Chapter One

Introduction

1. Overview

This thesis is about the quest to build effective strategies to support the development of enterprise on the margins of the economy, to create jobs and reduce poverty. A core part of this challenge includes grappling with the role of markets in development, and of markets as a critical part of the context in which enterprise on the margins, in rural and peri-urban areas, can provide a path out of poverty – or can serve to lock people into poverty instead.

The thesis explores these issues by tracking the experience of the Mineworkers Development Agency as it attempted to grapple with this challenge, and covers a
fourteen-year period in MDA’s history, from its inception in South Africa’s National Union of Mineworkers (NUM) in 1988 until 2002.

NUM was officially formed in 1982, and grew rapidly to become South Africa’s largest trade union, in a sector in which the difficulties of unionization in the South African context had been seen, until then, as insurmountable.

In August 1987, NUM called a national mineworkers strike, which turned into an epic twenty-one day showdown between the five-year old NUM and the rather more established South African mining industry. One of the many consequences of this strike was that some 40,000 workers lost their jobs. The dependence of South Africa’s mining industry on migrant labour meant these workers returned to homes scattered across the sub-region, with the largest numbers returning to Lesotho and the Transkei Bantustan in South Africa.

The establishment of a job creation unit within NUM was a response to these events, but these job losses proved to be just the start of a process of fundamental restructuring of the mining industry that saw over 300,000 jobs shed over the next fifteen years, and that saw NUM’s job creation and development programme expand and change as it attempted to respond to this escalating crisis.

In the aftermath of the 1987 strike, NUM’s strategy was focused on the establishment of producer co-ops. While some thirty producer co-ops were established, the scale, scope and impacts of this programme were limited. After a process of strategic review, NUM moved away from a narrow focus on co-ops to a more inclusive strategy of support to enterprise development, targeting communities affected by job losses on the mines, and delivering enterprise support services through a network of Development Centres. The outcomes of this approach were also placed under scrutiny, leading to further adaptations in strategy that included a shift from a focus on local markets to facilitation of access to external and higher value markets in an attempt to improve the returns to entrepreneurs. The thesis tracks the factors that inform these shifts, and the ongoing
processes through which MDA reviews outcomes, and revises its strategies in order to deepen the scale, scope and impacts of its development interventions.

Over this period, the organization changes in form also. During the strike, the strategy at some mines was to send workers home, where they formed village-based strike committees. In the immediate aftermath of the strike, with their numbers much augmented by the return home of dismissed workers, these strike committees continued to meet and to put pressure on NUM to support a post-employment job creation programme. In 1988, NUM created a post in its Head Office to co-ordinate this programme – and I was appointed to that post. With expanded capacity, this became the NUM Co-op Unit, still located within NUM, but with offices also in Umtata in the Eastern Cape, and Maseru, Lesotho. As NUM moved away from the focus on co-ops, this unit was renamed the NUM Projects Department. In 1995, NUM decided to transfer this development programme out of NUM, and into a separate non-profit company, called Mineworkers Development Agency (MDA). MDA’s Board was appointed by NUM, MDA was referred to as the ‘development wing’ of NUM, and its activities were reported on as part of the General Secretary’s reports to the NUM Congress. MDA was often called in to play a support role in retrenchment negotiations led by NUM, and once miners left the mines, they were referred by NUM to MDA for follow-up development support services. ¹

MDA’s role was intended to form part of a wider ‘social plan’ for which NUM campaigned at a policy level, in recognition that the task of providing social protection and employment alternatives for those who lost their jobs could not be provided by the union alone. It represented a social crisis for affected communities that required an integrated response from the industry and the state. This never happened; nor were MDA’s programmes of job creation ever able to fill the gap. The task was huge; MDA’s impacts were inconsequential given the scale of the social crisis unfolding in rural mine-labour sending areas. Nevertheless, in the process, key lessons were learnt about strategies to support enterprise on the margins. These lessons are explored here across a range of phases and stages of MDA’s programme.

