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On the occasion of the State of the Province Address in June 2009, the Honourable Premier, Ms Kiviet outlined the vision for an Eastern Cape Rural Development Strategy as seeking to “unleash the socio-economic development potential of the Eastern Cape, by addressing decisively the historical neglect of rural areas; to reverse the legacy of inequitable access to basic services; to reverse spatial imbalances which have continued to dog our economy; to improve the coordination and integration of service delivery across government, and to foster sustainable partnerships.” This vision, which is informed by the Manifesto of the African National Congress, derives from an acknowledgement that indeed the Eastern Cape has a legacy of endemic rural poverty, which requires a sustained and programmatic intervention.

This Rural Development Strategy is therefore a long term intervention, which, responds directly to the urgent need to undo the legacy of neglect characterized by, according to the Poverty and Inequality Report of 1998 “the loss of assets, such as land and livestock, and simultaneously the denial of opportunities to develop these assets through limiting access to markets, infrastructure and education.” Accordingly, in its first term of implementation, this Strategy will focus on five plus one central pillars, namely, land reform, agrarian transformation and food security, non-farm rural economy, infrastructure, social protection and service delivery, as well as enabling environment, institutions, capacity and resources. We are convinced that the outcome of full implementation of these pillars will be the narrowing of the rural and urban divide, as well as the emergence of sustainable and lively rural communities with universal access to services, infrastructure and development opportunities. Accordingly, key departure points for this strategy include:

a) Addressing the historical neglect of Eastern Cape rural areas, and to reverse the legacy of inequitable access to basic services, including addressing the spatial imbalances in the Eastern Cape economy towards bridging the urban/rural divide;

b) Mobilisation, conscientisation and organisation of people are fundamental principles of the rural development strategy. This strategy aims to create an environment in which local self-organisation of people can thrive;

c) Ensuring that integrated planning, monitoring and evaluation provides a strong basis for effective implementation, with the Integrated Development Plans of municipalities and the Provincial Growth and Development Plan placed at the centre of implementation in order to ensure that rural development is foregrounded as a growth path by all spheres of government;

d) Utilizing IGR as an implementation and coordination platform for service delivery across all spheres of government;

e) Re-engineering inter-governmental fiscal relations towards effective mobilization of resources for sustainable funding of rural development, in full acknowledgement that meaningful implementation of this Strategy also requires a predictable and sustainable funding formula.
f) As part of the quest to “unleash the socio-economic development potential of the Eastern Cape” as mentioned by the Premier in her State of the Province Address, the Rural Development Strategy will also focus on innovation, research and development, including leveraging appropriate technologies.

As citizens and stakeholders of the Eastern Cape Province, working together in a spirit of partnership, we are called upon to take charge of our collective destiny by creating, through this Strategy, a better life for our people.

Provincial Government takes this opportunity to thank the stakeholders and people of the Eastern Cape for their enthusiastic participation in the process of developing this strategy. The adoption of this strategy is an invitation to the people of the Eastern Cape to participate in a process of rural development, and an undertaking by the Eastern Cape Government to make it happen.
### Glossary of Terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td>Agrarian transformation</td>
<td>Agrarian transformation is concerned with the class relations of production and distribution in farming and related enterprises. It is concerned with economic and political power relations together with the connections between them. Its central focus is the political economy of land, agriculture and natural resources.</td>
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<tr>
<td>Agriculture</td>
<td>Agriculture is the production of food and goods through farming and forestry.</td>
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<tr>
<td>Subsistence agriculture</td>
<td>Subsistence agriculture is self-sufficient farming in which farmers grow only enough food to feed their families and do not produce a surplus.</td>
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<tr>
<td>Small-scale agriculture</td>
<td>Small-scale agriculture is an alternative to factory farming or more broadly, intensive agriculture or unsustainable farming methods that are prevalent in primarily first world countries.</td>
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<tr>
<td>Commercial agriculture</td>
<td>The production of crops for sale, crops intended for widespread distribution to wholesalers or retail outlets (e.g. supermarkets), and any non-food crops such as cotton and tobacco. Commercial agriculture includes livestock production. Commercial agriculture does not include crops grown for household consumption.</td>
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<tr>
<td>Agro-processing</td>
<td>Agro-processing refers to the subset of manufacturing that processes raw materials and intermediate products derived from the agricultural sector. Agro-processing industry thus means transforming products originating from agriculture, forestry and fisheries.</td>
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<td>Betterment</td>
<td>“Betterment” schemes were first implemented in South Africa in the late 1930s as a way of “rehabilitating” agriculture and land use in the “reserves. People were moved into village settlements and scattered family landholdings were “consolidated”. Land was carefully divided into distinct residential, crop and grazing usage. Grazing lands were fenced for rotational grazing, and “improved” practices encouraged, with stock limitation and culling enforced by law. Erosion was combated through extensive contour works, and village woodlots were established.</td>
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<tr>
<td>Betterment redress</td>
<td>A process through which victims of betterment would be entitled to lodge claims that would be resolved within the framework of the existing land restitution process.</td>
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<tr>
<td>Food security</td>
<td>Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.</td>
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<tr>
<td>Land Reform Programme</td>
<td>(In South Africa) it is designed to redress the grave racial imbalance in landholding and to secure the land rights of historically disadvantaged people. The three main pillars of the programme are land redistribution, tenure reform and land restitution.</td>
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<tr>
<td>Non-farm rural economy</td>
<td>Non-farm is defined as all economic activities other than production of primary agricultural commodities.</td>
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|------------------------|-------------------------------------------------------------------------------------------------
| Rural                  | It constitutes the space where human settlements and infrastructure occupy only small patches of the landscape, most of which is dominated by open pastures, woods and forest, water, mountain and desert; it is where people usually live in farmsteads or settlements. In South Africa these settlements may vary between 5-10,000 persons. National distinctions between urban and rural are arbitrary and very varied, in the context of the RDS; rural refers to the two former homelands areas (Ciskei and Transkei), rural towns and farm settlements. |
| Rural development      | Development that benefits rural populations; where development is understood as the sustained improvement of the population’s standards of living or welfare. Rural development is multi-dimensional and much broader than poverty alleviation through social programmes and transfers; it emphasises changing environments to enable poor people to accumulate, invest in themselves and their communities and contribute toward maintenance of key infrastructure. Improvement of productive, social and environmental assets is vital in sustaining rural people’s livelihoods. |
| Social protection      | Traditionally, social protection focused on safety nets; mechanisms that aim to protect people from the impact of shocks such as floods, drought, unemployment or the death of a breadwinner. Definitions of social protection are now broader and include longer-term mechanisms designed to combat chronic poverty, as well as short-term interventions to reduce the impact of shocks. Social protection is seen as an investment in the future with the potential to promote growth and improve long-term poverty-reduction. |
| Social security        | Social security primarily refers to a social insurance programme providing social protection, or protection against socially recognised conditions, including poverty, old age, disability, unemployment and others. |
| Thusong Centre         | Thusong Service Centres (formerly Multi-Purpose Community Centre / MPCC), a 1999 government programme aimed at bringing development communication and information to rural areas as well as integrating government. This was done to address historical, social and economic factors which limited access to information, services and participation by rural citizens as they had to travel long distances to access these services. |
Abbreviations

ABP  Area-Based Planning  
ATIs  Agricultural Training Institutions  
HIV & AIDS  Acquired Immune Deficiency Syndrome  
ASGISA-EC  Accelerated and Shared Growth Initiative South Africa – Eastern Cape  
CDW  Community Development Worker  
CPPP  Community Public-Private Partnership  
DEDEA  Department of Economic Development and Environmental Affairs  
DPLG  Department of Provincial and Local Government  
DWEA  Department of Water and Environmental Affairs  
ECD  Early Childhood Development  
ECDARD  Department of Agriculture and Rural Development  
ECDC  Eastern Cape Development Corporation  
ECDoE  Eastern Cape Department of Education  
EPWP  Expanded Public Works Programme  
FAO  Food and Agricultural Organisation  
FET  Further Education and Training  
GDP  Gross Domestic Product  
GGP  Gross Geographic Product  
HIV  Human Immunodeficiency Virus  
HSRC  Human Sciences Research Council  
IAASTD  International Assessment of Agricultural Science and Technology for Development  
IDZ  Industrial Development Zone  
ICT  Information and Communication Technology  
IDP  Integrated Development Plan  
IKS  Indigenous knowledge Systems  
ISRDP  Integrated Sustainable Rural Development Programme  
JSS  Junior Secondary Schools  
KSD  King Sabata Dalindyebo  
LAG  Local Action Group  
LED  Local Economic Development  
LER  Learner Educator Ratio  
MEC  Member of Executive Council  
MDG  Millennium Development Goals  
MFMA  Municipal Finance Management Act  
MIG-  Municipal Infrastructure Grant  
MSPs  Master Sector Plans  
NGOs  Non Governmental Organisations  
OTP  Office of the Premier  
PFMA  Public Finance Management Act  
PGDP  Provincial Growth and Development Plan  
PLAS  Pro-active Land Acquisition Strategy  
RDA  Rural Development Agency  
R&D  Research and Development  
RDS  Rural Development Strategy  
RLCC  Regional Land Claims Commission  
SASSA  South African Social Security Agency  
SDAP  Service Delivery Acceleration Plan
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<tr>
<th>Abbr.</th>
<th>Description</th>
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<tr>
<td>SMME</td>
<td>Small and Medium Enterprise</td>
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<tr>
<td>SNP</td>
<td>School Nutrition Programme</td>
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<tr>
<td>UFH</td>
<td>University of Fort Hare</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>URP</td>
<td>Urban Renewal Programme</td>
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<tr>
<td>WSDP</td>
<td>Water Service Delivery Plan</td>
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<td>WSIS</td>
<td>World Summit on Information Society</td>
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INTRODUCTION AND CONTEXT
1. Introduction

Rural development has emerged in the past two years as a national policy priority. While the South African population is increasingly becoming urbanised, large numbers live in rural areas. Uneven development remains a structural feature of both South Africa and the Eastern Cape. Since 1994, Government has developed and implemented policies, programmes and laws aimed at addressing apartheid’s legacies, however, there is growing recognition that vast inequalities remain in rural areas and many programmes and interventions have not yet had the desired effect.

The Eastern Cape provincial government embarked on a process of developing a Rural Development Strategy (RDS) in 2008. The RDS has been developed to give effect to a national and provincial political mandate as well as the Provincial Growth and Development Plan and the Medium-Term Expenditure Framework for 2009-2014 for the Eastern Cape. The strategy is the main thrust of one of the pillars of the PGDP; the Agrarian Transformation and Rural Development Pillar.

The RDS seeks to align and effectively coordinate all policy interventions in order to ensure that the strategy draws from, and is aligned with all major policy frameworks from across all spheres of government, including such frameworks as the Provincial Strategic Framework (PSF); the national Medium Term Strategic Framework; the Provincial Growth and Development Plan; the War on Poverty, Comprehensive Rural Development Programme, Local and Regional Economic Development Strategy, Industrial Strategy Municipal IDPs; the Expanded Public Works Programme; etc.

From experience, research and consultation is has become clear that this strategy needs to address macro policy issues, structures and systems of government as well as charting out a different way of “doing” development. Government’s main responsibility is to deliver services and meet constitutional and legislative prescripts. However, the delivery is service is not sufficient to create a different South Africa and a different rural Eastern Cape. Rural development must be a process where people are involved in creating a different society, an inclusive process of animating self organisation. Rural Development must thus be premised on mobilisation and organisation of people within communities. Government systems and structures must support such forms of organisation, and create an environment where people’s own development and organisation can thrive. Government alone cannot implement this strategy. Successful implementation of the strategy requires the full participation of social partners and the rural people for whom the strategy is intended.

This RDS document acknowledges successes, challenges, weaknesses and constraints of past initiatives, and outlines how things would be done differently in addressing this legacy. The strategy articulates the vision, principles and goals for rural development in the Eastern Cape. It further arrives at a set of programmes that should be funded and implemented by the different spheres of government, relevant public entities, civil society organisations and the private sector. The strategy also articulates how the goals, objectives and programmes should be implemented, and the principles that should underpin implementation.

The RDS for the Eastern Cape was developed under the leadership of the Department of Agriculture and Rural Development and the Office of the Premier. The development of the RDS included research, consultation, drafting, refinement and
programme development. A wide range of government and non-government institutions have been involved in the process. The process included a wide range of institutions and individuals in the Eastern Cape (See Annexure 1).
2. Rationale for Rural Development

A reflection on a number of factors necessitating rural development is imperative to better understand the nature and complexity of the challenge, and how to address it. For rural development in the Eastern Cape to take place, it is imperative to reflect on the root causes of rural as well as urban poverty and underdevelopment in the Eastern Cape.

Historically the “native reserves” of Transkei and Ciskei were established with the land policies of the Union government between 1910 and the National Party’s ascendancy to power in 1948. Following this, the apartheid policies of coerced migrant labour, influx control and separate development policies left enduring legacies, including landlessness, the destruction of rural livelihoods and family, rural poverty, massive infrastructure backlogs (roads, housing, health, education, telecommunications, water, sanitation, electricity etc), underdevelopment, unsustainable local economies and entrenched systems of patronage. In the Eastern Cape this is manifest in a divided economy, resulting in massive inequality between livelihoods in the eastern and western regions, large infrastructural backlogs and weak state capacity. These infrastructure and service backlogs are most severe in the rural areas of the former homelands.

Alongside the historical legacies, there is a range of separate but interrelated factors which compound the need for a RDS which focuses on, and aims to address, the following key elements:

**Structural factors:** These include the continued marginalisation of less developed countries within a global economy characterised by structural inequalities in the spheres of production, distribution and exchange; a sub-continent still dealing with the legacy of colonialism and uneven development, and, more fundamentally, a post-apartheid state that continues to grapple, with limited success, with the challenge of translating the hard-won victory of political democratisation into economic democratisation and development, particularly, though not exclusively, in the rural areas.

**Historical political economy:** The historical structural legacy has been deepened by the current global capitalist crisis and the advancing of neo-liberal globalisation. This situation has presented a number of challenges for the RDS, including (among others): continued high levels of poverty, especially in the rural hinterland; huge disparities with regards to access to services and provision of infrastructure; sub-optimal levels of private and public sector investment in rural areas; the continued economic decline in important sectors; rising unemployment; insufficient integration and co-ordination in rural service delivery; and low levels of institutional and technical capacity, especially in the rural areas of the former Transkei and Ciskei.

