

CHAPTER THREE: THE CASE STUDY OF ALICE

3.1 INTRODUCTION

As stated earlier, there is very little documentation on Alice. The aim in this chapter is to provide a profile of Alice and of its immediate surroundings by providing the socio-economic dynamics of the area through statistical overview presentation selected from the Census 2001 data. The second section of the chapter provides a local government context that governs Alice. This section will focus on the make-up of Nkonkobe Municipality touching on key issues that are relevant to its delivery system. The last section looks at the economic context of Nkonkobe, drawing on the main the sectors that have been identified by the municipality for the development of the local economy.

3.2 STATISTICAL OVERVIEW

The data discussed here is based on the Census 2001 statistics. As much as the data covers the whole Nkonkobe area, specific reference to Alice is made where it is necessary. In some instance, comments and comparisons to Census 1996 data is also made.

3.2.1 Population

According to Census 2001, Nkonkobe has a population size of 128 659 people. This figure has decreased from the recorded 143 167 people in Census 1996, suggesting that Nkonkobe is experiencing depopulation. Interesting to note in the figures below is that the decreasing number of people is reflected in all population groups but Coloureds (see Table 3.1). The decrease in population can be attributed to a number of things: high mortality rate, out-migration or even more interesting, the new municipal boundaries in 2000.

Table 3.1: Population of Nkonkobe

Population Group	Census 2001	Census 1996
African	122 683	136 163
Coloured	4 722	4 537
Indian	64	83
White	1 190	1 776
Total population	128 659	143 167

The majority of the population (61%) resides in rural areas. Only about 19% of the people reside in urban centres, mostly Alice and Fort Beaufort, where a concentration of economic activities occurs. Another 20% resides in scattered settlements and farms. In terms of population distribution, half of the population (50%) in Nkonkobe resides in Alice, followed by 48% in Middledrift, Fort Beaufort (14%), Seymour (2%) and 0.5% in Hogsback. A pilot of a small town renewal

programme in Alice is therefore justified, seeing that it is not just an economic centre but also a populous area locally.

3.2.2 Age

A large number of people in Nkonkobe are between the ages of 15 to 34 years old, which means that the area has a younger population. This group is followed by the 15 to 64 year olds. The smaller age groups are found in over 65 years olds (9%) and children under the age of 4 years old. The higher number of youth points to a need for educational facilities and for the establishment of other youth-friendly development programmes.

3.2.3 Employment

In this report, employment is looked at in terms of the existing labour force or the economically active group. The economically active group includes all persons who are 15 and above both those who are actively looking for a job and those who are not looking for a job but would accept work. This economically active group excludes students studying at the local institutions. Available data indicates that more than two-thirds (67%) of people in Alice are unemployed. Of those who are working, a large number of them are in elementary occupations such as domestic work, followed by technicians and service workers. Professionals (which might include teachers, nurses, police etc) account for only 3% of the labour force.

3.2.4 Education

The majority of people in Nkonkobe have secondary schooling, followed by those who have some primary schooling. But the group that reported to have no schooling is bigger than those who have obtained Grade 12. Adult Basic education initiatives obviously impacts positively in the area.

3.2.5 Income

About 94% of the people in Nkonkobe earn less than R800 a month. This figure matches the earning brackets of the occupational levels discussed earlier but may also include the informal sector earning levels and social grants. This finding has serious implications on the affordability of services in the area.

3.3 LOCAL GOVERNMENT CONTEXT

Nkonkobe Municipality is a local municipal area that emerged as a result of new municipal boundaries adopted for local government elections in 2000. It brings together five local authorities from five small towns, namely Hogsback, Middledrift, Alice, Seymour and Fort Beaufort. Within Nkonkobe there are areas which were previously falling under homeland administration, former Cape Provincial Administration areas, farmlands and a number of old and new villages. New villages mushroomed during the transition period to democracy when most farm workers were evicted from the farms.

3.3.1 Political Issues

Nkonkobe Municipality has a stable political environment. Since the transition period, the leadership of the Council has been dominated by the ruling party. The Nkonkobe Municipal Council has forty-one (41) seats, thirty-eight for the ANC, two for the Democratic Alliance, and one for the Pan African Congress.

