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**MATCHING POLICIES ON RURAL DEVELOPMENT AND  
LOCAL GOVERNANCE IN SOUTH AFRICA: RECENT  
HISTORY, PRINCIPLES, AND CURRENT CHALLENGES**

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# Matching policies on rural development and local governance in South Africa: recent history, principles, and current challenges

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Sketches have been drawn by J. Mercoiret.

## Abstract:

The paper discusses the link between local governance and rural development in democratic South Africa. It underlines several issues and challenges facing the government's willingness to position local municipalities as the key providers and promoters of development in rural areas.

The paper first presents two parallel policy streams that took place since 1994. On the one hand, local government has been gradually established and strengthened, as the third constitutional sphere of governance, in line with an overall decentralization process. On the other hand, rural development has taken a growing place into political discourses from 1994 onwards, and has been promoted or implemented through various policies, legislations and programmes, which has often been conceived and managed centrally, at the national and/or provincial levels.

The paper then describes the current situation in terms of linkages between local government and rural development initiatives. It is argued that, in spite of a closer link and integration between overall policies and approaches to rural development (ISRDP) and local government planning tools (IDPs), a series of issues and challenges are still hindering efficient delivery and services towards rural areas and their development. Among other issues, the paper identifies and discusses (1) contradicting approaches that are still combined *de facto* (liberalism vs. welfarism), (2) the lack of actual participation and the weakness of CSOs in rural South Africa, (3) revenue issues at the rural municipal level, (4) the discussable role of district municipalities, (5) a hidden supply-driven agenda by line departments, along with poor co-ordination among them, and (6) long-living myths about the potential of certain areas, or the possible role of agriculture.

The paper concludes with some recommendations, especially stressing the possible role of academics to help and support decision-makers and development operators.

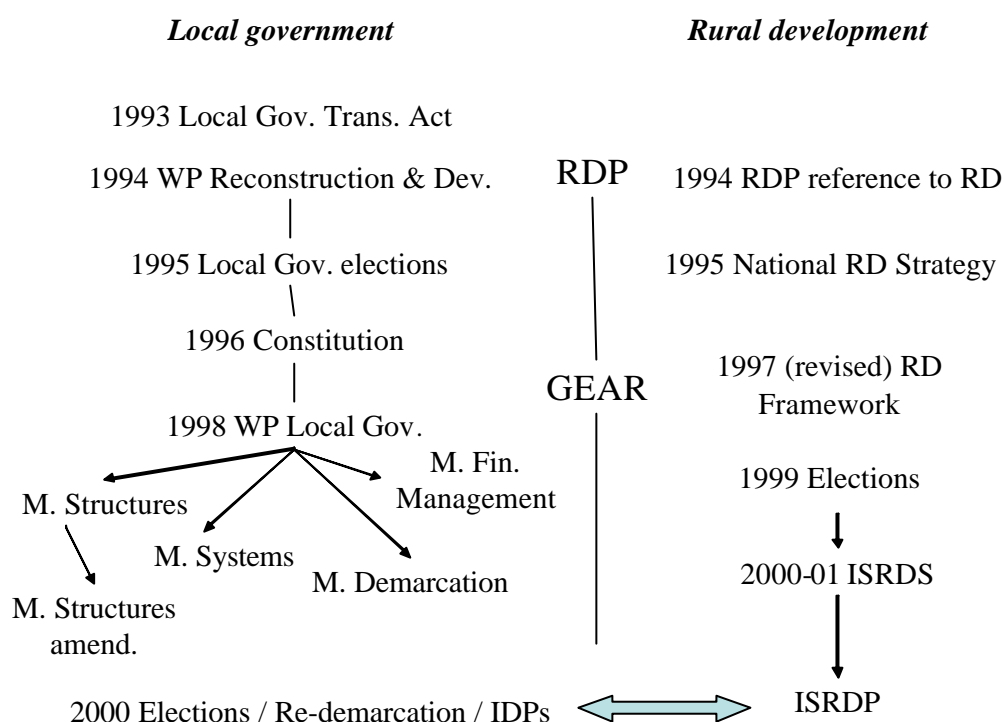
## 1. Introduction

Two parallel policy streams have taken place since 1994 in democratic South Africa (Davids, 2003). On the one hand, local government (LG) has been gradually established and strengthened, as the third constitutional sphere of governance, in line with an overall decentralization process. On the other hand, rural development (RD) has taken a growing place into political discourses from 1994 onwards, and has been promoted or implemented through various policies, legislations and programmes, which has often been conceived and managed centrally, at the national and/or provincial levels. Figure 1 features these two parallel streams.