¹ Unless the context requires more specificity, ‘MDA’ is used to refer to the organisation across all these different phases of development.
MDA’s journey takes place against the backdrop of significant social change, which includes South Africa’s democratic transition, with NUM as one of the key players in that history. This dramatically changing context shapes the options, the form and content of what is possible, the power relationships, the politics and the players across different stages. In 1987, South Africa was still gripped by repression and intermittent states of emergency. Trade unions were still banned in many of the rural areas in which NUM’s job creation programmes began, the bantustans were still in place, and Nelson Mandela was still in jail. The period under review here ends some eight years into the post-apartheid era.

A few of the milestones that form part of the backdrop include Nelson Mandela’s release from prison, the constitutional negotiations, and South Africa’s first democratic elections. Over this period, the Reconstruction and Development Programme (RDP) has been and gone; now it is GEAR’s policy hegemony that is on the wane².

In the global context, when the NUM co-ops were formed, the term globalisation still had limited currency, the cold war was a going concern, and the Berlin wall was still standing. The ‘young lions’ (as activist youth were then called in SA), could still be heard roaring locally: the ‘roaring 90s’ were yet to come. Thatcherism and Reaganomics were rampant, democratic socialism was the Third Way, and Cuban soldiers were still in Angola. By the end of the period, however, the Soviet Union no longer existed, the cold war’s hot wars were no longer being fought in southern Africa, the Post-Washington consensus was ‘rediscovering poverty’, and 9/11 had brought a new era of geo-politics into play.

Against this changing backdrop, South Africa was a society in constant transition, with institutions and organisations at every level continuing to redefine themselves, the rules of the game, the winners and losers, and the forms of control over power and the economy. In this process, and despite the many gains that followed the political

² GEAR - Growth, Employment and Redistribution - was a neo-liberal macro-economic policy framework introduced in June 1996 that displaced the Reconstruction and Development programme that had been agreed within the ANC Alliance before the first elections.
transition in 1994, the key challenges of economic growth, job creation and the reduction of poverty and inequality have, however, remained intractable.

In this context, a form of policy convergence developed in which both social and economic policy placed increasing faith in the role of small enterprise development and the informal sector in creating jobs and reducing poverty. MDA’s experience of enterprise development on the economic margins of the economy has direct bearing on these expectations.

The thesis engages with the issues at several levels. Firstly, there is a story to tell about the transition for these mineworkers, from a trade union struggle to transform labour relations on the mines and the nature of the SA labour market (as rather brutally manifest in the mining industry) to a different kind of struggle within the market economy - the struggle to create alternative forms of livelihood through self-employment and enterprise development on the margins.

The first section of the thesis deals in depth with this transition, the continuities and discontinuities, the ways in which ex-miners – and MDA – tried to ‘discover’ the logic of enterprise development, at the same time as trying to transform that logic through an alternative form of work organization in the co-ops. It explores the ways in which they did and didn't do so, the sometimes violent struggles over development resources and development directions, and how the lessons of this experience informed changes in practice and a change in MDA’s direction.

Secondly, the story of MDA as an organization is also a theme, in particular in relation to the ways in which MDA’s strategies develop, how and why they take particular directions, and the constant quest for wider scope, scale and impact that arises as a consequence of the growing crisis of job losses. The thesis is concerned with the process and praxis of development, and in this context the role of MDA comes under critical review also. This is particularly the case in relation to the outcomes and impact of the second phase of MDA’s development, which focused on the delivery of enterprise support services through a network of Development Centres.
Linked to both of the above themes is an increasing depth of engagement with how both enterprises and an enterprise development agency such as MDA connect to wider social and economic forces and in particular, the role of markets and market systems. This exploration looks at the impact in both directions – the impact of development praxis on markets, and the impact of markets on development praxis.

These issues come into increasing focus over the period of review in the thesis. The starting point, in the co-op phase, is on micro-level processes within the co-ops as enterprises. With each stage in the development of MDA's strategies, a wider set of issues and insights is elaborated in relation to enterprise on the margins, and their location within a wider socio-economic context – with a particular focus on markets.

This links the analysis increasingly to the wider debates of the role of markets in society and the role of society in shaping markets, and in protecting itself from the impact of markets. This forms part of a wider ‘meta-narrative’ on the role of the state and markets, the role of social protection in relation to markets, as well as global governance systems and markets. All these debates have their roots in early political economy, and remain at the heart of politics and economics, informing different policy approaches that have real impacts on the distribution of power and resources, and on poverty and inequality in societies.