3.3.2 Policy, Planning and Strategies

Generally, municipal economic strategies and interventions include: urban renewal; business improvement districts; tourism promotion; incentive provision; infrastructure provision ; local procurement ; small business support; poverty alleviation; and, community public works programme. In its Integrated Development Plan (IDP) review, which contains a local economic development plan, Nkonkobe Municipality identified the key facets of its LED intervention as: agriculture and forestry, tourism and infrastructure development.

The municipality has five LED objectives: “developing and maintaining infrastructure and services; retaining and expanding existing businesses; preventing a drain of resources from the local economy; developing human capital and productivity; and, focusing on community-based economic development” (Nkonkobe Municipality IDP Review 2003/2004)

a. Agriculture and Forestry

The IDP Review 2003/2004 states that agriculture in Nkonkobe contributes 17% to the GGP. The LED plan intends to maximum the agriculture potential in this

rural municipality. The development of large scale farming of citrus, small scale farming and forestry are identified as the key intervention programmes to stimulate the agriculture sector. Except for the recommendations developed by the consultants and the author of the IDP Review document, it is not clear from the IDP Review how the municipality intends to grow these sub-sectors of agriculture.

b. Tourism

Nkonkobe has targeted three areas of tourism promotion. These are nature conservation, game reserves and heritage sites. Programmes for the development and promotion of nature conservation are yet to be developed but attempts are underway in building community partnerships with the two game reserves that are within the local jurisdiction. The poverty relief programme launched by the Department of Environment and Tourism is used to complement the local initiatives to promote community tourism. On the promotion of heritage, the University of Fort Hare, a national heritage site in its own right and the municipality has entered into a partnership with the Oxfordshire County and university to rehabilitate and promote heritage in Nkonkobe. This is a very active partnership between the two institutions and it is locked up in discussions but there are teams that are practically working in projects within Nkonkobe.

c. Infrastructure development

Infrastructure development that is talked about in the LED plan is aimed at improving access to rural communities. The key projects therefore, are the

upgrading of roads, electrification and improved access to telecommunications (Nkonkobe Municipality, 2004). More focused infrastructure development initiatives in the towns of Nkonkobe need to be developed to attract investments.

3.3.3 Institutional arrangements for Local Economic Development (LED)

Discussed below are institutional bodies that Nkonkobe supports and which contribute towards achieving the economic goals of the area.

a. LED unit

The municipality has an LED unit, which is located within the strategic development directorate in the Office of the Municipal Manager. The unit is seriously under-resourced with only two officials and a secretary (personal communication, LED Manager 2005). So far the unit has been involved in the implementation of a number of community projects that range from poultry, sewing, small scale farming and community crafts production.

b. Nkonkobe Economic Development Agency

In November 2004, the municipality launched a Nkonkobe Economic Development Agency (NEDA) through grant funding obtained from the Industrial Development Corporation (IDC). NEDA is a section 21 company that operates separately from the municipality. The main objectives of NEDA is “to identify and efficiently manage sustainable economic development of projects, facilitate investor attraction and trade promotion, to leverage public and private resources for development around opportunities which offer economic and developmental

potential” (IDP Review 2003/2004). Key performance areas of the Agency are infrastructure development, skills development and facilitation of sustainable economic growth and black economic empowerment activities.

c. University of Fort Hare

Surprisingly, the University of Fort Hare (UFH) is not listed in the IDP as an institution that assists in the promotion of economic goals within Nkonkobe nor do the two institutions have formal agreements in their pursuit for development in the area. Lack of formal co-operation between the university and the municipality, it is argued is, an inadvertent omission.

The UFH, through its number of faculties and research units, has been involved in several community-based development initiatives. One of the oldest units to drive these initiatives from the UFH is the Agricultural Development and Research Institute (ADRI). ADRI has been involved in the promotion of small scale farming and community skills. In the recent past, a number of units have joined in to implement projects aimed at the promotion of economic development. These include the cooperative development units and a highly acclaimed, IDC funded Nguni cattle farming programme. Due to the strength of projects and the expertise that the university has, there is a struggle over funding between the university and the municipality. Formal institutional arrangements between the two institutions could assist to resolve this problem.

