THE ROLE OF THE DEVELOPMENT CORPORATION AS A DELIVERY INSTRUMENT OF THE RECONSTRUCTION AND DEVELOPMENT PROGRAMME (RDP) IN THE NORTHERN PROVINCE

by

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DECLARATION

I hereby declare that the dissertation submitted for the MASTER OF ARTS degree to the Rand Afrikaans University, apart from the help recognised, is my own work and has not been formerly submitted to another university for a degree.

B G MNISI

1996.12.12
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ABSTRACT

The complexity and nature of South Africa's socio-economic problems have stirred the need for an innovative approach and strategy towards development. The African National Congress's Reconstruction and Development Programme (RDP) has therefore been adopted by the Government of National Unity in 1994 to redress injustices and imbalances in our society, many of which have been created by apartheid.

The past saw the formation of 'homelands' and the subsequent establishment of development corporations which were meant to drive 'development' in these areas. The new democratic dispensation therefore calls for these institutions to appreciate the shifts in development thinking, thus aligning themselves with the RDP.

This study therefore looks at the role which the development corporations can play in the implementation of the RDP. This however, does not suggest that they are the only institutions able to do so, but that their transformation could result in them making a positive contribution to this Programme. Specific reference to the Northern Province, being comprised of three former homelands, is made in the study. Much emphasis is placed upon how the provincial development corporation (established through the merging of the three former corporations), can apply the principles of the RDP, as well as contribute towards the implementation of its key programmes. Strategies and approaches are proposed in this regard.

OPSOMMING

Die aard van die sosio-ekonomiese probleme in Suid-Afrika het die behoefte vir 'n innoverende beskouingswyse en strategie tot ontwikkeling genoodsaak. Die African National Congress se Heropbou en Ontwikkelings Program (HOP) is dus deur die Regering van Nasionale Eenheid aangeneem om ongeregtigdighede en ongelykhede in ons samelewing, sommige veroorsaak deur apartheid, aan te spreek.

In die verlede is tuislande gestig, en daaropvolgend
ontwikkelingskorporasies. Die doel van dié korporasies was om 'ontwikkeling' in die 'tuislande' te stimuleer. Die nuwe demokratiese bedeling vereis derhalwe dat hierdie instellings die verandering in ontwikkelingsdenke moet deurloop, ten einde meer in lyn te kom met die ontwikkelingsdoelstellings soos vervat in die HOP.

Hierdie studie ondersoek dus die rol wat die ontwikkelingskorporasies kan speel in die uitvoer van die HOP. Daardeur word nie bedoel dat hulle die enigste organisasies is wat daardie rol kan speel nie, maar dat hul gedaanteverwisseling kan meebreng dat hulle 'n positiewe bydrae kan lewer tot die HOP. Spesifiek word daar verwys na die Noordelike Provinsie, wat drie voormalige tuislande omvat. Onderzoek word ingestel na hoe die nuwe provinsiale korporasie (wat moet onstaan deur die samesmelting van die drie voormalige ontwikkelings korporasies) te werk moet gaan om die beginsels van die HOP, asook die uitvoer van die HOP se sleutelprogramme, te bewerkstellig. Ten slotte word enkele strategieë en uitgangspunte voorgestel wat oorweg kan word vir die implementering van die HOP in die praktyk.
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CHAPTER 1

1.1 INTRODUCTION

A number of socio-economic indicators confirm that South Africa faces huge development challenges such that the issues of socio-economic empowerment and growth have been placed high on the agenda of the Government of National Unity (1994-1996).

The system of apartheid can be blamed for many of the socio-economic evils which the country faces. The United Nations Development Programme (UNDP 1994: 98) states that:

"The very fact of apartheid has made it difficult to obtain reliable data on disparities between blacks and whites. In the mid-1970's the government stopped publishing data on the nominally independent 'homelands' (home to one-quarter of the black population). But even the data available give a striking picture of inequality. The overall Human Development Index (HDI) for South Africa is 0.650 - but that for whites is 0.878, while for blacks it is 0.462. If white South Africa were a separate country, it would rank 24 in the world ... Black South Africa would rank 123 ..." (UNDP 1994: 98).

Poverty and inequality in South Africa are the results of development approaches which were aimed at making the policy of 'separate development', a pseudonym for apartheid, workable. The proclamation of 'homelands', was a clear indication of the development thinking which steered socio-economic and political policies at the time.

Van der Waal argues that: "The homeland policy was a political instrument to prevent the urbanisation of the African rural population in the metropolitan areas" (1994: 86).

The effect of these policies was that: "From being relatively self-sufficient in the previous century, the African popula-
tion of the country experienced a process of loss of resources and political power" (van der Waal 1994: 91). It was clear that blacks were needed in urban areas only to serve as cheap labour. As van der Waal puts it: "Economic integration into the growing South African economy went through several stages: agriculture, mining and industrialisation. Throughout, the role of African people was to provide unskilled labour" (van der Waal 1994: 92).

The socio-economic realities which the rural part of our population faces today, result in the perpetuation of underdevelopment which requires that the rural people in particular should have enough resources to empower themselves so as to be able to break away from this cycle of underdevelopment.

The Reconstruction and Development Programme (RDP) as adopted by the Government of National Unity (GNU), has been formulated as a policy framework to address exactly the socio-economic problems referred to above. It has been designed to restore dignity to human life, to redirect resources, refocus development, and engage people in their own development. However, while the RDP appears attractive on paper, making it work in reality remains a challenge.

1.2 RESEARCH PROBLEM

Apart from some disagreements about its funding and its feasibility, most South Africans support the ideals of the RDP and the real need for some sort of reconstruction and development policy. The key to its success lies in the hands of the structures and institutions established to spearhead and facilitate development on the ground.

Many private and public institutions are today engaged in a process of redefining and reevaluating their present and fu-
ture roles and contribution within the context of the RDP. In this regard the public sector, in particular, has come under the spotlight. Significant initiatives have however been made to transform and restructure this sector. The homeland development corporations, as parastatals are no exception. A number of provinces have therefore embarked upon a process of transforming these institutions to make them meaningful delivery instruments of development.

The corporations have historically come under heavy attack for lack of accountability to the people they serve. Despite their almost twenty-year existence, the areas which they served, still leave much to be desired. The Human Sciences Research Council (HSRC) in Spier (1995: 38) reports that even though, in percentage terms, people living below minimum living standards in South Africa have decreased from 50% in 1980 to 42% in 1990, absolute numbers have increased from 14,7 to 17,1 million. Eleven million of the 17,1 million live in rural areas and the remaining 6 million almost equal the number of squatters. The report continues to state that: "Today 18 million people live below the minimum wage level of R750 per month per household ".

The development corporations can however not accept sole responsibility for these depressing figures. As it has been indicated, other adverse political and socio-economic forces have played a role in this regard.

This poses a challenge to whoever will be entrusted with the delivery of development. As the homeland development corporations have been inherited by the new dispensation, the big question now is: 'Will these institutions be able to assist with the delivery of the RDP?'. Despite all the criticism that these institutions have received, it remains my conviction that room still exists for them to be transformed into meaningful delivery instruments of development.

- 3 -
1.3 PURPOSE OF THE STUDY
This paper will therefore deliberate on the role which the development corporations can play in the delivery of the RDP. Development strategies and approaches which can be pursued in ensuring that they contribute meaningfully towards the development process, with specific reference to the Northern Province, will be investigated.

1.4 RESEARCH METHOD
The study was conducted by means of two methods. Firstly, the study of literature provided much of the data outlined. Relevant periodicals, which include daily publications, also served as valuable sources of data. An effort was made to rely on current sources, though not ignoring the significance of the vast information and knowledge contained in earlier publications.

First hand knowledge and practical experience as an employee of the Northern Province Development Corporation, as well as other information gathered by means of discussions with staff from within the development corporation, community structures, as well as individuals in continuous contact with the corporation, form vital links and contributions to the study. The ideas gathered in the process also play an important role in the arrangement of the text, and in the formulation of recommendations outlined in 4.2.

1.5 CONCEPTUALISATION
The two main concepts of the study, viz., 'reconstruction' and 'development' need to be defined and understood before commencing with further deliberations.
1.5.1 RECONSTRUCTION

To reconstruct means to rebuild that which has been destroyed. The question is, 'What is it that needs to be rebuilt or reconstructed?'. The RDP document of the African National Congress (ANC) (1994: 75) identifies the South African economy as being in a structural crisis and therefore needing fundamental reconstruction. A number of factors can be identified as the prime causes of the economic problems faced by South Africa.

Unequal patterns of distribution of income and wealth exist due to systematic exploitation, oppression and deliberate exclusion of black people from the economy. Regional disparities exist within the economy because of enforced segregation and industrial decentralisation. Black communities were located along ethnic lines, in areas where their economic viability was threatened, so that the reintegration of these people of the former homeland "reserves" with the rest of the country and their emancipation will need a special and sustained effort on a national level (van der Waal 1994: 86). A few provinces now carry the burden of the bulk of national production. International isolation and sanctions have also inflicted harm on the South African economy. The manufacturing sector of the economy cannot compete in world markets, therefore making the country remain dependent on mineral exports.

According to Hunter (1995: 237): "the world's most advanced economies have followed a development path which saw them from being initially primary producers, through to having a dominant manufacturing industry and other secondary sectors, and finally having a structure which consists very largely of tertiary and service activities". Such a development path and phases of change in economic structure are considered appropriate, so that South Africa needs to improve its manufacturing capabilities to increase its share in export markets of processed goods.
The small, medium and micro-enterprise (SMME) sector could not maintain a dynamic and vibrant role in the economy due to repressive and racist policies. South African labour is regarded as militant due to oppressive labour laws and poor working conditions, as well as the then prevailing political situation. As a result, foreign investors are a bit sceptical about investing in South Africa. Lack of skills and capacity also form major obstacles to the development of a modern economy able to support a decent living standard for the people. The South African education system has only one exit point - matric - which is not structured to teach operational skills.

Cook (1995: 280) sees capacity in people as taking the form of education, training, experience, knowledge, networks and values. Lack of capacity places a limit on performance. For South Africa, therefore, to rebuild a sustainable economy, there is also a strong need to invest in building the human capacity through an integrated effective management system, viz. politically, economically and socially.

This can also help in curbing the current population growth rate. Appropriate changes in the structure of economic activity can only succeed if there can be a declining proportion of the population below some measure of absolute poverty to ensure that improvement in the distribution of income and wealth are realised. Environmental Monitoring Group (1993: 85) as quoted by van der Waal (1994: 91) argues that rural people are often blamed for having too many children. "The problem is not so much the number of children, but the lack of resources, the poverty which these people experience. It is important to realise that the high population growth rate of 2,8% in the most disadvantaged sector of the population is directly linked to the amount of economic security that the population perceives itself to have ... If economic security is low, its absence is compensated for by strategies of social security of which kinship links form the most important part. Children mean available household labour and support in old age. Only
social and economic upliftment will change the present alarming rate of population growth in this sector" (van der Waal 1994: 91).

Another problem which justifies economic restructuring, as defined by Mazwai (1995: 36) is that the economy is still protectionist and top heavy, with entry virtually limited to the very strong. Even overseas investors, let alone local blacks, complain about difficulty of getting into the economy. The Minister of Trade and Industry, Trevor Manuel, argues in Mazwai (1995: 36) that the Sanlams, Barlows, Old Mutuals, Anglo Americans and Rembrandts have not made the economy competitive and growth-orientated. Instead, they helped apartheid South Africa become self-sufficient to the benefit of its white minority, and to survive overseas pressures for a long time. This is illustrated by the extent to which South Africa participates in international trade and investment flows, in which South Africa is ranked 43rd by the World Economic Forum (Mazwai 1995: 36).

According to Mazwai (1995: 36), Manuel indicates that some of the impediments in the economy, all directly linked to labour, can be summed up as low labour and capital productivity, limited demand, protectionism, risk and competition aversion, and little competition in the domestic industry.

All these factors impact negatively on the economy's competitiveness, so that its restructuring is essential if an economy of low usages, low consumption, high unemployment, an old technology base, and the export of primary goods, is to be turned into one of high leading edge in manufacturing and exports base.

1.5.2 DEVELOPMENT
Development refers to the process by which some system, place, object or person is changed from one state into another; the
term carries the connotation that the change is in the direction of growth or improvement. Many forms of development are invisible, but most developments become visible eventually through changes in the visible environment which follows from invisible societal or personal changes (Jones et al 1990: 123).

Economic development involves the expansion of the economic base of a region or nation, an improvement in the work skills of the population, and the fostering of technical innovation in production processes. Such development is made visible through the demands made for new and different styles of workplace, and the demands made upon social facilities by the raised incomes of the population. Industrial, agricultural and commercial developments are all encompassed by economic development.

Social development results from improvement in the quality of life for people in particular geographical areas or social groups (especially in the fields of health and education) and an increase in the confidence and capability of a group to participate in decisions about its own future. Community development is a component of social development (Jones et al 1990: 123).

Physical environment development involves planning and provision for rising expectations and capabilities by ensuring that the built environment is able to accommodate these new expectations (Jones et al 1990: 123).