These issues have a bearing at local level also, and in relation to enterprise on the margins of the economy. By building from ‘the micro level of social processes to the macro level of social forces’ (Burawoy, in Burawoy et al 2000), the thesis attempts to deconstruct the notion of markets as a force somehow outside of society. In doing so, it examines markets as institutions that are socially constructed and the ways in which power relations, past and present, shape markets, not only at the global level but at local levels also. This in turn has implications for how we understand the scope to shape markets at different levels – including at the local level – or from the bottom up.

These issues were neither explicit nor articulated in these terms in the early phases, and there is no attempt to graft such an understanding on to these early phases.
retrospectively. Instead, the aim is to demonstrate and reconstruct the ‘dialogue’ that took place between experience, and a changing context and changing discourse, and to demonstrate the ways in which these factors lead towards an increasing focus on the role of markets.

The thesis engages with these issues in a context of significant flux in the global discourse, South Africa, NUM and MDA. It reflects changes in my own thinking also, which has been influenced by these wider debates and by practice. At the start of the period, the co-op strategy was informed by an implicit assumption – that I certainly shared - that markets were a temporary inconvenience that had to be endured pending the democratic socialism that was to follow, and that co-ops provided a stepping stone towards that goal. By the end of the journey, the democratic socialism of the future seems to have become an anachronism.

Despite a declining consensus on alternatives, markets have not, however, been embraced by the left - and with good reason. The post-Cold War period has been characterized by an aggressive promotion of free market fundamentalism and market-based approaches to development that have left a sorry legacy. The consequent scepticism about markets on the left is analogous to the rejection of ‘economic growth’ described by Ravi Kanbur, in his analysis of the ‘the nature of disagreements’ in debates on growth in the global development discourse, where a concern with ‘growth’ is seen by some – and used by others – as a proxy argument promoting a comprehensive set of neo-liberal policies (Kanbur 2001). A concern for markets fits into a similar category, with ‘market-driven development’ used as a similar shorthand for privatization, the shrunken state and the litany of associated poverty outcomes. So, when the concept of ‘making markets work for the poor’ first came onto the agenda, some of the hollow laughter to be heard coming from the left was my own.

One of the consequences of this view is that markets tend to be treated as a negative externality that society needs to be protected from. The need for such social protection is, however, only one part of the equation. In the context of enterprise development, aimed at job creation, seen as a key route out of poverty, markets cannot be
understood simply as a negative externality, because the extent to which enterprise on the margins is able to deliver on these expectations depends crucially on their insertion in markets, their access to markets – and the terms on which this access takes place. This requires working in markets, with markets, to shape markets, in order to change the distribution of power and benefits within them. While the wider political and institutional framework is obviously crucial, the scope for change at these levels is also crucially affected by what is happening within markets.

Even local-level engagement with markets starts to illustrate the ways in which markets are shaped, where power lies, the links between different levels, and the associated scope for influence and action. In the process, a shift takes place from a focus primarily on protection from markets, to a complementary focus on processes of challenge within markets.

The early proponents of the ‘making markets work for the poor’ approach often prefaced their arguments by conceding a lack of evidence to demonstrate that markets could be made to work for the poor, despite their certainty in promoting the paradigm. Yet, and not without some irony, they overlooked the best example of all – the labour market. The labour market provides the best possible illustration of the ways in which markets are socially constructed, and the terms on which struggles within this particular market have made it work better for its poorest participants. Trade unions have used their power to change the terms on which this market operates in fundamental ways, and with fundamental impacts on the lives of workers at local and global levels. While the process is ongoing and contested, and while there may be contexts in which gains made within the labour market negatively impact on the poor outside this market, this does not change the fact that the labour market provides a powerful example of a market transformed from below and from within, in ways that have made employment the preferred route out of poverty. It was not always a route out of poverty, and it is not always that today. But to the extent that it is, it is because of the application of labour standards and of labour rights won and defended from below.
The 40,000 workers who lost their jobs on the mines were a direct part of this process in South Africa; the 1987 mineworkers strike was a turning point not only in the mining industry, but had implications for South African labour markets more widely, despite the bitter price these workers paid for this wider gain.