3.3.4 Municipal Institutional Roles

Nkonkobe municipality is a category B municipality, which brings together the former municipalities of Alice, Seymour, Fort Beaufort, Hogsback and Middledrift. The seat of the council is at Fort Beaufort. The municipal institutions can be divided into two streams: political and administrative structures. Getting the two structures to work together is a challenge in most municipalities across the country.

a. Political structure

The Nkonkobe Municipality council has 41 councilors, 37 are full-time and four are part-time. The Council is the highest decision-making body, chaired by the Speaker. Under the Council, there is an executive committee that is chaired by the Executive Mayor. The council has six standing committees headed by executive committee members who act as portfolio heads. The six standing committees are: Finance; Administration and Human Resources; Strategic Planning; Community Development; Engineering; and Sports. The Council is further supported by ward committees in the 21 wards that make up Nkonkobe. The political structure in Nkonkobe is fairly stable, under the leadership of the ruling party.

b. Administrative structure

The organogram of Nkonkobe allows for 344 posts but the current staff complement is 294, 278 are permanent and 16 people are temporary staff. The

municipality has four offices that operate as satellite cashier points in Alice, Hogsback, Seymour and Middeldrift. Staff distribution is as follows:

- Finance (32)
- Administration and Human Resources (48)
- Engineering services (222)
- Strategic Planning, which includes LED (5)
- Community Development (115)

3.3.5 Finance

The major source of revenue in Nkonkobe comes from the equitable share. This accounted for 98% of the revenue in 2002/2003 (IDP Review, 2003/2004). Other large sums of money come from the provincial funded projects and the Consolidated Municipal Infrastructure Programme (CMIP). Development initiatives aimed at generating revenue for the municipality are therefore essential for sustaining the municipality.

3.3.6 Service delivery

This section will focus on the service delivery programmes of Nkonkobe and highlight where possible, how they impact on Alice, the case study area. Service provision is a core function of Nkonkobe Municipality but the municipality faces considerable service backlogs.

a. Water

Nkonkobe Municipality has performed relatively well (compared to surrounding municipalities and municipalities of its size) in the provision of water which is a basic service to the communities. Figure 3.1 indicates that most urban areas have a 100% delivery of piped water supply. There are strides towards the provision of water to the rural areas, the Gaga-Tyhume (two rivers running across Alice) water scheme is a case in point. The Gaga-Tyhume scheme is geared towards supply of water to rural communities (IDP Review, 2003/2004).

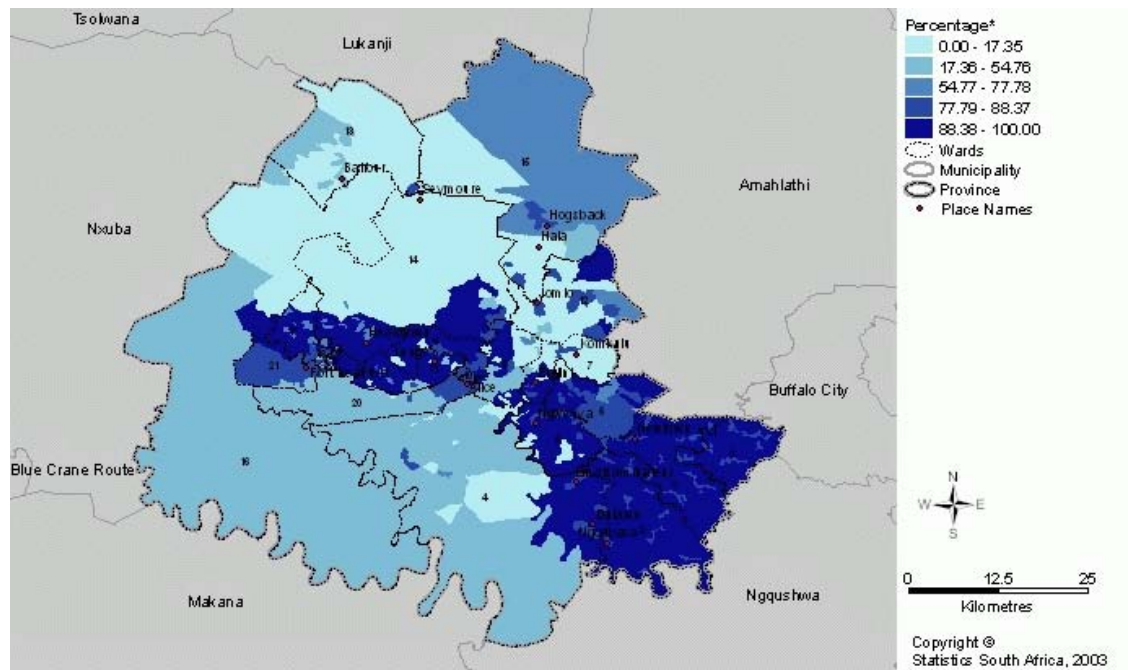


Figure 3.1: Access to water supply

b. Sanitation

Figure 3.1 shows the patterns of sanitation provision. About 12% of the local population has no form of sanitation and about the same proportion of people (12%) use bucket latrines. Sanitation is reportedly water-borne in urban centres