From the definitions which Jones et al ascribe to economic and social development, it becomes clear that the two are interdependent; i.e. we need to refer to socio-economic development. The implication is that the success of the latter only becomes evident when visible improvement occurs in the lives of ordinary people. This is an important factor in the discussion which follows.
According to van der Kooy (1985: 19), the following approaches in development thinking, since the Second World War, can be observed:

"- the growth approach;
- the employment creation approach;
- the income distribution approach; and,
- the basic needs approach"

1.5.2.1 The growth approach
This approach began in the 1950's and was based upon the premise that an increase in the gross national product (GNP) or per capita income can eradicate poverty. Economic development was regarded as having the same meaning as growth.

According to Todaro (1989: 87) "... development in the 1960s and 1970s was nearly always seen as an economic phenomenon, in which rapid gains in overall and per capita GNP growth would either 'trickle down' to the masses in the form of jobs and other economic opportunities or create the necessary conditions for the wider distribution of the economic and social benefits of growth".

According to Beukes (1992: 217) it was accepted that industrialisation and commercialisation were instruments which could make this 'trickle-down' a success. This "... implied a large scale shift of the centre of gravity of economic activities, away from agriculture and the rural environment towards industry, services and the urban environment" and it was called "getting rid of the farmers".

This was one of the short-comings of this approach because a sound agricultural base provides a firm foundation for the success of the other sectors. This approach is therefore unsatisfactory in using growth as the main target of development strategy and as the sole criterion for success or failure.
This is due to the inability of this approach to address the crucial concerns of the population in poorer countries, such as the increasing rate of unemployment, inequality and the decline of real income among the poorest. The benefits of high growth do not necessarily trickle down to the poor.

1.5.2.2. Employment creation approach
According to van der Kooy (1985: 22), "In 1969, the International Labour Organisation (ILO) formulated the World Job Opportunity Programme in which productive employment was a priority".

This was due to the realisation that meaningful development only takes place when there is also socio-economic problems such as poverty and unemployment. The Programme held the view that benefits from growth could only be distributed to the wider society through job opportunities, especially in labour-intensive methods in the rural subsistence sector.

Todaro (1989: 87) explains it as "'redistribution from growth' ... as economic development came to be redefined in terms of the reduction or elimination of poverty, inequality, and unemployment within the context of a growing economy".

However, this strategy contained some shortcomings, e.g.:

- the provision of services such as health, education and sanitation to the poor did not form part of the strategy;
- the most serious problem was not unemployment as such, but rather people working long hours and not being able to afford the basic necessities of life;
- high productivity benefited the rich instead of the poor; and,
- employment opportunities created in the cities gave rise to massive migration to urban areas, creating more social
1.5.2.3 **Income distribution approach**

This approach laid much emphasis on how poor people could get a share of the economic wealth of a country. The redistribution could occur by means of:

- rationalisation of land ownership;
- progressive taxation, and subsequent assistance to the poorest; and,
- redistribution before growth, through which access to the most crucial production factor had to be redistributed to increase productivity" (van der Kooy 1985: 23).

However, this approach had little impact on improving the plight of the poor in less developed countries because they were either "ineffective or politically unacceptable", e.g. the notion of redistribution before growth is just not possible, as economic growth is necessary first to create the economic 'cake' which can be redistributed afterwards (van der Kooy 1985: 23).

1.5.2.4 **The basic needs approach**

This development strategy is "... the most applicable to the present situation in Southern Africa" (van der Kooy 1985: 23). This approach has five main characteristics similar to those proclaimed by the RDP:

- "the satisfaction of basic needs", viz., "private needs such as clothing and food, and the essential community services such as clean drinking water, sanitation, health and education";
- "development for, of, and by the people";
- "total development", i.e. "the whole person is to be developed, economically, socially and politically";
- "development from within", i.e. "specific social, historical, and cultural backgrounds of each country must be taken
into account ... Maximum use of local physical and human resources must be made ... Imports and outside knowledge should only be utilised when they are not locally available";

- promotion of grassroots development and appropriate technology. Extensive use of appropriate technology which makes maximum use of available resources like excess labour, is encouraged.

Todaro (1989: 89) supports the basic needs approach in defining development. He identifies three core values which should serve as a conceptual basis and practical guideline for understanding the "inner" meaning of development. These are:

- "life-sustenance: the ability to provide basic needs". The primary aim of economic activities should be to fulfil the basic needs of the under-privileged and the poor, such as food, shelter, etc.;
- "self-esteem: to be a person". Development should promote a sense of worth, dignity, and respect in the lives of people;
- "freedom from servitude: to be able to choose". Development should also entail emancipation from evils of society such as ignorance, misery, etc.

This trend in development thinking indicates that the consensus centres around the notions of sustainability and independenceconsiderations relating to quality of life accompanying economic growth. That is, ensuring that basic needs are being met, that the resource base is preserved, that there is a sustainable population level. Communities are empowered through an integrated decision-making process thus enabling them to be self-reliant and independent. Development "... therefore becomes the focus of the aspirations of the people, representing the direction defined as being the most desirable by the people. This is the reason why they have to participate in making fundamental choices" (Coetzee 1992: 8).
1.6 INTEGRATE RECONSTRUCTION AND DEVELOPMENT

With the exception of the basic-needs approach, the commonly held view by the other approaches is that economic growth and development are separate processes. Growth is seen as a priority that must precede development, which is portrayed as a marginal effort of redistribution to areas of poverty, thus making development a concomitant of economic growth. But in terms of the RDP, reconstruction and development form a coherent whole and are inter-dependent. A growing economy must simultaneously provide access to basic needs such as food, housing, electricity, water, transport, health, telecommunications, education and training. In turn this will lead to an increase in output in all sectors of the economy. This therefore means that all agents of development, including the development corporations, could do well by adopting the basic-needs approach to development.

A careful study of the reports of these institutions reveals that they have erroneously been following the employment-creation approach to development. They measured job creation in terms of quantitative measures such as the number of loans given at that time. Qualitative elements such as work satisfaction, independence and sustainability of the jobs in the long-term were of no importance (Seota 1991: 2). The deeper meaning of development as proclaimed by the basic needs approach was neglected. The socio-economic indicators, especially in the Northern Province, prove that the approach followed by the three former homeland development corporations did not really address the problems experienced by the people in the province. There is therefore a challenge for the envisaged integrated development corporation to follow the basic-needs approach in its effort to spearhead development in the province. As more sustainable jobs are created, they will also contribute to the rebuilding of the economy.
It would definitely be a fruitless exercise to have a 'reconstructed' economy which fails to show some or even any improvement in the real incomes of those at the bottom of the socio-economic ladder, or an actual decline in unemployment and inequality. Seers in Todaro (1989: 87) poses the basic question about development:

"The questions to ask about a country's development are therefore: What has been happening to poverty ... unemployment and inequality?. If all three of these have declined from high levels, then beyond doubt this has been a period of development for the country concerned. If one or two of these central problems have been growing worse, especially if all three have, it would be strange to call the result 'development' even if per capita income doubled."

Apart from the Eastern Cape, the socio-economic situation in the Northern Province is the worst in the country. The eradication of poverty and inequality thus becomes a priority. Development planning to address these problems depends on the availability of relevant and current data. Development research, discussed in the following section, is thus the key.

1.7 RESEARCH FOR DEVELOPMENT

The issue of the development of people is today widely recognised as a central and overreaching concern which also demands a scientific approach and mechanism. This recognition is accompanied, and made more problematical, by the growing emphasis on a more holistic approach to the definition and practical handling of the problem. Apartheid-created structures and institutions, including the homeland development corporations received much criticism due to the dissatisfactory results obtained from their development efforts. These disappointing results can also be attributed to the theoreti-
cal stereotypes and models of development which provided the foundation for the ethnic corporations' approach to development. A new paradigm is therefore necessary, viz. development research.

1.7.1 WHAT IS DEVELOPMENT RESEARCH?
"Development research includes all those scientific efforts that provide more insight into the meaning and explanation of the situations of development and underdevelopment (especially in their relation to one another) and can provide alternative approaches to overcome the complex causes and results of the poverty and misery that are the hallmarks of underdevelopment" (Beukes 1992: 405). Indeed, if true development is to take place in the Northern Province, the development corporation must involve itself vigorously in this field, and in such a process passive objects must become active subjects of change, whereby their ability to participate in decisions affecting their development could be enhanced.


"The first was that up to the present, the approach to development in this country has focused heavily on the technical or operational side of its acceleration. It has had the effect of largely neglecting the holistic human purpose of the effort. It has stressed that a reorientation in this regard would not only entail extension of the current efforts, but it may have fundamental bearing on the entire way of approaching the issue. The second was a unanimous agreement that there is substantial need for further research of all kinds in the development field. The important qualification was added that it should primarily be orientated to the concrete practice and problems of development efforts and furthermore address the immedi-
ate question of what action to take in the short and longer term" (Beukes 1992: 404 - 405).

In support of the idea of development research is Morgan (Mou- ton 1992: 388):

"Knowledge may serve to explain empirical facts, help us to understand meanings, allow us to act more appropriately, empower in a liberating way, reveal links between everyday reality and the structural logic that produces and reproduces that reality, advance specific political interests, and so on. In broadening our view of knowledge in this way, we are obliged to reframe the process of evaluation in a manner that supplements the purely technical considerations ... with considerations that recognize that the significance of knowledge is not simply epistemological, but ideological, political, ethical and moral as well."

To make development research work, the development corporation must take it as a process of participatory involvement with the people studied. "The central ideas of participatory involvement, encounter and dialogue with the research participants are illustrated" by Reason and Rowan, as quoted by Mou- ton (1992: 387 - 388):

"New paradigm research involves a much closer relationship than that which is usual between the researcher and the researched: significant knowledge of persons is generated primarily through reciprocal encounter between subject and researcher, for whom research is a mutual activity involving co-ownership and shared power with respect both to the process and the product of the research."

This implies that in any development effort, the development corporation must identify with the community it serves, thus enabling them to give direction to the process by giving inputs and ideas.
1.7.2 WHY DEVELOPMENT RESEARCH?

As we have a new dispensation, it is clear that the development efforts of the past, particularly the theoretical and ideological approach which was fuelled by apartheid thinking, cannot continue to go unchallenged. The development corporation therefore must come to grips with the shifts in development thinking. The corporation must continually collect and analyse the facts about the development experience of the people it serves. This will ensure that the corporation adopts relevant and appropriate strategies aimed at developing people, and that issues that are of prime importance to the people are not placed low on the priority list of the corporation. The corporation's achievements and failures can also be evaluated in terms of data collected from the communities it serves.

Apart from the above argument, "... other factors point to the necessity of reconsidering the strategies which have been followed up to the present. The most pressing of these is the need for ... (each province in the country) to provide its inhabitants with opportunities for entrepreneurship and employment based on its own potential" (Beukes 1992: 406). The Northern Province has its own peculiarities which need to be considered in any development strategy. Sub-regional differences also have to be taken into account when handling development problems. Development research can thus help in providing up-to-date and relevant data to guide any development effort. Beukes (1992: 408) is of the same opinion and states that "... diagnostic techniques to quantify and identify constraints to increase agricultural production have not been well developed in Southern Africa. Without these micro-structures (including farm systems research), researchers may be looking for answers to the wrong questions and policies may continue to be made without a realistic understanding of their
As development involves a number of socio-economic factors, some of which are complex, it is therefore necessary that the development corporation designs a research system for itself which can help to identify the total complex of development problems in the Northern Province and attempt to highlight priorities in terms of what the people feel and need. Supportive expertise in this field can also be acquired from the University of the North and the University of Venda, which obviously have a keen interest in the development of the Province.

1.8 OUTLINE OF THE STUDY
Chapter 1 outlines the research problem, the purpose of the study, conceptualisation as well as the methods used in the study. This is followed by a discussion on the need for development research.

Chapter 2 gives an outline of the Northern Province and explores paths which the development corporation can follow in applying the basic principles of the RDP.

Chapter 3 investigates the development corporation's contribution towards the key programmes of the RDP. The areas of human resources development, small business development, agricultural development and housing provision are explored.

Chapter 4 makes some recommendations which are considered essential to the success of the RDP. Concluding remarks are also made.
CHAPTER 2
THE NORTHERN PROVINCE IN PERSPECTIVE, AND THE RECONSTRUCTION AND
DEVELOPMENT PROGRAMME PRINCIPLES AS APPLIED BY THE DEVELOPMENT
CORPORATION

2.1 INTRODUCTION
Socio-economic indicators illustrate that the Northern Province faces huge development challenges which require concerted efforts to meet. It is therefore vital to give an exposition of the province before commencing with a discussion on how the development corporation can go about implementing the RDP principles. An understanding of the socio-economic situation in the province is indeed essential in guiding the approach which needs to be followed in the implementation of the RDP principles in the province.

2.2 THE NORTHERN PROVINCE IN PERSPECTIVE
The Northern Province (Map 2) forms the extreme northern part of South Africa (Map 1). It comprises the former homelands of Venda, Lebowa and Gazankulu, as well as the northern part of the Kruger National Park (Ligthelm et al 1995: 15). It shares common borders with Zimbabwe in the north, Mozambique in the east, and Botswana in the west.