**Land and agrarian relations:** South Africa inherited arguably the worst racially skewed land distribution in the world. The majority of land is still in the hands of a minority. Although rural areas in South Africa are endowed with natural resources, farming has been destroyed in many parts of the country while commercial agriculture has shed jobs with increasing mechanisation and changing farming and land use choices.
Settlement patterns and migration: On a worldwide scale, the world has entered an age of de-industrialisation. In South Africa, there is a marked dichotomy between the former white, commercial farming areas and the former homeland or communal areas, where although agricultural endeavour remains an important contributor to local livelihoods, large amounts of rural people still migrate to urban areas to find work. In rural areas, population densities are high (up to more than 300 people km²), settlements are often large and sprawling, infrastructure is frequently non-existent and arable land is scarce. Rural households in these areas also have markedly lower cash incomes than urban households or their commercial farming neighbours, with many falling below the minimum living level or poverty line. As a result, people are forced to seek employment elsewhere in the towns and cities creating strong urban linkages and dependencies for the majority of households.

Food security: To ensure everyone’s right to food it is essential to make rural development socially inclusive and environmentally sustainable by promoting modernised, small scale agriculture, while at the same time bring some of the amenities of urban life to the countryside, starting with universal networks of social, educational and health services. Indigenous knowledge systems need to be combined with modern technology to optimally fulfil household food needs and allow excess capacity to be used for job creation.

Impact of past initiatives: More specifically, the need for an integrated RDS is driven by a growing recognition that past and present rural development initiatives have not translated into concrete delivery within rural localities with adequate scale and impact.
3. Situational Analysis

3.1 Historical Context

Hundreds of years of underdevelopment resulting from colonial and apartheid policies have left enduring structural legacies in the Province. This historically-induced structural crisis has been deepened by the current global capitalist crisis and advance of neo-liberal globalisation which has served to limit the range of options for a more radical restructuring of the South African political economy. This situation has presented a number of key development challenges for a provincial integrated rural development strategy, including among others: continued high levels of poverty, especially in our rural hinterland; huge disparities with regards access to services and provision of infrastructure; sub-optimal levels of private and public sector investment in rural areas; the continued economic decline in key sectors; rising unemployment; insufficient integration and co-ordination in rural service delivery; and below threshold levels of institutional and technical capacity, especially in the rural areas of the former Transkei and Ciskei.

The underdevelopment of the rural Eastern Cape must be seen against the “native reserve policy” of the Union of South Africa (1910 –1948) and the separate development policies of the apartheid government (1948 –1994). While the specificities of the policies differed, both had the twofold aim and effect of reserving prime land for white settlement, and creating a reservoir of cheap, unskilled labour for super-exploitation by white farmers, miners and industrialists. The 1913 Natives Land Act institutionalized the expropriation of land from the African population, and set aside 13% of the country’s land for African settlement.

Later betterment schemes created thousands of small localised villages throughout the “native reserves” which led to overcrowding and soaring levels of landlessness and poverty. The coming to power of the apartheid government in 1948 tightened the terms by which Africans could enter “white” urban and rural areas (influx control) and led to the creation of “self-governing bantustans”. Through the policy of “indirect rule”, tribal authorities were given extended powers of decision –making over matters including the allocation of land. The policy to reconstruct the “reserves” as self-governing states was completed with the Promotion of Self Government Act (1959) and the Bantu Homelands Citizens Act (1970) whereby every black South African supposedly became a citizen of one of the ethnically based bantustans.

The “native reserve” and apartheid policies have left enduring and deeply entrenched legacies, including landlessness, the destruction of rural livelihoods and associated poverty; massive infrastructure backlogs; underdevelopment and unsustainable local economies; the artificial development of decentralisation points; the lack of institutional capacity to plan and implement development; fragmented service delivery; and enduring systems of patronage. The RDS seeks to address and reverse these legacies of the colonial and Apartheid past.
3.2 Socio-Economic Profile

Estimates from the 2001 Census and the 2007 Community Survey indicate that the South African population increased from approximately 44.8 million in 2001 to 48.5 million in 2007. Over the same period, the Eastern Cape population is estimated to have increased by 200,000 from 6.3 million to 6.5 million. However, the provincial share of the national population has shrunk from 14 percent in 2001 to 13.5 percent in 2007. This makes the Eastern Cape the third most populous Province in the country after Gauteng (21.5%) and KwaZulu-Natal (21.2%). The Province still has a relatively large total population living in the rural areas. With an urbanisation rate of 39%, the remaining 61% of the total population in the Province reside in rural localities.

Some 43 percent of the Eastern Cape population can be categorised as being poor. Analysis of poverty data collected in 2006 indicate that a minimum of R881.5 million would be required per annum to eliminate poverty in the Eastern Cape through an income transfer.

Experiences of the District Municipalities vary considerably. While the Nelson Mandela Municipality and Cacadu District Municipality have comparatively low incidence, depth and severity measures of poverty, OR Tambo and Alfred Nzo both have a high percentage of their population below the poverty line, and have high depth and severity measures. Thus not only do these areas have the greatest percentages of their population living in poverty, the extent to which they are poor is most severe in these Municipalities’ areas. The OR Tambo District Municipality is of particular concern given its population size and because this municipality accounts for 32% of the poverty gap in the Eastern Cape. This is followed by the Amatole District Council which accounts for 26 percent of the poverty gap.

In terms of access to basic services, between the 2001 Census 2001 and the 2007 Community Survey the top five areas of service improvement were:

- 17.5% more people used electricity for lighting;
- 16% more used electricity for cooking;
- 16.4% more had access to water inside a dwelling;
- 9.3% energy using candle for lighting; and
- 9.2% energy using electricity for heating.

The Eastern Cape Province generated 7.8% of the total Gross Domestic Product (GDP) of South Africa in 2007, making it the fourth largest contributor to the national GDP after Gauteng, Western Cape and KwaZulu-Natal. Nevertheless the Province is far below the leading province, Gauteng, which accounts for 36 percent of South Africa’s GDP. In terms of real Gross Geographic Product (GGP) per capita the Eastern Cape is the poorest province in the country, with an annual income of R13,511 per person living in the Province in 2007. This is just over half of the national average of R23,203.

In sectors contributing to the economy, the primary sector grew by an annual average of just over 1% whereas the secondary and tertiary industry averaged 4% and 3.2% respectively. Growth in the secondary sector was mainly driven by the construction and manufacturing sub sectors with annual average growth rates of
9.3% and 3.6% respectively. While the tertiary sector recorded an inferior annual average growth rate to the manufacturing sector between 1998 and 2007, it generates more than 75% of the provincial output making it the major growth driver in the Province. The tertiary sector recorded the highest growth rate in transport and communication, and financed and business services. The annual average growth rates of these two sectors were 4.3% and 4.2% exceeding the provincial annual average of 3.3%. Higher volumes of trade as a consequence of trade liberalization during the past 10 years seem to have underpinned the growth of these two sub sectors. The other steady performer was wholesale and retail which recorded an annual average growth rate of 3.3%. The public sector dominates the Eastern Cape economy. In 2007, one-quarter of the provincial output in 2007 was accounted for by the primary sector (2.3%) and the secondary sector (22.1%). Within the secondary sector the single largest sub-sector is manufacturing accounting for more than 20% to the provincial output.

More than 70% of the provincial labour force in 2007 was employed in the tertiary sector. Employment in the tertiary sector is distributed as follows: public sector (38.2%), wholesale and retail (16%) finance and business (14.9%) and transport and communication (3%). The secondary sector accounted for more than 20% of the formal employment in 2007. A large part of the employment in this sector was in the manufacturing sub-sector which accounted for close to 15% of the employment in the Province. Agriculture, forestry and fishing employ less than 10% of the provincial labour reflecting the low contribution of this sector to the GGP (see Annexure 2 for complete socio-economic profile).

3.3 Challenges of Current and Past Interventions

Since democratisation in 1994, the Government has put in place a number of key programmes which impact on rural development. These include programmes in the areas of infrastructure development, land reform, agriculture, industrial and economic development, spatial development initiatives, health, poverty alleviation, human resource development, as well as building institutional capacity in local government.

In some cases, programmes have retained an urban bias in the face of the dire need for delivery in rural areas. In other cases, service delivery has been frustrated by insufficient integration and co-ordination across government departments and between different tiers of government (national, provincial and local) and the lack of institutional readiness to implement such programmes. The reasons for this are complex, and relate in part to the absence of clear strategic planning frameworks, institutional arrangements, and problems of implementation capacity at the point of delivery. As a result, the socio-economic impact of service delivery is not being optimised, and important in the context of fiscal restraint, targeting and budgetary prioritisation is not being sufficiently co-ordinated across departments and tiers of government.

Specifically on the Integrated Sustainable Rural Development Programme (ISRDP), nine years on it is widely recognised that lessons from the Urban Renewal Programme and ISRDP have been mixed. At the same time development in the
nodes has delivered improved poverty indicators, short term jobs, and much broader access to basic services. Evidence suggests that not all provincial and national departments regard the IDP process as the foremost strategic plan guiding investment and development intervention in an area. Lessons learnt in the implementation of the ISRDP confirm this perception, and notes that national departments participate more frequently in the IDP process than provincial-sector departments. At the same time the Municipal Systems Act, which mandates municipalities to undertake Integrated Development Planning does not bind other spheres of government to participate in, or abide by the municipal plan. There is no similar obligation on other spheres of government, obliging them to align their planning with that of municipalities.

While the District Municipal IDP should be the planning instrument that leads to integrated planning between spheres of government, integrated planning in the true sense is not sufficiently recognised by the existing institutional and financing arrangements in South Africa. There is a need for strengthening relations with sector departments responsible for non-municipal powers and functions as this would help close the gaps in sustainable development and enabling local development environment.

Delivery against constitutionally allocated powers and functions to municipalities has been the dominant pillar of the two programmes, in an infrastructure-led approach. To achieve the aims of ISRDP and URP requires a broad partnership with national and provincial departments as well as districts and local municipalities. There has been strong progress but that progress in other sectoral areas has been patchy. However, some sectors have done better than others.

Some of the key lessons from the ISRDP that are important in the development and implementation of the RDS include a spatial focus for integration, the challenge of land claims, functionality of local government, capacity and co-ordination, limited engagement with traditional authorities, countervailing impact of the PFMA/MFMA, importance of resource mobilisation and, giving effect to developmental local government.

The RDS addresses alternative ways, many of which have been proposed in the past but need to be enforced. Other key challenges pertain to how interventions were implemented, and the extent to which the focus on delivery of services has demobilised communities and not included people as part of a development process. The RDS addresses the WHAT, as well as the HOW of development and outlines ways in which new approaches will be implemented to address the legacy and challenges of the past.
PILLARS AND OBJECTIVES OF THE STRATEGY
4. Understanding Rural Development

The term ‘rural’ is a contested term and it is used in a multiplicity of ways, implying that the concept is not easy to define\textsuperscript{10}. Surveying international and South African literature and policy documents highlights that the key elements in the term ‘rural’ are \textit{social, economic, cultural and spatial}, with ‘rural’ characterizing a variety of contexts, which a rural development strategy in a country or in a province needs to take into consideration. This strategy therefore recognises this multidimensional nature of rural development and seeks to address the distinct challenges of \textit{homelands, farms, semi and arid areas, peri-urban areas} and \textit{rural towns} through programmes specifically designed for the different regions.

Given the history of South Africa it is important to stress the \textit{interconnectedness of the rural and the urban}: The rural is not opposite of, or separable from the urban. In South Africa the rural and the urban must be understood in their interconnectedness rather than as simple dichotomies. In addition, discourses driving the understanding of the rural that are deficit-oriented run the risk of deepening the powerlessness of rural places\textsuperscript{11} and should be guarded against. Any definition of rural development needs to speak to its many dimensions, and in the case of South Africa and the Eastern Cape, its particular history. For the purpose of this strategy, rural development is defined in a manner that addresses the improvement of standards of living and welfare, but also taking into account past injustices and skewed patterns of distribution and ownership of wealth and assets.

The elements below make up the understanding of rural development in this policy:

**Social and human development:** Rural development needs to be anchored on social and human development in its broadest sense, where people live dignified lives.

**Guaranteeing constitutional rights:** The strategy aims to meet the constitutionally granted rights of people in rural areas.

**Poverty and inequality:** Rural development should aim to end the reproduction of racial and class inequality in rural areas.

**Employment:** Rural development interventions should be aimed at creating decent and sustainable jobs or interventions that enable people to generate an income that is equal or more than what they would have earned in the labour market.

**Ownership:** rural development should contribute to changing the ownership patterns of natural resources and assets, particularly land. However, transformation should not be limited to ownership, but also the relations of production.

**Entrepreneurship and beneficiation:** Rural development should have a particular focus on local beneficiation and value-add. The vision of rural development is one of shared and distributed ownership, local value addition and equal access to opportunities. Rural economies are made up of both farm and non-farm economies as well as multi-faceted livelihoods strategies.
Natural resource access, use and management: Who controls, uses and distributes natural resources are central questions in rural development and should be addressed by a rural development strategy.

Organisation and mobilisation: The organisation or re-organisation of people and communities through democratic processes is essential for any process of rural development. The state should facilitate partnerships and create an enabling environment for development to take place. Community institutional reconstruction programmes with high level of organisation should be encouraged and supported by the state, for example cultural, heritage, sport and recreational activities.

The vision, principles and goals of this strategy is informed by this understanding of rural development. The type of interventions proposed in the document and how these interventions will be implemented are articulated in the next sections. The objective is to ensure that there is improvement of approaches that have worked and that a different approach to those that have not been successful.
5. Vision and Goals for Rural Development in the Eastern Cape

5.1 Vision

Sustainable growth and development for improved quality of life

This, in practical terms, means that rural communities will have quality physical, social and economic infrastructure; the land and other natural resources become viable assets in the hands of the rural poor; indigenous knowledge, cultural values and systems are harnessed for human and social development; there is vibrant arts and cultural life, and that rural communities have access to information, communication and technology. It means that rural communities are involved in a process of regeneration and that no fetters should be in place for the full development of everybody’s human potential.

