unlock issues relating to local delivery and local development (Magopeni, 2004). The municipality, and prior to that the Bathurst TLC, has engaged in an interesting and informative series of pro-poor LED interventions which are the core focus of this study and which offer certain lessons in terms of pro-poor development.

As is the case for all municipalities surveyed for the broader study, Ndlambe faces local economic development challenges on an ongoing basis. One of the foremost challenges currently facing the municipality is conceptualising a locally appropriate understanding of pro-poor LED and creating an appropriate, unified framework that draws on local skills and resources when embarking on functional LED initiatives in Ndlambe (Jordaan, 2004). Its integrated development plan (IDP) has been identified as the key document that provides a guideline for addressing the legacies of Apartheid, and has been developed in response to national government policy, which seeks to encourage inter alia service delivery, job creation, and the maximization of local development interventions.

**Outline**

This paper will provide an overview of the economy and contemporary conceptualisations regarding pro-poor LED in the Municipality of Ndlambe. An analysis and assessment of LED will follow, paying particular attention to national LED Fund supported pro-poor development projects in the municipality. Projects of an agricultural nature not directly supported by Ndlambe officials are also briefly discussed, as they appear to provide some measure of poverty alleviation in the municipal area. The paper concludes with a general assessment of pro-poor LED in the municipality and the case studies. The study of Ndlambe is valuable, because it reveals the importance of key LED principles such as...
partnerships and local champions, which may be of benefit to other municipalities.

**METHODOLOGY**

Letters of introduction were submitted to municipal offices in Port Alfred, with the intent to inform authorities of the aims and objectives of this study and requesting access to relevant documentation pertaining to local economic development. Issues of confidentiality were raised at this time, as the municipality appeared reluctant to release information that could be political sensitive. Interviews were then conducted with a number of local officials including the mayor, the municipal local economic development officer, and a number of municipal councillors. Additional interviews were conducted with LED project leaders and project participants.

Many of this case study’s key informants were identified in late 2004 during a workshop hosted by the Ndlambe Municipality and the development agency GTZ. The workshop organizers invited local stakeholders from around the municipality to attend a LED forum to discuss concerns regarding development and to meet likeminded individuals. It provided an excellent opportunity to become acquainted with local role players and to set up dates for further discussion.

The methodology implemented in the study of this locality is a reflection of the manner in which LED is currently being carried out in Ndlambe. Flexibility is a day-to-day requirement of development planning for the municipality and is a concept that came to influence the manner in which the research was conducted. Research techniques had to be continuously redefined as they evolved in response to unanticipated situations. Municipal officials often had to rearrange busy schedules and project members often did not appear at pre-arranged times.
or locations, requiring schedule reshuffling and the provision of back-up plans in order to speak to all relevant people.

It was also identified that stylised or particularly academic research formats were inappropriate for much of this research. Informality and the situational comfort of the informants was key to eliciting valuable information. Unstructured conversational-style interviews with a number of stakeholders were instrumental in ensuring maximum participant comprehension in a non-intimidating environment. Participatory techniques, such as transect walks and field observation, facilitated the interviews, as respondents appeared to be more forthcoming with information in a familiar environment.

**ECONOMIC DEVELOPMENT IN NDLAMBE**

Ndlambe's economy has historically been, and still is to a large degree, influenced by commercial agriculture, private household employment, and government services, which are still leading sectors in terms of employment (MDB, 2005). Figure 2 shows data obtained from the 2001 Census, which indicated that since 1996 there has been a decrease in employment in the agricultural, forestry, and mining sectors. However, there have been significant increases in employment in construction, manufacturing, real estate, social services and retail sectors. Much of the sectoral growth is attributable to the rise in tourism and the increase demand for leisure properties, secondary home construction, holiday accommodation, hospitality services, and related staff requirements and the downturn in the primary economic sectors.

Despite increased numbers of people recorded as employed in various sectors of the economy, improved job opportunities in the growing sectors have not been sufficient to compensate for population increases, or the existing backlog of unemployed individuals. As such Figure 1 shows that over 50% of Ndlambe’s
residents are either classified as unemployed or economically inactive, implying an extremely high level of poverty in the municipality (Ndlambe, 2004).

**Figure 1: Employment Figures: 1996 and 2001**

![Employment Figures: 1996 and 2001](chart.png)

Source: MDB, 2005
Development Planning

Ndlambe’s development planning objectives and strategy is detailed in its IDP, which is considered to be the municipality’s primary tool for initiating LED. According to the IDP, local authorities now perceive themselves to be important role-players in the provision of public services, and have the responsibility to create the right enabling environment that encourages socio-economic development. The municipality has identified backlogs in housing, service delivery, and social infrastructure as key pressing issues that need to be
addressed through the IDP (Ndlambe; 2004, 2002). There are ten development priorities areas for the municipality which include:

1. The provision of water, sewage, and sanitation services
   - Bulk water supply and reticulation networks
2. The provision of adequate healthcare services
   - Health personnel, healthcare facilities, and emergency services
3. The extension and upgrading of municipal buildings / offices
   - Administrative & technical services and centralised offices
4. The upgrading of roads and transportation infrastructures
   - Access roads, traffic control, and enforced standards
5. The provision of electricity to under-serviced areas
   - Household connections, street lighting, and crime reduction
6. The development of tourism within the municipality
   - Unlocking tourism potential, cultural villages, and tourist info centres
7. The provision of recreational facilities for local residents
   - Sports facilities, multi-purpose centres, and beach access
8. The development of an appropriate environmental management policy
   - Beachfront management, alien vegetation, and pollution control
9. The extension of social services for disabled and older residents
   - Educational facilities, issues relating to accessibility, and satellite offices
10. The provision of bursaries for further education
    - Academic & technical skills training and assistance to selected students

There are four additional municipal development priorities that local officials have identified, but believe fall under the jurisdiction of various other government departments (Ndlambe, 2004). However, they do accept a coordinating role in resolving issues relating to,

1. Land and housing
- Residential plots, commonage, and industrial land

2. Security
- Policing, traffic, and crime fighting services

3. Economic development
- Business development, job creation, & industrial incentives

4. Education and training
- Counter-illiteracy, school buildings, & library facilities

**Municipal understanding of LED**

In many respects, ‘local economic development’ has become quite trendy in today’s ‘developmental society’ and, as such, has evolved to include as many definitions and interpretations as there are development practitioners. LED, as a concept is widely debated in academic circles, addressed in national policy frameworks, and is often adopted by international donor agencies’ as a cornerstone of their development objectives. In this regard, questions can be posed with respect to the stature of LED as a developmental ideology. These include the question of whether it is an endogenous response to socio-economic deficiencies, or if it is a proactive strategic plan of action for local authorities or perhaps it encompasses both dimensions? Coupled with an understanding of LED is the issue of what is meant by pro-poor development. Does it refer to improved service delivery or rather to job creation and poverty alleviation? Given the absence of national definitions and varying local interpretations, it is no wonder that municipalities are finding it difficult to plan their own development agendas. All of a sudden, the pressure to implement LED is being experienced from all angles and municipal officials are coming under pressure from many angles to deal with LED related issues.

As with many municipalities around the country, the local authority in Ndlambe is still very much in the process of attempting to conceptualise their own definitions
of local economic development, despite having implemented a series of very interesting LED projects. Evidence suggests that this conceptualisation has been a particularly difficult process. They are aware that, according to the national white paper they are compelled to promote pro-poor development but how this relates to them individually is what remains a challenge. The lack of guidelines and, till recently the absence of a dedicated LED officer, has implied that digesting LED theory and translating it into practice has been equally problematic (Jordaan, 2004).

Surprisingly, the Ndlambe IDP, instead of acting as an overall development framework from which all subsequent strategies will flow, makes remarkably few references to LED. At present, there appears to be no distinction between poverty alleviation, service delivery, job creation, and economic development and they are terms often used interchangeably with LED. As long as they achieve generic development, aimed principally at previously disadvantaged persons, then that is seen as pro-poor development (Magopeni, 2004; Ndlambe, 2002).

Ndlambe, however, has sought the expertise of outside sources in order to facilitate the pro-poor development process. A partnership between the municipality and the provincial Rural Livelihoods (RULIV) programme, in conjunction with the German aid agency the GTZ, has been developed to tap into outside experience. As LED is not a process that should be limited to local governments, RULIV has been instrumental in bringing together various stakeholders from across the municipality and introducing them to the principles of LED. Through workshops, the municipality and local peoples are being made aware of what it is to practice LED. Gradually, the municipality is attempting to establish a mentality of what LED is and is not and is working towards developing a locality-specific LED strategy drawing of the needs and opportunities identified by local peoples (Jordaan, 2004).
Functional Pro-poor LED

Current pro-poor LED in Ndlambe has evolved independently over time. There are a number of existing, stand alone LED initiatives that are assisted by the municipality in one manner or another and which form the core of its supported projects. Many of these projects however, were set up prior to the municipal amalgamation process by the then municipality of Bathurst and have subsequently been inherited by the newly incorporated Ndlambe municipality. Currently, there are fragmented collections of either community-initiated, nationally funded, or municipal-supported enterprises, some of which are subsistence in nature, while others have begun to generate a profit and provide job opportunities for members.

In addition to IDP identified projects, there are several community farming schemes operating around the municipality, which are receiving varying degrees of support. At present, many of these are independently operating projects, but municipal officials are currently in the process of developing a unified strategy that can be applied to all projects. Ndlambe has recently engaged the services of a dedicated local economic development staff member to assist in coordinating future LED policy for the municipality. This ongoing process has been particularly challenging, especially given the lack of clarity about what LED is and the absence of practical guidelines that have severely retarded LED progress in the municipality. Nonetheless, the municipality has provided valuable support for projects in poor communities. As long as such assistance is focused on the upliftment of disadvantaged communities, then this development can be regarded as pro-poor (Jordaan, 2004; Magopeni, 2004).