The province has a total population of 5,247 million, of which 5,104 million (97%) is black (Table 1). It has the highest annual population growth rate of 3%. Females constitute 53.9% of the population. The economically active population (15 years and above, excluding students, retired persons and all other persons that cannot be classified as employees or unemployed persons) is 52% or 2.5 million, of which 47% (1.32 million) is unemployed (Central Statistical Services (CSS) 1995: 1-4) (Figure 1 & Table 3), and has the second highest rural unemployment rate in the country, at 50.7% (Figure 2). Erasmus (1993: 2) indicates that the literacy ratio in the province is
32%, while the annual per capita income of R725, 60% of which is spent on food, is by far the lowest in the country. Differences in income levels between the former homelands and the rest of the province are as large as 1:12 (Erasmus 1994: 71), while income differences between blacks and whites are the greatest in the country where the average black receives 8% of the average white's personal disposable income (Ligthelm 1995: 60).

Infrastructure such as electricity, telecommunications, transportation, etc. is either lacking or poor, especially in the rural areas.

The merging of the three former homelands government departments and the former Transvaal Provincial Administration, has inflated the provincial government with many civil servants. In 1994, the most important sectors in terms of employment in the province were community services (41.2%), agriculture and forestry (22.4%) and wholesale and retail trade i.e. commerce (15.5%) (Table 2). These statistics justify the point, as argued by Nkoana (1994: 3-4), that manufacturing is one sector deserving attention. He states that the Province is endowed with the most precious minerals e.g. gold in Giyani, platinum in Driekop, and diamonds in Venettia. These minerals are currently extracted, and transported to other areas for further processing without any local benefit. There are also tons of minerals from neighbouring countries in the North which pass through the province to the harbours without any benefit. Similarly, the province is the largest producer of certain agricultural output like tomatoes, but there is no factory manufacturing tomato sauce in the province. This situation will have to be reversed. The Northern Province, as the gateway to the rest of Africa, has a situational advantage which must be exploited in terms of trade and tourism.

Erasmus (1994:72) highlights the fact that the province exports primary products and imports manufactured goods and
services, and that impressive economic growth of 6% per year was achieved from 1980 to 1988. This was due to the provision of community social and personal services.

The above data indicate that the province is faced with many development challenges. One observable contributing factor is the discrepancy between the province's relatively small economy and the fast growing population. The fact that a sizeable share of personal income is obtained from non-productive government employment, brings into question the long-term sustainability of the province's economy.

This therefore again poses a challenge to the agents of development, particularly the development corporation, to focus primarily on those sectors which contribute to giving a deeper meaning to development, thus making the RDP a reality.

The RDP principles and programmes are outlined in the following section. This then forms the basis for a discussion which argues that these core areas of the RDP need to inform the policies and strategies of the development corporations. The new transformed corporation will thus be founded on the philosophy of the RDP, and will be the ideal structure to implement the RDP in the province.

2.3 THE DEVELOPMENT CORPORATION AND THE RDP PRINCIPLES

It is a prerequisite for any organisation involved in development, to understand clearly what the RDP entails. It is therefore of utmost importance that the development corporation, as one of the main agents of development in the Northern Province, should consider the following core areas of the RDP:
- the six basic principles; and,
- the key programmes.

The RDP document (ANC 1994: 4-7) indicates that the following basic principles "... make up the political and economic philosophy that underlines the whole RDP ... They are:

- 21 -
an integrated and sustainable programme;
a people-driven process;
peace and security for all;
nation-building;
linking reconstruction and development; and,
democratisation of South African society."

The key programmes of the RDP are:
"- meeting basic needs;
- human resources development;
- building the economy;
- democratising the state and society, and
- implementing the RDP." (ANC 1994: 7)

These two core areas of the RDP are interlinked. This means that the process of implementing the key programmes should be guided and governed by the basic principles as outlined. The development corporation, as an agent of development in the Northern Province, has the capacity to contribute to the implementation of the programmes of the RDP. It is of utmost importance that the corporation should uphold these principles during implementation. In the following sections, an attempt will be made to explore what the development corporation can do in implementing the RDP.

2.3.1 INTEGRATION, RESTRUCTURING AND RATIONALISATION OF HOMELAND DEVELOPMENT CORPORATIONS

The Northern Province has inherited three former homeland corporations of Lebowa, Venda, and Gazankulu. Under the new dispensation, these institutions can no longer operate as different entities. Therefore the need for their integration into one provincial development corporation is imminent. Such a process should be coupled with restructuring and rationalisation, as this is a necessary and important step in streamlining them into one cost-effective, result-orientated, and productive development institution. Rantao (1995: 8) indi-
icates that even though these homeland development corporations have been involved in 'development', they cannot be entrusted with the delivery of the RDP before undergoing a restructuring process. Their approach was based upon and governed by distorted priorities. They were established along ethnic/racial lines, which is against nation-building. They received money from the government without any direct input from the people they served on how the money should be spent. Some of them were also run by unskilled and incompetent managers, whose aim was to please the former governments, rather than the people they were meant to serve. Van der Waal (1994: 95) highlights that the importance of budgetary aid from the central government to the homeland administrations limited their authority in important ways and forced them to conform to the wishes of Pretoria.

It would therefore be improper and irrational for the new government to legitimise them, by continuing to 'pump' money into them and thus, 'adopting' them without undergoing a meaningful restructuring process. It would be equally risky to give them a new mandate in terms of the RDP until such time as they are transformed into lean and efficient institutions, thus making them more responsive to the communities they serve. This process will also ensure that they are financially viable, more transparent, cost-effective and ready to implement the RDP.

2.3.2 TOWARDS AN INTEGRATED AND SUSTAINABLE APPROACH TO DEVELOPMENT

As one of its basic principles, the RDP regards an integrated, coherent and co-ordinated approach to development as a means of overcoming the legacy of apartheid (ANC 1994: 4). Deprivation cannot be overcome with piecemeal and uncoordinated policies. Coetzee & Ligthelm (1992: 353) agree by stating that development is "... a multi-dimensional process in which economic factors are important as well as other dimensions such as the social, physical, technical, institutional and ecologi-
cal aspects". This therefore poses a challenge to the development corporation to re-orientate its resources toward an integrated approach to development. Coetzee & Lighthelm (1992: 353) go on to say that:

"Apart from emphasizing the different dimensions of development, the comprehensive approach also points to the significance of the interplay of economic and other forces ... on economic development. It acknowledges the integrated nature of development. This includes the integration between decision-makers, planners, development practitioners and the population, as well as the integration of different sectors of the economy in the development process. Apart from the comprehensive and integrated nature of the development process, it has also become clear that the fundamental concern of development is people and their needs".

The change in emphasis to the people-centred approach is well illustrated by Todaro's (1989: 90 - 91) formulation of the three vital objectives in all societies:

- "To increase the availability and widen the distribution of basic life-sustaining goods such as food, shelter, health and protection";
- "To raise levels of living, in addition to higher incomes, the provision of more jobs, better education and greater attention to cultural and humanistic values, all of which serve not only to enhance material well-being but also to generate greater individual and national self-esteem"; and,
- To expand the range of economic and social choice to individuals and nations by freeing them from servitude and dependence not only in relation to other people and national states, but also to the forces of ignorance and human misery".

The above objectives indicate the need for the development corporation to give priority to "development for people and development of people" (Coetzee & Lighthelm 1992: 353).
Coetzee & Ligthelm (1992: 353) expand by indicating that "The integrated approach also emphasises the development of all human beings, while development of the whole human being entails satisfaction of lower order needs (physical) and higher order needs (such as self-esteem). The scarcity of resources, the number and variety of needs and the extent of poverty, unemployment and income inequality in LDCs, however, suggests that we should start with the satisfaction of basic needs".

2.3.3 BASIC NEEDS SATISFACTION
The basic needs or development-from-below strategy includes:
- a definition of basic needs, which may differ from country to country, depending on the level of development and environmental, cultural factors, etc.;
- the determination of a minimum standard of living for a country and the identification of the poorest group (e.g. the poorest 20% of the population);
- the identification of concrete objectives (e.g. to achieve a specific production of essential goods and to satisfy basic needs in one generation or within 20 years) (Coetzee & Ligthelm 1992: 354).

Two categories of basic needs can be identified:
- the private needs" (income, food, clothing and shelter, etc.);
- essential collective needs such as clean drinking water, sanitation health, education, public transport and others" (Coetzee & Ligthelm 1992: 354).

The development corporation should strive to facilitate the satisfaction of the private needs through the promotion of small businesses, agriculture, housing, etc., which can help in the provision of jobs and food, as well as contribute in the distribution of wealth. Development research, as outlined in Chapter 1 can help the development corporation in clearly understanding and defining these important aspects highlighted
Of equal importance is that the development corporation must identify and relate to its target group, viz. the poorest people, especially in the rural areas. The Northern Province is regarded as one of the poorest of all the provinces of South Africa. Failure by the corporation to clearly identify, relate and interact meaningfully with this section of the community will result in the corporation compromising its stance and image.

The identification of concrete objectives by the corporation needs to be preceded by the identification of the needs of the people. Such a process should involve active participation by the affected people in the planning, implementation and evaluation of development initiatives, so that the objectives set by the corporation must relate to what the people actually need. The people must therefore participate in the identification of needs and priorities, as well as in the planning, implementation and evaluation of development initiatives.

2.3.4 DEVELOPMENT FROM WITHIN AND APPROPRIATE TECHNOLOGY

The 'development-from-within' concept means that maximum use must be made of local physical and human resources and that 'imports' and outside resources should only be utilised when they are not locally available. The development plans and policies of the corporation must therefore emphasise the usage of local resources in its development programmes. Van der Kooy (1985: 25) highlights the fact that it has become clear that development by means of simply transferring Western and Eastern development blueprints onto the Third World is doomed to failure. The specific social, historical and cultural backgrounds of each place must be taken into account. The execution of development plans must therefore be carried out by local communities to increase their self-reliance. In order for self-reliance to become a reality, small-scale development
must be emphasised as it is often more labour-intensive. The use of sophisticated technology is inclined to under-utilise labour. For this reason, the development corporation must promote and encourage extensive use of an appropriate technology which makes maximum use of available resources. This should form part and parcel of the corporation's objective and development strategy.

2.3.5 MAKING PEOPLE-DRIVEN DEVELOPMENT WORK
One of the key points of criticism lodged against the former homeland development corporations, viz., the lack of involvement and participation of the people served, has already been expressed. The South African National Civic Organisation (SANCO)(1994: 2) refers to these institutions as the 'desk-bound generals' of top-down development, which admitted to the Commission on Development Finance that they made huge mistakes and wasted large amounts of money, but dismissed this as inevitable and part of the learning experience. SANCO goes on to argue that when community groups waste much smaller sums, it is cited as evidence of corruption, incompetence, stupidity and a general inability to run their own affairs. The main argument is that these institutions are products of apartheid and their language of development has been twisted 'to implement separate development'. Past attempts at 'development' have failed and have actively undermined communities and prevented real development, as the poor and their development were secondary considerations. The question is: 'Can the corporation be transformed to make people-driven development work?'. It is my conviction that this is possible. These institutions have huge capital investments and assets which can be used fruitfully. Wishing them away would be a waste. In section 2.2.1, the need for such transformation has already been highlighted. The transformation process must also involve the communities to give shape and direction to the new development corporation. Exclusion of the communities from such a critical process will just make the corporation illegitimate.
and unacceptable. People-driven development must therefore start from that point.

But what do we mean by 'people-driven development'? In terms of the RDP (ANC 1994: 5), development is not about the delivery of goods to a passive citizenry, but about active involvement and growing empowerment of the people affected. Burkey (1993: 205) calls this "self-reliant participatory development":

"The problems of the rural poor, in the final instance, cannot be solved by anyone but themselves, and all solidarity efforts must be aimed at strengthening their own capacity for independent action."

As defined by Burkey, self-reliant participatory development is a methodology for assisting the poor; an educational and empowering process in which people, in partnership with each other and with those able to assist them, jointly identify problems and needs, mobilise resources, and assume responsibility themselves to plan, manage, control and assess the individual and collective actions that they themselves decide upon. These views must therefore be adopted by the development corporation as a principle which will empower people because of the experience gained on how to influence, implement and control activities which improve their living conditions through their active participation and interaction with the corporation.

Problems and needs must therefore be identified by the people and not be assumed to exist by the corporations. Only when this is done can real and actual development initiatives be feasible, as it is crucial that any development strategy be agreed upon by all parties that form part and parcel of the development institutional framework. In the Northern Province, structures like the civics, community based organisations, non-governmental organisations, black business and farmers'
organisations, traditional leaders and development forums must be involved and actively participate in giving the development corporation inputs on a framework and guidelines within which to operate. In this regard, the 'bottom-up' as opposed to the 'top-down' approach will definitely make people-driven development work.

2.4 SUMMARY
The integration and restructuring of the former homeland development corporations in the Northern Province is a prerequisite for establishing a transformed development corporation, which can thus be entrusted with the delivery of the RDP in the province. This corporation must therefore adhere to the principles of the RDP. Such a step will help the corporation regain its legitimacy among the people it serves. A close interaction between these communities and the corporation is the only mechanism which will ensure that people-driven development really takes place.

In the next chapter we will look at how the development corporation can implement the RDP in the following areas: human resources development, small business development, agricultural development, and housing development.
3.1 INTRODUCTION
The first and the main part of the challenge to the development corporation, viz., that of becoming a key role-player within the RDP, thus driving its processes by applying the underlying principles, as well as supporting firmly the vision of the Programme, has been expressed in the preceding chapters. The second important task is for the development corporation to actively involve itself in driving some of the RDP programmes e.g. meeting basic needs and building the economy.