In spite of the government's willingness to position local municipalities as the key providers and promoters of development in rural areas, these policy streams have long developed separately. They now tend to converge, with the current attempt to better integrate the Integrated Sustainable Rural Development Programme (ISRDP) with local municipalities' Integrated Development Plans (IDPs).

The paper describes such recent history, the present situation, as well as the current challenges.

*Figure 1. Chronology of policies and approaches to Local Government and Rural Development in democratic South Africa*



## 2. Two parallel policy waves: local government and rural development

### 2.1. Local government in democratic South Africa

The structure, organisation and purpose of LG in South Africa have been completely reformed during the last ten years. The 1993 Local Government Transition Act forms the background for the transitional period that has taken place between 1994 (first overall democratic elections), 1995 (first local elections), and 2000 (second local elections, re-demarcation process). This act is one of the first official text that mentions explicitly Integrated Development Planning as a tool for local municipalities to become the key service providers and promoters of local development, yet with no details regarding implementation.

The 1994 White Paper on Reconstruction and Development is actually the first major milestone in the evolution of local government policy. At the inception of the new democratic South Africa, the government defined and started implementing the Reconstruction and Development Programme (RDP) as the policy framework to promote economic and social development, especially targeting the backlogs and inequalities left by the apartheid era. Particularly, the White Paper identifies LG as a vehicle for taking forward RDP. It clearly

promotes municipalities as the key institutions to implement developmental projects. It also underlines consultation as an important process, which should take place with accredited local RDP forums consisting of representatives of all local stakeholders, CBOs and NGOs.

However, those principles lack institutionalization. They promised much, yet with some vagueness, especially regarding rural development, and lack of implementation. RDP was also characterized by a welfarist, supply-driven approach to development.

In 1995, the first democratic local elections took place, establishing the transitional structures that would govern local until 2000. The Constitution of 1996 establishes the three co-operative spheres of government. It confirms the pivotal role of local government in social and economic development, enhancing democracy, the sustainable provision of services, and the promotion of participation. Yet again, lack of practical guidelines, legislation gaps, strong urban bias hindered the implementation of such principles, by local government lacking skilled and experienced staff.

In March 1998, while the government was shifting from RDP to GEAR as a macro-economic policy framework and to a neo-liberal line, the White Paper on Local Government established the way out of the transitional phase. It confirmed the constitutional and developmental role of LG, which would work with communities to find sustainable pathways to meet their needs and improve the quality of their lives. It aims at maximising impact on social development and economic growth, integration, co-ordination and alignment of public-private investments, democracy and pro-poor development. The expected outcomes include provision of services and infrastructures, creation of liveable, integrated urban and rural areas, empowerment and redistribution. The White Paper on LG promotes integrated development planning, budgeting and performance monitoring, performance management and participation of citizens and partners.

Observers consider the WP on LG as a radical re-orientation, a paradigm shift, since it promotes Integrated Development Planning (IDP) with community-based goals, clear reference to redistribution of income and opportunities towards the poor. It proposes to democratizing development. It aligns developmental local government with key constitutional concepts (equity, human dignity and rights), yet with a clear neo-liberal background and inspiration.

Between 1998 and 2000, a series of acts follow the WP on LG, setting up the necessary legislation framework for implementation: The Municipal Structures Act (which mostly sets up the different categories of municipalities), the M. Systems Act (which defines processes and operational features such as IDPs), the M. Demarcation Act 5 (which sets up the Demarcation Board), the M. Financial Management Bill.

The Municipal Systems Act of 2000 sets up municipalities IDPs as points of departure for managing and evaluating performances, budgeting and allocating resources, changing organisations. Also, it makes community participation compulsory, in the content of IDPs, as well as in the process by which they are drafted. Hence a two-folded, capacity-building challenge that is identified: citizens should learn to participate in municipal affairs, and municipality staff should learn to foster such participation.