such as Fort Beaufort and part of the township, Alice and its township, Seymour, Hogsback, and Middledrift. There are also conservatory tanks in Bhofolo, Seymour and Newtown. There are VIP's and 'envirolloos' in Bhofolo. The backlogs are predominantly in townships and rural areas, especially in Fort Beaufort townships, where the bucket system is used. In 2004, the municipality has submitted business plans to Consolidated Municipal Infrastructural Programme (CMIP) and the Amathole District Municipality for funding to undertake a multi-phased water reticulation project in Fort Beaufort in order to eradicate the use of bucket system to meet the requirements of government's basic level of service provision. The implications of a lack of decent infrastructure for sanitation provision make the area susceptible to health and environmental problems. This is of particular concern especially with the outbreak of communicable diseases like cholera in the neighbouring districts.

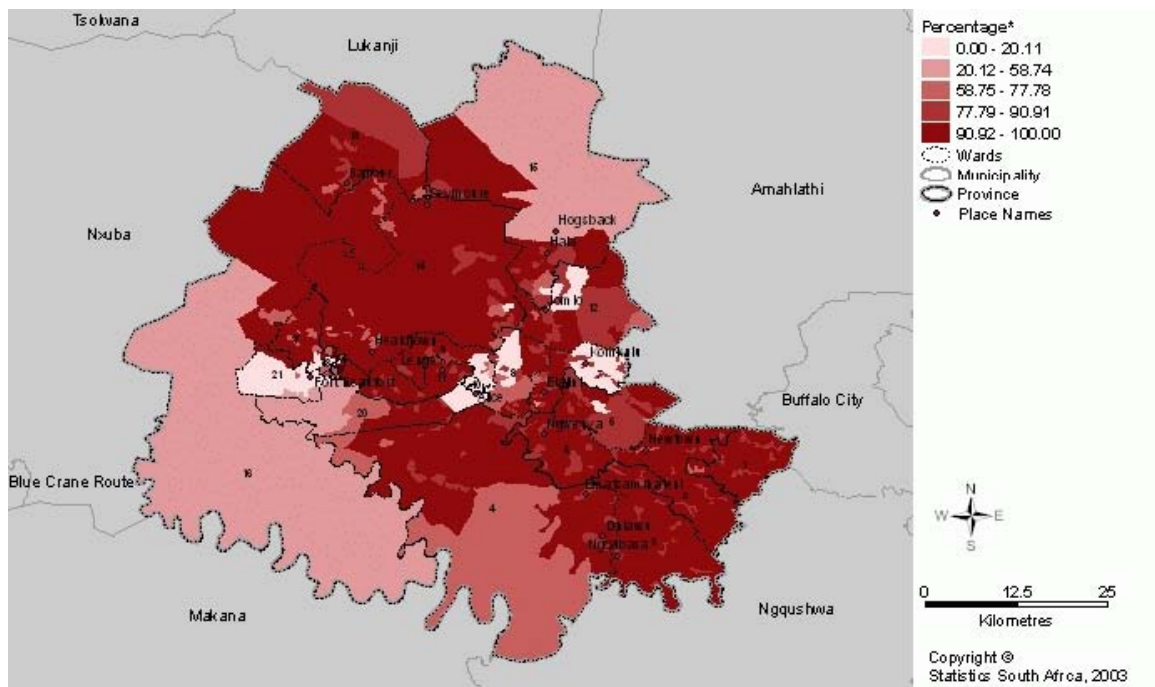


Figure 3.2 Access to Sanitation

c. Electricity

Levels of electrification in Nkonkobe Municipal area have improved by more than 95%. Figure 3.3 indicates that there are huge increases in the number of people who rely on electricity for energy in the area. Although this figure is dropping, there is still a considerable number of people who use paraffin for energy purposes.