5.2 Goals

The strategic goals are broadly identified as:
(a) Transformed rural areas that are socially and economically developed
(b) A conducive institutional environment for rural development

5.3 Principles Underlying Implementation

The implementation approach of this strategy should be informed by the following principles:
• Rural development is everybody’s concern
• Empowerment, mobilisation and organisation of rural people
• Partnerships and collaboration
• Enhancement of available assets, knowledge and resources
• Sustainable utilisation of available natural resources
• Integration and coordination of government programmes
• Long term planning

This vision and goals in the Eastern Cape will be realised through the effective implementation of the following pillars;
1. Land reform,
2. Agrarian transformation and food security,
3. Non-farm rural economy,
4. Infrastructure,
5. Social and human development
6. Enabling environment

Figure 1: Vision, principles, goals and pillars of the strategy
Vision
Sustainable growth and development for improved quality of life

Goal 1
Transformed rural areas that are socially and economically developed

Goal 2
A conducive institutional environment for rural development

Principles
Rural development is everybody’s concern.
Conscientisation, mobilisation and organisation of rural people
Sustainable utilisation of available natural resources
Integration and coordination of government programmes
Long term planning

LAND REFORM   AGRARIAN TRANSFORMATION   NON-FARM RURAL ECONOMY   INFRASTRUCTURE DEVELOPMENT   SOCIAL AND HUMAN DEVELOPMENT   ENABLING ENVIRONMENT
6. Pillars, Objectives and Priority Interventions

Pillars of the RDS

In order to give effect to the goals and objectives of the RDS, and the context and conditions for rural development, this strategy has six pillars (land reform, agrarian transformation and food security, non-farm rural economy, infrastructure, social and human development and, enabling environment. The section outlines these pillars and the key priority areas for each pillar.

6.1 Land Reform

Strategic Objectives

- Facilitate the acceleration of land redistribution for sustainable rural development;
- Facilitate access to tenure security that creates socio-economic opportunities for people living and working on farms and in communal areas;
- Facilitate access to rights in land, including land ownership and sustainable development;
- Provide efficient state land management that supports social and economic development;
- Facilitate provision of equitable redress to victims of racial land dispossession;
- Strengthen intergovernmental relations

The pace of the roll out of the land reform programme, on which the realisation of land as a right and a resource rests, has been very slow. A mere three percent of the land had been transferred into African hands by 2004 and by 2008, only 4% of agricultural land while more than 80% of agricultural land remains in the hands of fewer than 50,000 white farmers, a far cry from government's own targets and people's expectations. Of particular concern is the land redistribution programme and its sub-programmes, which potentially limit the development of other sectors of the economy. The lack of progress with the restitution and tenure reform pillars are similarly causes for concern. Priorities include land restitution, land redistribution, implementation of land summit resolutions (which embeds land tenure reform and betterment redress) and tighter coordination.

Resolutions taken at the summit require speedy implementation to enable enshrining of rights and economic activity. Although land reform programme is a National competency, it does not preclude the Province from facilitating processes on behalf of its polity. The Province has, following the land summit, established a multi-stakeholder forum dubbed the Land Working Group to facilitate the acceleration of land reform in the Eastern Cape.
Support for the implementation of the Betterment Redress Programme must be prioritised for victims of betterment removals. In an attempt to address this problem, government and civil society have been trying to formulate recommendations for the consideration of cabinet. This negotiation forum has crafted what it calls a Betterment Redress Programme. Key features of the programme include lodgement, vetting and referral, processing, settling of claims, implementation of settlement agreements.

In addition to the above, the pillar seeks to address issues of landowners particularly in communal areas, post settlement support, increased funding for land reform programme, the plight of farm workers and dwellers and generally issues of land management which partly have to be informed by a land audit. Key to these is the role of municipalities and effective use of area-based plans.

### 6.2 Agrarian Transformation and Food Security

#### Strategic Objectives

- Ensure household food security
- Accelerate participation, equity and productivity in agricultural development
- Facilitate and support access to markets and distribution channels for rural farmers

The Eastern Cape Province is clearly divided between two agricultural realities – prosperous large-scale commercial farms mainly on the west and the former apartheid “homeland areas” of Transkei and Ciskei on the east of the Province, where most land is owned on a communal basis and where 70 per cent of the rural population are considered food insecure. There is a dire need to upscale interventions in east of the Province through taking advantage of the fact that even poor people have some piece of land.

Agrarian transformation should be the main driver for rural development and in turn agrarian transformation should be underpinned by an accelerated land reform programme. It should be noted that land reform can occur outside agrarian transformation but a meaningful agrarian transformation, whose central focus in on the political economy of land, agriculture and natural resources, cannot occur without a land reform programme. Priorities should include land rehabilitation, the critical role of extension officers in achieving the objectives of this pillar, food security, agricultural production and, marketing and distribution.

The extent of land degradation is high in the Province. In order to ensure that the agricultural production potential is enhanced, measures must be put in place to reverse degradation. Support for land rehabilitation needs to be enhanced, which on the other hands would contribute to job creation. Massive job creation through the Expanded Public Works Programme for land rehabilitation would require additional funding.
Extension officers would become a key feature in ensuring implementation of the agricultural related activities. Capacity building would be imperative in refocusing them for community-based agrarian transformation. ECDARD is in a process of implementing an extension recovery plan.

Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life. For this objective to be realised, the RDS proposes emphasis on household food production to address hunger and food insecurity. Household food production must also be linked to government programmes such as school nutrition programme to ensure a guaranteed market for surplus.

To ensure sustainability of the intervention, such programmes must adhere to principles of sustainable or organic agriculture to protect poor people from external factors in which they don’t have control e.g. prices of inputs. Production on household food gardens must be supported since it addresses hunger and food insecurity. The support could include provision of appropriate technologies such as rain water tanks, training in organic methods of food production etc. Siyazondla Homestead Food Production programme should therefore be upscaled but adhering to principles of sustainable agriculture.

Organic production should be incentivised since it contributes to household nutrient intake, to healthy diets, to local food provisioning and to environmental protection, and is a robust national employer.

An alternative to agricultural development is needed to shield the poor from circumstances they cannot control; A gradual shift away from industrial agriculture will ensure that the poor, small and medium-scale farmers are protected from external factors such as price of agro chemicals. The following are deemed important:

- Training extension workers in sustainable agricultural practices;
- Encouraging farmer-to-farmer exchanges;
- Compiling and disseminating indigenous agricultural knowledge and crop varieties;
- Funding research on sustainable agriculture, building on indigenous knowledge in response and in partnership with farmers;
- Support must be provided for individual and co-operative farming on arable fields;
- As a priority, small scale farmers could feed into agri-clusters;
- Provision of agricultural infrastructure needs upscaling.
- Converting to organic production must be incentivised for existing commercial entities wishing to switch;
- The State must also incentivise commercial farms willing to substitute mechanisation with job creation;
- Since the country is a net importer of maize, the Province can also take advantage of the volumes of grain that the country imports by supporting their production in the arable fields that are not used. Multi-cropping must be re-introduced to ensure optimal utilisation of land for food production.
The State should protect small-scale farmers in the short to medium-term by procuring goods from them. Also, an alternative market channel is critical to protect small and medium-scale producers from the current market system in which they do not have control. This could be done through promoting development of local and regional markets for organic products (e.g. school nutrition programme, prisons, hospitals). This is not only applicable to these institutions located in the Province. Government institutions (prisons, hospitals etc) nationally can be lobbied to make special considerations to procure a percentage of their food requirements from the Province. The Province must also support an alternative distribution network, e.g. driven by co-operatives. As a long term objective, a system needs to be put in place to dismantle the cartels and monopolies in the value chain.

In terms of regulation, State intervention needs to protect consumers from price hikes, barriers to entry, price speculation.

Key issues that must be addressed during implementation include access to water for irrigation, production inputs, implements, access to credit, access to extension services, distribution networks to enhance access to markets and land use planning. In the provincial land summit of June 2008, the land that is lying fallow was raised as a major concern.

### 6.3 Non-Farm Rural Economy

**Strategic Objective**

- **Create economic opportunities for sustainable livelihoods**

‘Non-farm’ are defined as all economic activities other than production of primary agricultural commodities, including mining, manufacturing, utilities, construction, commerce, transport, financial and personal services. Agro processing – the transformation of raw agricultural products by milling, packaging, bulking or transporting – remains a key component of the rural non-farm economy.

The rural economy is not shored up by agriculture. It also includes industries such as tourism; forestry; agro-processing marine and aquaculture. For the non-farm rural economy to make an impact, consideration should be given to a wide range of issues that include infrastructure; labour; skills; productivity; markets (local and international); marketing; information communication and technology as well as information sharing and knowledge management.

#### 6.3.1 Agro-processing

Agro-processing offers opportunities for beneficiation, processing and/ or export. These are among the commercial activities the Province hopes will prove attractive to potential.
For agro-processing to add value to the strategy there is a need for the development and fast-tracking of an agro-sector plan for the Province. Elements of such an agro-sector plan will have to include the following:

a) Looking at issues of research, identifying which industries have the competitive and comparative advantage in the Eastern Cape regarding agro-processing. It should include looking at the identification of existing agro-processing initiatives underway that need to be assessed for their current and potential future role in providing sustainable incomes and employment. Such projects include the large scale projects as well as the smaller projects in the Province. A review of the support system that is currently in place in promoting these ventures. Particular attention needs to be given to aspects such as the access to credit, access to information on markets, the basic infrastructure services such as electricity, roads access and water supply as well as the institutional support available and the degree of effective coordination between these structures in the Province and South Africa as a whole,

b) The need for government to support local agro-processing beneficiation. There is also the need for existing sub-sector and/or pilots with potential to create opportunities (shareholding, employment, establishment of new sector-related industries) for rural people need to be bolstered,

c) Consideration should be given to the elements that underline agro-processing which include logistics, training and skills development, quality assurance and standards development as well as investors and the establishments of markets for the products of agro-processing.

6.3.2 Forestry

Identification of the priority interventions in the sector must be premised on an understanding of current constraints, challenges and opportunities. In summary these speak to:

- The pending shortage of roundwood supply (upward of 14.3 million m³/annum) to feed downstream timber processing;
- The dominance of the entire forestry and timber processing value chain by a few (predominantly white) industry players;
- SMMEs as active participants in the sector;
- Complex institutional and consultative arrangements for acquiring communal land for new afforestation, exacerbated by bottlenecks in the licensing processes (although these are being addressed);
- Co-ordination and resourcing failures among the myriad of state and private actors, and the absence of a single point of co-ordination and accountability.

In part to address these and other challenges and unlock dormant potential in the sector, new afforestation and building processing capacity.13

6.3.3 Marine and Inland Fisheries (aquaculture)

The historic over exploitation of the county’s marine fishing stock by the fisheries industry has placed immense pressure on the growth and future sustainability of marine and off-shore. Thus, the focus should begin to place greater emphasis on
inland, fresh water fishing activities, such as those around the Gariep Dam, which still show greater potential for expansion and economic potential for the rural communities in these areas. In addition, the Province would benefit from the development of mariculture and aquaculture as a viable alternative to the marine fisheries sector.

In advancing this sector for the Eastern Cape, it is critical for the strategy to distinguish between strategies it identifies for the advancement of commercial mariculture and aquaculture initiatives and the strategies to be employed in advancing these initiatives towards subsistence and small-scale harvesting within rural areas.

This is due to the fact that this sector does have higher than normal barriers to entry than conventional farming, as it carries heavier start-up and input costs as a result of the required infrastructure and technological input required. In this context, small-scale community-based co-operatives would require considerable financial assistance and training for them to be fully engaged in this sector.

In addition to state-funded projects, government could also place greater emphasis on the development of Community Public-Private Partnerships (CPPPs) within the sector, where local authorities, the Province, and National Government and its agencies would work towards a nuanced sector strategy for the Province, with a clear and direct focus on the exploitation of benefits within the mariculture and aquaculture sector in the rural economies of the Province. In the immediate to short term, outcomes must relate to the following:

- The speedy finalisation of the ECDC/DEDEA sector scoping study for expansion of commercial potential and investment; and
- The need for the urgent identification of catalytic projects to be identified as part of CPPP initiatives, which could benefit from an emerging sector strategy for mariculture and aquaculture in the Eastern Cape.

The Province will also need to further explore the potential and possibilities for growth in inland fisheries where locations such as the Gariep Dam have already begun to enjoy considerable attention for its economic potential.

Other issues to be looked at regarding marine and aquaculture include:

- Studies on the production of Abalone;
- IDZ Abalone farm to be replicated in other areas;
- Algae integrated pond system (Rhodes University);
- Amalinda Fish Farm to be used as training ground; and
- Dams that were decommissioned by DWAF to be looked into.

6.3.4 Tourism

It is clear from the context that there are a number of key priority areas that need to be addressed to facilitate tourism development in the Province. It is also clear that the focus is largely in the ‘developed’, largely urbanised sectors and spaces of the Province.
It is important for the Province to recognise that tourism must operate as a system within the Eastern Cape and that all key components need to be in place in order to maximise the growth of the tourism sector and maximise the developmental and employment potential within the sector. In this context, DEDEA, and the Provincial Parks and Tourism Board has undertaken a revision of the Provincial Tourism Master Plan for the Eastern Cape, which seeks to address the development and promotion of the sector in an integrated fashion. They are as follows:

a) Tourism product development;
b) Marketing, and brand development;
c) Human Resource Development;
d) Infrastructure;
e) Transformation of the tourism sector;
f) Tourism research and information;
g) Management of the tourism sector; and
h) Tourist safety and security.

As a priority the Province can support community-based tourism initiatives bearing in mind the aforementioned priority areas to facilitate tourism development. One such initiative is pro-poor tourism, which unlocks opportunities for the poor rather than expanding the overall size of the sector. These opportunities include economic gain, other livelihood benefits or participation in decision making. Pro-poor tourism is seen as an approach to the tourism industry, rather than a distinct product or a sector of the industry. It advocates participation by a range of stakeholders, government, private sector and civil society, as well as the poor themselves as both producers and decision-makers. Tourism’s pro-poor potential derives from the fact that:

- The tourism industry is diverse which increases the scope for participation, including that of the informal sector;
- The customer comes to the product thus providing opportunities for linkages (for example, souvenir selling);
- It is highly dependent on natural capital and culture that are some of the assets that the poor have even if they do not have financial resources;
- It can be more labour intensive than manufacturing and,
- Compared to other modern sectors, higher proportions of its benefits go to women.

In aligning the principle of pro-poor tourism to the overall tourism strategy of the Province, it will be critical for the Parks and Tourism Board to ensure alignment of the emerging Tourism Master Plan to this approach, so as to ensure that it finds tangible expression in our plans as a Province.

Additionally, the Provincial Tourism Master must identify tourism products that speak directly to the competitive and comparative advantage of the rural spaces in the Eastern Cape, such as: Heritage and social history tourism, ecotourism (horse and hiking trails), agri-tourism, adventure tourism, academic tourism and cultural industries both craft and performing arts.
6.3.5 Other LED and Small-Scale Industry

In advancing all of the identified sector plans within this strategy, the development of Small Medium and Micro Enterprises (SMMEs) and industries, and cooperative structures of ownership will remain a critical cross cutting priority for the strategy. Central to this will be the acceleration of the Provincial Co-operative Strategy, and the envisaged initiatives embedded therein.