It is apt therefore that the story here should start within a trade union with a formidable track record of using power and organisation from below to transform the labour market and to make it ‘work better for the poor’ – as part of a wider political struggle also. The story here follows what happens to those workers who were ejected and excluded from the labour market as a result of these struggles, their transition from struggles in the labour market to face a different set of challenges, located in relation to markets in a different set of ways.

The incremental but increasing focus on markets, on what they mean for enterprise on the margins and on how they might work better for the poor also mirrors intensifying shifts taking place in the structure of the SA economy, and the changing place of the labour market as the key route out of poverty. This too was opaque at the start of the process, but became increasingly clear.

A key part of South Africa’s history revolves around the creation of a labour market, a process marked by coercion and resistance, and coupled with measures to force black people off the land to limit their economic alternatives. While much academic work has been done to document the history of resistance to inclusion in the labour market and the mining industry in particular, this thesis starts at a point in history at which the mining industry – and later the economy more widely - starts to eject workers, whose preference is to be employed.

While the ‘working poor’ are still a sizeable portion of SA’s working class, it is nevertheless the case that a labour market that was historically unambiguously exploitative and dehumanizing now provides protections and conditions that – in the formal sector – makes it the preferred route out of poverty and in to the market economy. Those excluded from the labour market are left with minimal social protection.
and no real alternative but to claw their way into the market economy through other means.

This is the context in which the focus on ‘self-employment’ and on micro enterprise enters the stage. This is not the terrain of the shining entrepreneur, warrior of capitalism, but represents instead the option of last resort, on the margins, with the majority of small enterprise in South Africa recognized as being ‘necessity entrepreneurs’ (Global Entrepreneurship Monitor Report 2006) – the new underclass of South African capitalism.

MDA was uniquely placed at the interface of this transition. As the development agency of SA’s largest trade union, mandated to work with the unemployed to create jobs and fight poverty and to promote enterprise development in the most marginal economic areas, MDA was never part of the South African narrative that casts the unemployed as the victims of an employed ‘labour elite’, or that sets the interests of the informal sector up against those of labour in simplistic and opportunistic ways. NUM’s own significant political and material commitment to MDA’s programme – which was partly funded for many years by workers’ trade union membership subscriptions – illustrates that NUM did not see itself as part of such a narrative either.

Instead, MDA’s location at the interface between employed and unemployed workers, and between migrant miners and their communities meant that the direct linkages between the forces impacting on workers, the unemployed and the informal sector were inscribed within MDA’s day to day work as an organization.

This is also why, in looking at the issue of whether markets can be made to work for the poor, the link to and the analogy with the labour market is key. Workers have found their power in the labour market and are able to wield it, whether directly within the market or indirectly through their influence on political institutions. Can other markets and market systems be transformed – or ‘socially-constructed’ – to achieve analogous shifts? Can markets be made to work for the poor? Or even just made to work ‘better’
for the poor? Or is the process of inclusion in markets inexorably and inevitably one of making the poor work for markets?

2. Methodology

I joined NUM in 1988, tasked with initiating its co-op development programme, and I headed the Co-op Unit (later ‘Projects Department’) that then grew in NUM. When the decision was taken by NUM in 1995 that Mineworkers Development Agency should be established as a separate Section 21 (non-profit) Company, I became its Chief Executive Officer (CEO), and continued in that role until I left the organisation in 2002. While issues of strategic direction were informed and framed by many contextual factors and by stakeholders at a range of levels, I was not without some influence in these processes, and I oversaw the design and implementation of programmes, as well as the evaluations and consequent changes in strategy across several different phases of organizational development.

This ‘insider’ status does pose certain methodological problems. It also offers opportunities for a different kind of insight into the interface between theory and development practice.