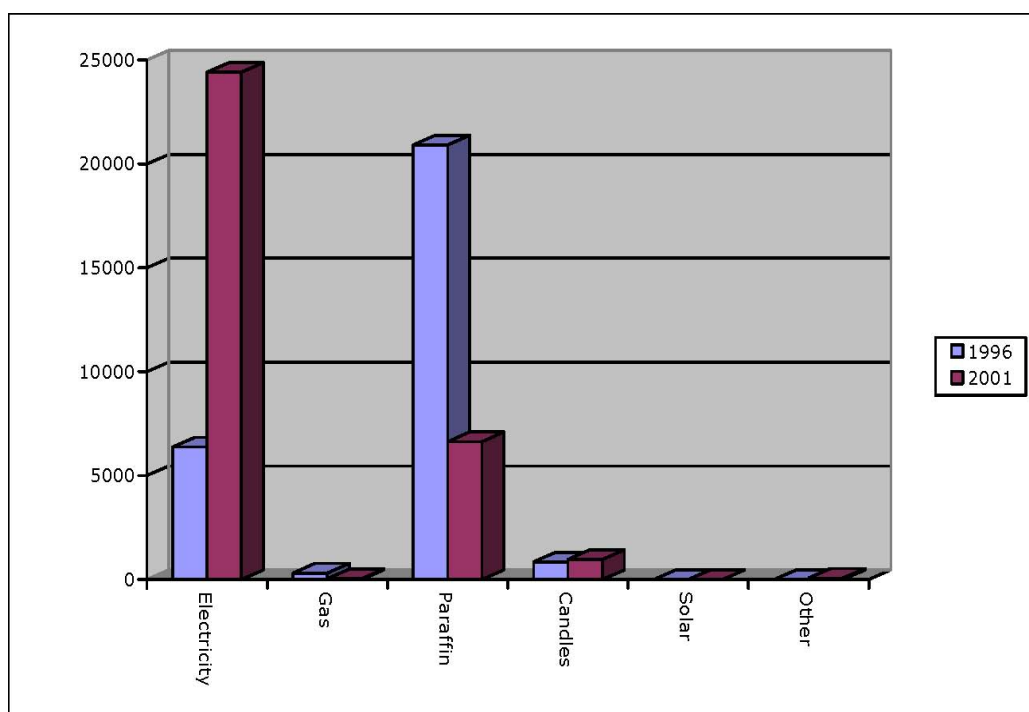


Table 2.5 Access to energy Source: census 2001

Figure 3.3 Patterns of energy use

(Source: Census 2001)

In some cases, especially in rural communities, households use electricity only for lighting and continue to use paraffin for other activities such as cooking and heating. On the overall, the decrease in the number of people using paraffin indicates the aggressive rural electrification programme that has been undertaken by ESKOM in the past five years.

d. Telephone

Available data shows that 40% of the households have no access to telephone. Of the nearly two-thirds (60%) of those who have access to telephone, only 9% have a telephone in their dwelling. About one-in-ten people (12%) use their neighbour's telephone while 26% depends on public phones (Figure 3.4).