Municipal officials presently offer a variety of services to these projects. One of the primary means is through the provision of land and / or commonage on which these independent projects operate and applying to other funding sources to purchase previously commercial farmlands. Many of the projects are agriculturally based and
the land is provided to the projects at minimal yearly leases. Ndlambe, for example, through money secured from the National LED Fund, has purchased a farm where a pineapple pulping enterprise is now located. It also owns the premises for a brick making project as well as a small business hive between Bathurst and Port Alfred. The municipality has also ensured that in many cases utilities such as water and electricity are made available on these properties and that the infrastructure exists to facilitate business development, tying in the idea that if essential services are provided, then local peoples are better placed to undertake income-generating initiatives for themselves. A municipal tractor is additionally available on a rotational basis for projects to use to facilitate fieldwork (Balura, 2004 & Magopeni, 2004).

In the meantime, the municipality is increasingly acting as ‘gatekeepers’ for existing projects, local residents wishing to start new ones, and accessing higher levels of funding. If they cannot directly assist themselves, they try to find some organisation that can. Although they are not in a position to provide funding directly per se, they have been instrumental in liaising with provincial departments to assist where possible. In addition, some particularly motivated people from within the community are now approaching local officials with a development idea or a business plan. If funding cannot be sourced locally, the municipality has again been making applications to various other national funds or government departments to make up the difference on their behalf. On these occasions, they may also provide advice on business plans, fill in funding applications, and add their stamps of approval to particularly feasible project proposals before sending them to higher levels. In this respect, by signing-off on proposals, municipal officials are helping to legitimise applications and provide projects with a greater amount of legal recognition and credibility. Successful applications in the past have helped purchase fencing, equipment, trucks, and / or paid for skills development. (Balura, 2004; Jordaan, 2004; Magopeni, 2004)
In the past, the municipality has offered a certain amount of informal support to development initiatives, which although it was not necessarily written down as a specific strategy, has had important contributions to make to community socio-economic development. One official gives the example of considerable municipal expense put into extracting cattle that had become mired in the mud, or residents popping by the municipal offices to make use of the Internet, making photocopies, or fax applications for project aid. Again, the concept of rising to the occasion and providing business advice to an area’s residents is further evidence of an informal means of providing assistance to those in need. Additionally, upgrading road access to projects or allowing municipal water usage in community gardens “goes a long way” in support of pro-poor development (Jordaan, 2004).

LED FUNDED PROJECTS IN NDLAMBE

Ndlambe is home to three National LED Fund projects. Of the three, two in particular have continued to grow and have developed into prosperous small businesses and employ numerous people in the Bathurst area. The third, a business hive, has met with several difficulties and has not been as successful, and its long-term sustainability now seems questionable. A brief description of these three LED projects are outlined below and each is followed by individual assessments.

Nomzamo Small Business Hive and Micro Industrial Projects

The Nomzamo Business Hive was established in 2001 in abandoned storehouses on premises of the 43rd Air School outside of Port Alfred. The National LED Fund supplied nearly R1.3 million over a two-phase process towards the refurbishment of the business hive and the establishment of some sixteen micro-enterprises on this site (DPLG, 2005). The opening of such a location and the provision of initial funding represented an opportunity for emerging entrepreneurs to collectively set up shop in a relatively safe
environment that would, hopefully, attract customers to the area. These small businesses offered services ranging from clothing production to panel beaters, from wood workers to an African themed restaurant. The Nomzamo Business Hive got off to a flourishing start with most of the available spaces being rented out to prospective businesses (Jordaan, 2004).

Today however, most of these businesses have now closed and of the original sixteen only one or two remain. Despite municipal signage indicating the direction to Nomzamo, its location far off the main road to Port Alfred has discouraged visitors (Magopeni, 2004). Entrepreneurs were unable to sell their products and services, and did not have sufficient time to gain a firm foothold in the market place before the LED Fund funding ran out and many were forced to close.

**Assessment**

An assessment of the Nomzamo Business Hive indicates that despite the availability of funding, the successful development of micro-enterprises is also highly dependent on the location of such businesses, the nature of what they produce and the need to have established markets. The emerging entrepreneurs simply did not have sufficient business skills or experience to weather a withdrawal of support.