6.3.6 Other Potential Industries

Mining (cement, coal, clay, rock, dolerite, granite), meat, dairy, wool, fruit, skins and hides, fibre, aloe, tobacco, essential oils, Chicory, oil seeds and grain.

The following key issues must be addressed during implementation:

a) Commercialisation of natural resources and economic activities
b) Latent skills and empowerment
c) Accessibility of financial resources to harness economic activities
d) Strengthening of social networks
e) Enabling regulatory framework
f) Partnerships (ownership and management)
g) Real time planning information
h) Spatial referencing

6.4 Infrastructure

**Strategic Objectives**

- Improve rural roads, transport and logistics network
- Provide water and sanitation infrastructure to rural areas
- Facilitate accelerated access to energy

The extent of infrastructure backlogs inherited in 1994, compounded by funding and absorptive capacity challenges, has meant that the rural areas of the country and the former homeland areas in particular, remain crippled by massive social, transport, logistics and economic infrastructure backlogs.

The development of an equitable and balanced transport system must be at the centre of any rural development initiative, and must be aimed both at addressing access and mobility among the poorest and most vulnerable, as well as providing access linkages between rural areas and larger logistics hubs (such as the IDZs). The provisioning of agricultural infrastructure (fencing, irrigation equipment etc), and bulk infrastructure and services (water, sanitation, electrification etc) is also key, and current funding formulae and delivery mechanisms will have to be reviewed to ensure rural areas do not continue to be disadvantaged. The establishment of an equalization fund to top up government infrastructure funding should be considered given the severity of the backlogs and adverse impact on quality of life.
The challenge of rural infrastructure remains an impediment to accelerated and sustainable development and investment within the rural spaces of the Eastern Cape and the country as a whole. In improving these infrastructure backlogs the Provincial Government will need to make significant injections in infrastructure investment within the rural areas of the Province. In doing this there will need to be an emphasis on the fast-tracking of both social and economic infrastructure.

These sector plans could be speeded up to be aligned to the existing plans within the departments, whilst ensuring that all departments begin to develop more detailed rural intervention strategies over the course of the financial year for deeper alignment to all departmental plans. This speeding up of the necessary alignment plans could benefit from the envisaged mainstreaming of the Overarching Task Team model for the alignment of the provincial government plans to the imperatives of the sustainable rural development in the Province.

An example of this is the need to lend greater impetus to the development of departmental Sector Strategies, similar to the IDP requirement of tailored Master Sector Plans (MSP’s) required from departments such as the Provincial Rural Transport strategy and Provincial Rural Integrated Rural Housing Policy developed by the department of Roads and Transport and Department of Housing respectively.

6.4.1 Transport and Logistics

The transport infrastructural development for rural development should be primarily informed by the Eastern Cape Rural Development Transport Plan which was based on a baseline study conducted in understanding public transport and transport infrastructure.

In terms of the strategy itself rural transport and rural transport infrastructure should focus on the following:

- The strategy should draw strongly from the Eastern Cape Rural Transport Plan which focuses Road Classification and Assessment; Vukuzakhe – Road for Rural Development; Strategic Transport Corridors and access to services
  - A functional road classification system should be developed in the Eastern Cape, in which roads would be classified according to the function that they perform irrespective of ownership. The reproclamation of the roads network with clearly identified responsibilities between Province and municipalities with corresponding capacity and funding. It is recommended that a functional road system be developed in the Eastern Cape, in which roads would be classified according to the function that they perform irrespective of ownership;
  - Energising the Vukuzakhe – Road to Rural Development initiative that is to reduce poverty and transform the agrarian economy of the former bantustan areas through the construction and maintenance of roads and other transport infrastructure. Key to the Programme will be the re-prioritisation of roads construction and maintenance in order to provide an effective professional and consultative service to those most neglected to create an enabling environment for emergence of the small, medium and
micro enterprise (SMME) sector and the development of large black-owned engineering and construction companies.

- For Strategic Transport Corridors the rural-urban linkages should be prioritised. This corridor development will seek to strengthen socio-economic linkages between rural and urban areas with a view to increasing opportunities for trade, non-farm employment and transfers. Corridors tend to stimulate development in general and rural industrialisation in particular as the Kei Rail is likely to demonstrate. Alternative networks such as rail will require greater emphasis in the provincial agenda over the next 5 years to support the rural-based network in the Province. This will add to current initiatives such as Kei Rail, and towards the enhancement of the transport linkages to the IDZ’s in the Province. The current freight logistics plan for the Province will greatly assist and guide these interventions, whilst recognizing the historic significance of the rail network within the economies of small towns, which were negatively impacted on by the de-emphasis on rail over the last 15 years;

- There should also be access to socio-economic opportunities. Rural poverty is closely associated with poor access to socio-economic opportunities. Accessibility represents the real value of transport infrastructure and service as it encapsulates all the advantages of spatial interaction-exchange of goods, information. This should include the provision of good public transport facilities and upgrading of bus fleets as well as catering for the aged and the disabled.

- A communications and capacity-building programme that draws on National DOT expertise and resources, co-ordinated by the Provincial Department of Roads, is implemented to reach consensus with municipalities on functional areas of responsibility, audit existing capabilities to deliver on responsibilities, train personnel and build institutional capacity in transport planning, delivery and monitoring. These challenges were observed in the recent Service delivery Acceleration Plan (SDAP) and the challenges encountered by most provincial departments in accelerating infrastructure related programmes. This is also highlighted in the slow rate, or under-expenditure registered annually in infrastructure budgets of departments, and has noted the challenges of infrastructure development particularly within rural areas.

- In the short to medium-term, the Department of Transport will need to accelerate its facilitation of the revamp of the public transport system, and its related infrastructure in rural areas. This will include the transformation of the taxi industry, its ‘taxi re-capitalisation programme’, and the implementation of alternative land based transport strategies that ensure greater access to public transport in the rural areas of the former Transkei and Ciskei. This should also include for the proper implementation of the scholar transport system.
6.4.2 Bulk Infrastructure

The provision of bulk water supply and sanitation is a crucial priority under infrastructure provision, which is an important aspect for a rural development strategy to succeed. Since 1994, service delivery efforts of DWAF have been primarily aimed at redressing the imbalances of the past by ensuring that rural communities acquire access to water services. However, it has become clear that increased access to social services largely benefited urban and peri-urban households and that the challenge still exists to provide infrastructure that will enable the provision of water to the rural poor. In addition, although great strides have been made since 1994 in bringing sanitation to the disadvantaged poor in the rural areas, enormous backlogs still remain.

The following is proposed as part of the strategy to address the backlog in terms of infrastructure provision of water and sanitation, especially in rural areas:

- Strengthening capacity and capabilities of municipalities to fulfil their functions as WSAs and WSPs and should be linked to the decentralisation of powers and functions to a local level in terms of the provision of bulk water supply. The review of powers and function should be done systematically and coherently that will have an impact on the provision of services such as water capacity development plans of municipalities are linked to IDPs and WSDPs;
- Creation of an enabling environment for transfer of assets from DWAF to District Municipalities (WSAs). Components of the enabling environment include human resources issues such as a skills audit, gap analysis training etc;
- Enabling DWAF and DPLG to fulfil their programme management, regulatory and support and coordination functions with regard to water service provision;
- To provision of proper funding at local authorities for both ongoing repairs and extension of water schemes;
- The provision of bulk water infrastructure should be linked to a long term planning framework which will make allowance for expansion when such need arises;
- The provision of bulk water supply should explore options of harvesting large volume of water such as the Umzimvubu basin in the former Transkei;
- Identify municipalities requiring special attention regarding water and sanitation; and
- Locate backlogs spatially within each municipality and to monitor eradication of backlogs against sector and national targets.

6.4.3 Energy

Despite more households in the rural areas having access to electricity the transition from traditional fuels was happening at a very slow rate in townships and villages and has stuck by and large with traditional fuels. According to the Rapid Assessment the following determinants comprise strategic fuel-use practice of low-income households and in particular rural households:

- Household composition;
- Infrastructure access to different types of fuel;
- The role of community fuel-use patterns in guiding individual choices;
- The influence of the semiotics of fuel;
- Fuel biographies and socialisation;
• Prioritisation of convenience, efficiency and taste ahead of cost; and
• The interplay between diets and fuel choice

This phenomenon has undermined the economic viability of extending the electricity grid. It was found according to the Rapid Assessment, that large-scale investments in grid extensions could not be justified on the basis of local level use patterns. In the context of the rural development strategy energy should be looked at based on multiple fuel usage, including the provision of electricity to rural households and for economic activities as well as the promotion of new and renewable sources of energy. This is also to correct the disproportionate distribution of both commercial and non-commercial energy. The importance of this is to promote and support multiple fuel use strategies of the poor households predominantly found in the rural areas of the Eastern Cape. The rural development strategy should encourage and promote the diversification of fuel use options for households in the rural areas. Heavy dependence on single fuels tends to restrict people choices. Mono-fuel cultures tend to be rigid, inefficient and conservative. The strategy should allow people from the rural areas to make choices, express creativity, innovation and entrepreneurship.

Promotion of new and renewable sources of energy (NRSE) to reverse the growing deficit and disproportionate distribution of both commercial and non-commercial energy to fulfil rural development demands in:
• Agriculture (water supply, inputs, transport etc);
• Public Sector (lighting, water supply, building and transport);
• Industry (private enterprise, agro-business, construction, fisheries, artisanal industry; and
• Household (cooking, lighting, water supply, heating).

NRSE must fulfil socio-economic and ecological standards in the deliberate balancing of supply sources, namely: Solid fuels, Liquid fuels, Gaseous fuels, Water power, Human power, Annual power, Electric power, Wind power and solar power.

6.4.4 Information and Communication Technologies (ICT)

In 2008, the Executive Council for the Province had endorsed the roll out of the Provincial Information Communication Strategy for the Eastern Cape. The ICT Strategy outlines a new strategic direction for ICT within the Province, aimed at giving impetus to the National and the Provincial mandates, with specific focus on the Eastern Cape Provincial Growth and Development Plan (PGDP).


The main purpose of this strategy is to:
• Concurrently target the development of the ICT sector and to use ICT’s as a broad based enabler in the achievement of the Provincial Government Development Plan (PGDP) goals;
Promote the deployment and exploitation of information, knowledge and technology within the economy and society as key drivers for socio-economic development; and

Act as a catalyst in the modernisation of ECP’s educational system using ICT’s to improve and expand access to education, training, research resources, facilities, the quality of education and training and make the educational system responsive to the needs and requirements of the economy and society with specific reference to the development of the information and knowledge based economy and society.

The Provincial ICT Strategy will enable the Province to lay the foundation for improved service delivery, especially to rural communities and will provide a clear strategic intent for ICT development within the Province. More specifically, the transformation of the Eastern Cape ICT capability focuses on the following seven building blocks:

- ICT sector Development and Innovation;
- ICT adoption and usage by Public: Streamline and automate key citizen-facing business processes;
- Human Resource Development: R&D by academia and Advance the ICT skills of citizens, with a particular focus on SMMEs, youth and graduates;
- ICT Governance: Improve ICT Governance, transparency and accountability;
- ICT Infrastructure Development: Incorporate broadband connectivity for businesses and citizens;
- ICT Enterprise Architecture; and
- 2010 Support Projects: Preparations for the FIFA 2010 Soccer World Cup.

In efforts to move away from traditional ICT, the strategy proposes the investigation of ICT as an industry in its own right. The intention is to expand the economy and increase employment in the industry.

6.5 Social and Human Development

**Strategic Objectives**

- Co-ordinate and ensure access to quality services
- Build vibrant, caring and cohesive communities that embrace cultural and moral values

Poverty in the Province emanates from structural factors that confine the Province’s poorest residents to a life of perpetual deprivation. There is only one state doctor for every 6,273 people, the rate of HIV infection is growing, and life expectancy in the Province stands at a mere 48 years. Evidence suggests that government, in partnership with the private sector and organised labour, should act more boldly to create jobs, with an increased focus on entrepreneurship, enterprise development and the agricultural sector.
6.5.1 Education

The objective is to provide and improve access and quality education through partnership to maximise rural impact. The broad key focus areas for improvement in education on the rural areas should include the following:

• Quality of teaching;
• Attracting learners and teachers;
• Planning, restructure and improve infrastructure;
• Advocacy and sustainable partnerships; and
• Building school governance and management.

In terms of specific interventions, the following areas are key for the improvement of education in the rural areas:

The eradication of mud-schools should be completed and other infrastructure backlogs addressed. The Province should complete the development of norms and standards for school infrastructure and this should include appropriate chairs and desks for all learners. Foundation phase class rooms should be redesigned to allow for contact time between the educators and individual pupils. Staff rooms should be part of the standard school design. All schools should have electricity, water and toilet facilities for learners and educators.

Implementation of no-fee schools policy and resolution of the placing of contested schools in the correct quintile.

The expansion of the school nutrition programme (SNP) should continue as per the plans of the DoE. However, a model for direct supply of locally procured fresh produce from the local community should be developed and piloted. It is proposed that a pilot be developed for a number of school circuits and that this pilot run for a period or 2 years before full implementation. This would require fundamental reorganisation of state procurement policy.

The process of rationalisation and realignment of schools should proceed as per the resolutions of the March 2009 Education summit. Education districts and circuits should align with municipal boundaries.

Targets for providing more learner space in Public ABET centres in rural areas should be set. The Provincial Literacy Programme should be expanded to ensure broader reach and the eradication of illiteracy. The potential for creating additional EPWP jobs through ABET is largely untapped. The targets for Phase Two of the EPWP in the social sector can be massively scaled up with use of both the state system and NGOs. A plan for scaling up should be developed and implemented urgently.

The enrolment in Grade R has expanded massively in the past ten years. However adequate space and infrastructure is a challenge. There is also lack of support staff at district level to co-ordinate ECD programmes. Systemic evaluation of learners at Grade 3 points to low levels of literacy. As a consequence, early childhood development programmes should be given a much greater attention in the public system.
The enrolment in FET is far lower than the set target. The challenges are well documented, but the recapitalisation of FET colleges still provides the best opportunity for education and skills development in rural areas.

One of the measures of addressing the skills challenge is through the teaching and learning of mathematics and science, especially in the rural areas.