The five major policy programmes of the RDP are linked one to the other. Embarking upon activities aimed at building the economy would obviously lead to the fulfilment of basic needs. Job creation, through SMME development would definitely help the entrepreneurs to earn an income, and provide food, shelter, and a decent living for themselves and their families. It is therefore not possible to separate these programmes, so that what suffices is to look at those activities which the development corporation can best involve itself in to enable it to contribute to the delivery of the RDP. These activities are as follows: human resources-, small business-, agricultural-, and housing development.

3.2 TRAINING: HUMAN RESOURCES DEVELOPMENT
Human resources, being a nation's most valuable asset, make education and training crucial to a nation's social and economic development. The chronic problem of low economic growth in most developing countries is directly related to a higher rate of illiteracy and paucity of educational opportunities (Watts 1995: 33). The validity of these observations can be seen all around the world. Countries rich in natural resources
but lacking in technological skills have largely remained underdeveloped. On the contrary, those countries having large pools of human skills have forged ahead in spite of lack of natural resources. Japan, virtually reduced to ashes during the Second World War, has risen to be a dominant industrial power in the world, and this dominance has been achieved solely on the strength of its highly educated and skilled workforce.

In the case of South Africa, the situation in this field is rather disappointing. The latest ratings by the World Economic Forum to determine a country's international competitiveness ranked South Africa 48th out of 48 countries in the category 'The extent to which people are trained and developed to play a role in the economy' (Mazwai 1995: 36).

In South Africa, "the fragmented, unequal and undemocratic nature of the education and training system has ... (caused) the destruction, distortion or neglect of the human potential of our country, with devastating consequences for social and economic development" (ANC 1994: 58). The challenge facing the country is to create a "system that ensures that people are able to realise their full potential in our society, as a basis and a prerequisite for the successful achievement of all other goals in this Reconstruction and Development Programme (ANC 1994: 59).

According to the RDP (ANC 1994: 59), "Human resources development must address the development of human capabilities, abilities, knowledge and know-how to meet the people's ever-growing needs for goods and services, to improve their standard of living and quality of life". The development corporation therefore has a meaningful role to play in this field.

3.2.1 THE DEVELOPMENT CORPORATION AND TRAINING
Modern schools, universities, colleges and technikons play a
very significant role in education and training, despite the criticism regarding overemphasis and training in theory. However, a certain portion of our population still finds itself without adequate formal education and relevant skills to enable them to market themselves. The unemployed and uneducated are part of our most valuable asset - human resources. It is therefore vital that we keep in mind one single overriding need - to build a viable and stable nation. Human resources development which includes all sectors of our population is the key that can make us successful in this most critical of objectives.

Through the Manpower Training Act of No. 56 of 1981, the development corporation has been able to establish a training unit. Section 36 of the Act focuses on the training of job seekers and the unemployed (van Dyk et al 1992: 490).

According to this scheme for the training of unemployed persons, training was aimed at equipping unemployed persons with:
- marketable job skills to enable them to enter the labour market;
- job skills which will enable them to enter the informal sector to operate as independent entrepreneurs (van Dyk et al 1992: 492).

These two objectives are a clear indication that the scheme was designed to channel and reduce blacks, especially as informal traders. Coupled with these were the protectionist policies which prohibited entry of blacks into the formal economy. It is therefore important that the corporation must do away with this approach and adopt a training policy which will fulfil the needs of the economy.

3.2.2 TRAINING FOR THE NEEDS OF THE ECONOMY

Our economy is the cornerstone on which our national strength and stability depends. Thus, of the many areas that our 'tar-
get list' needs to cover, socio-economic issues must feature prominently. Much has been written about the need to reduce unemployment or, alternatively, create employment in South Africa. The CSS (1995: 3) reveals the first comprehensive official measure of unemployment in South Africa as a staggering 4.7 million, about one-third of the economically active population. Twelve percent (571 144) of the 4.7 million is in the Northern Province. Westcott (1995: 4) further indicates that 50% of the unemployed in South Africa are below 30 years old; even more serious, however, is the fact that a massive 87% have no readily-employable job-related training or skill.

One discouraging fact which we have to come to terms with is the growing inability of the manufacturing, trade and service sectors to provide a satisfactory growth rate in employment creation due to the inordinate pressure put on the labour market by the rapidly growing population. This paints a bleak picture for the economy, because as more and more people enter the unemployment pool, economic recovery appears more remote.

The development corporation is therefore faced with a massive challenge of formulating a training policy which will address these crucial needs of the economy, especially, in the Northern Province. If the development corporation is to contemplate a meaningful contribution towards meeting such needs, its policy on training should concentrate on immediate and sustainable job creation measures. In the formulation of such a policy, Westcott (1995: 4) shares some important points which need to be considered:

- In South Africa today, 75% of new job opportunities are being created by small and medium enterprises;
- The so-called informal sector already provides employment for more than half of the urbanised workforce within central and Southern Africa;
- The size of the informal sector is much greater than many formal sector leaders realise. Spaza shops, e.g., generate significantly higher turnovers than Pick 'n Pay; beer sales
This therefore necessitates that the development corporation's economic job creation policy should focus on equipping the unemployed and uneducated with entrepreneurial and basic business skills to enable them to employ themselves first, then others. Minnaar (1995: 34) indicates that a critical element of such a strategy is the optimisation of human potential followed by the creation of job opportunities for the masses so that most, if not all, of the citizens of South Africa could become economically self-sufficient.

An important prerequisite of this goal must be the ability to accurately determine the potential of people so that they can be equipped with relevant and appropriate skills and knowledge to perform the right job at the right level to avoid any wastage of talent.

In ensuring that the development corporation provides training to suit the needs of our economy, it is essential that the corporation recognises training as the key to our future well-being. In so doing, Westcott (1995: 6) proposes that the following could be learnt from the Pacific Rim Countries:

- Harnessing the skills of the numerous skilled unemployed and/or retired executives who would willingly train at affordable rates;
- Persuade the unemployed, uneducated and undereducated by whatever means that education and training is the key to their survival; as well as,
- Teach readily usable (e.g. entrepreneurial) skills, quickly and efficiently so that early success can be used to kickstart this initiative.

This requirement needs to replace the previous uncoordinated approach which was followed by the homeland development corporations, and the focus needs to be short-term as the results
need to be achieved urgently. This should not be done at the expense of the quality of training provided, as long-term sustainability of jobs created is the key for the long-term success of our economy.

3.2.3 THE NEED FOR A COHERENT APPROACH TO TRAINING

One observable shortfall of some of the former homeland development corporations was the lack of coherence in their activities. The various departments of these institutions e.g. training, housing, small business, etc., operated in isolation from one another. The result was that each unit functioned without knowing what the other sections within the same organisation were doing. Usually, people provided with skills training, e.g. motor mechanics and welding, were just left unsupported after the completion of the course. Ideally such courses should have been followed by entrepreneurial skills training, which could allow trainees to be self-employed afterwards.

An interface between departments within the new corporation will be a necessity. This could, e.g., help trainees to acquire further assistance from the other related departments such as small business and agriculture. The overall objective of providing training must be to ensure that upon completion of a specific course, a person be given the necessary support, be it financial or otherwise, until he/she is fully independent and integrated into the formal sector. Such a person would in the long-term be able to expand and employ more people, thus satisfying the need to train for the needs of the economy.

3.2.4 PRINCIPLES OF EDUCATION AND TRAINING

It is necessary that the training unit of the development corporation should note and apply the following principles in its training endeavour.
3.2.4.1 Totality principle
This principle is closely connected with Gestalt Psychology which endeavours to study human beings in their totality or entirety. This means that what the student learns should form a whole. Every particular lesson dealt with should be a unit that links up with the unit of the subject. There should also be a unit link between subjects in the course, and courses for the year of study. The principle of totality is also closely related to the so-called systems approach. It implies a type of integration and unity, and the various dynamic elements are linked to one another, are independent and work together in such a way that a certain total effect is obtained.

3.2.4.2 Individualisation principle
This principle requires that differences which exist between people need to be taken into account when teaching or training. Every student learns at his/her own pace and has his/her own particular aptitude for learning. The variations should be dealt with in such a manner that each student makes progress in accordance with his/her own ability.

3.2.4.3 Objectivity principle
In all teaching and learning situations, it is vital that the process must have a definite objective. The learners as well as the trainers must understand and accept the objectives and perceive them as the ultimate goal to be achieved. Therefore, the training provided by the corporation must have, as the main objective, equipping and teaching people, especially the unemployed, appropriate and relevant skills to help them to be self-employed.

The development corporation should integrate business management training with technical skills so that the objective of
getting people self-employed can be attained.

3.2.4.4 Development principle
Conradie as quoted in van Dyk et al (1992: 153), highlights the fact that the entire life-span of man is one of gradual development of his mental ability. This also means that the learning material in the teaching situation should likewise be evolved. The content of each course or subject matter should be arranged in such a way that it guides the students from the elementary to the complex, from the known to the unknown, from the concrete to the abstract.

3.2.4.5 Activity principle
By taking part actively in the learning situation as e.g., in motor mechanics and welding, the learner is motivated and the achievement of the objectives by the learner is ensured. 'Activity' means that the students must play an active part in the learning process, and as the level of the subject matter increases, so the variety of activity should increase. Activity should be seen as self-activity. A student can be active, but not necessarily self-active. Only when the student accepts full responsibility for his/her own activity can one talk of self-activity. This will also influence and promote the degree of learning and retention.

These principles, together with other useful principles not discussed here, when applied correctly, can help the corporation in achieving its objective in terms of human resources development, thus contributing to the RDP in the Northern Province.

3.2.5 THE TRAINERS/INSTRUCTORS
As the former homeland development corporations were governed and run by apartheid ideology, the possibility of the exis-
tence of "ill-equipped" trainers cannot be ruled out. The importance of the trainer as a success factor in human resources development cannot be over-emphasized. Lessing (van Dyk et al 1992: 266) identifies four interactive components in the learning situation, viz. the learner, trainer, learning content and learning environment. The trainer must therefore be capable of involving the other three components, so as to make the learning process a success.

The trainers themselves must therefore also undergo a process of development to enable them to meet the requirements of this complex task. It is important that the corporation must not view the development of good trainers as a short-term exercise which can be mastered within a short course. Intensive training for trainers needs to be given that they are best suited to develop others. In-service training for trainers or instructors can be considered as an option to ensure that experience is gained during training.

On the other hand, there are various organisations which offer active courses in this field, for example, the technikons and Institute for Personnel Management (IPM), which offer diploma courses. Most of these courses can, according to the teaching models used, be regarded as traditional academic-type training as they mainly concentrate on the extension of the theoretical knowledge base, which is obviously necessary.

There is also a wide variety of short courses on the market in which various facets of the training of trainers are addressed. Universities, technikons, consultancy groups and trade organisations usually run such courses which take between one and five days or up to two weeks. It is therefore recommended that the corporation should make use of these facilities for its trainers as these programmes make an important contribution to the trainers in respect of selected fields of knowledge and skill.
3.2.6 Accreditation

Usually every kind of training is accompanied by the achievement of a qualification in such a training system. Of much importance is that the training provided by any training institution, especially state funded institutions like the corporation, must provide courses which are in line with the national standards. According to Magau (1995: 4), advisor in human resources development in the RDP office, both the White Paper on RDP and the Draft White Paper on Education and Training see the National Qualifications Framework (NQF) as a fundamental means of ensuring that education and training are integrated and co-ordinated. The NQF is a 'scaffold' made up of nationally recognised levels of learning and agreed pathways of progression. It is based on a system of credits for learning outcomes achieved. A learning outcome is essentially a capability developed in the learner, reflecting an integration of knowledge and skills which can be understood, applied and transferred.

Achievement of a qualification should therefore not be dependent on attendance of particular courses, but on a learner accumulating credit on an agreed cluster of learning outcomes defined according to national standards at a particular level.

In the light of the position and importance given to human resources development in this country, it is of utmost importance that the corporation take a proactive role in the provision of well co-ordinated structural and integrated training for the people on the ground. Such training must definitely be accredited by a national body to ensure that all courses provided are in line with the national priorities.

3.2.7 Summary

Lack of skills and technical know-how is one major impediment which threatens the success of the RDP. Our education is to
blame for being structured to focus on general theoretical routes rather than operational skills. The result is an economy which is not competitive and cannot expand to provide a better living for everyone. One of the most pressing current demands on the economy is job creation. Training for job creation, especially self-employment, is the key to this problem. Thus, the development corporation will have to formulate and implement policies geared towards meeting this objective.

3.3 SMALL BUSINESS DEVELOPMENT

"The government of national unity is committed to help create an environment in which small business can flourish and prosper. We have no doubt that this is essential for a healthy economy and society. Not only do small businesses add wealth to our economy, but they represent an important source of pride and dignity for ordinary South Africans. It is my belief that the government should do its utmost to encourage an entrepreneurial culture, as part of our efforts to rebuild the dignity of our people and restore our pride in hard work." (Mazwai 1995: 22).