**The Umsobomvu Pineapple Pulping Project**

The Umsobomvu Pineapple Pulping Project is a successful example of a community-based, yet market driven LED initiative that has provided a number of jobs in the Bathurst area of Ndlambe. The municipality sourced the original funds from the LED Fund, to purchase the premises and now provides the land at a minimal rental to the project which is now managed and staffed by local peoples. The project has an ongoing history of advantageous links between local entrepreneurs, municipal officials, local commercial farmers, and other private sector interests.
The municipality of Bathurst became involved in 2000 when five local residents approached municipal officials with the idea of purchasing a farm and its existing pineapple pulping operations with the intention of saving the jobs of those already employed there and in the hope of establishing a development project. After recognizing the potential contribution of the small business to the town, particularly in terms of employment, and the potential alignment of support for such an enterprise with the municipality’s development obligations, an application for funding was submitted to the National LED Fund (DPLG, 2005). The business plan was successful and in 2002, the municipality was awarded R850 000 towards the purchase of the farm, which was priced at R1.2 million. The balance (R350 000) was secured the following year and the farm was transferred into the possession of the new Ndlambe Municipality. Now calling itself Umsobomvu, and with four of the five residents who first approached the municipality now forming the management team, the project has transformed into a business and continues to provide pineapple pulp and pieces to fruit juice processing industries around the country (Dyakela, 2004; Jordaan, 2004).

Since then, Umsobomvu has expanded and remains a viable business as well as a role model for LED projects. Although it operates virtually rent free from within the premises owned by the municipality, it pays all of its expenses from the income generated through the sale of pineapple products. Umsobomvu obtains its pineapples locally from commercial farmers at a cost of 88 cents per kilogram per finished product. Pineapples are delivered on a rotational basis, but there have been certain problems relating to disruptions in the supply chain, especially during the holidays when farmers sometimes do not arrive at the scheduled time with the shipment of pineapples. At its current capacity, Umsobomvu can process up to up to three tonnes of raw pineapples per day or when processed, an equivalent of 80, 20kg boxes of pulp and pieces which are then trans-shipped to
thirteen buyers across South Africa at prices ranging from R50.00 to R72.60, depending on whether transport is included in the cost. The customer usually covers the cost of transport, but in certain cases Umsobomvu is required to take responsibility for delivery of the product. It can cost, for example, cost up to R3000 to ship 125 boxes to Johannesburg. At R24 per box, under circumstances such as these, outside transportation consumes a large portion of the per box profit. Shipping in bulk when possible reduces such expenses, but the purchase of their own lorry remains high on the list of Umsobomvu’s priorities to help reduce costs (Dyakela, 2004).

Figure 3: Monthly Individual Income
Umsobomvu currently employs 24 people from Bathurst, including the four management positions, and 20 employees working in production, some of whom have been employed on the farm for up to ten years. The development initiative highlights the participation of local woman, as the majority of employees, including two from the front office are women. If Figure 3 is again consulted, which shows salaries in the area, Umsombvu’s staff, with monthly salaries ranging from R850 to R1500 per month, employees are amongst Ndlambe’s highest income residents (MDB, 2005). This says a lot for the comparative success of this particular LED project.

In the future, the project is looking towards additional usages and markets for pineapples and their by-products including some discussions about using pineapples in beer-production to be sold in local communities. In addition, the project is also considering making paper from fibres extracted from pineapples leaves and other waste is to be sold primarily within the crafts industry. A
papermaking machine has been donated to Umsobomvu and members have been experimenting with it to obtain a marketable product. The proposed pineapple paper project is currently being marketed alongside the pineapple pulp and pieces at trade shows and exhibitions, where managers have been attempting to broaden the markets for their products. There is the further possibility of composting pineapple waste and selling it as garden fertiliser (Dyakela, 2004).

**Assessment**

The principle lesson to be learned from Umsobomvu is that it represents an example of how the municipality has successfully supported a LED initiative that taps into local resources i.e. pineapples and an existing skills base, i.e. residents previously employed at a commercial pulping enterprise. A large portion of the success is attributable to the fact that the municipality purchased an existing business enterprise and in the process was able to retain jobs at the site and the business has grown to employ others. It also demonstrates the need for municipalities to be approachable as well as to recognize potentially valuable sources of LED, as is the case for Umsobomvu. It was people from within the community who identified the existing business as a source of employment and contacted the local government about starting a municipally supported project. This goes to show that it is increasingly impossible to work in isolation and municipalities need to stay tuned to what is happening within their communities and draw out partnerships with local residents who have ideas on possible LED ventures. Umsobomvu is a typical case of the positive impacts of, and the need for, partnerships between budding entrepreneurs and municipal officials on LED projects.

In addition, it is a further classic example of the need to extend such partnerships and linkages between said entrepreneurs and the business world. Overall, the
viability of LED projects is partly dependent on its ability to be market driven. In the case of Umsobomvu the local municipality appears to have facilitated Umsobomvu’s transition into the free market by purchasing the pre-existing structures. The business is solely responsible for paying its overhead costs and running expenses. More importantly for issues of sustainability however, as a LED project that necessarily involves local participation, it is the local residents themselves who must strengthen existing relationships with and attempt to forge new ones with suppliers and markets; which is why having an existing base to draw from has been so instrumental in this case. Essentially the municipality has contributed to the sustainability and the ongoing success of the project by seeking out business opportunities that have a certain amount of experience to learn from.