### 6.5.2 Health

According to the 2006 HSRC Household Survey, people living in rural and urban informal settlements seem to be at the highest risk for HIV infection and AIDS. The causes and consequences of the HIV epidemic are closely associated with wider challenges to development, such as poverty, food and livelihood insecurity, together with gender inequality. In effect, HIV&AIDS tends to exacerbate existing development problems. In areas heavily affected by HIV&AIDS, the impact of the epidemic on rural development may amplify existing development problems to such an extent as to trigger structural changes such as increased adult and infant mortality and/or create new problems and challenges for rural development such as child-headed households and the breakdown of certain vital social safety net mechanisms.

Given that many problems arising from the epidemic are not specific to HIV&AIDS, policy and programme responses need not be HIV&AIDS-specific but must address the root causes and consequences of the wider challenges to rural development. In other words, a developmental rather than an AIDS-specific focus is critical to tackling the multi-sectoral complexity of the epidemic. Participatory, gender-sensitive and multi-sectoral rural development policies and programmes are essential elements of any response to HIV&AIDS. Studies have also found that rural populations have less knowledge of HIV and how it can be prevented and treated.

Key response challenges for HIV in the Eastern Cape include linking the multi-sectoral HIV response to public health, human rights and development approaches and accelerate effective coverage for prevention, treatment, care and support. In order to coverage to be accelerated, the capacity of health system to scale up provision and use of services needs to be strengthened. The capacity of social welfare system and education system to respond to HIV&AIDS also need strengthening. Multi-sectoral institutions such as the Provincial, District and Local AIDS Council are important in driving the response, but is not yet adequately consolidated. Government leadership and stewardship is also a key issue.

### 6.5.3 Social Security

It is well documented that social grants has been the greatest contributor to reducing poverty in South Africa post 1994. The South African Social Security Agency injects approximately ZAR 2.4 million a year in the Eastern Cape through social grants. While there are still challenges regarding access to social grants in rural areas, the main challenge for this strategy is to ensure that children receiving grants are
accessing education and that the funds received through social grants in rural areas are channelled to local economic activity and provide a basis for local entrepreneurial and cooperative activities.

6.5.4 Human Settlements

The National Department of Human Settlements has introduced a Programme to deal with the delivery of housing to rural communities on communal land. This Policy is called the Rural Housing Subsidy: Communal Land Rights. The need for rural low density houses on communal land poses a challenge to conventional project-driven housing delivery. Land acquisition, utility services and cost-efficient delivery of top structures can only be managed in the context of large projects. These projects are, however, constrained by lengthy pre-planning lead times and slow approval processes at municipal and provincial spheres. The lack of housing development momentum in rural areas has resulted in the relocation of beneficiaries on communal land to new urban project developments. This has negative effects on rural communities and has left beneficiaries who relocated stranded in anonymous urban housing environments with limited employment opportunities.

The Department of Human Settlement has developed policy guidelines for sustainable rural housing in the Eastern Cape. This Policy provides the opportunity for government to assist rural residents in improving their existing traditional houses — a Traditional Rural Housing Enhancement Programme as envisaged in the original Breaking New Ground concept. Statistics show that 68% of the housing backlog is traditional rural houses that are regarded as inadequate by Statistics South Africa.

The policy developed in the spirit of the need to provide sustainable human settlements, where settlements that attract housing investment from the State should also have schools, clinics, recreational facilities running water, and adequate sanitation and most importantly they need to have access to a means to earn a living. This carries huge policy implications for rural housing within the Eastern Cape Province, especially the determination of what is adequate and inadequate within rural contexts as well as settlement patterns.

The policy guidelines should be completed and targets developed by the Department of Human Settlement and Municipalities for implementation of this policy as part of RDS. As part of the strategy the focus should include the following:

- Development of rural housing demand database
- Piloting Rural Housing Policy
- Housing consumer education targeting rural areas
- Promotion and recognition of indigenous knowledge systems
- Development of socio-economic opportunities

6.5.5 Free Basic Services
The Eastern Cape is far off the meetings of targets for basic service provision. The priorities for the RDS should be to carry out backlog costing and set targets for ensuring full access to FBS by 2014.

Where settlement patterns do not allow for provision of bulk infrastructure, alternative or appropriate technology for the provision of water, sanitation, refuse removal and energy should be used. A provincial technical support centre should be established to provide coordinated engineering project management support and training to district and local municipalities for bulk infrastructure and basic services.

In the longer term the quotas for allocations of free basic services should be reviewed. No pre-paid facilities should be implemented for basic services.

**6.5.6 Social and Cultural Amenities**

Social and cultural amenities should be developed as part of the strategy of integrated human settlements. While such amenities are at best limited to rural towns, the RDS should include a strategy to improve the access to social and cultural amenities such as Post offices, Police Stations, Home Affairs etc. Some of these services can be provided in the planned Thusong Centres. However, there are few centres in existence in the Province.

Recreational amenities such as sporting fields and facilities should be made available to a much larger population and could play a great role in youth development. Where facilities exist, they are often linked to schools, and as such the school should play a role as the “centre of community life” in rural areas.

In addition to school sport should be the link to encourage and stimulate sporting club development. It is imperative that the development of sports clubs is promoted that will include soccer and rugby clubs as well as indigenous games amongst others. This measure will ensure mass participation in sporting activities by rural communities.

Amenities such as libraries are immensely important for human development of people. This will form part of the library development programme of the Department of Sport, Recreation Arts and Culture. This should also include the promotion of the language and literature programme. Promotion of literacy and cultural revival, e.g. financial support to newspapers in indigenous languages aimed at various audiences such as high school students, out-of-school youth and adult readers.

Preference should also be given to the promotion and development of arts and craft industries as well as the film and creative arts industries. The creative arts can be promoted through:

- Rural Festival Promotion (Wild coast; Karoo Festival and the Grahamstown Arts Festival)
- Choral festival that includes indigenous and gospel music
6.5.7 Rural Safety and Policing

Rural safety and policing is an important element to ensure development is taking place in a safe and peaceful environment. Rural safety and policing is premised on:

- Community mobilisation and participation
- Joint institutional collaboration
- Embedding sustainable partnership

The rural safety and policing programmes should ensure the following issues are addressed in the rural context of the Province:

- Violent crimes and violence against women and children
- Prevention and combating of stock theft
- Forced circumcisions and marriages
- Illegal evictions
- Land invasions

Rural safety can be promoted through the following programmes: the expansion of the community mobile centres, safety and schools programmes, rural sport against crime and acknowledgement and participation of traditional authorities.

The strategy should find resonance in the ‘War on Poverty’ campaign that is linked to the poverty eradication intervention in the eleven poorest municipalities in the Eastern Cape. Similarly, both pilot sites (i.e. Mhlontlo Local Municipality and Lubala Village in Lusikisiki) on the war on poverty and the integrated approach to rural development should find resonance in the rural development strategy. The methodology used in the ‘War on Poverty’ can be of assistance to the pilot sites and the roll out of the implementation of the rural development strategy.

6.5.8 Youth, Women, Land and Rural Development

Women in many poor countries do not have access to land or lack secure property rights to the land they do possess. Land rights confer direct economic benefits as a source of income, status, nutrition, and collateral for credit. Access to agricultural land can mean higher household calories and consumption. However, women may not fully participate in these benefits as members of a household if they do not share formal rights to land.

The case is not different in South Africa. In communal areas, women are precluded from accessing land. The system of land allocation mainly favours men in terms of entitlement either through allocation or inheritance. When women have access and secure rights to land, they are better able to improve the lives of their families and themselves.

Other programmes to empower women, provide access to education and ensure that women participate equally in all programmes will be part of this strategy.
The demographics of South Africa and the Eastern Cape shows that young people are leaving the rural areas, and that there are large numbers of unemployed young people. Some of these have an education, some do not. Ensuring access to education, and quality and meaningful nature of this education is important for youth development. Youth development should also include sport, recreational, cultural and community activities. The RDS will devise measures to establish youth brigades to address the social and economic challenges of rural areas, and to ensure that young people get the opportunity to form part of meaningful and re-generative experiences.
ENABLING ENVIRONMENT
7. Approach to Strategy Implementation

The envisaged goals and objectives outlined above require an enabling environment. This sixth pillar aims to provide this environment. Additionally, certain requirements for the implementation of the strategy will require immediate to short-term interventions and re-orientation of the delivery frameworks and modalities being employed by the government. It places its focus on the acceleration of service delivery and the expansion of its delivery footprint in the rural hinterlands of the Eastern Cape.

The strategy takes a three-pronged approach to implementation. First and foremost, the strategy addresses the necessary systems, structures and institutions that need to be in place within government. Second, implementation is based on mobilisation, organisation and participation of people and institutions in the rural Eastern Cape. Lastly, implementation must be premised on the utilisation of available local resources, spatial and area-based planning and the creation of the necessary nodes and clusters for human, social and economic development to take place.

Figure 1: Approach to implementation

Strategic Objectives

- Develop mechanisms for effective integrated implementation and coordination of rural development
- Mobilise, manage and control resources to ensure the successful implementation of the strategy
- Ensure social organisation and participation to lead and support the realisation of the strategy
7.1 Implementing institutions

7.1.1 Cabinet Sub-Committee on Rural Development

The committee was established to oversee the policy development process on rural development and most importantly implementation. The committee is convened by the MEC for Agriculture and Rural Development, and is made up the Chairpersons of all Cabinet Committees. The committee should provide guidelines to enforce coordination and integration of government work.

7.1.2 Office of the Premier

The OTP will mobilise government departments and entities to commit to the implementation of the strategy. The OTP should lead in the inculcation of a culture of public service that is aligned to the rural development paradigm.

The OTP will also ensure that integrated planning between government departments, Local Government and other state institutions takes place. Central to this will be the need for greater emphasis on area-based planning approaches, linked to the current IDP framework. This must borrow from the experiences gained through the ISRDP as this served to pilot integrated and co-ordinated service delivery in rural areas. The IDP should form the basis for planning in rural areas, and be used as an instrument for integration and priority setting for local areas.

There is a need for re-orientation of the whole government’s approach to service delivery and development planning in the rural space. This will need to be guided by both the strategy which is emerging, but also through an appropriate institutional and governance perspective, which will need to ensure a rural bias facilitated through strong and visionary leadership at all spheres of government.

Coordination, integration, partnerships with social partners, enabling institutional environment are the cornerstone for how the RDS will be implemented and are key to maximise impact. Most importantly, government plans must be well coordinated to ensure that they resonate with the RDS, that budgets are used to achieve maximum impact, and that there is no overlap and/ or duplication between government and its entities. Provincial Treasury will only fund plans that are aligned to the RDS and IDPs.

Key to meeting the objectives of the strategy will also be the implementation of the necessary institutional capacity for government to implement these envisaged interventions. This will further necessitate a re-organisation of the existing institutional infrastructure for rural development and agricultural support, across all spheres, within the Province.

The Constitution of South Africa and existing legislation outlines the framework for inter governmental relations. This strategy should be implemented within such frameworks, and contribute to improve the functionality of these.
7.1.3 The Department of Agriculture and Rural Development

The department is the champion of rural development within the government of the Eastern Cape. ECDARD is the lead department in managing development in the rural economy, and as such the ECDARD will chair the recently established Cabinet Sub-Committee on Rural Development for the Provincial Government. In this context the department will be responsible for leading the following transversal co-ordination functions related to the strategy and rural development in the Eastern Cape, these include:

- Implementation of strategic pillars 1 to 3;
- Resource mobilisation;
- Public mobilisation; and
- Reporting, monitoring and evaluation.

While acknowledging the co-ordination role of the new department, it will be critical that the strategy recognises the need for the active participation and overall re-orientation of the whole of government and all departments and agencies within the implementation of the strategy and its priorities.

Key sector priorities that will remain with the Department will include:

- Accelerate and increase the footprint of Provincial extension services;
- Focus on the recapitalisation and curriculum renewal in Agricultural colleges; and
- Building research and development.

7.1.4 A Rural Development Agency

A dedicated Rural Development Agency will be established, which would serve to support the mandate of the newly established Department of Agriculture and Rural Development in discharging its responsibility. It is envisaged that the primary role of the RDA will be catalytic, with an emphasis on planning, research and project packaging, facilitation, project management, and implementation of priority programmes. The agency will be given the necessary legislated authority to carry out this work. It should be noted that implementation will be done in partnership with mandated government institutions, and in line with existing legislative and planning frameworks.

Other functions of such an appropriately capacitated entity will include the following:

- Facilitate seamless integration without undermining the autonomy of the spheres of government
- Innovation, research and development
- Mobilising resources and capacity
- Support and provide capacity to existing institutions
- Consider new approaches to current modes of service delivery

The RDA must also amass specialist skills to ensure effective implementation of the RDS. The agency accounts to ECDARD and the department will be responsible for funding the finance the activities of the agency.
There will be an advisory platform of academics, researchers and experts to support the functions of ECDARD and the agency.

7.1.5 Government Departments and Public Entities

The implementation of this strategy is the responsibility of all spheres of government, all departments and public entities. The precise role for each of these agencies needs to be elaborated, particularly with regard to the proposed special purpose vehicle or a Rural Development Agency. The current focus on rural development in the Eastern Cape must not be perceived as an add-on to the work that departments and entities have been doing but as an approach to improve better coordination and integration, ensuring impact from the public spend and that all players should pursue as a primary objective, achievement of the long term vision of the RDS.

7.1.6 Local Government

Local Government will be the key implementing agent of the RDS, and the success of the strategy rests on the functionality of rural local government. District Executive Mayors and Local Municipal Mayors are the champions of rural development in District and Local Municipalities respectively.

A number of challenges are facing local government at present which need urgent attention. Assessment of the implementation of the five-year strategic local government agenda shows that provincial departments continue to plan and implement in isolation from Local Government and do not respect IDPs as the central point of co-ordination of the work of all three spheres of Government. An Intergovernmental Relations Structure is an important mechanism to attend to the matters of Provincial Departments which don’t participate in IDP processes, including payments of municipal debts. The strategy will include measures to strengthen rural local government.

7.2 Spatial Planning, Clusters and Nodes

Prioritisation of public investment according to agreed development priorities and a spatial development framework is of utmost importance, to ensure sustainable economic development opportunities. Further, implementation of the Provincial Growth and Development Plan and all accompanying strategies require spatial co-ordination with linkages to the District and Local Municipality Integrated development Plans and Spatial Development Frameworks.

The Department of Local Government and Traditional Affairs (DLGTA) is currently reviewing the Eastern Cape Provincial Spatial Development Plan (ECPSDP) with the key objective; “to prepare an interactive Provincial Spatial Development Plan in a consultative approach that would result in a plan that sets out a broad framework for investment in a spatially oriented approach to give effect to the successful implementation of the PGDP.”
The OTP, ECDARD and DLGTA will ensure that this Spatial Development plan gives effect to the priorities and direction set by the RDS.