On the paper, all what resulted from the WP on LG looked a coherent and rational system, yet with no specific rural focus or consideration.

The following chapter describes the evolution of thoughts and policy regarding rural development, and confirms that prominent role granted to the district level. Most 13 nodes for implementing the Integrated Sustainable Rural Development Programme -ISRDP- are actually districts in poor, developing areas of South Africa.

## **2.2. Rural development in democratic South Africa: approaches, initiatives and policies**

The various texts underlying the RDP made repeated reference to rural development, but little emerged (Everatt & Zulu, 2001; Davids, 2003).

In 1995, a National Rural Development Strategy is drafted. It integrates considerations on the local government framework, with RDP objectives. It must be noticed that cost recovery concerns are set up since the outset, in spite of RDP's welfarist background.

At the time it was launched, the National RD Strategy however ignored local government issues (e.g. the very uncertain role granted to traditional authorities, the learning and weak local transitional municipalities). Also, it did not address the key issue of the actual potential of rural economy, in areas left under-developed by the previous apartheid regime. Finally, it mixed up since the outset two approaches, on the one hand a right-based, gap-filling, supply-driven, and welfarist approach to development, and on the other hand, an approach based upon productivity, economic efficiency, and cost recovery.

Unlike initially planned, a White Paper on Rural Development never came to being after the NRDS was launched. In 1997, a revised Rural Development Framework (drafted after the NRDS) was proposed and driven by the RDP. When RDP came to an end, being followed by the GEAR macro-economic framework, such RDF was transmitted to the Department of Land Affairs. Overall, GEAR confirmed the "user-pays", "containing costs", and "market-driven" principles, in a general neo-liberalist line.

Before the general election of 1999, certain CSOs (e.g. the Rural Development Initiative) urged the government to address specifically and explicitly the rural development issue. After its election, President Mbeki made a clear step towards that end: in 2000-2001, the Integrated Sustainable Rural Development Strategy was drafted, drawing a lot from preliminary works done within Land Affairs and other key line Departments after the RDF.

Among others, some key principles led the ISRDS: a focus at the district level, LG being the key player and the locus of integrated rural development through the IDPs. It also acknowledges the weaknesses of local municipalities, hence a further focus on districts. Finally, the ISRDS acknowledges and emphasizes the differentiation of economic potential in rural areas.

It has been turned into a programme –ISRDP- in order to emphasize its operational purpose. The programme focuses efforts in 13 nodes, spread over developing rural areas of South Africa, 12 of them strictly superimposing districts' boundaries.

ISRDP is presented as a spatial development framework, which tries to accommodate environmental, social and economic agendas. It is designed to provide national and provincial means at local level, since many local municipalities are ill-equipped to play a significant role by themselves. However, ISRDP is not aiming at replacing or duplicating any local initiative. It is supposed to fit into the local IDPs, and to be driven by local municipalities.

## **3. Challenges and issues**

The two previous chapters presented the parallel policy "waves" that took place at the inception of democracy in South Africa, i.e. local government and rural development.

After several years of separation, it seems that ISRDP on the one hand, and IDPs on the other hand start being developed and implemented complementarily. The 13 development nodes of ISRDP are becoming the loci where local governance and rural development converge.

This chapter explores and describes synoptically the remaining challenges and issues regarding both policies, and their combination.

### **3.1. The prominent role of districts**

The Municipal Structures Amendment Act of 2000 acknowledges the weaknesses of local municipalities (B) and re-allocated functions such as infrastructural development, bulk supply and services, from municipalities to districts (category C). As a consequence, districts are *de facto* confirmed as the main developmental and infrastructural operators and service providers in rural areas of South Africa (Perret & Lhopitalier, 2000; Davids, 2003).

Districts are given power over all municipalities under their jurisdiction, which includes ensuring the IDPs are developed (their own and the municipal ones), and building capacity where necessary. This poses some issues in terms of:

- accountability, since district staff does not represent the local population, or the elected individuals at municipal level;
- dependency, from a B municipality view point (especially on capacity building);
- reversibility, since some economy of scale made at district level (large areas) might not be duplicable at municipal level (much smaller size), whereas the Act stipulates that the power should be gradually put back at municipal / local level, as capacity grows;
- participation, since increased distance and lack of communication do exist between districts and the local level.