This comes in stark contrast to a number of under-performing businesses around the country, in such areas as communal agricultural / livestock projects or women centred sewing groups that simply do not have the necessary skills to operate small businesses. One has only to look at the neighbouring Masipatisane community garden, which although it has increased food security in the area, has not moved beyond the subsistence production level, to see how important entrepreneurial skills and market linkages are. By supporting an already viable enterprise, the municipality has helped would-be entrepreneurs gain a toehold in the market whereby an existing demand for an already marketed product have given them some breathing space to sort out issues related to standards, expand its client base, or tender for new contracts.

Finally, the projects highlights the importance and viability of working with the market as exemplified by the securing of fixed purchase agreements, the operation on business lines and the continued existence of the project as an independent initiative long-after many other LED Fund projects across the country had folded.
The Isitena Brick Making Project

The Isitena Brick making Project represents a second example of a stand-alone type of LED initiative, which is largely independent of support from the local government. Accordingly, the IBP epitomizes such LED principles as partnerships and self-sustaining growth. As with the Umsobomvu Pineapple Pulping Project, Isitena actually predates the forming of Ndlambe Municipality, and was inherited by the new municipality from the Bathurst TLC after the demarcation process in 2001. It is also a second example of a National LED fund-funded development project in Ndlambe that continues to thrive as an independently operating small business. It was under the guidance of former Bathurst Municipality mayor, Mr. Jam Jam Dinisile, that six individuals formed the Isitena in 1996. The group recognized the need to address unemployment in the area and saw opportunities in the development of formal township housing, which fitted with the ANC-led government’s Reconstruction and Development Programme Housing Programme. The municipality applied to the National LED fund on their behalf, and the application was successful, in part, due to the fact the municipality would become a primary market for bricks through its public procurement initiative in sourcing contracts for bricks in RDP housing construction (Jam Jam, 2004; Jordaan, 2004).

Funds to the value of R131 000 from the LED Fund were careful managed by the municipality and helped Isitena grow from a project with an initial membership of six to a successful small business now employing approximately twenty of the area’s residents. The National LED Fund was dispersed in two phases. The first funding phase occurred under the Bathurst TLC in 2000, and second phase under the current Ndlambe Municipality in 2001 (DPLG, 2005). Presently, the Municipality owns the land and leases it to the Isitena for a fee of R100.00 per month, with the condition that Isitena members assume responsibility for their overhead costs. Labourers are currently earning roughly R2000 per month, and if Figure 3 is once
again used as a reference, then employees at the IsitenA also account for some of
highest paid in the municipality (MDB, 2005). It also recently reported earnings
approaching R150 000 per month (Jam Jam, 2005). Instrumental to the success of
the brick making enterprise was its transition as a local government-dependent LED
project, to an independent business in the local housing construction market.

Although faced with an increase in demand for bricks, problems relating to
transportation and delivery served as the impetus for Isitena to seek out
partnerships with local private contractors to assist in meeting the demand.
Additional funding in 2003 enabled the small business to solve their transport
problems and enter the local housing construction market as a fully independent
supplier. Future goals for Isitena include expanding production to Alicedale, in the
adjacent Makana Municipality, where a golf course and housing estates are being
developed. Independently, they have initiated contact with a small brick making
project in Alicedale who are experiencing their own delivery problems. In a reversal
of roles, Isitena is now attempting to form a partnership, where they will assist the
Alicedale project in producing bricks by leasing their equipment and provide training
in the use of the equipment to the Alicedale project employees.

Assessment
Overall, the Isitena Brick Making Project offers a case study in which importance is
attached to the value of local partnerships and linkages between entrepreneurs and
business world. The viability of LED projects is partly dependent on their ability to
be entirely market driven. Reflecting this view, Isitena has been successful in using
the initial Municipal procurement of contracts as a catalyst into the local housing
development market. Regarding the issue of sustainability in LED projects, the IBP
members must actively strengthen existing business relationships, as well as
continue to forge new ones. Identifying areas for improvement, as in the case of
product delivery, are also crucial factors for sustainability.
MUNICIPAL AGRICULTURAL AND COMMUNITY GARDEN PROJECTS

In addition to Ndlambe’s National LED Fund-funded projects, the municipality lists a number of agriculturally based initiatives in its IDP that are of significance in the area. In recent years, the municipality has further identified the extension of commonages and the establishment of community gardens as a means of addressing issues relating to improving standards of living, food security, and micro-business development. By liaising closely with the National and Provincial Departments of Land Affairs and/or Agriculture or by making available under-utilised municipal properties, land has been made available to different development projects and community associations. The Forest Hill Farm and commonage used for the Masipatisane Community Gardening Projects are discussed here as examples of such support.

Forest Hill Farm

Forest Hill Farm is located in the Marselle community of Bushmans Rivermouth close to Kenton on Sea and consists of three initiatives and contains three agriculturally based development projects that the municipality seeks to support. They include a 43-member cattle association, the 7-member Itemba Farming Trust, and the 10-member Masakane Mbeki Women’s Group (Khoathani, 2004).