Area based planning (ABP) has become an integral part of land reform programmes and they arose from the realisation that intergovernmental arrangements could not be evaluated or monitored on a project-by-project basis. ABPs are developed at district and local municipal level and are increasingly used by municipalities and government departments to promote increased participation, conflict resolution, community advocacy, monitoring and speeding up of service delivery. The focus on ABP which surfaced through the 2005 Land Summit was based on the recognition that land reform needed to move away from its current project and sub-programmes – Restitution, Redistribution and Tenure Reform.

Spatial and area based planning give rise to the creation of nodes and clusters. The creation of nodes and clusters must be based on availability of natural and other resources, settlement patterns and the principle of inclusion and participation. Nodes are geographical in nature, with the village, or a number of neighbouring villages at the centre. Clusters can be geographical or sectorally based, e.g. grain, berry, fruit, meat or mining clusters.

7.3 Resource mobilisation

7.3.1 Integrated planning, budgeting and municipal finance

The budget for the newly formed Department of Agriculture Rural Development receives less than 3% of the provincial budget. It is imperative that budgets for rural development are not seen as limited to this department. The PGDP assessment reported for example that the Municipal Infrastructure Grant (MIG) allocation falls far short of the estimated cost of eradication of basic infrastructure backlogs.

The resources municipalities have at their disposal to address apartheid underdevelopment are inadequate, especially in the context of the economic recession. Municipalities, particularly those in former homeland areas which have been trapped in poverty and have very small revenue bases cannot be expected to raise their own revenues.

Data released last year from National Treasury shows that the 20 largest urban areas, averaging about a million people apiece, held about 40% of the total population of the country. They spent R3,800 per resident a year. The rest of the population was split fairly evenly between secondary towns in historically white areas and bantustan municipalities. The former spent about R2,000 per person a year; the latter, less than R400.

In the metro areas and smaller towns in the former "white" regions, service payments from individuals and companies account for almost half of total revenue. In contrast, towns in the former bantustans raise only a seventh of their (much lower) income from service payments, due to a combination of very low incomes and inadequate infrastructure. This shows that the funding formula is flawed and needs to be reviewed.
This situation will only be exacerbated by the global economic crisis. Without increased inter-governmental transfers and technical resources to improve spending capacity, municipalities with higher service backlogs and levels of poverty will not deliver on their developmental mandate, and rural development will not take place.

It is also essential that a case be made by the Provincial government to request additional funding from National Treasury for rural development since the case of the Eastern Cape is quite peculiar with it predominantly rural characteristics as well as its historic legacies of underdevelopment in the former bantustans of Transkei and Ciskei.

7.3.2 Funding Mechanisms for Priority Projects

Appropriate funding mechanisms need to be in place to give effect to the principles embedded in the strategy and the implementation of programmes and projects. While the provincial fiscus and allocations to local government provide the core funding for the operations of government, dedicated funding sources must be found for rural development priorities. It is the responsibility of the provincial leadership must engage in innovative and creative measures to lobby national government to additional funding for priority projects. Funds should also be sourced from private sources, international finance and donor sources.

Provincial Treasury and ECDARD must establish a Rural Development Fund aimed at creating a self-sustainable development fund, which will re-invest surplus funds on a continuous basis in order to accelerate rural development in the Eastern Cape. The fund must address gaps in private funding for major projects in rural areas.

The Fund must also include the necessary mechanisms and instruments for funding non-government stakeholders and partners.

7.4 Participation and social organisation

7.4.1 Participation

The necessary partnerships for development will need to be facilitated by government for purposes of its ultimate implementation. This will require the active participation and mobilisation of all sectors of society, and all spheres of government. Similarly, the participation of civil society, labour, business and specifically organised agriculture, small and subsistence farmers will be essential.

The former Department of Provincial and Local Government defined public participation as an open, accountable process through which individuals and groups within selected communities can exchange views and influence decision-making. It is further defined as a democratic process of engaging people, deciding, planning, and playing an active part in the development and operation of services that affect their lives.17
7.4.2 Local Organisation

In order to achieve the highest level of participation, there must be exploration of possibilities of modes of local organisation. Existing non-government organisations, community based organisations, religious organisations, community trusts, cooperatives, youth and women groups and other local organisations should be invited to be part of the implementation of the strategy.

The ward committee provides a basis for local participation and organisation, however functionality and approach of ward committees need to be improved. Measures to improve functionality of ward committees will be implemented.

7.4.3 Training and Capacity Development

The role of the Further Education and Training colleges (FETs), Agricultural Training Institutions (ATIs) is paramount for implementation. Skills development therefore becomes key in the resuscitation of underutilised infrastructure (e.g. irrigation schemes) and in ensuring sustainability of priority projects and programmes being pursued. Capacity development is also important both for success of all priority programmes arising from this strategy.

7.4.4 Research and Development

Knowledge, technology, research and development are all profoundly important for rural development to take place. This includes both the documenting and utilising of indigenous knowledge to invest in technological development and ensure uptake of technology. Knowledge, technology and research are important for agriculture, non-farm economic as well as social and political development. Technological development, particularly information technology, has the potential of connecting people in rural areas to the urban areas of South Africa as well as the world beyond. This connectivity is important for issues such as marketing, sales and distribution of produce, but also for a full dignified and modern human life for rural inhabitants.

Indigenous Knowledge Systems (IKS) have proven to be tools that can be used as a competitive advantage over other communities. With changes in paradigms these IKS can be adapted and preserved to enable sustainability within rural communities using their own local resources. IKS research can play a role in rediscovering pre-colonial modes of production, natural resource management, innovation, work patterns, work organisation and ethics, quality control of products, technical and material skills, gender and age roles, heritage beliefs and values and the environmental context. Provincial and national institutions of higher learning and research institutions should form an integral part of the implementation of this strategy.

Higher education and research institutions have a large role to play in the implementation of the RDS. This role pertains to research and development, innovation and product development, education and training together with knowledge
7.4.5 Co-operatives

It is envisaged that co-operatives will play a significant role in the implementation of the RDS. While there are many in the province, the majority of co-operatives provide only subsistence for their members. The strategy should emphasise co-operation both at the level of production, but more importantly at the level of distribution, consumer co-operatives, buying co-operatives and processing and beneficiation. It should also be noted that the capacity of the provincial co-operatives is very limited and adequate institutions and support should be put in place.

7.5 Provincial Stakeholder Forum

The RDS is not a strategy for government alone, but a partnership between the Eastern Cape Government and the people of the Eastern Cape. Mechanisms for ensuring accountability and reporting to stakeholders are thus important. Regular reports will be made available to stakeholders through multi-stakeholder forums.

A provincial stakeholder forum will be established in 2010 to prove an opportunity for government to meet all other partners on a regular basis.
8. Communication of the Strategy

8.1 Communication and Campaigning
A robust communication strategy is one of the critical success factors for the effective implementation of the RDS. The strategy should kick off with a province wide campaign for rural development. A programme for mobilisation and awareness creation about rural development, and how people can organise their own communities should be developed. Key elements of this include:

- A general public awareness campaign should be developed to popularise this strategy and garner support from all relevant communities.
- Campaigns run by NGOs, Community Based Organisations, Church organisations and Trade Unions, farmers organisations etc.
- Government departments and institutions should be mobilised to understand how to respond to and implement this strategy. Animation of local action by all government institutions should be at the heart of this.
- Other institutions that are envisaged to be part of this strategy should immediately be confirmed and consulted.

This will also include a communications drive within all spheres of government to ensure all civil servants become part of this campaign.

Use of indigenous language is such a strong predicator of mass empowerment, that there is no country in the world that has been able to embark on fundamental social and economic transformation through the medium of a language(s) that the vast majority of its population either do not know or have a weak command of. Communications and campaigning should promote the use of indigenous languages and ensure translation of all documents.

Effective reporting, monitoring and evaluation of the implementation and performance of this strategy is of critical importance. For future improvements and necessary changes in policy, approach and implementation to take place there should be a continuous process of learning from experience in order to ensure. Recognising that the various agencies that will implement this strategy have their own reporting and monitoring mechanisms, the strategy emphasise the importance of developing and implementing an overarching monitoring framework. This will enable government, as well as all other stakeholders to get feedback on the performance of the strategy.

Reporting and Monitoring
Monitoring of this strategy will be based on the implementation of the pillars and their key performance indicators. OTP and the ECDRAD will initiate and formulate a comprehensive, system-wide performance monitoring framework for the strategy. This will form part of the already existing Monitoring and Evaluation framework and system in OTP. Reporting and monitoring will be done by all implementing agents and OTP and ECDARD will be responsible for eliciting relevant information from existing reporting systems.

Assessment and Evaluation
In addition to regular reporting and monitoring, periodic assessments and evaluations of priority programmes will take place. These will focus primarily on impact. Partnerships with research institutions and higher education institutions will also be entered into to ensure independent and longitudinal assessment of implementation and its socio-economic impact.
IMPLEMENTATION PLAN
10. IMPLEMENTATION FRAMEWORK

The approach to the implementation of the rural development strategy will be underpinned in the main by the following principles though it will be based on various implementation mechanisms:

All Strategic Plans of the Province, including municipal IDPs, must be designed such that they reflect the essence and substance of the Rural Development Strategy (RDS). This means among other things that strategic planning templates, guidelines and frameworks, must by design, anticipate the focus on rural development. Tools for the assessment of the credibility of strategic plans must be designed such that they test and confirm the alignment of strategic planning to the goals of rural development.

There are a number of policy interventions which the democratic government has designed in the past, including the PGDP, the ISRDP, URP, the War on Poverty, and many others, all of which have similar objectives with the RDS. It is therefore critical that the implementation of RDS is aligned to these interventions, lest we duplicate our efforts and repeat mistakes. A mechanism for this alignment must therefore be developed. To this end, the cluster system and all intergovernmental relations platforms in the Province will be critical in this regard, hence it is being proposed that the PSF Priority on Rural Development be a standing item not only on the clusters agenda, but in the entire IGR system in the Province. Furthermore, continuous drawing of lessons from these past experiences becomes critical for the successful implementation of the strategy.

As part of ensuring effective monitoring and evaluation of the implementation of RDS, and as part of assessing the impact government must make on the lives of the people, a set of critical indicators for rural development will be developed, informed by the five pillars, and against which government must ensure consistent reporting. For example in all PCF meetings a status report on the implementation of RDS must be presented as a matter of course. Similarly, in all provincial Makgotla, reports quantifying the progress being made in the implementation of RDS must be presented.

Strong institutional arrangements aimed at effective long-term management of the entire implementation process must be established. These include the following elements:

The Department of Agriculture and Rural Development, as a line function department tasked with rural development in the Province, will, needless to say, play a critical role in leading the implementation of RDS.

The rest of Government, especially the coordinating departments such as the Office of the Premier, Provincial Treasury and the Department of Local Government and Traditional Affairs, will act as critical stakeholders to the Department of Agriculture and Rural Development.
A Rural Development Working Group, consisting of the above departments, must be established to support the Cabinet Sub-Committee on Rural Development.

Consideration must also be given to the establishment of ‘Pillar Teams’ to pay focussed and specialised attention on each of the RDS Pillars.

The specimen for Cabinet memoranda must be revised such that all submissions to EXCO are subjected to a rural development test.

The capacity of Government to effectively implement RDS, including strategic planning capacity, monitoring and evaluation capacity, as well as capacity to undertake impact assessments and reporting, must receive urgent attention. Some of this work is already underway, including the conceptualization work for the establishment of the Provincial Planning Commission. Similarly, the proposed Rural Development Agency will add significant implementation capacity value.

The intractable challenge relating to the funding of rural development must be resolved, lest we repeat the same mistakes that have characterized the implementation of the ISRDP. Therefore a funding mechanism for the RDS must be designed in order to timeously inform the baseline budgets of all government departments. To this end, a study team must be established to look at all available options and make specific recommendations.

A process plan for the establishment of the Rural Development Agency must be developed urgently. Such a plan must include a clear time table regarding the operations of affected entities.
ANNEXURES
Annexure 1: Process and Methodology

The RDS for the Eastern Cape was developed under the leadership of the Department of Agriculture and Rural Development and the Office of the Premier. The development of the RDS included research, consultation, drafting, refinement and programme development. A wide range of government and non-government institutions have been involved in the process. The process included a wide range of institutions and individuals in the Eastern Cape.

The process can be developed into three main phases:

- **Phase 1:** Conceptualisation and mobilisation
  - June 2008-April 2009

- **Phase 2:** Research and strategy development
  - April - October 2009

- **Phase 3:** Consultation, refinement and consolidation
  - October 2009 – January 2010

Key consultation processes a wide range of organisation. Many of these were also involved in the development of the document. Written submissions were received from some of these institutions.

### Institutions consulted on the strategy

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<thead>
<tr>
<th>Government Institutions</th>
<th>Business, farmers and non-government institutions</th>
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<tr>
<td>All provincial government departments</td>
<td>Women in Agriculture and Rural Development (WARD)</td>
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<td>All District Municipalities and the Metro</td>
<td>National Red Meat Producers Commodity Group</td>
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<td>Intergovernmental forums</td>
<td>Local cooperatives and farmers organizations</td>
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<td>NAFCOC</td>
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<td>House of Traditional Leaders</td>
<td>Eastern Cape NGO Coalition and member NGOs</td>
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<td>Wool Growers Association</td>
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<td>Youth in Rural Development and Agriculture</td>
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Annexure 2: Socio Economic profile

This section forms an integral part of the RDS for the Eastern Cape and provides a brief and descriptive overview of the socio-economic realities the Province faces. This profile is a descriptive overview of some of the key socio-economic indicators that rural development must address. The Eastern Cape is made up of six district municipalities, one metropolitan municipality and 38 local municipalities.

Map 1: Map of the Eastern Cape

The Eastern Cape is situated in the south-eastern part of South Africa with much natural beauty including in beautiful coastlines, temperate forests, large areas of rolling rural hinterland and semi-desert landscapes. The Indian Ocean here is temperate while the north-east part of the Province borders with KwaZulu-Natal and touches the southern tip of the Drakensberg range. Mountains and foothills are common in the southern parts of the Province, with parts of the Karoo exhibiting a semi-arid to arid nature.