These were the words of President Nelson Mandela when opening the President's Conference on Small Business on the 28th of March 1995. Throughout the world there is a convergence of attention on small business or what is nowadays called the SMME sector. This can primarily be attributed to the changing perceptions about the purported role of this sector in development policy. Such a change in outlook is the result of, among other things, the declining role of the public sector and parastatal institutions as a solution to current pressing development problems, the realisation of the fact that non-agricultural activities in the rural areas and small towns play a much more substantial role than before, as well as the inability of the big manufacturing trade and service sectors
to provide a satisfactory growth rate due to the inordinate pressure put on the labour markets by the rapidly growing population. The RDP (ANC 1994: 94) indicates that small businesses, especially black-owned businesses should form an important component of the economy. It is thus essential that "Micro-producers should develop from a set of marginalised survival strategies into dynamic small enterprises that can provide a decent living for both employees and entrepreneurs". A need has also been identified by the RDP (ANC 1994: 95) for existing parastatals, such as the Industrial Development Corporation (IDC), the Small Business Development Corporation (SBDC) and the homeland development corporations to be rationalised and transformed to focus on meaningful development of small businesses. These institutions must "incorporate small and micro enterprises in their plans as far as this is feasible, and end corruption and nepotism in their lending programmes" (ANC 1994: 95).

3.3.1 SMALL BUSINESS AS A STRATEGY FOR DEVELOPMENT
There are many reasons why small enterprises merit attention. A careful investigation of the arguments favouring SMME development is necessary to indicate the need for a coherent SMME development strategy. The key arguments for small business promotion can be grouped into two: political and socio-economic.

3.3.1.1 Political arguments
Governments can support SMME development for political reasons. Any government is concerned with the opinions of the mass of the people and must at least appear to address its policies towards the activities of the masses. The opening of a large factory may be dramatic and politically attractive, but the rural poor may on the other hand come to realise that effective assistance to small-scale agricultural and non-farm enterprise promotion becomes a political necessity. The gov-
ernment therefore needs to channel resources and efforts towards, what will to a large extent, satisfy the needs of the majority (Harper 1984: 10-11). The GNU is also faced with this problem today, given the many promises made prior to the 1994 elections.

The pressure is on the ANC, as the majority party of the GNU, as it received more than 90% of the vote in the Northern Province. Expectations among the poor rural electorate are high. The GNU and the ANC in particular, must pay special attention to speedy job creation and poverty-alleviation measures in the Northern Province. Small enterprise promotion is one key measure. Small businesses are almost always locally owned and controlled. They can strengthen rather than destroy the extended family and other social systems and cultural traditions that are perceived as valuable in their own right. Government initiatives to promote and support small business development in the province can be considered necessary both to gain votes in future, and to gain support from foreign countries and companies who provide funds for SMME development.

3.3.1.2. Socio-economic arguments
(a) Entrepreneurship development
Individual small enterprises provide both a nursery and proving ground for entrepreneurship. The person who starts a business may work it until it becomes a large national or even international enterprise, or he/she may move through a succession of ventures until he finds the sector where his talents can be most fruitfully tested and applied. Vosloo (1994: 13) indicates that small businesses provide a valuable outlet and training ground for the entrepreneurial ambitions of people. It is in the small business sector that the spirit of enterprise, resourcefulness, courage, enthusiasm and purpose are built and learnt. Goal-orientated entrepreneurs are developed in this manner. The promotion of small businesses
in the province can serve as a means of building and nurturing entrepreneurs who would otherwise not have been discovered. Entrepreneurship is an integral part of a successful formula for achieving economic growth, as it is part of the ignition mechanism of business enterprise and acts as a key role in the foundation and expansion of the individual business.

(b) Socio-economic stability
Harper (1984: 13) highlights the fact that research in industrialised countries suggests that people who work in small enterprises are happier in their work than those who work in large ones, in spite of the generally lower wages and poorer standards of safety, comfort and welfare facilities. Small businesses provide more jobs than big ones, therefore investing in small business development is an alternative way of providing stability and "peace of mind" to many people. The kind of stability that has prevailed in the province can be taken a step further if small business development is given a priority. Foreign investment can be attracted into the province, providing more jobs in the formal sector. Labour migration, which causes a breakdown in "family fabric" can be minimised, thus restoring social stability.

(c) Women, employment and development
The role of women in the economy has been undermined especially in the rural areas due to their maternal responsibilities, which have cut them off from whatever benefits that can be found in wage employment in the modern sector. Small enterprises can therefore provide a valuable alternative source of income and personal development, whether it is in a home-based cottage business or a rather larger enterprise to which a rural mother can conveniently travel for a few hours per day. Harper (1984: 14) also states that female-owned trading enterprises have a long history in many parts of the world.
such as West Africa. Certain manufacturing activities, such as sewing, knitting, food preparation, and handicrafts provide more opportunities for employment and for outside contacts for women who have traditionally been confined to farming and domestic labour. The RDP (ANC 1994: 94) also emphasises the fact that women's entrepreneurship must be made a priority as they have been marginalised for a long time. In the Northern Province women constitute the majority of the population (53.9%) indicating that an SMME strategy must place emphasis on female entrepreneurship.

(d) Job creation, economic growth and development

The SMME sector is comparatively labour-intensive and much is expected of it in the way of job creation. Barnard (1994: 1), states that the cost of creating a job in this sector is less than half of that required to create a job in a larger manufacturing industry. This therefore enables the sector to contribute significantly to the economic growth and development of the country. The SBDC estimates that the share of the small business sector towards GDP in South Africa is about 45%. This does not include the informal sector, which accounts for a further 15%.

According to Marsden (1990: 9), there is a correlation between the rates of growth of wage employment and of GDP. He points out that a World Bank study of small firms in Botswana revealed that the average employment level in these firms increased by 8.8% annually from 1965 to 1980, increasing the GDP by 14.2% annually.

The best alternative to create jobs for the poor and unemployed in this province is thus through SMME development. A survey initiated and carried out by Möller (1993: 178-179) between 1987 and 1990 shows that blacks in particular regard small business as a better strategy for providing jobs. Some of the ideas put forward by the respondents were:
"I support small business because it will provide jobs for everyone unlike big industries which will use machines and computers making jobs for few people".

"Looking at the casual jobs that I do with my friends, I can never stop thinking of what it would be if they had larger workshops and did all their work there. The answer is small business".

"Rather than seeking work for the whole year it is better to start a small business to at least survive".

These are views that are shared by many people as far as small business is concerned. The majority of the respondents (33%) believe that small businesses would create jobs and reduce unemployment, while 18% said that it would promote skills and advancement for blacks. These findings are supporting evidence that the high unemployment rate in the province can be alleviated by small business promotion.

Lessons from other countries also show that small business promotes economic growth and development. Koo (1987: 36-40) states that the term 'small business' is misleading, since it detracts from the big contribution it makes to the economy:

"In a matter of economic development, small is important. It is the 'basic business' as it creates demand for products of big business. Their co-existence (big and small business) is perforce mutually beneficial. More important, SMMEs are the principal suppliers to the domestic market as well as earners of foreign exchange."

Koo (1987: 40) further reveals that by providing so many job opportunities, SMMEs have also helped to increase Taiwan's per capita income 50 times in the past 30 years. More than
half of business income taxes are paid by SMMEs and their contribution to national revenues makes it possible for the Taiwanese government to implement the 9-year compulsory education programme, to upgrade social welfare and invest extensively in infrastructure products, thus spreading prosperity to all parts of the country, including rural areas. There is therefore merit in the Northern Province copying what such successful economies have achieved through SMME development. Government support to this sector could have short- and long-term socio-economic benefits.

3.3.2 PROBLEMS AND CONSTRAINTS FACING SMME DEVELOPMENT

According to the White Paper on Reconstruction and Development (Ministry of the Office of the President 1994: 25), the key areas of support for SMMEs must include:
- access to advice, markets, finance, training;
- infrastructure and premises, appropriate technology, as well as encouragement to interfirm linkages.

Discussing the problems and constraints facing the SMME sector will best highlight the way in which the development corporation can support the small businesses in the areas mentioned above.

It is therefore the duty of the development corporation to help, wherever possible, the SMME sector overcome these problems.

El-Namaki (1988: 100-106) defines these problems as barriers to business development. These barriers are grouped into three categories:
- Entry barriers - those forces that limit access or entry into identified business opportunities and the capitalisation of such opportunities;
- Survival barriers - conditions essential for the continuity of the business activity; and,
Exit barriers - constraints causing the discontinuity of a business venture. Each of these barriers will be discussed in relation to the situation in the Northern Province, and suggestions will be made on the interactive role of the development corporation in helping the sector overcome them.

3.3.2.1. Entry barriers
(a) Finance
Lack of finance and accessibility to it is one stumbling block that limits chances of opening or starting a business. An entrepreneur with an excellent opportunity to hand may face considerable difficulties in mobilizing financial resources to support his/her venture. Rural people are the worst victims as they do not have easy access to the formal financial markets because of the following: lack of correct information about rural dwellers on the part of financiers; collateral requirements; and lack of complimentary infrastructure such as the insurance markets (Coetzee et al 1993: 1).

The Northern Province has a large proportion of rural dwellers, many of whom have been denied access to the well-established financial sources in the province. There is therefore a need for the development corporation to design a new approach to rural financial service provision, which should reflect the characteristics and needs of the rural market. Past approaches to delivering financial services were built on perceived needs and did not take the dynamics of rural enterprises into account. A micro-finance approach is henceforth suggested, which must provide savings, broad financial services and credit. Such a strategy can therefore encourage entry into the SMME sector, thus reducing poverty and unemployment in the province.
(b) Lack of infrastructure
Limited availability and effectiveness of infrastructure, or lack of access to it altogether, could prevent an entrepreneur from taking his developing plans beyond the preliminary stages. Due to past neglect, rural areas and black townships as well as emergent enterprises have a huge shortage of business premises and basic infrastructure facilities such as electricity, water, telecommunication and roads. This has also been identified in the RDP (ANC 1994: 94) as one of the areas deserving attention. Infrastructure must be provided to raise incomes and create healthier working conditions in small businesses. Supply of electricity to businesses, basic services and road infrastructure in commercial and industrial areas, facilities for fresh produce and other markets, telecommunication etc., can encourage involvement in the small business sector. The development corporation can thus play a facilitating role by interacting with the communities concerned, and by putting pressure on the government to provide the basic infrastructure needed.

(c) Lack of entrepreneurial qualities
The importance of entrepreneurship has already been discussed. Entrepreneurial qualities, which include initiative, opportunity identification and exploration, persistence, efficiency-orientation, systematic planning, problem solving, self-reliance and assertiveness, are key quality factors essential for starting and running a successful business. Given the illiteracy rate, the traditional cultural approach of rural populations toward small businesses, and the past restrictive environment in the province, one can say that the existence of entrepreneurial spirit has been severely dampened. Had there been a strong entrepreneurial culture in the Northern Province, the unemployment rate would have been reduced. There is therefore a need for this "culture of enterprising" to be entrenched in all communities. A climate needs to be created by the development corporation to encourage the
propensity and ability to enterprise in the province by: - promoting entrepreneurship culture through media coverage, public information campaigns and the publicising of role models; - combining vocational training with entrepreneurial development; as well as, - providing decentralised, community-based, "one-stop" programmes to assist self-employment and enterprise creation. These programmes should be aimed at particular target groups, business sectors and geographical areas, and should include the following: start-up loans, training, information, counselling and guidance, each adapted to specific development needs (Hazelhurst et al 1995: 78).

(d) Technological handicaps
Many small potential entrepreneurs discover that the technological skills which they need to run a manufacturing operation have to originate from within themselves and that access to other sources of business specific technology is difficult if not impossible (El-Namaki 1988: 100). On the other hand small industry entrants are largely dependent on a limited number of resources for their equipment and process technology in order to start their businesses. Lack of information, technical know-how and relevant skills for a particular business leads to frustration and sudden withdrawal of interest from starting the business. Another contributory factor to the lack of innovative growth in the small industry sector is, according to the Business Advisory Bureau of the University of the North, due to a lack of interest among young people in entering the technical field (van Dijk 1989: 9). This is shown by poor enrolment in technical schools and colleges in the province. A close link needs to be established between communities and institutions or organisations involved in training and small business promotion in the province. These organisations must provide up-to-date information and advisory services to small entrepreneurs. These organisations
must also help potential entrepreneurs in acquiring the relevant and appropriate technology through finance and complementary services.

(e) Social factors
A wall of visible and invisible obstacles does deter the participation of many societal groups in free enterprise. Women, refugees, former prisoners, pensioners and the disabled in many countries face considerable entry problems if and when they seek support in an entrepreneurial effort. Conservative social values and negative attitudes against the groups mentioned are a strong barrier to their involvement in the SMME sector. Community structures and the development corporation must join hands in ensuring that such barriers are demolished. Policies and legislation need to be effected to protect these groups against any form of discrimination which may hinder their participation in the small enterprise sector. Another strong disadvantage element may have its roots in the sexual or ethnic identity of the individual. The traditional role of women and the conservative social values and attitudes observed in many rural areas constitute a strong barrier to the involvement of women in small businesses.

(f) Legislation and policies
El-Namaki (1988: 102) indicates that policy decisions which are unsympathetic to the SMME sector could be considered as a major business hurdle to the development and growth of the sector. Legislation in the past has to a large extent hindered the progress of black small enterprises. The Group Areas Act, the Licences Act and the Black Administration Act are but a few of the laws that have impeded small black business development. The Department of Trade and Industry (DTI) published a "White Paper on National Strategy for the Development and Promotion of Small Business" in March 1995. The White Paper is thus a product of the awareness by the GNU
of the many obstacles that have prevailed against small businesses, obstacles which have resulted in what is now a very distorted economy in which so many small and black businesses in particular have been confined to the margins of the economy.