Local government became involved in 1995 when an association formed of local people from Marselle approached the municipality (then the Bushmansriver Mouth TLC) in attempt to formulate a plan to deal with the perceived unhealthiness of cattle roaming the streets of their community. At the request of the municipality, the National Department of Labour initially identified a neighbouring farm to be purchased and have cattle relocated to. Funds were not
secured in time to purchase that particular farm, but by December 2000, the DOL purchased the 600 ha Forest Hill Farm for an amount of R1.8 million. A management committee was establish to oversee the cattle association and the 43 members moved their 357 head of cattle to this location, where they are collectively tended to and dipped to avoid possible contamination of the entire herd (Khoathani, 2004; Boyce & Lungisile 2004). The cattle association is not an income-generating project and while it has alleviated the problems associated with having cows wandering around residential areas, it has not created any jobs.

400 ha of Forest Hill is reserved for cattle grazing with the remaining 200 ha reserved for the Itemba Farming Trust to be used in the production of chicory and some vegetable. Chicory farming is currently the only commercial operation on at Forest Hill Farm with advance markets assured from SA Chicory located in Alexandria. In 2004, Itemba produced 307 tonnes of chicory at R700 per tonne. They received R42 000 in profit of which each of the seven members received R6000. Due to numerous ongoing challenges such as insufficient fencing, limited access to municipal tractors, ploughs, and other farming implements, in addition to difficulties of accessing water, members have only planted 21 ha this season and are worried about they might not meet quotas set for them by SA Chicory (Khoathani, 2004; Boyce & Lungisile 2004).

The Masakane Mbeki Women’s Group is still very much in the planning stages, but the ten members plan to start either a chicory or vegetable project on some of Forest Hill’s unused land, which they intend to sell locally. The major stumbling block in this case is that the women do not have the start-up funds, they do not have an agricultural background to undertake such a project, and they are unsure how to access the formal market (Khoathani, 2004; Boyce & Lungisile 2004).
Masipatisane Community Garden

The Masipatisane Community Garden is located in the Bathurst area of Ndlambe and began as a gardening skills training project in 1998 coordinated by Masifunde, a local non-governmental organization. The original motivation for developing a community garden was to increase food security in the area and to allow members to sell whatever surplus they generated locally to generate an income. Although some produce is sold in the neighbouring community or to passers-by, much of the produce is consumed by actual members of Masipatisane. The municipality provides the land for the project at nominal leasing rates as well as providing access to water for irrigation purposes. Members also have use of the rotating municipal tractor when it is available.

The number of members active in the community garden varies, with some joining or leaving as they lose or gain interest. Regular membership usually stands at twelve with up to eight people working in the garden at any given time. A small management committee governs the project, with a bookkeeper recording incurred expenses and whatever income they may generate. Most of the members however are over the age of 60 and are from the neighbouring community. None report earning a steady income from working at the community garden; rather it supplements the food supply for their households. Both members of Masipatisane and the municipality would like to see the project grow into a small business supplying fresh produce to local communities, but they are faced with numerous obstacles including lack of seeds and gardening implements, insufficient access to the municipal tractor or the fact that it often breaks down or runs out of petrol, and high incidences of theft or vandalism. Many of the members, speaking on condition of anonymity, identified the biggest challenge as getting more people, particularly the young and unemployed involved in the project so that it may grow into something bigger (data collected, 2004).
The relative longevity of the Masi patisane Community Gardening Project compared to other such projects around South Africa, can be attributed in part to the partnership between the municipality and the members themselves. The provision of land and water from the municipality complemented by the sporadic availability of seeds and farming equipment is sufficient to grow a limited amount of produce that is enough to supplement household needs, while the extra income from the odd sale of surplus is an added bonus. The limited amount of support received by the community garden is enough to keep it operational at the subsistence level while at the same time it also prevents them from entering the open market where there would be considerably more obstacles to face such as finding a market, meeting the demand, providing transport, acquiring more advanced business management skills, or encouraging uninterested people to work for the garden. Furthermore, the members, many of whom or their spouses receive state pensions have at least one guaranteed source of monthly income, and therefore have little incentive to grow the project into something bigger than it already is. In that respect, evidence suggests that Masipatisane has reached a quasi-sustainable level of perceived cost-effectiveness on the part of its members.

Assessment of Municipal Agricultural and Community Garden Projects

The outcomes of providing local residents with increased access to municipal commonage and supporting community gardens are mixed. The municipality is both politically and practically fulfilling its mandate of providing greater access to land, the outcomes of which are having valuable impacts on poverty alleviation and pro-poor development in the area, but at rather high costs. On one hand, R1.8 million was spent (of government funds) on the purchase of a farm where the only visible outcome of any practical consequence is the approximate R42
000 generated by seven people and a community garden staffed by pensioners with little motivation to grow the project into something more market oriented.