In exploring and addressing the methodological issues that this raises, the ‘extended case study’ methodology elaborated by Michael Burawoy (in Burawoy 1991 and 2000) is used to provide a framework. This approach aims to develop an ethnographic approach to social science that moves beyond the local focus that traditionally limited the scope of such approaches, as adapted from anthropology to social science, and to find ways to link social processes and experience at a local level to social forces at a macro level. This also entails demystifying such forces, to expose them as ‘only the historically contingent outcome of processes that are hidden from the ethnographer.’ (Burawoy 2000: 27)

This has direct resonance with the approach taken here, which seeks to link the experience of rural enterprise on the margins and the social and economic processes that shape them to market forces at a macro level, in a context in which the full weight and state of global markets tends to be treated as immutable and given. While the gap
between the macro theory of markets may seem remote and distant from enterprise at the margins, it is in fact at the margins, where people are the most vulnerable, that these issues have their sharpest bite. The thesis attempts to make the links.

Burawoy has broken the extended case study methodology down into four critical elements (Burawoy 2000). These are used as a framework within which to explore the methodological issues that arise in this thesis.

2.1 Participant observation

Burawoy sees participant observation as ‘the paradigmatic way of studying the social world’, that exemplifies what is distinct about the practice of all social science (Burawoy 2000: 2). The ‘tensions and dilemmas’ associated with participant observation are intrinsic to social science, which has to combine both understanding and explanation:

Understanding is achieved by a combination of participation and observation; by a dialogue between participant and observer. Explanation concerns the dialogue between the theory and the data. (Burawoy, in Burawoy et al 2000: 3)

For Burawoy, this dialogue is not only between participant and observer, but between social scientists; ‘a dialogue that is emergent rather than conclusive, critical rather than cosmetic, involving reconstruction rather than deconstruction.’ (Burawoy 2000: 7) It is a process that entails discovery and justification, and in this process, Burawoy emphasises the importance of conjecture and refutation.

The dialogue is not, however, simply one between ‘participant observation’ - or in this context, ‘insider insight’ - and theory. These are triangulated with and validated against a wide range of complementary sources of formal data and information. The insights from experience contextualize and augment the more formal record of organizational process - and it is here that the ‘insider’ role adds a qualitatively different dimension to the analysis. As Lewis et al argue, the formal texts of organizations are the negotiated outcomes of processes within organizations; yet the interlocking sets of factors that inform these outcomes tend to remain opaque from the outside. The official texts may represent key milestones in the development of an organization, but they do not necessarily reveal what path was taken to reach them.
Lewis et al argue that in understanding development intervention, there is a tendency to treat organizations as a ‘black box’, and point to the need for more ‘actor-oriented’ approaches that attempt to open the black box – ‘to understand how meanings associated with development are produced, contested and reworked in practice’ within organizations:

The concept of intervention thus needs deconstructing so that it is seen for what it is – an ongoing, socially constructed and negotiated process, not simply the execution of an already-specified plan of action with expected outcomes. (Long 1992: 2, quoted in Lewis et al, 2003: 546).

While this thesis is not an ethnography of MDA as an organization, it is concerned with the processes of strategic change that take place in MDA over several cycles and over time, and with what Lewis et all refer to as the ‘slippage’ between development text and development outcomes. These processes were always contested and negotiated, and this dialogue within MDA and between MDA and its various stakeholders – including its users, NUM, and its various donors - forms an integral part of the narrative, which would indeed be opaque from an external reading of the formal outcomes of such processes.

However, while there are continuities between participant observation and the more fully immersed insider role that applies here, there are also distinctions that need to be drawn. My role in NUM and MDA was not a ‘research project’; I was not participating in processes with the purpose of observing them, I was part of shaping them, and was accountable for achieving outcomes in development practice rather than in theory.

One of the implications of this is that there is a need for some degree of analytical separation between the different levels of ‘dialogue’ between theory and practice that take place in the thesis.

At one level, the thesis attempts to reflect and capture the dialogue that was taking place at the time, in the organization, in its context, and that informed changes in practice that unfolded over different phases. This ‘dialogue’ was an ongoing part of practice, assisted by the fact that over the years, MDA was subject to a range of forms of external review, of impact assessment and of external research. These were framed
by the development discourses of the time – which did not always fit easily with MDA’s experience, its purpose or its politics. The resultant ‘dialogues’ – both within MDA and between it and these interlocutors - were intense and contested.