The White Paper outlines a national strategy for SMME support. One important feature of the strategy is that the GNU views itself as a facilitator, with the role of an interventionist in the process, but such intervention will be scaled down systematically after the first five to ten years (DTI 1995: 8). Key objectives and fundamental principles that underpin the balanced and integrated national strategy and its different strategy elements are outlined in parts three - four (DTI 1995: 16-20). Such elements include: creating an enabling legal framework, streamlining regulatory conditions, access to finance and infrastructure, as well as training in entrepreneurship skills and management. The different strategy elements should be implemented through agencies at central, provincial and local levels, with the private sector, business associations, NGOs and parastatals as important agencies. The institutional framework for the delivery and the implementation of strategies is outlined in part five (DTI 1995: 41-47). Particular emphasis is placed on key institutions, viz. the Chief Directorate in the DTI, the National Small Business Council (NSBC), the Small Business Development Agency (SBDA), provincial departments of economic affairs, and local service centres (LSCs).

In the presentation of the White Paper, three laws were proposed:
- A National Small Business Act to define small business and eligibility for state support;
- A Transaction and Procurement Act to develop market access for small business and establish an incentive package for big business to subcontract to the small business sector; and,
- A Small Business Finance Act to address small business access to capital (Dludlu 1995: 1).

Such proposals, together with the White Paper, serve as stepping stones toward a meaningful small business development strategy. The White Paper on Small Business addresses many of these obstacles and constraints that face small entrepreneurs. The Northern Province stands to benefit if such strategies could be implemented appropriately, and especially if the development corporation could take advantage and make full use of the friendly legal environment to assist the SMME sector to assume its meaningful role in the economy of the province.

3.3.2.2. Survival barriers
(a) Entrepreneurial challenges and demands
Demands of the entrepreneurial function - achievement, creativity, perseverance, imagination, action-orientation, etc., lead to the emergence of a category of entrepreneurs with personality quirks that could impair and distort their entrepreneurial capability and make them difficult people to work with. Ill-treatment of clients due to stress and attitude may cause customers to lose interest in the business, thus threatening the continuity of the business. Such traits are observable in many black businesses in the township and rural areas, as well as in businesses owned by certain white conservatives. Ill-treatment of staff and poor service to clients due to inflated ego and pride result in the collapse of many businesses. This therefore calls for the development corporation to facilitate the provision of business management courses which should also concentrate on the inculcation of strong entrepreneurial principles and standards into small entrepreneurs. Perceptions, attitudes and beliefs are elements which are not easy to eradicate, but continuous skill formation and training in customer and office relations could bear fruit in the long run as they can help entrepreneurs
cope with their day-to-day challenges, thus ensuring the continued existence of their business.

(b) Finance
Unavailability of funds to cater for the expansion of a business can be a threat to the survival of a business. The corporation must design a financing programme more suitable to cater for all viable financial support of SMMEs. Suggestions to that effect have already been given in Section 3.3.2.1. under (a).

(c) Ignorance
Some information is critical to the continuity of a business, let alone its viability. Entrepreneurs may not know the optimum size of their operations, but things worsen when they later do not know the relationship between different sizes, market potential and the cost and revenue implications of it all. Wrong decisions are taken in the process, thus threatening the survival of the business. Professional counselling and after-care services are essential to counter such ignorance on the part of the entrepreneurs. The development corporation must therefore have skilful and competent consultants / counsellors, who can go out and help entrepreneurs in this regard. Entrepreneurs, on the other hand, must be aware of the availability of such services and be encouraged to utilise them.

(d) Ethnic constraints
The Northern Province, like the rest of South Africa, is a fragmented society. Its diversity in terms of religions, languages, ethnic and cultural groupings, socio-economic class structures, and general ideologies is endless (Luiz 1994: 231). This could be a threat if a balance is not maintained in appeasing these interests. Dissatisfaction among some eth-
nic groups e.g. Shangaans and Vendas is presently evident. The provincial government is labelled as "biased" and discriminatory in favour of Northern Sothos in the delivery of services and projects, like building schools and clinics. Such tensions, if left unattended, could lead to dire ethnic divisions thus breaking business ties in the various parts of the province. Markets may therefore be limited and immobility of products may follow. All these, and other potential repercussions, may threaten the development of the small business sector. The development corporation must pay particular attention to the ethnic diversity of the province and try by all means not to undermine any ethnic group. Services provided by the corporation must show absolutely no ethnic bias, but should have the socio-economic upliftment of all the people of the province as the prime objective.

3.3.2.3. Exit barriers
(a) The emotional side of entrepreneurship
El-Namaki (1988: 103) states that evidence from several countries, especially the Philippines reveals that managerial incompetence, attitude of the entrepreneur towards business and life in general does play a significant role in small industry discontinuity and collapse. Management information is seldom there and decision-making is ad-hoc and haphazard. As entrepreneurial initiative is a complex and cumulative process where psychological and cultural forces are dominant, the typical symptoms mentioned above may therefore force the business to fail and close down. What is needed to save the many enterprises that may close due to this problem is proper counselling and training. Courses that can help the entrepreneur to handle different kinds of situations as well as business management courses should be offered to entrepreneurs. Such services can be provided by the development corporation.
(b) Unforeseen circumstances

Theft, fire, death or natural disasters can cause closure of a business. Businesses that are prone to robbery and stock theft are usually bound to collapse, especially if they are not properly insured. Fire, be it accidental or intentional, can cause severe damage to property and loss of stock and capital. The death of a sole proprietor can be a blow to the survival of a business. Some entrepreneurs have the tendency of doing everything in the business on their own, so that other members of the family are not allowed to know how the business is run. Upon the death of such an entrepreneur, no other person can manage the business properly, and this leads to severe losses and the ultimate collapse of the business. Such occurrences are common in rural areas where traditional values and beliefs still relegate women and children to an unimportant position in decision-making. A close interaction between entrepreneurs and the corporation can help reveal such deficiencies in businesses. Proper guidance and counselling, especially on the need for skills transfer to family members, insurance for the business, as well as fire extinguishers, can be provided beforehand, thus ensuring that the continuity of businesses in event of an unforeseen accident is not threatened.

3.3.3 SUMMARY

The Northern Province, with its diverse socio-economic problems, needs a vibrant SMME sector to ensure that its economic growth becomes viable. The development corporation in the province must act as a life-support system for SMMEs to enable the sector to tackle the numerous constraints it is faced with. This can therefore ensure that the province achieves a sustainable economic growth which is able to provide more jobs, reduce poverty and empower all its citizens.
3.4 AGRICULTURAL DEVELOPMENT

"Most of the people in the world are poor, so if we knew the economics of being poor we would know much of the economics that really matters. Most of the world's poor people earn their living from agriculture so if we knew the economics of agriculture we would know much of the economics of being poor. People who are rich find it hard to understand the behaviour of poor people. Economists are no exception, for they too, find it difficult to comprehend the preferences and scarcity constraints that determine the choices that poor people make. We all know that most of the world's people are poor, that they earn a pittance for their labour, that half and more of their meagre income is spent on food, that they reside predominantly in low income countries and that most of them are earning their livelihood in agriculture. What many economists fail to understand is that poor people are no less concerned about improving their lot and that of their children than rich people are." (Thirlwall 1989: 92).

These were the words of Theodore Schultz, the Nobel-Prize winning economist, highlighting the plight of the poor and their dependence on agriculture for food. Based on the historical experience of Western countries, economic development was seen as requiring a rapid structural transformation of the economy from one predominantly focused on agriculture to a more complex modern industrial and service society. As a result, agriculture's primary role was to provide sufficient low-priced food and manpower to the expanding industrial economy, which was thought to be the 'dynamic leading sector' in any overall strategy of economic development. This came into fashion as a reaction against the emphasis on industrialisation at any cost, and lays stress on policies to raise the level of productivity in agriculture as the most urgent development priority and an indispensable element of a long-run development strategy.
Thirlwall (1989: 92) indicates that agricultural productivity in developing countries is less than one-tenth of the level in developed nations, and in many countries output per head is barely enough to meet subsistence needs. A clear disparity exists between the First and the Third World in terms of food production. Disparities also exist within individual countries. In South Africa, the agricultural sector "...is characterised by a high degree of concentration in the hands of about 60 000 white farmers who own over 87% of the land and produce more than 90% of its product. Agriculture in the bantustans are starved of resources" (ANC 1994: 102-103). This is mainly due to the inhospitable physical attributes of the land (topography, fertility, etc.), the land-tenure system and the ratio of labour to land in the homelands, which acted as prime deterrents to black agricultural advancement in the country. The situation is worse in the Northern Province where three of these bantustans existed. The majority of the poor are to be found in these 'pockets' of land where low absolute levels of income have serious consequences on the health and nutrition of communities. Malnutrition among children is particularly serious because it stunts growth and mental development, and adds another element to the vicious cycle of poverty. According to Thirlwall (1989: 36), protein is particularly important for brain development in the first three years of life, during which the brain grows to 90% of its full size. Therefore brain damage due to protein deficiency is irreversible.

The problem of nutrition and food supply is a critical one. The RDP (ANC 1994: 103), in an attempt to address this issue, aims at creating " ... a restructured agricultural sector that spreads the ownership base, encourages small-scale agriculture, further develops the commercial sector and increases production and employment. Agriculture should be oriented towards the provision of affordable food to meet the basic needs of the population and towards household food security". 
It is therefore the duty of the development corporation, as a
development agent of the government, to ensure that this
ideal is realised by designing agricultural development pro-
grammes which will focus on the empowerment of small-scale
farmers.

3.4.1 THE ROLE OF AGRICULTURE IN ECONOMIC DEVELOPMENT
It is important to emphasise why agriculture deserves to be
given the necessary attention and support by the development
corporation. According to the classic analysis of Kuznets
(Ghatak & Ingersent 1984: 26), the agricultural sector in
LDCs may be seen as potentially capable of making four types
of contribution to overall national economic growth and de-
velopment, viz. product contribution, market contribution,
factor contribution and foreign exchange contribution.

3.4.1.1 Product contribution
Domestic agriculture plays a very important role in the ex-
pansion of the non-agricultural sector, not only for sus-
tained increase in the supply of food, but also as a source
of raw materials necessary in manufacturing products such as
state that:

"For while food was not regarded as a political variable in
traditional society, it is at the heart of national and
international politics today; while agriculture was not
monetized in the traditional economy, for most African
states today it is the mainstay of the national economy
since cash and food crops constitute the major sources of
wealth and foreign exchange; while traditional agricul-
ture, again, emphasized mainly food crops for human con-
sumption, agricultural products today feed both man and
industry: in many instances, more agricultural produce
goes into industry as raw materials than is consumed as
3.4.1.2 Market contribution
During the early stages of economic growth, the agricultural population serves as a substantial proportion of the home market for local industrial products.

3.4.1.3 Factor contribution
As economic growth and development progresses, agriculture is seen as the principal source of capital for investment elsewhere in the economy. Thus the development process involves the transfer of surplus capital from agriculture to the non-agricultural sector.

3.4.1.4 Foreign exchange contribution
Agriculture can contribute positively by augmenting the local export earnings as well as by expanding the production of agricultural import substitutes thus benefiting the country in terms of balance of payments.

3.4.2 TOWARDS A STRATEGY FOR AGRICULTURAL DEVELOPMENT
If the major objective of the development corporation is to ensure that agricultural development in the Northern Province makes progressive improvement in the living levels of people possible, it is important to identify the principle sources of such agricultural progress.

3.4.2.1 The small-farmer approach
Agricultural development is an important component of the development process and should be promoted along the lines and within the framework of integrating the rural development approach. The small farmer and smallholdings are important
springboards of development, and therefore their role merits special attention. Smallholdings allow many people to participate in farming, thereby enabling them to learn, apply their knowledge and do better for themselves. Kotze et al (1995: 1) are of the opinion that small-farming could play an important role in the economic empowerment of blacks in the agricultural sector, and while contributing towards an efficient agricultural production sector, it can help in food production, poverty alleviation and provide security to many. It is therefore recommended that the development corporation continues to pursue this strategy of improving small-scale farming in its approach to agricultural development. This is further supported by the RDP (ANC 1994: 103), which aims at restructuring the "agricultural sector that spreads the ownership base, encourages small-scale agriculture, further develops the commercial sector and increases production and employment".

According to van Rooyen et al (1987: 207):

"Within agricultural development models in developing regions two major strategies have emerged over the past decades, viz large-scale centrally managed commercial projects and broad-based farmer support programmes directed at small farmers. In general, and also in Southern Africa, these large-scale models have not achieved substantial economic development in rural areas, although production levels have increased".

Experience in other regions, particularly in Africa, has shown that a "...broadly-based small farmer approach directed at existing small farmers is the most effective way of promoting agricultural development" (van Rooyen et al 1987: 207). This has led to the large-scale centrally managed models to be questioned.

The World Bank (Coetzee & Ligthelm 1992: 356) in support of
this view comments as follows:

"Kenya's experience shows that African small farmers are very responsive to opportunities for profitable innovation, and that small farms are frequently far more productive than large farms".