Conversely, these initiatives have made numerous, not-insignificant contributions related to improved standards of living within their host communities. If these pieces of land were not available in the first place, current activities would not be taking place on them regardless their cost-effectiveness. The purchase of the Forest Hill Farm has removed (for the most part) cattle from the residential communities improving health standards and has forced cattle owners to act cooperatively with regards to treating their animals. The chicory growers are learning business / entrepreneurial skills and are gaining valuable experience for possible expanded production and job creation in the future. The availability of land now acts as an incentive for residents to undertake some form of development initiative, even if it is only related to growing food for household consumption.
ASSESSMENT OF PRO-POOR LED IN NDLAMBE

This section will use the standard ten-question format to highlight conclusions and emphasize lessons learned in relation to pro-poor LED orientation in the case study of the Ndlambe Municipality.

1. What is the overall pro-poor orientation and impact of the municipality?

The prime focus of pro-poor LED in Ndlambe Municipality is on disadvantaged communities with the purpose of addressing the area’s high rate of unemployment. The more successful projects were originally community-initiated endeavours, which the municipality assisted by applying for national LED funding. The municipality is trying to move in a direction where they have a unified pro-poor strategy, but it is not apparent how far the municipality has come in creating this strategy. Currently, the pro-poor orientation is focused on addressing social service and infrastructural backlogs. The municipality views its ‘off the record’ aid as having the most significant, as well as immediate impact.

Overall, the municipality’s development strategies are overwhelmingly pro-poor orientated. Municipal officials have identified the need to address service and infrastructural inadequacies resulting from Apartheid legacies as one of the municipality’s prime target areas. In this respect, service delivery to disadvantaged communities remains high on the list of local government’s priorities.

Local residents who were searching for some means of poverty alleviation and some way of generating an income started many of the initiatives that the municipality now supports as community-based projects. The fact that the municipality has been consistent in offering assistance to such endeavours is an indication of its commitment to target the poorest sectors on the community. Informal aid supplied on an ad hoc basis complements planned assistance. Its
additional move towards developing a unified pro-poor development strategy is a further sign of Ndlambe’s pro-poor orientation.

Through its aid, the municipality has been successful in supporting the development of two locally operated small businesses that employ a number of the area’s residents as well as helping to sustain issues relating to food security through the support of community gardening projects.

2. What is the degree to which initiatives broader than in-house local government (LG) activities are having an impact in the case study?

Initiatives broader than in-house LG activities are having, to a large degree, a positive impact on LED in the Ndlambe Municipality. The case study LED initiatives within the municipality have community-based, as opposed to local government initiated origins. Many of these initiatives have endured transitions in local government and are now providing additional employment over and above that provided to their original members. The growing tourism industry (over which the municipality has minimal input) is worth mentioning, as it has resulted in a number of construction-related jobs for the provision of accommodation of tourists and second homes for South African residents.

There are a number of growth areas broader than in-house local government activities, which are having a significant impact in the case study, including the development of the tourism industry. According to Young (2004) of the Ndlambe Tourism, due to recent, increased marketing and publicity exposure in the national media, there has been a surge in the demand for holiday accommodation and secondary homes. In the wake of this heightened demand, there have been marked increases in the number of people gaining employment in the construction industry, real-estate and financial sectors, retail and
wholesale, and in the private households of individual operating small guesthouses and B & Bs.

Although much of this related construction development has occurred independently of local government action, there has been limited municipal assistance through an extensive signage campaign throughout the municipality indicating directions to points of interest and accommodation venues. The municipality also provides a certain degree of funding for the tourism office, which has become a vital tool in marketing the area to potential tourists (Young, 2004).

3. Describe the relation between pro-poor LED initiatives and outcomes in the case study

The relation between pro-poor LED initiatives and outcomes has been one whereby on account of the municipality’s actions (primarily through accessing funds to purchase private property or commonage) it has been able to stimulate small business development and job retention / creation for a number of local residents. In addition, as with the case of the Nomzamo Business Hives, which although appear not to be as successful as the pineapple pulping and brick making enterprises, there has been an increase in the number of local residents who have acquired a certain amount of business and entrepreneurial skills / experience in the process.

The increase in the number of small businesses in the area has implied that there is a greater degree of money retention and circulation within the community. This is particularly visible in the case of Isitena, whereby local materials can be sourced locally for the construction of public housing and holiday homes instead of having to bring in bricks from outside sources.
4. What is the cost effectiveness of directly-funded LED activities

From a municipal perspective, (i.e. they are not directly funding themselves) cost effectiveness appears to be a neutral concern, as they are providing pro-poor development at relatively little expense to themselves. As indicated above, there appears to be little balance between inputs and outputs in some of the case studies. From the point of view of the municipality, it is a question of cost effectiveness. The municipality seems to be hesitant to invest resources in developing a project with limited economic potential. However, at what point does the qualitative (social) cost effectiveness outweigh the quantitative (economic) cost effectiveness? For the Ndlambe Municipality, it is not so much a matter of financial cost effectiveness, as it is the desire to attempt something in an effort to combat poverty and provide jobs, regardless the long-term outcomes.