At nearly 170,000 square kilometres, the Province covers 13.9% of the country and its long curving coastline and considerable distances provide the Province with extremely varied landscapes. The Eastern Cape is the only one of South Africa’s nine provinces to have all the country’s biomes, or ecological zones, within its boundaries. The map below shows the various environmental features in the Province.
This ecological diversity gives the Eastern Cape a tremendous diversity of climates, allowing for a vast range of activities. The Province also has more sunny days than any other Province — more than 300 out of 365 days are sunny. Along the coastal areas, the climate is mild and warm to sub-tropical. The climate and temperature gradually changes from a temperate, winter rainfall ‘Southern Cape’ climate south of Port Elizabeth, through a warm coastal belt between Port Elizabeth and East London, and then to a sub-tropical climate in Pondoland beyond Port St John’s.

The deeper inland areas are characterised by extreme weather conditions with hot, dry summers while frost is common during the winter months. In the higher Drakensberg Mountain areas, snow in winter is commonplace and explain why South Africa’s only snow-ski resort is in the Province. The Eastern Cape is well watered, with regular rainfall in the mountains of the Drakensberg and hills of the Transkei feeding a number of major rivers. The lowland coastal belt, extending 30km to 60km inland, can have rain all the year round, although the ‘Southern Cape’ regions west of Port Elizabeth are the only true winter rainfall regions of the Province. The dry Karoo in the west receives little rain. See rainfall on map below.
Demographic Information

Estimates from the 2001 Census and the 2007 Community Survey indicate that the South African population increased from approximately 44.8 million in 2001 to 48.5 million in 2007. Over the same period, the Eastern Cape population is estimated to have increased by 200 000 from 6.3 million to 6.5 million. However the provincial share of the national population has shrunk from 14 percent in 2001 to 13.5 per cent in 2007. This makes the Eastern Cape the third most populous Province in the country after Gauteng (21.5%) and KwaZulu-Natal (21.2%).

Figure 1 below displays the estimated percentage of the Eastern Cape population by age and gender. Children between 0-19 years constitute the largest proportion (3.1 million) of the population while the chart further reveals that there are progressively fewer middle-aged people (up to 65+ age) in the Province. As a result, a small proportion of approximately 454,000 people or 7 percent of the provincial population reaches old age. Although the population of the elderly in the Eastern Cape appears to be very small, there are however obvious implications in terms of providing health and social welfare services for this age group. The pyramid also evinces that approximately 57.4 % (3.7 million) of the provincial population falls within the 15-65 years age economically active bracket. This means that 42.6% (2.8 million) of the population is distributed between the age categories (0 to 15 and 65+ years) which translate to a dependency ratio\(^\text{18}\) of 74.1%.
The Province still has a relatively large total population living in the rural areas. With an urbanisation of 39%, the remaining 61% of the total population in the Province reside in rural localities.

Migration Trends in the Eastern Cape

Development on the African continent has been profoundly shaped by migration induced by colonialism. In South Africa internal labour migration was associated with the control of urbanisation of Africans. The two former homelands, Transkei and Ciskei, make the Province such a labour reserve.

Since the 1990s it has been argued that the most striking change in migration patterns in the Eastern Cape has been the greater tendency of women to migrate, either by following male household members to the cities or by moving independently. The Rapid Assessment has argued that data from the October Household Survey (1990s) reveals that circular migration has not ceased since the transition to democracy, but increased and that women have replaced men as the major migrants due to growing number of women participating in the formal job market and by the strong attachment and commitment of many migrating women to their rural homes and kin\textsuperscript{19}. In addition, it is suggested that this commitment is reflected in the continued remitting of cash and goods to the rural areas from the cities. What is also striking according to the data collected for the Rapid Assessment study, is the lower rates of circular migration from the Eastern Cape. One explanation for this is that circular migration is most intense where homes areas are close to the metros and less intense in areas that are located further away. The greater the distance of the Eastern Cape from South Africa’s major metropolitan areas could thus be a factor in explaining the low rate encountered in the assessment.
The following are some key issues regarding migration trends after 2000 in the Eastern Cape; the growing pull of the metros, the poor as temporary migrants, rural to urban flows, migration rates decline and key characteristics of migrants.

Poverty

Overall, some 43 percent of the Eastern Cape can be categorised as being poor. The poverty gap, the average distance from the poverty line is 0.20, as is the severity of poverty at 0.12. Analysis of poverty data collected in 2006 indicate that a minimum of R881.5 million would be required per annum to eliminate poverty in the Eastern Cape through an income transfer.

Experiences of the District Municipalities vary considerably. While the Nelson Mandela Municipality and Cacadu District Municipality have comparatively low incidence, depth and severity measures of poverty, OR Tambo and Alfred Nzo both have a high percentage of their population below the poverty line, and have high depth and severity measures. Thus not only do these areas have the greatest percentages of their population living in poverty, the extent to which they are poor is most severe in these Municipalities’ areas. The OR Tambo District Municipality is of particularly concern given its population size, high Sen Index and because this municipality accounts for 32% of the poverty gap in the Eastern Cape. This is followed by the Amatole District Council which accounts for 26 percent of the poverty gap.

The Oliver Tambo and Alfred Nzo District Municipality also have the highest levels of unemployment (77% and 76% respectively). On the other hand, the Cacadu District Municipality and Nelson Mandela Metropolitan have lower levels of unemployment with the latter having the lowest Sen Index in the Eastern Cape. The Nelson Mandela Metropole is the economic hub of the Eastern Cape whereas Cacadu has a low population density and an unemployment rate of 31 percent and is a more appropriate candidate for poverty reducing strategies. Figure 3 shows this information graphically, comparing poverty levels by District Council.
The prevalence of poverty estimated by calculating the percentage of households that are poor within District Municipality (DM) may be sensitive to differences in population, municipalities with larger population might show lower prevalence of poverty. As such, in addition to the prevalence of poverty, a poverty share was calculated based on the total number of poor households and their distribution by DM.

While the Nelson Mandela Municipality and Cacadu District Municipalities have comparatively low incidence, depth and severity measures of poverty, OR Tambo and Alfred Nzo have both a high population percentage below the poverty line, and have high depth and severity measures. Not only do these areas have the greatest percentages of their population living in poverty, the extent to which they are poor is most severe. Comparing subjective measures of poverty with the more conventional poverty line that is used in the rest of this report confirms that perceived poverty substantially corresponds with money-metric poverty expressed as household income or expenditure.

**Access to Basic Services**

Between the 2001 Census 2001 and the 2007 Community Survey the top five areas of service improvement were:

- 17,5% more people used electricity for lighting;
- 16% more used electricity for cooking;
- 16,4% more had access to water inside a dwelling;
- 9,3% energy using candle for lighting; and
- 9,2% energy using electricity for heating.

Table 1 indicates changes in access to basic essential services and shows that poor service delivery occurred in refuse removed by local authority (0,0%), energy using
paraffin for heating (0.6%), traditional dwelling (1.5%), informal dwelling (2.6%), and people with no rubbish disposal (2.9%).

Table 1: Access to Basic Services

<table>
<thead>
<tr>
<th>ACCESS TO SERVICES</th>
<th>2001</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water (% of people with access to water inside dwelling)</td>
<td>17.8</td>
<td>29.8</td>
</tr>
<tr>
<td>Water (% of people with access to water inside the yard)</td>
<td>19.2</td>
<td>13.9</td>
</tr>
<tr>
<td>Water (% of people using river &amp; Spring)</td>
<td>29.7</td>
<td>23.4</td>
</tr>
<tr>
<td>Sanitation (% of people with flush toilet)</td>
<td>30.6</td>
<td>35.1</td>
</tr>
<tr>
<td>Sanitation (% of people with no toilet system)</td>
<td>30.8</td>
<td>23.5</td>
</tr>
<tr>
<td>Refuse (Removed by local authority at least one a week)</td>
<td>37.0</td>
<td>37.0</td>
</tr>
<tr>
<td>Refuse (% of people with no rubbish disposal)</td>
<td>16.8</td>
<td>13.9</td>
</tr>
<tr>
<td>Dwelling (% of people living in house on a separate stand)</td>
<td>41.3</td>
<td>46.8</td>
</tr>
<tr>
<td>Dwelling (% of people living in traditional dwelling/hut)</td>
<td>38.1</td>
<td>36.6</td>
</tr>
<tr>
<td>Dwelling (% of people living in informal dwelling/shack)</td>
<td>9.0</td>
<td>6.4</td>
</tr>
<tr>
<td>Energy (% of people using electricity for lighting)</td>
<td>49.5</td>
<td>65.9</td>
</tr>
<tr>
<td>Energy (% of people using paraffin for lighting)</td>
<td>23.4</td>
<td>16.3</td>
</tr>
<tr>
<td>Energy (% of people using candles for lighting)</td>
<td>26.0</td>
<td>16.7</td>
</tr>
<tr>
<td>Energy (% of people using electricity for cooking)</td>
<td>27.8</td>
<td>45.3</td>
</tr>
<tr>
<td>Energy (% of people using paraffin for cooking)</td>
<td>29.4</td>
<td>23.3</td>
</tr>
<tr>
<td>Energy (% of people using wood for cooking)</td>
<td>35.9</td>
<td>27.2</td>
</tr>
<tr>
<td>Energy (% of people using electricity for heating)</td>
<td>23.4</td>
<td>32.6</td>
</tr>
<tr>
<td>Energy (% of people using paraffin for heating)</td>
<td>28.1</td>
<td>27.5</td>
</tr>
<tr>
<td>Energy (% of people using wood for heating)</td>
<td>42.1</td>
<td>36.1</td>
</tr>
</tbody>
</table>

Source: Statistics South Africa (2007)

Housing

A comparison of the Census 2001 and the Community Survey 2007 reveal an improvement in access to housing at a provincial level. The percentage of households living in formal dwellings increases from 52 percent (2001) to 55 percent (2007) while the proportion of households living in informal housing decreased from 11 percent to 8 percent over the two survey periods.

Electricity

A comparative analysis of Census 2001 and Community survey 2007 results reveal that household access to electricity in the Eastern Cape has improved significantly over the past six years. There was an increase in the percentage of households that use electricity for lighting (50% to 65.9%), electricity for cooking (28.3% to 45.3%) and electricity for heating (23.9% to 29.3%) between Census 2001 and Community Survey 2007.

Sanitation

While the percentage of households with no toilet facilities in the Eastern Cape declined from to 31% in 2001 to 24% in 2007, the Province remains with the largest proportion of households with no toilet facilities in the country. However, the prevalence of bucket toilets in the Eastern Cape is one of the lowest in the country at 3% which is an improvement from 6% recorded in 2001. The purpose of this section
is to highlight the prevalence of the use of bucket system and the prevalence of no toilet facilities in each district of the Province.

**Water**

Water is a finite resource and alongside natural cyclical changes, are new and continuing human activities that have become primary ‘drivers’ of the pressures affecting our planet’s water systems. These pressures are most often related to human development and economic growth. Research argues that there are three drivers of strategic importance for water in South Africa; loss of dilution capacity caused by the over-allocation of national water resources, unique patterns of spatial development, with all of the major centres of economic development are located on watershed divides, and our historic legacy of social trauma from the pre-statehood era²¹.

In terms of piped water in the Province, access increased from 63% in 2001 to 71% in 2007. This section highlights results pertaining to piped water to households in all districts.

There is an increase in the percentage of households which had access to piped water throughout the districts since 2001. There is however variations across the provinces with the Nelson Mandela Metro leading with close to 100%, Cacadu follows with 95.6% and Amatole and Chris Hani with 76.3% and 75.5% respectively. OR Tambo had the least accessibility to piped water at 53%; this was way below the provincial average of 70.9%. Other districts which fell below the provincial average were Ukhahlamba (64.4%) and Alfred Nzo (67%).

**Education**

Sub-Saharan Africa is the only region in the world where formal education and government services function formally in languages different from the first languages of almost the entire citizenry. This linguistic divide reduces the scope for combining formal science and technology and local and traditional knowledge²². The linguistic divide can be addressed in part through the increased use and understanding of local languages when working with rural people, as well as increasing the functional literacy and general education levels among rural communities, especially women.

Challenges in rural education in the Eastern Cape pertain to the implementation and monitoring of no-fee schools, quality and regularity of school feeding, resources that impact on learner teacher ratios and long distances to schools. Infrastructure is poor, and this has a profound impact on the teaching and learning environment. Although education can, and indeed does, take place in resource poor setting, improved infrastructure such as building and maintenance of schools, toilet facilities and facilities for teachers to prepare for class and assess learners could go a long way in improving the school environment. High drop-out rates raise questions of retention and poverty in both schooling and higher education. Feeding, poverty, HIV/AIDS, cultural and sociological alienation of learners, suicide rates and teenage pregnancy are important issues of concern. Long distances, poor roads and transport infrastructure pose challenges for learners and
teachers. Such challenges are found in peri-urban and urban township schools, but distances and poor roads infrastructure intensifies the challenge in rural areas.

The ECDoe has embarked on a rationalisation and re-alignment of the schools to address two key challenges. Firstly, low enrolments in some senior secondary schools in the rural areas, with concomitant low staff establishments for such schools that impact on teacher allocations. This is particularly the case in critical subjects, resulting in poor performance of these schools. Secondly, the challenge of multi-grade teaching classes in small primary schools where learners from several grades are combined into a single class inevitably compromises the quality of teaching and learning. In some instances, multi-grade classes covered more than one phase. This is intensified by the favouring of junior secondary schools (JSS) or combined schools, creating further pressure to create large establishments. JSS schools cover a large number of Grades with many schools operating large classes in inadequate and overcrowded buildings. This has serious impact on educational quality and efficiency.

It should be noted that only one district (Port Elizabeth) out of 23 education districts may be regarded as urban. All other districts encompass rural areas as well as towns and the vast majority of school can be classified as rural. The challenge is thus not one of urban versus rural, but one of the whole education system. Some 19% of provincial schools’ infrastructure is classified as very weak, 28% as weak and 37% as in need of repair. Again, the bulk of infrastructure upgrades are needed in the east of the Province.

In 2008 there were 56 702 permanent state educators within ordinary schools in the Eastern Cape (Primary, Secondary and Combined schools). With 2 070 569 learners in ordinary schools, the Province has a learner: educator ratio (LER) of 36.5 learners to every 1 permanent, State-paid educator. This ratio was 32:1 in 2007.

Mbizana, Lusikisiki and Libode have the highest LER of 41:1, 39:1 and 36:1 respectively. Fort Beaufort and Grahamstown districts have the lowest LERs of 25:1 and 24:1 respectively. These figures however mask large class sizes in foundation phase, as posts are favoured in the higher grades. Learner: educator ratios are the highest in the east of the Province, where the population density is highest and the general level of service access is the lowest.