Also, such design lies onto the assumption that districts do have the capacity in staff and skills to help local municipalities, which is not always the case (Davids, 2003).

### **3.2. Independence and the revenue of municipalities**

Local rural municipalities derive about 40% of their income from national and provincial transfers (as compared to 8% for urban municipalities). Yet, their share of national revenue is 4%, in the form of the Equitable Share (Davids, 2003).

The Equitable Share is a mandatory, non-conditional, entitlement, which means that LG can allocate and use it with limited control from national and provincial levels.

Some observers insist that more ES being directed towards local rural municipalities would be instrumental in making them more autonomous and efficient, and would release the pressure onto impoverished population (away from cost recovery objectives attached to water and electricity supply). The current situation reflects both a reluctant national government to actually decentralize, and the prevailing neo-liberal ideology (Naidoo & Veriava, 2003).

### **3.3. Actual participation**

Participation has repeatedly been put forward by policy documents as a compulsory element of local governance and rural development as well, yet with various and discussable implementation features. Information, and sometimes consultation, has indeed been carried out (forums), but co-design, co-decision and actual partnership, as defined in Perret & Mercoiret (2003), have seldom taken place.

The 1994 RDP forums raised enthusiasm among communities and civil society organisations (CSOs), which enthusiasm was not accommodated further by the then inexperienced local

government (Davids, 2003). Even the recent ISRDP points out community participation as key, yet with little mention to rural NGOs and CBOs.

Besides obvious lack of capacity and skills to actually organise participation by local municipalities, some objective hindrances do exist. Unlike urban settings, rural areas lack an active civil society (Greenberg, 2003). Furthermore, certain non-governmental initiatives were sidelined or ignored while drafting the ISRDS. Finally, participation of all rural areas meets physical and social hidden barriers (the poor cannot be easily reached, owing to remoteness and transportation issues, participation of women, the youth, the elderly may be socially sidelined) (Davids, 2003).



It is about participation, without sidelining any social group.

### **3.4. Between welfarism and neo-liberalism**

There are no doubts that rural South Africa, and more especially former homeland areas (Bantustans), still lacks basic services and infrastructures. Huge efforts and delivery have taken place since 1994, but there are still lots of needs left unattended.

While the government tries to provide basic constitutional services (i.e. free basic water policy), it also tends to increasingly and contradictorily implement cost-recovery, “containing costs”, and “market-driven” principles (Hart, 2002; Naidoo & Veriava, 2003).

Rural people start to witness the shift away from mere “welfarism”, as a leading principle of emerging democratic South Africa, to a colder neo-liberal and deregulated approach (e.g. state withdrawal of agricultural support, subsidies and extension, “user-pays” principals applied to water supply, etc.). Certain private/public arrangements become uncertain, unsustainable and unattractive.

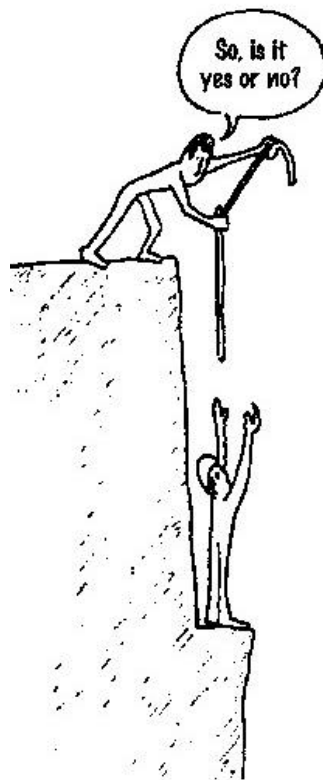
Key questions remain as to how to promote RD with such contradictory objectives? How to avoid creating new forms of dependency for rural people, while also releasing pressure and unlocking opportunities for them? (Hemson *et al.*, 2004).

### **3.5. Implementing ISRDP within IDPs: sectoral temptations**

The ISRDP Programme forms an opportunity for bridging rural development and local governance. It is supposed to harness and bring national and provincial means and capacity at local level. It is supposed to fit into the local IDPs, and to be driven by local municipalities.