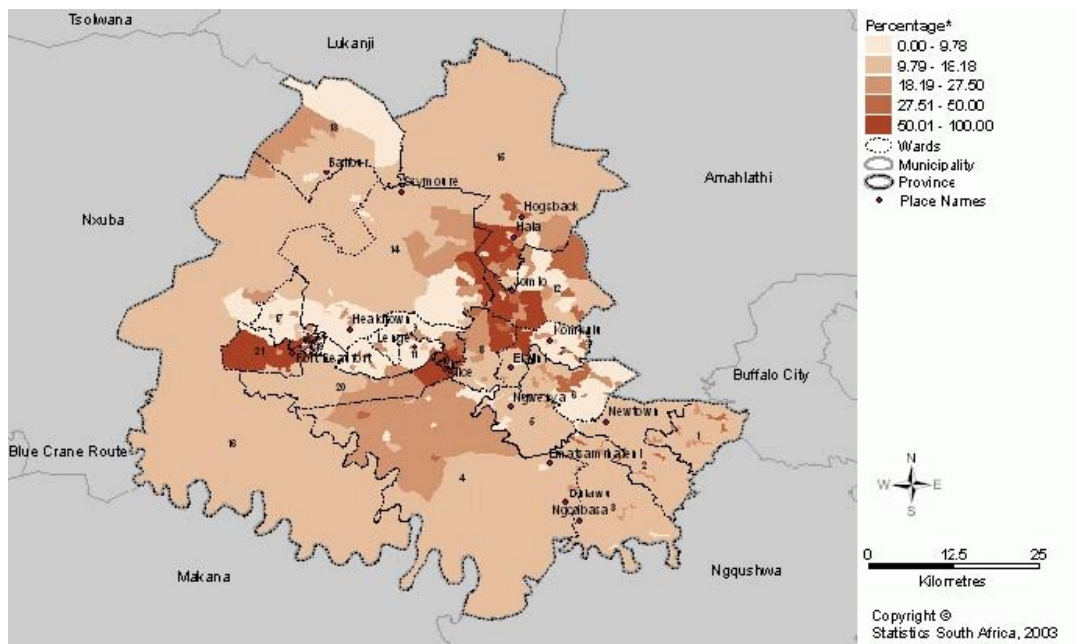


Figure 3.4: Access to Telecommunication

The number of people who are using cellphones is not known. Nevertheless, there is a sense that a growing number of people both in urban and rural communities use cellphones. Access to cellphones has improved telecommunications and boosted economic activities in certain areas.

(e) Solid waste system

Available data shows that the majority of people (67%) uses their own refuse dump owing to the rural nature of the area. About 13% of the households have no refuse disposal services. Only 14% households depend on the municipality's weekly refuse disposal services and these are mostly households in Alice and For Beaufort (see Figure 3.5).

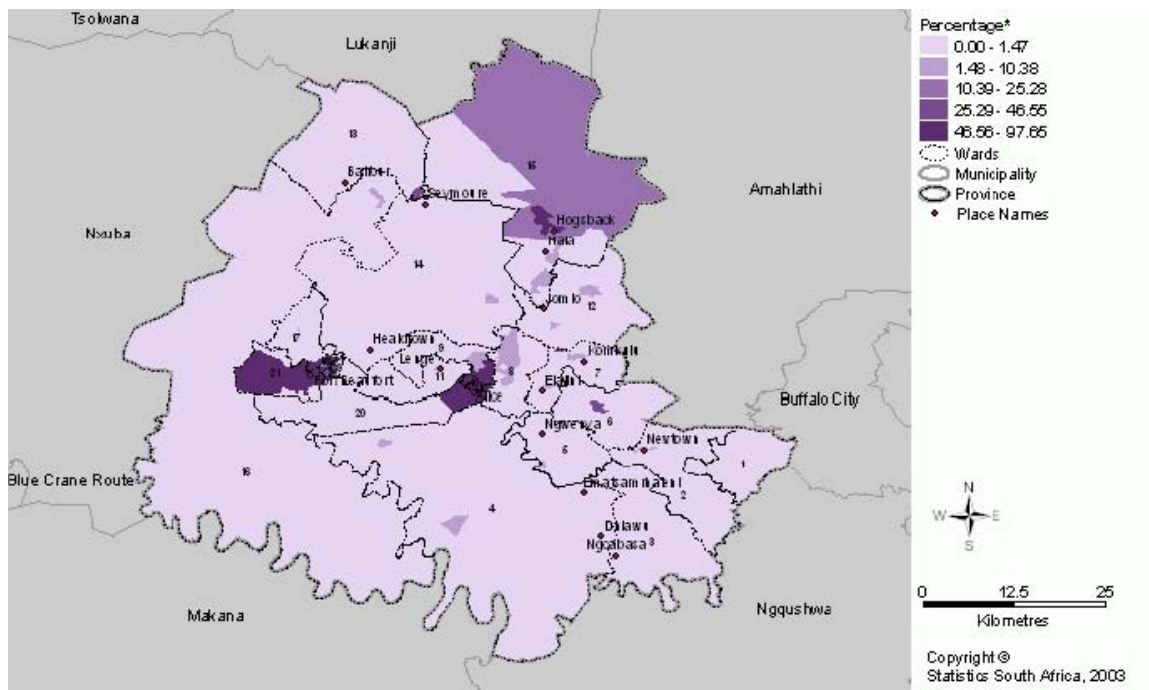


Figure 3. 5: Solid Waste Disposal

The cleansing section of the municipality consists of refuse removal and solid waste management. Currently no rural refuse removal is done as refuse disposal sites are situated only in the urban areas. Rural residents are reportedly not in a position to pay for this service. Rural people also fear that they will be taxed with the extension of this service.