After a decrease in dropouts between 2004 and 2007, dropouts are reported to have increased for all grades in 2008. The highest drop-out rates for grade 1 in 2008 was in the Mbizana and Duytwa districts, with a rate of 29% and 31% respectively. For grade 10 Qumbu had the highest drop-out rate, of 29% while Mbizana had the lowest rate in the Province, with 12% not continuing to grade 11.

The Eastern Cape has eight further education and training (FET) colleges spread throughout the six district municipal areas. East Cape Midland and Port Elizabeth FET colleges are located in Nelson Mandela Metropole and Cacadu District Municipality; Lovedale, Buffalo City and King Hintsa FET Colleges are located in Amatole District Municipality; KSD and Ingwe FET Colleges are located at O. R Tambo and Alfred Nzo District Municipalities; and Ikhala is located at Chris Hani District Municipality and servicing both Ukhahlamba and Chris Hani District Municipalities. With vast skills needs and lower barriers to entry, there is great
potential for increasing the uptake in FET colleges. Total enrolment in 2009 is 12,841, while year by 2010 the learner enrolment should have achieved 83,000.

Health

Table 2 shows the different types of health facilities in the Province per district municipality in 2007. Clinics appear to be the dominating type of health facility in all the districts of the Province. The highest number of clinics in the Province is located in Amatole district with 219 clinics, followed by Chris Hani and OR Tambo with 147 and 141 clinics respectively. Ukhahlamba (45 clinics) and NMM (55) district have the lowest number of clinics in the Province.

Table 2: Health Facilities per District Municipality, 2007

<table>
<thead>
<tr>
<th>District</th>
<th>District Hospital</th>
<th>Tertiary Hospital</th>
<th>Regional Hospital</th>
<th>Specialized Hospital</th>
<th>CHC Clinic</th>
<th>Total Facilities</th>
<th>Total Population</th>
<th>Total persons/Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alfred Nzo</td>
<td>4</td>
<td></td>
<td></td>
<td>1 3 60</td>
<td></td>
<td>68</td>
<td>479,391</td>
<td>7,050</td>
</tr>
<tr>
<td>Amatole</td>
<td>14 2</td>
<td></td>
<td></td>
<td>5 6 219</td>
<td></td>
<td>246</td>
<td>1,664,753</td>
<td>6,767</td>
</tr>
<tr>
<td>Chris Hani</td>
<td>15 1</td>
<td></td>
<td></td>
<td>1 3 147</td>
<td></td>
<td>167</td>
<td>798,595</td>
<td>4,782</td>
</tr>
<tr>
<td>Cacadu</td>
<td>10</td>
<td></td>
<td></td>
<td>5 3 81</td>
<td></td>
<td>99</td>
<td>363,485</td>
<td>3,672</td>
</tr>
<tr>
<td>NMM</td>
<td>1 3</td>
<td></td>
<td></td>
<td>4 7 55</td>
<td></td>
<td>70</td>
<td>1,050,931</td>
<td>15,013</td>
</tr>
<tr>
<td>OR Tambo</td>
<td>11 3</td>
<td></td>
<td></td>
<td>2 9 141</td>
<td></td>
<td>167</td>
<td>1,862,224</td>
<td>11,151</td>
</tr>
<tr>
<td>Ukhahlamba</td>
<td>10</td>
<td></td>
<td></td>
<td>2 1 45</td>
<td></td>
<td>58</td>
<td>308,366</td>
<td>5,317</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>65 8</td>
<td>2</td>
<td>20 32 748</td>
<td></td>
<td></td>
<td>875</td>
<td>6,527,745</td>
<td>7,460</td>
</tr>
</tbody>
</table>

Source: Eastern Cape Department of Health (2008)

District hospitals are the second most common health facility in Province; these are concentrated in Chris Hani (15 district hospitals), Amatole (14) and OR Tambo (11) district. The least number of district hospitals is found in NNM, with one district hospital and Alfred Nzo, with four district hospitals. Only two districts, Cacadu and OR Tambo have at least one regional hospital each, while tertiary hospitals are only available in Amatole (2), NMM (3) and OR Tambo (3).

Most of the specialised hospitals in the Province are located in Amatole, Cacadu and NMM, these three districts together account for 14 of the 20 specialised hospitals in the Province.

The total number of health facilities in each district is compared to the total district population to give the average number of persons that are serviced by one health facility in each district. The districts with lowest average number of persons serviced by one facility are Cacadu (3,672 persons per facility) and Chris Hani (4,782). The highest number of persons per facility was recorded in NMM (15,013 persons per facility) and OR Tambo (11,151). This suggests that the provincial department of health should increase the number of health facilities in these two districts to improve access to health services.
Economic Analysis

Leaders of the world’s 20 most powerful countries, the G20 announced that the current crisis is the greatest challenge to the world economy in modern times. The 2008 sub-prime lending and financial crisis was followed by a global recession, taking its toll in South Africa. GDP figures for the last quarter of 2008 came in negative (-1.8% seasonally adjusted and annualised), with manufacturing falling by a 21.8%, the biggest slump since record-keeping began.

The automobile industry is down over 30% year-on-year. Mining production continues to fall, as global commodity prices remain depressed. Consumers’ expenditure is declining; credit extension to the private sector is slowing down, and housing prices dropping. Job losses in industry, particularly mining are likely to have effect on urban as well as rural areas in the Eastern Cape, strengthening the case for a proactive rural development strategy.

Prices of agricultural commodities have also increased in the past two years, creating a global food price ‘bubble’. These increases are broadly attributed to rising population growth, energy prices, subsidised bio-fuel production as well as underinvestment in agricultural infrastructure and sciences. The food crisis has added to general inflation and macro-economic imbalances to which governments must respond with financial and monetary policies. At the same time, the financial crunch and the accompanying economic slowdown have pushed food prices to lower levels by decreasing demand for agricultural commodities for food, feed, and fuel. Because the two crises are interconnected, a co-ordinated response is needed to alleviate the double blow on the poor.

The Eastern Cape Province generated 7.8% of the total Gross Domestic Product (GDP) of South Africa in 2007, making it the fourth largest contributor to the national GDP after Gauteng, Western Cape and KwaZulu-Natal. Nevertheless the Province is far below the leading province, Gauteng, which accounts for 36 percent of South Africa’s GDP. In terms of real Gross Geographic Product (GGP) per capita the Eastern Cape is the poorest province in the country, with an annual income of R13,511 per person living in the Province in 2007. This is just over half of the national average of R23,203.

Table 3: Real Per Capita GDP by Province 2000 Constant Prices, 2007

<table>
<thead>
<tr>
<th>Province</th>
<th>GGP R’000</th>
<th>Total population</th>
<th>GGP per capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Cape</td>
<td>169,054,534</td>
<td>5,278,591</td>
<td>32,026</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>88,198,923</td>
<td>6,527,746</td>
<td>13,511</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>22,530,472</td>
<td>1,058,057</td>
<td>21,294</td>
</tr>
<tr>
<td>Free State</td>
<td>55,135,327</td>
<td>2,773,066</td>
<td>19,882</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>184,793,704</td>
<td>10,259,230</td>
<td>18,012</td>
</tr>
<tr>
<td>North West</td>
<td>67,385,134</td>
<td>3,271,946</td>
<td>20,595</td>
</tr>
<tr>
<td>Gauteng</td>
<td>396,214,211</td>
<td>10,451,709</td>
<td>37,909</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>71,194,494</td>
<td>3,643,435</td>
<td>19,540</td>
</tr>
<tr>
<td>Limpopo</td>
<td>70,903,700</td>
<td>5,238,286</td>
<td>13,536</td>
</tr>
<tr>
<td>South Africa</td>
<td>1,125,410,500</td>
<td>48,502,066</td>
<td>23,203</td>
</tr>
</tbody>
</table>

Source: Quantec Regional Data (2007)
The structure of the Provincial economy differs from that of the national. The most striking difference is that the Province has a much larger public sector (28.9% compared to 19.4% for SA), and a very small mining sector (0.1% compared to 6% for SA).
Table 4: Contributions to GDP by Sector Eastern Cape and South Africa (percentage), 2007

<table>
<thead>
<tr>
<th>Sector</th>
<th>Eastern Cape</th>
<th>South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>2.3</td>
<td>8.5</td>
</tr>
<tr>
<td>Agriculture, forestry and fishing</td>
<td>2.2</td>
<td>2.4</td>
</tr>
<tr>
<td>Mining</td>
<td>0.1</td>
<td>6.1</td>
</tr>
<tr>
<td>Secondary</td>
<td>22.1</td>
<td>23.7</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>17.8</td>
<td>17.7</td>
</tr>
<tr>
<td>Electricity &amp; water</td>
<td>1.1</td>
<td>2.3</td>
</tr>
<tr>
<td>Construction</td>
<td>3.2</td>
<td>3.8</td>
</tr>
<tr>
<td>Tertiary</td>
<td>75.6</td>
<td>67.8</td>
</tr>
<tr>
<td>Wholesale &amp; retail trade; catering and accommodation</td>
<td>15.6</td>
<td>15.4</td>
</tr>
<tr>
<td>Transport &amp; communication</td>
<td>9.4</td>
<td>10.7</td>
</tr>
<tr>
<td>Finance and business services</td>
<td>21.6</td>
<td>22.2</td>
</tr>
<tr>
<td>Public Sector</td>
<td>28.9</td>
<td>19.4</td>
</tr>
</tbody>
</table>

Source: Quantec Regional Data (2007)

In addition, the Province’s Transport and Communication sector is smaller than the national level, though by a relatively small margin (9% for Eastern Cape and 11% for SA). However the Eastern Cape and South Africa share contributions to output of wholesale and retail, manufacturing and agriculture sectors are roughly the same at around 15%, 18% and 2% respectively.

At an average annual growth rate of 3.3% per annum, the Province outperformed the Northern Cape, Free State, North West, Mpumalanga and Limpopo.

Which sectors drive the Provincial Economy? Finance (20,2%) and Government services (18,5%) are the largest sectors; while Mining (0,2%) and Electricity (1,5%) are the smallest. In terms of growth, Finance is leading.

Figure 5: Average Annual Real GGP Growth by Province, 1998-2007

Source: Quantec Regional Data (2007)

The GDP of the Eastern Cape increased from R63.8 billion in 1998 to R88.2 billion in 2007 in real terms. While the Eastern Cape growth rate followed the national growth
rate very closely, the Province generally performed below the national economy. The Eastern Cape grew at an annual average rate of 3.3 percent compared to 3.7 percent for the economy as a whole between 1998 and 2007.

Figure 6: Real GDP Growth Rates South Africa and Eastern Cape, 1998-2007

![GDP Growth Rates Graph]

Table 5 shows the different annual average growth rates for the three broad sectors of the provincial economy over the periods 1998 to 2007. The primary sector grew by an annual average of just over 1% whereas the secondary and tertiary industry averaged 4% and 3.2% respectively. Growth in the secondary sector was mainly driven by the construction and manufacturing sub sectors with annual average growth rates of 9.3% and 3.6% respectively.

Table 5: Eastern Cape: Average Annual Real Growth Rates of Output per Sector, 1998-2007

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
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Source: Quantec Regional Data (2007)

While the tertiary sector recorded an inferior annual average growth rate to the manufacturing sector between 1998 and 2007, it generates more than 75% of the provincial output making it the major growth driver in the Province. The tertiary sector recorded the highest growth rate in transport and communication, and financed and
The annual average growth rates of these two sectors were 4.3% and 4.2% exceeding the provincial annual average of 3.3%. Higher volumes of trade as a consequence of trade liberalization during the past 10 years seem to have underpinned the growth of these two sub-sectors. The other steady performer was wholesale and retail which recorded an annual average growth rate of 3.3%.

As outlined above, the Eastern Cape economy is dominated by the tertiary sector, particularly the public sector. The remaining one-quarter of the provincial output in 2007 was accounted for by the primary sector (2.3%) and the secondary sector (22.1%). Within the secondary sector the single largest sub-sector is manufacturing accounting for more than 20% to the provincial output.

Table 6: Sector Contributions to Provincial GGP (Percentage), 1998-2007

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Source: Quantec Regional Data (2007)

Table 7: Sector Contributions to Provincial Employment (Percentage), 1998-2007

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</table>

Source: Quantec Regional Data (2007)

More than 70% of the provincial labour force in 2007 was employed in the tertiary sector (see Table 7). Employment in the tertiary sector is distributed as follows: public sector (38.2%), wholesale and retail (16%) finance and business (14.9%) and transport and communication (3%). The secondary sector accounted for more than 20% of the formal employment in 2007. A large part of the employment in this sector was in the manufacturing sub-sector which accounted for close to 15% of the
employment in the Province. Agriculture, forestry and fishing employ less than 10% of the provincial labour reflecting the low contribution of this sector to the GGP.

Eastern Cape agricultural sector is not only relatively small but its contribution to the provincial GDP has been steadily declining since 1998. Agriculture contributed 2.2% to the Province’s GGP in 2007, down from 2.7% in 1998. The Province recorded an average real decline in agricultural output of 0.1% per annum from 1995 to 2005 compared to an average output growth of 2.9% per annum for the economy as a whole. The poor output performance of the sector is a reflection of the steady decline in agricultural employment during the period under review. Agriculture employed 75,000 people in 1995 and 57,000 people in 2005, shedding 18,000 jobs.

Figure 7: Annual Growth in Agriculture Output and Employment, 1998-2007

Source: Quantec Regional Data (2007)
1 http://en.wikipedia.org/wiki/Agrarian
2 http://en.wikipedia.org/wiki/Subsistence_agriculture
3 http://en.wikipedia.org/wiki/Small-scale_agriculture
4 http://en.wikipedia.org/wiki/Commercial_agriculture
5 Integrated Sustainable Rural Development Strategy, 2000
6 ECSECC, 2000b
7 Klitgaard & Fitschen 1997, May & Vaughan 1999
8 Ibid
10 Anriquez and Stamoulis, 2007
12 World Food Summit, 1996
13 Draft Industrial Strategy 2008
14 Ashley, Goodwin and Roe 2001
15 Ashley, Goodwin and Roe 2001
17 (Dependency Ratio = (number of people under 15 years) + (number of people aged 65 and over)/ (number of people between 15 and 64 years) X 100 = (2,323,290 + 454,282)/ (3,750,174) X 100 = 74.1 percent.
18 Dorit Posel (2001 and 2002)
19 http://www.ecprov.gov.za/
21 IAASTD
23 Von Briaun, J (2008)
Notes