5. Is there coherence between overall LED strategies and pro-poor activities of the municipality?

At present, there appears to be little distinction between LED and pro-poor activities in Ndlambe. Municipal officials do not necessarily see LED as the overall development strategy for the municipality, under which pro-poor sub-strategies would fall. In the opinion of the LED officer and municipal manager, most if not all strategies (service delivery and infrastructural development) currently undertaken by the municipality are conducted in the spirit that the previously disadvantaged must be the primary beneficiaries. The municipality believes that if it makes these and other services available, then local residents will be able to undertake pro-poor development themselves. Currently, there is no identifiable strategy within the municipal IDP to indicate that plans exist for specific investment attraction, industrial development or any other macro-economic development strategies.

6. Is there coherence between activities of local government (LG) and other actors (and partnerships)?
There is a large degree of coherence between the local government and other area stakeholders in Ndlambe. The municipality recently co-hosted a workshop with the GTZ for local role-players to help disseminate information regarding LED into the community. The municipality has recognized the need to bring in additional / outside sources in an effort to help conceptualise and establish a mentality of LED and provide direction for future development policy and strategy. This partnership has yet to solidify, but has the potential to benefit poorer communities and represents the need to tap into outside expertise and experience.

Evidence also suggests that informal relations are developing between commercial farmers and community gardeners in the form of ad hoc use of tractors and equipment as well as a limited amount of farming advice.

7. What type of LED is being used in the case study?
As indicated previously, there is no distinction between the different development ideas, strategies, and policies in Ndlambe. LED is seen more as a general term used to describe a process that is related specifically to community economic development rather than a reference to development of any kind within the municipality. As in the case of the community garden, the municipality does not consider it an LED project due to its subsistence nature. Where the municipality inherited most of the LED projects, the type of LED that is currently used places the municipality in a passive gatekeeper role.

8. What are the implications of the case study for the monitoring and evaluation framework?
There is currently little evidence to suggest that there is an ongoing regular process of monitoring and evaluation of projects in Ndlambe. Other than the IDP review phase and occasional encounters with project members, municipal contact with the
projects is variable. In addition, staff at the Umsombomvu project has indicated that they would prefer more regular interaction with municipal officials.

9. How is LED being used as part of a response mechanism to socio-economic change?
Local economic development is an extremely valuable response mechanism to contemporary socio-economic realities for Ndlambe. Local municipal officials appear dedicated to understanding it better, sharing its theories with local stakeholders, and developing an appropriate LED strategy. They understand that it is a necessary part of transformation in South Africa, but are constrained by uncertainties, institutional obstacles, lack of guidelines, and insufficient experience in the field.

The municipality also recognizes that whatever LED response it undertakes will have a limited impact, but view it as a move forward in addressing inequalities. Municipal officials see service delivery as part of their LED mandate and an essential mechanism for improving socio-economic conditions within impoverished communities. Similarly, the municipality is trying to communicate the idea to local residents that LED is also a mechanism through which they may address their own socio-economic needs.

10. Key lessons from this case study for policy and practice in South Africa
One of the most important lessons learned from the Ndlambe case study, particularly with reference to the pineapple pulping and brick making enterprises, is that they are unique projects that operate on the strengths of existing local resources and contact networks. They are not trying to replicate other initiatives in the area such as poultry projects or craft projects, which often struggled due to a combination of limited business experience and an equally limited market. The pineapple pulping business has the obvious benefit of being located in a
pineapple growing region, but also has the added benefit that is had a long established history before it was acquired by the municipality as a LED project. There was a definite multi-sourced market and seemingly growing demand for the product, a pool of experienced labourers, and a number of capable locals willing to push the product forward. The Isitena Brick Making Project has the apparent advantage of a member who is a former municipal official as a project manager, who, is experienced in manipulating existing contacts and networks. Further, Isitena produces a product that is in demand in both the public housing industry and the growing demand for tourist accommodation and holiday resort homes. Both projects operate on business principles and have succeeded in a competitive market which other projects seldom are able to penetrate.

**Concluding Comments**

In conclusion, pro-poor development in Ndlambe, particularly with reference to the Umsombomvu Pineapple Pulping Project and the Isitena Brick Making Project, represent a successful outcome for LED funded initiatives not only within the municipality but for the entire country. Seldom is it seen that development projects succeed in making the transition to the open market, with much of the credit going to the municipality for facilitating the process. Overall, both projects are unique in how they were conceived and how they currently operate, but they share many important similarities the foremost of which are the presence of pro-active municipal officials and the ability to provide a readily marketable product and to operate in a business-like fashion. In this respect, the LED activities of Ndlambe offer important lessons to other municipalities across South Africa.

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