This therefore calls for the small farmer approach to be used as one of the cornerstones of agricultural development, helping people in rural areas to be self-sufficient in food. More emphasis should be given by the development corporation to enabling the small farmer to make the right decisions in the production process. Long- and short-term benefits related to the small farmer approach according to van Rooyen et al (1987: 208 - 209) include:

"- the small farmer sector is more labour intensive and will serve to combine available labour with other production factors";

"- the opportunity for the stimulation of other economic activity in the surrounding areas, principally by means of the creation of demand for goods and services with a high employment content";

"- the opportunity for cost-effective resource utilization, given the greater flexibility of small farmers to mobilize resources";

"- the strategy utilizes the available skills and results in minimal dislocation of the local community. High-cost external capacity, e.g. project managers are also not permanently required"; and,

"- in upgrading skills, the strategy serves as an effective means for encouraging the emergence of commercial farmers to become sustainable economic producers", as well as in the "simulation of entrepreneurial activities and skills in the non-farming sector, but related to agricultural development".

The development of small-scale farming does not mean that it
has to be done at the expense of large-scale commercial farming. van Rooyen et al (1987: 207) are of the opinion that the development of the two are not mutually exclusive. The justifying element for small-scale farming is that much attention needs to be paid to the development of the agricultural sector that can reach a large number of people especially the potential economically active rural population. Through the necessary intervention and support, these small-scale farmers can be assisted to grow and establish themselves as vibrant commercial farmers in the long-run.

3.4.2.2 Promotion of the use of appropriate technology

Technology, as defined by Stewart (Colman & Nixson 1986: 371) can be regarded as encompassing the skills, knowledge and procedures for making, using and doing useful things. Technology in this sense thus includes both process technology (the nature and specification of what is produced), as well as managerial, organisational, financial, and marketing skills. It therefore means that 'appropriate technology' in South African rural areas would mean those techniques which are suitable and can utilise to the fullest potential the plentiful resources like labour, and economise on other scarce resources (e.g. capital). Thus, according to Colman and Nixson (1986: 371), the "factor intensity" criterion, which proposes that labour-intensive techniques should be adopted on the assumption that labour is the abundant factor, deserves some attention. As South Africa, and the Northern Province in particular, experiences a high unemployment rate especially in the rural areas, the call for the usage of labour-intensive techniques in agriculture is justified. The development corporation, in its attempt to transform the agricultural sector in the Northern Province, should look at the promotion of the usage of appropriate technology in agriculture. The RDP (ANC 1994: 104) also suggests that efficient, labour-intensive and sustainable methods of farming, as well as additional processing and value-adding activities
derived from agriculture, must be researched and promoted. In this regard, the Corporation can involve organisations such as the Council for Scientific and Industrial Research (CSIR) and Rutec in Johannesburg, especially in research for value-adding activities. Rutec, for instance, has invented equipment which extracts oil from sunflowers as well as simple and easy-to-use equipment for grinding maize. Room still exists for this kind of equipment to be devised. For example, the Northern Province produces oranges and other fruit, which by means of simple labour-intensive techniques, can be processed into juice and other useful products. More jobs could be created in the process and would help in broadening the manufacturing sector in the province.

However, a totally different opinion as proposed by Galenson and Leibenstein (Colman & Nixson 1986: 376) should be noted. Their opinion is that labour-intensive techniques might generate immediate output, but very little surplus, since the wage bill would be large; therefore, capital-intensive techniques should be chosen because they will increase the reinvestable surplus by minimising the wage bill. They go on to argue that the creation of less employment and output now may lead to more employment and output at a future date, than would otherwise have been the case. To increase current employment through labour-intensive methods may actually mean sacrificing the rate of growth of both employment and output. As the conflict exists, it therefore means that proper control and balance must be maintained in the usage of appropriate labour-intensive technology. The number of people employed in a venture must justify the need, and must enable the project to make enough reinvestable surplus.

3.4.2.3 Provision of farmer support services
To further promote the objectives of the integrated rural development approach, it is advisable that the development corporation continues to give priority to the provision of
farmer support services. This can help upgrade the abilities of emergent farmers in developing areas, thus enabling them to compete effectively with other farmers. Emergent farmers should therefore clearly be considered as the main target for support to increase their capacity to produce. Kotzé et al (1995: 1) agree with this view and state that:

"A capacity for an increased output in agriculture could be achieved through:
- investing in people thus increasing productivity -
  skills of workers on farms and in the agro-manufacturing industries should be upgraded and black people should be empowered to become farmers and entrepreneurs in the agro-manufacturing industries" (Kotzé et al 1995: 1).

The needs of fully commercial and subsistence farmers should however not be ignored. One key factor in the provision of such services is accessibility. The following guidelines are proposed for the provision of Service Centres:

- Service centres must be decentralised to allow easy access for farmers. The economic allocation of support services requires the identification of target areas. Such identification must involve the farmers themselves and should take into account the agricultural potential of the area, the demand for such services as well as the availability of technical and infrastructural support.

- The planning and design of service centres must be sufficiently flexible to accommodate all present services and future development.

- Each centre should be integrated with other services.

- Where possible, local skills and materials should be used in the construction of the centres.
- Demarcation of areas serviced by each centre must be clear to avoid duplication and overlapping. If demarcations are not clear and well-defined, a farmer might, for example make use of two centres to get finance for one project.

In view of the significant constraints facing emerging farmers in the developing areas, the establishment and promotion of these farmers require that the service centres provide the necessary support in the following areas:

(a) Financing
The farmers' service centres of the corporation must be able to provide financial assistance to farmers, and access to such funds should be on equal basis. Nepotism and corruption must be discouraged at all times. The development corporation already provides financial assistance which covers all basic infrastructural elements as well as production inputs and medium and long-term capital to farmers.

"In establishing the appropriate financial terms and conditions", van Rooyen et al (1987: 219 - 220) provide the following guidelines for consideration:

"- The principles of market rates and economic cost recovery should be emphasized and recognized as important especially where commercial services are provided";

"- Farmer's own contribution: In view of the lack of collateral associated with production loans, implementing agencies should obtain a percentage contribution from participating farmers. These contributions can be regarded as a mobilization of savings";

"- Interest rates: ... considering (a) the significant disadvantages emerging farmers face in the developing areas, compared to farmers elsewhere in Southern Africa, and (b) the 'traditional' approach to support these farmers by means of 'soft' governmental loans, reduced interest rates may be considered as an appropriate first step, especially
during the initial phase of development";
"- Loan and grace periods: Loan periods should be determined by the economic life of the items in the element being financed. Appropriate grace periods should be based on the expected implementation period and the time needed to generate sufficient income to allow repayments".

The development corporation as an implementing agent in development should take into cognisance the above proposals put forward by van Rooyen et al.

(b) Marketing
According to van Rooyen et al (1987: 215) "In the context of FSPs (farmer support programmes), marketing refers to all those activities that facilitate the removal of produce from the farm-gate to the point of sale". van Rooyen suggests a few aspects to be considered concerning marketing. Ideally then, the development corporation should give attention to these marketing aspects, thereby assisting farmers accordingly:
- grading standards of farm produce;
- promotion of local and outside produce;
- assistance in acquisition of marketing infrastructure such as roadside stalls and public markets; and,
- provision of advice regarding legal constraints that can prohibit the sale of products within a particular area.

(c) Extension services
The development corporation must also improve the provision of extension services. van Rooyen et al (1987: 215) indicates that the major objectives of these services is to impart knowledge, expertise and information to the farmer. Links need to be established with other organisations that may provide such services. These services can help farmers and extension staff to identify problems and to test new technology
to ensure that appropriate solutions and technology are developed and applied (van Rooyen et al 1987: 215).

3.4.3 TRANSITION TO DIVERSIFIED FARMING
Although the small farmer approach has been recommended, this should not be done at the expense of the growth and diversification of those farmers with big commercial potential. It must also be the objective of the corporation to transform the traditional small scale and subsistence farming by improving the farmers' ability and skill to raise productivity, and if possible diversify their activities. Given the necessary and appropriate support, be it financial, technical or otherwise, there is no reason to assume that the small farmer will not respond to economic incentives and new opportunities to improve his/her standard of living, and therefore develop into a commercial farmer.

3.4.4 SUMMARY
Agriculture forms the backbone of many economies, especially in the third world. The ability of every nation to feed its citizens therefore depends on the capacity of this sector to produce enough commodities. Small-scale farming broadens participation in this sector, thus contributing to socio-economic advancement. Such a contribution therefore warrants support from development agencies like the development corporation. Such support must ensure that small farmers are empowered to improve their production.

3.5 HOUSING DEVELOPMENT
One of the most pressing problems, as identified by the RDP as being a great challenge, is the shortage of housing. The 1994 election hype, which promised a better life for all has come and gone, leaving the government with the urgent task of
delivering on the promises. Expectations, particularly from the ANC's constituency, range from the realistic and ambitious, to the unrealistic and outrageous. The pre-election promises of better housing caused many to entertain high expectations of instant, and free, accommodation. The failure by the politicians to clearly explain the economic complexities attached to housing delivery often lead to a vague understanding of the real issues involved, hence some unrealistic expectations. However, the RDP document (ANC 1994: 4), acknowledges the fact that each and every expectation will not be realised, and each and every need will not be satisfied immediately. Hard choices have to be made.

"The RDP endorses the principle that all South Africans have a right to a secure place in which to live in peace and dignity. Housing is a human right. One of the RDP's first priorities is to provide for the homeless" (ANC 1994:23). "At minimum, one million low-cost houses should be constructed over five years. These units should be specifically intended for low-income households and should include the rural areas" (ANC 1994:22). Historically, the development corporations operated mainly in the rural areas, where the majority of the low-income households are to be found. A need therefore arises for a realignment and readjustment to be made by the corporation on the approaches used in housing development to ensure that they are in line with the objectives of the RDP.

3.5.1 THE DEVELOPMENT CORPORATION AND HOUSING
For well-known historical reasons, the conventional banking and building societies have been unable to accommodate low-income, and especially rural communities in their lending policies on the assumption that they are always a bad risk. As an attempt to make the policy of separate development succeed, the homeland development corporations were instituted in the bantustans to cater for the homeland development needs. Despite the major political changes, the modern bank-
ing sector is still reluctant to involve itself in the rural areas because of lack of security or collateral. The transformed development corporation can continue bridging the gap, thus making the objectives of the RDP achievable. For housing development, however, the homeland development corporations have been mainly involved in finance provision only. A new approach is therefore essential.

3.5.2 AN INTEGRATED APPROACH TO HOUSING DEVELOPMENT

The RDP gives priority to housing in an integrated way:
(i) as a basic need;
(ii) a creator of jobs; and,
(iii) capacity builder for contractors.

In the same light, the development corporation must redirect its resources towards this integrated approach in the course of providing housing in the Northern Province.

3.5.2.1 Providing housing as a basic need

The Northern Province has an estimated 5.2m people, 92% of whom are in the rural areas (Central Statistical Services 1994: 2). This segment of the population had all along been financially assisted by the former ethnic development corporations for their housing needs. However, looking at the statistics of urban and rural areas in the former homelands, it is shocking to realise the pace at which housing delivery was undertaken. Chuene (1995: 3), when presenting a paper on the contribution of the housing sector at the Northern Province Economic Conference in June 1995, indicated that Lebowa Housing, the housing division of the former Lebowa Development Corporation, has over a period of ten years managed to build only 400 housing units in the rural areas and about 1 276 in urban areas as at March 1995. The 1994 Gazankulu Development Corporation (GDC) annual report (1994: 9) reflects that GDC financed only nine houses for every R1m it received during the 1993/4 financial year from the Gazankulu Government. Com-
paring the number of people living in the rural areas with the afore-mentioned number of units, one realises how crucial it is to resolve the housing backlog in the province. Realising that the majority of people in the province are low-income earners, it is proposed that the corporation vigorously involve itself in the provision of low-cost housing as well. Given the housing subsidies for the low-income households as promised by the government, a mass housing programme can help generate employment, skills and economic activity both directly and indirectly, and can help in the expansion of housing delivery, thus providing decent and affordable houses to even the poorest South Africans.

3.5.2.2 Housing delivery as a creator of jobs

Unemployment is one serious 'illness' facing the Northern Province. Localised labour intensive projects in housing delivery are likely to increase job opportunities. Both skilled and unskilled labour can be absorbed in the process. The recommended and envisaged route in this regard is for the Corporation to act as facilitator, when providing housing finance, to influence the offering of tenders to local contractors. The government subsidy referred to above gives priority to the involvement of local communities in the provision of houses, which is in line with the principles of the RDP. Should local contractors have no capacity to handle a particular project, external assistance may be considered, on condition the workforce comprises local labour. The adoption of such an approach can result in the mushrooming of a number of building material manufacturers and suppliers, which will in turn increase job opportunities. The linkages and other benefits associated with mass housing schemes can obviously help stimulate and revive local entrepreneurs like sand and stone dealers, brick manufacturing plants, windowsill, cement and other dealers. The development corporation, in conjunction with other agencies, could play a major role in co-ordinating and ensuring that local businesses are given preferential
treatment when purchases of materials for the building pur-
poses are required. It is in accordance with the spirit of the RDP to pledge support to local suppliers. Local entrepreneur can thus be stimulated as potential entre-
preneurs start operating new businesses which have taken ad-
vantage of the new markets for essential products in the construction sector.

3.5.2.3 Housing and capacity building
It is important that housing should be viewed as a process rather than a product. According to this view, the provision of housing as a process should aim at empowering the local people with the relevant and appropriate building, contracting and other related skills during the process of delivery. This will serve as security for sustainable development in the long-term. Therefore housing should not be viewed as merely a mechanism for quick and cost-effective delivery of housing units for statistical reasons only, but should incorporate capacity building through skills transfer. Strong links need to be established between the development corpora-
tion and contractors so that promising construction employees can be identified and therefore given technical training in such skills as building and construction, plumbing, house wiring, carpentry, etc. by the training centre of the corpo-
ration. Contractors can also be provided with business man-
agement skills, which is lacking, especially among black en-
trepreneurs.