In spite of such a clear and rational framework, the first implementation stages that have taken place in some of the 13 nodes show certain flaws and setbacks:

- IDPs are often seen as outputs or products by both local policy makers, line departments, and development operators, whereas IDPs should be on-going processes, whereby participatory negotiation of development goals should play a major part;
- So far, many ISRDP bear no relation to the demands set out in local IDPs, but rather reflect potential deliverables from line departments, which often seem to compete with each other (for visibility purpose) rather than co-operate; hence some sectoral initiatives and projects that can be seen here and there, and which have little to do with integrated, demand-driven approach (Davids, 2003);
- De facto, most nodes have been selected on the basis of needs (as perceived by external observers), and of political lobbying and pressure, and not of potential (if any) or level of readiness (Everatt, 2003)
- Furthermore, the 13 nodes fell into new municipalities; most initial time has been spent in capacity building at local government level, rather than on delivering.



### **3.6. Some diehard myths: what potential? which role for agriculture?**

ISRDP policy and implementation guideline documents repeatedly emphasize the notion of potential for development of rural areas where the nodes have been located, i.e. in former homeland areas. Observers raise a number of issues regarding that notion of potential, as a basis for development policy and efforts:

- Former homeland areas had been specifically and purposively delineated during the apartheid era for their lack of potential for development (poor endowment in most natural resource) (Hart, 2002; see also Oranje, this workshop)
- Furthermore, all efforts seem to have focused onto despoiling them from development assets (poor institutions and economic environment, poor infrastructures, etc.);
- Agriculture keeps been pointed out as the first potential mover for development in rural areas (Brooks, 2000), whereas rural people themselves do not see agriculture as an answer to their plight (May, 1997);
- Urban areas absorb best-educated people, and most energetic layers of rural society (Hemson *et al.*, 2004); women, children, and the elderly are *de facto* key role players in rural areas;
- Putting forward the notion of potential for development (especially economic development as ISRDP implicitly puts it) relegates welfare and service provision to satisfy basic (constitutional) human needs as secondary matters.

Once again, the contradiction between welfarist and neo-liberal approaches is pointed out here (Davids, 2003; Naidoo & Veriava, 2003). In some instances and rural areas, it would be best to simply acknowledge the current lack of potential for economic development in the short term, and to focus on the severe backlogs in most infrastructures and services.

## 4. Conclusion

As shown in chapter 2, it's only recently that policy streams on rural development and local governance have converged, in the form of the implementation of the Integrated Sustainable Rural Development Programme in 13 nodes, aligned with local Integrated Development Plans Developed by local municipalities.

In spite of commendable principles and objectives, a number of issues remain, as identified in chapter 3.

Certain issues refer to the structure of local governance system, i.e. the prominent role of districts, and the revenue system of local government. Some other issues refer to the contradictory underlying principles that have been adopted (welfarism or neo-liberalism, a focus on economic potential and development, or onto basic constitutional human needs).

Finally, some issues refer to the inescapable learning and capacity building processes and that local government experiences in South Africa. Many local municipalities still lack the capacity and the skills in key developmental fields, such as financial and human resource management, coordination and planning, participation.

Academics and research operators can contribute in different ways:

- Critical analysis of policy processes (the present paper belongs to that kind of contribution; see also the list of references);
- Comparative and international analysis (Brooks, 2000);
- Drafting guidelines and implementation pathways (see the work done by CSIR teams with SALGA and DBSA, for the Department of Provincial and Local Government in 2002);
- Building capacity and training, starting with students (as future development operators, or merely informed citizens);

- Develop methodologies for diagnosis, monitoring and evaluation (Perret & Mercoiret, 2003).

On the latter, recent research and case studies have confirm serious potential contribution.

Typological approaches allows for investigating the socio-economic diversity and dynamics of rural households (Perret *et al.*, 2000; Perret & Mercoiret, 2003). Participatory zoning techniques help understanding spatial patterns, dynamics and diversity of activities and resources, from a local knowledge point of view (Lhopitallier, 2000; Masika *et al.*, 2001).

Such contribution however stumbles against the usual, systematic resort to consultants by local government and policy / decision-makers. New partnerships should be thought and built, based on such methodologies and potential contributions.

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