The five towns in the municipality have been clustered into two refuse removal points. The one group is: Alice, Middledrift and Hogsback; and, the other is Seymour and Fort Beaufort. There is a control center in Alice and Fort Beaufort. Solid waste sites are located in Middledrift (with a permit), Alice (no permit, but a

new site is being prepared and a permit is being applied for), Fort Beaufort (site recently closed, temporary one in use, no permit but funds applied for from Amathole), Seymour (no permit), the Hogsback site was closed by the Department of Water Affairs and Forestry (DWAF) and refuse is transported to the Alice site. Rural areas are not provided for, except in Alice where nearby villages are permitted to use the communal site.

With the implementation of the Amathole District Municipality's Solid Waste Management Plan underway, there will be major changes in the set up of Nkonkobe Solid Waste systems. There is a move towards a regional dumping site to cover about three Municipalities and one is likely to be located in Alice.

f. Roads

According to the Amathole District Municipality, Nkonkobe has 192.82km of paved roads and 1424.63km unpaved roads. The main tarred routes run in a north-south direction through Seymour and Fort Beaufort, and an east-west direction through Fort Beaufort, Alice and Middledrift. These routes are of strategic importance because they link places of economic activity. Most of the roads linking the rural settlements are generally in poor condition.

The re-determination of powers and functions emphasize that the roads function is the responsibility of the Category B Municipalities. In response to this, the Engineering Department of Nkonkobe prepared a proposal and submitted it to the Provincial Department of Public Works for roads operations and

maintenance. This function was effected in 2004 but the categorization of roads by the Department of Public Works is causing delays on the implementation of the re-determination of powers and functions with respect to roads.

g. Firefighting

There are two fire stations in Nkonkobe, one in Alice and another in Fort Beaufort. These can service the entire Nkonkobe area when required. It is difficult for this service to reach rural communities, and as a result, community volunteers have been trained by the Department of Labour to assist when this emergency occurs. Although personnel have been trained for fire fighting services in Nkonkobe Municipality, they also perform other jobs such as driving, mechanics etc. As bush fires are rampant in the Hogsback area this issue is being considered in the local Disaster Management Plan.

3.4 ECONOMIC CONTEXT

3.4.1 Agriculture

Agriculture, like many other economic sectors in Nkonkobe, is underdeveloped. But there are opportunities in citrus farming and forestry, which are yet to be developed. A major challenge is the decreasing activity in subsistence farming. A newly launched project by the UFH's Department of Agriculture to expand the farming of Nguni cattle which will hopefully catalyze a new breed of cattle – that is acceptable to the market and thereby increase beef production in the area.

3.4.2 Tourism

The main tourist destination in Nkonkobe is Hogsback. Efforts to expand tourism benefits throughout the area are being experimented with. A key to the tourism efforts is the current program of promoting local heritage. The municipality has established a partnership with Oxfordshire County Council, and key to the projects of this partnership is the rehabilitation of heritage sites. A R20 million injection by the Department of Environment Affairs and Tourism (DEAT) to the Amathole area to develop a Heritage Route is a remarkable seed investment in the heritage project.

3.4.3 Enterprise Development

Lack of organized local businesses makes it difficult for the municipality to measure progress being made in enterprise development support. Municipal initiatives in this field are limited to project support for community projects supported by various government departments. Most of these projects close down when the grant funds dry out. There is, therefore, a challenge in fast-tracking projects into enterprises that can assume a life of their own and continue operations after grant funding.

3.4.4 Manufacturing

There is not much 'manufacturing' to speak of in Nkonkobe. Nevertheless, the previous Ciskei Small Business Development Corporation scheme produced skills that are demonstrated in the small scale businesses such as panel-beating, carpentry, and so on.

3.4.5 Other

There is great potential for Nkonkobe and Alice, in particular to play a bigger role in skills development. The small-scale manufacturing efforts, coupled with training programs in Lovedale FET College and a possible support from the SETAs present a wider opportunity for artisan development.