Another alternative area of empowerment is self-help housing. This still needs to be explored and promoted by the corpora-
tion in its housing strategy. Arrigone (1994: 1) defines self-help as a process whereby individuals or groups uplift their quality of life by using their own resources such as labour, savings and managerial ability. In a narrower sense, self-help housing can be defined as the system by which low-
income persons or families work individually or in groups,
providing their labour on a voluntary basis, generally without remuneration, to build, extend or improve their houses. The development corporation can play a facilitating role here by mobilising funds for financial and technical assistance to such projects, as well as funds for building materials, tools, etc. Arrigone (1994: 1-2) further indicates that large parts of the major African, Latin American and Asian cities of today were built by many small, informal builders, mostly anonymous, forced to find their own solution in the face of government neglect and sometimes repression. Spontaneous un-aided self-help has, however, been developed over the last 35 years mainly to address the worldwide low-income housing shortage.

In housing, the use of self-help techniques stimulates the socio-economic development of households and communities. Through the building process, individuals, households and communities can develop decision-making and management skills, and self-confidence. The scope for individual or group participation can be very wide, ranging from labour to the total control of the building process, that is problem identification, negotiation and decision-making. This freedom includes the choice of dwelling each household would like to own. Self-help entails a greater degree of participation than is possible in conventional contractor-built housing or public housing, where the stark choice is between buying or not buying.

It is thus crucial that the development corporation does not repeat the mistakes of the past. Arrigone (1994: 5) highlights the fact that the socio-economic programmes for the poor people undertaken by the government during the immediate post-war period (1950-1965) were paternalistic in their approach. These programmes, which were implemented on a mass scale, were characterised by a lack of community participation: people participated neither in the provision of labour nor in the decision-making process. Although the government
never explicitly articulated that its goal was to create non-
self reliant communities, experience illustrates that people
were hindered in and precluded from undertaking any form of
self-help initiatives, and this prevented the upliftment of
low-income communities and the upgrading of the physical en-
vironment through self-help initiative. Self-help methods
must therefore be adopted and promoted by the development
corporation, which must extend its efforts to the people as
best it can. These are the most sustainable methods for pro-
viding housing for the low-income households, which consti-
tute the majority of the population in the province.

3.5.3 SUMMARY
Addressing the lack of housing remains a great challenge in
South Africa. Unrealistic expectations among many people, es-
pecially low-income groups, have been created following the
promises of housing delivery made prior to the 1994 elections.
The provision of housing should therefore target this specific
group. Such a process, as will be pursued by the development
corporation, must view housing provision in a holistic manner,
viz., as a basic need, a creator of jobs and a capacity
builder. It is only in this way that the contribution of hous-
ing provision in socio-economic advancement will be observ-
able.
CHAPTER 4
SUMMARY, RECOMMENDATIONS AND CONCLUSION

4.1 SUMMARY

The GNU has inherited the development corporations which were established to support separate development. In the Northern Province the three former homeland development corporations and the Small Business Development Corporation (SBDC) have functioned in isolation from each other, each pursuing its own development strategy. The transformation of these institutions therefore becomes a precondition to their being accepted as delivery instruments of the RDP. Such a process will result in the newly transformed corporation effectively applying the RDP principles in its activities.

As our economy requires a skilled and knowledgeable workforce, the development corporation must contribute to the provision of training for the unemployed, which will enable this group to participate actively in the economy. The promotion of the small business sector by the development corporation is essential, especially in the rural areas. Emphasis should be placed on assisting small businesses in overcoming the problems and constraints they encounter. Agriculture, particularly small scale farming in the rural areas, needs support from the corporation as this will broaden economic participation and contribute to household food production. An integrated approach towards housing provision by the corporation is essential to the promotion of income distribution. This will encourage capacity building in the process.

4.2 RECOMMENDATIONS

4.2.1 THE ROLE OF THE GOVERNMENT

The success of the RDP lies heavily in the hands of the government. It is therefore of the utmost importance that the
government must take a pro-active role in establishing structures and institutions to be assigned with the task of development. The development corporation, as a parastatal receives funds from the government, which implies that it has to abide by the development objectives of the government. The restructuring and integration of the homeland development corporations has been a priority of the government. This therefore requires the government to play a leading role in the process. This will ensure that the restructuring process is not left in the hands of the corporations themselves.

The government must also ensure that all stakeholders are involved in the process to ensure that the restructured, integrated corporation gains legitimacy and acceptance in the community.

The Northern Province government must also speed up the finalisation of the provincial economic policy to ensure that the development corporation knows its position in the economic plan of the province.

Development through the efforts of the Corporation could be hampered by lack of infrastructural support such as roads, electricity, telecommunications, water, etc. The government must therefore play a vital role in providing infrastructure, especially in the former homelands.

4.2.2 CAPACITY BUILDING AS A PRIORITY
One of the major stumbling blocks which retards economic activities is lack of capacity. The problem is even greater in rural areas. Capacity building, which can be defined as a process geared towards improving the potential and capability of a person, in order to promote his/her competence and understanding in fulfilling a particular task, should be the prime objective of the corporation.
Spier (1995: 42) sees it as a process aiming at empowering individuals and communities with the necessary relevant skills and understanding so as to afford them a direct say in matters affecting their day-to-day lives, thus making it possible for them to take charge of their lives. In small businesses, for instance, crucial management and technical decisions need to be taken for a venture to succeed. In most cases, such skills are lacking, especially in the rural areas. This requires the development corporation to have an integrated approach towards development.

The identification of needs in all emerging sectors, and the provision thereof should be part of the approach. Timeous aftercare and proper counselling services need to be provided to ensure that emerging entrepreneurs are supported in decreasing stages until they are independent and fully integrated into the private sector. The involvement of communities in planning and designing of development programmes is of crucial importance. Their input and participation will help the corporation in knowing and following an approach which is more suitable to the needs of the people served.

4.2.3 SUPPORT FOR WOMEN'S ENTREPRENEURSHIP

In the Northern Province, women are in the majority, and many of them are involved in the informal sector. All agencies established to support the informal sector should address their needs. The informal sector has been blamed for the declining conditions in most areas, especially the urban centres. Instead of being discouraged, they need to be supported, especially by the development corporation, which should encourage formal entrepreneurs to work hand-in-hand with surrounding informal businesses, thus contributing to the organisation of this sector. Formal business people can also share valuable ideas and information regarding the running of businesses with their informal counterparts. Hazelhurst et al (1995: 73) suggest that "... the informal sector could be too amorphous
to be targeted successfully. It has done a valuable job, generating a cash stream for those on the periphery of the economy..." where people live from day-to-day and from hand-to-mouth. Those involved are not generally entrepreneurs capable of creating jobs for others, so the multiplier effect of the sector is not a powerful mechanism for redistribution unless they are helped to grow and raise their productivity and move into the formal sector.

Policies must also be put in place to develop women from a set of marginalised survivalists into dynamic and organised small entrepreneurs to enable them to provide a decent living for themselves, their families, and their employees. Such policies must ensure sufficient support for women in terms of skills training and access to credit and information. The Northern Province could therefore follow the example of other countries like the USA, where women-owned businesses are the fastest growing segment of the small business population, increasing 14% annually from 1977 to 1987, compared to 5% growth of male-owned companies. By 1989, 32% of the self-employed were women and the total of women-owned businesses had risen to 4.4 million. It has also been realised that women are low risk investments as they pay back loans on time and have a low bad debt ratio. In addition, the small business units of banks and organisations involved in the training of entrepreneurs, report that the proportion of women clients increased steadily (Erwee 1991: 12-18). This therefore calls for the provision of a solid base of opportunities by the development corporation for female enterprise, thus enabling them to make a meaningful contribution to the economy of the province.

4.2.4 NETWORKING AND COLLABORATION WITH OTHER DEVELOPMENT INSTITUTIONS AND STAKEHOLDERS

Clark of the Wits Business School Centre for Developing Business states that one factor upon which success in development
depends is networking (Hazelhurst et al 1995: 74). He goes on to say that "Research in the US (United States), which was replicated here, shows the best indicator of success is the existence of a strong network, because it establishes access to resources and information". But the unfortunate scenario in our communities is that people, particularly the disadvantaged, make little use of networking in economic activity. It is therefore important that those who expect small enterprises especially to play an important economic and socio-political role in South Africa become aware of some of these obstacles, especially the development agencies. The development corporation must play a facilitating and encouraging role in networking. It can encourage small business people to partake in local and regional small business forums where a lot of ideas are exchanged. The corporation can also network with sister organisations in other regions and countries. This can help in expanding the market of a locally produced product like pottery, finding a cheaper supplier of particular raw materials or items, and bringing together the best suppliers and potential customers in the process.

An example of a successful project for information dissemination is the Business Opportunity Centre, first launched in 1992 in Durban by the National Economic Initiative (NEI) as a one-stop service centre for small and medium sized enterprises. NEI "... is a voluntary association of private sector corporations who wish to promote partnerships between large corporations and small black business" (Hazelhurst et al 1995: 88). "Experts are available to answer questions and assist with networking and sub-contracting ... Following the success of the Durban Centre the experiment was duplicated in Braamfontein, Johannesburg" (Hazelhurst et al 1995: 88). Approximately 17 different business units are currently being run from the centre. Continued demand from the small business sector is putting pressure on the centre to expand. Plans to establish such centres in other provinces are therefore imminent. Included in the plan, is the development of a more com-
prehensive system of information dissemination (Hazelhurst et al 1995: 88-91). This therefore illustrates the importance of the availability of information for development. The development corporation must therefore establish links with such organisations with proven delivery track records. Networking should not be restricted to SMMEs, but should extend to all sectors, e.g. agriculture.

4.2.5 ENTREPRENEURSHIP IN SCHOOLS

The South African school curriculum has been designed to enable pupils to pass examinations and to proceed to the next level. It does not equip pupils with practical skills to deal with real-life situations. Nor does it introduce pupils to the idea of self-employment. Children today need to be made aware that jobs are no longer something that you get from someone else if you have attractive certificates, and that it may be necessary and profitable for one to create one’s own employment through individual enterprise. Entrepreneurship should therefore be promoted in modern school curricula, and such a programme must inculcate technical expertise combined with business skills into children.

The development corporation can therefore play an important role in this regard. One such example is a programme initiated by the former Lebowa Development Corporation with the Business Advisory Bureau of the University of the North. The former Lebowa Development Corporation is one such example. This programme, called Junior Business Awareness Programme, was aimed at schools in the former homeland of Lebowa and has helped those who participated to acquire hands-on experience in the management of a business. Such a programme can therefore be spread throughout the province by the development corporation.

Another kind of programme aimed at identifying young entrepreneurs, developing their business skills and helping them set up shops, has been devised and is being run by Sagewood
Education Centre. Children are taught how to draw up a business plan and to run the business. Through this course, a pupil at Richards Bay High School runs a tuckshop and has employed his mother to manage the shop. After paying his mother, his net profit is in excess of R1 500 monthly. Evan King from Empangeni High School set up a chocolate manufacturing venture which has made a net profit of R500 per month over the past year (Mduduzika Ka Harvey 1995: 4). These success stories prove that if the development corporation can actively involve itself in spreading the entrepreneurial culture in the young generation, the long-term economic benefits thereof could be remarkable.

4.3 CONCLUSION

The approaches to development which the development corporations pursued in the past had always been politically inspired and based upon the idea of ethnic or separate development. Tangible objectives of real development have thus been beyond reach of many disadvantaged groups in this country. These insatiable needs and cries for a better life can only be met if pragmatic thinking on economic development can penetrate the official thinking of development planners and institutions. This therefore requires that the development corporation should not see development as a mere transplantation of 'blueprints' to the poor, but as a holistic process aiming at enhancing self-reliance; as a process for the people, of people and by people; it should start with the satisfaction of the basic needs of those who are at the bottom rung of the ladder; and should be seen in an integrated perspective in which special attention is paid to the advancement of the neglected rural poor. The broadening of the development approach by the development corporation, with emphasis on plans to open up opportunities for the disadvantaged, would help the poor to have new meaning in life. Such an open-minded strategy to development would definitely make the development corporation a meaningful instrument of the RDP.
ANNEXURES
Map 1

PROVINCES OF SOUTH AFRICA

Source: Ligthelm et al 1995: 2
Map 2

NORTHERN PROVINCE

Source: Ligthelm et al 1995: 16
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<th>Province</th>
<th>North-West</th>
<th>Northern</th>
<th>Western Cape</th>
<th>Eastern Cape</th>
<th>Free State</th>
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Source: Ligthelm et al 1995: 25
### Table 2: Percentage Distribution of Workers by Economic Sector and Province, 1994

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<th>Mining and quarrying</th>
<th>Manufacturing</th>
<th>Electricity and water</th>
<th>Construction</th>
<th>Transport and communication</th>
<th>Finance and real estate</th>
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Source: Ligtheim et al 1995: 40
Figure 1

Source: Lightelm et al 1995: 49

Unemployment in South Africa by Province, 1994
Figure 2

Source: Ligthelm et al 1995: 52
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