The second level of ‘dialogue’ in the thesis is between all of this experience, and the research process, which is seeking causal explanations in ways that are able to transcend the debates of the time. The purpose of this process is analytical and it has the advantage that it is able to bring cumulative experience to the analysis of each phase; it is also retrospective, and is able to take account of and draw from shifts in theory and in the development discourse that post-date the experience.

2.2 Extension of observation over time and space

The thesis covers a fourteen-year time span – which should meet Burawoy’s criterion of ‘extension over time’ - but this brings its own complexity. In terms of the extension over space, the NUM context provided a rather particular set of opportunities. SA’s mining industry drew its labour force from labour-sending communities across Southern Africa, and was renowned for its use of ethnically-based divide and rule tactics on the mines. Overcoming these has always been central to the challenge facing NUM, and for NUM, the need for development programmes to happen in parallel in key migrant-labour sending areas was therefore self-evident. As a result, in each phase of the programme, there are comparable experiences at several different sites, within SA and more widely in the region.

For the purposes of this thesis, the main focus is on three of these – Lesotho, the Eastern Cape, and Mhala, in what is now Limpopo province. The programme also included Swaziland and Mozambique at key points. Nine development centres covered five different provinces in SA; some were rural while others were in mining towns. This provided significant spatial spread, augmented also by drawing from wider comparative experience.
2.3 Extending from micro processes to macro forces

The attempt to describe the links between enterprise on the margins and global market forces is the overarching theoretical concern of the thesis, and the trajectory of the argument is from micro-level processes to macro-level forces. This starts with NUM’s co-op programme, and an in-depth look at the sets of factors that shaped them. It moves then to examine wider strategies of service delivery to rural enterprise as a sector, and does this in the context of local markets. From there it moves to the challenge of integrating enterprise on the margins into wider supply chains and access to external and global markets. The concluding analysis attempts to contribute to a political economy of markets that is grounded in the experience of enterprise on the margins.

2.4 The extension of theory

The theoretical starting point for the practical journey that unfolded lay in my Honours course in Industrial Sociology at the University of the Witwatersrand in 1987/88. One module of this course, run by Professor E. Webster, was entitled ‘Industrial Democracy’, and looked, amongst other things, at cooperatives. I chose to focus on co-ops for my Honours thesis, which was entitled ‘Producer Co-ops in South Africa: Their Economic Limits and Potential.’ It looked not only at co-ops as a democratic form of work organisation, but also at co-ops as a vehicle for job creation. This attempt to use co-ops to kill two development goals with one stone (an unfortunately apt use of the metaphor) has been characteristic of South African strategies in this area, with co-ops promoted extensively as a strategy for job creation. I finished my thesis in 1988, as NUM was looking for someone to lead a co-op programme to create jobs in democratic workplaces for its dismissed members. With links to the labour movement that pre-dated my Honours degree, I was in the right place at the right time.

It was a uniquely direct opportunity to apply theory in practice. In my thesis, I critiqued the Webbs’ theory that worker co-ops tend either to collapse or degenerate. Some five years and thirty worker co-ops later, the outcomes of practice served only to vindicate the Webbs – with the intellectual pain compounded further by the fact that the analysis of the NUM experience (provided in Chapter Four) only further deepens and elaborates
the core elements of the Webbs’ theory. In addition, the notion that producer co-ops are an effective or efficient vehicle for job creation comes under serious question.

Through a painful and contested process of review of this experience, NUM came to the conclusion that a different approach to job creation was required. The process of conjecture and refutation that Burawoy describes as part of developing new theory was part of developing new practice in MDA, and this process was repeated across several phases of the development of strategy and practice in MDA. The thesis attempts, finally, to bring this cumulative experience to bear on the current state of theory: focused on a development paradigm known as ‘Making markets work for the poor.’

In his explanation of the extended case method, and the goal of extending theory, and reconstructing rather than deconstructing it, Burawoy asks the question ‘what theory?’

The central themes of this thesis are at the interface of the social and the economic; its macro theoretical purpose is to contribute to a political economy of markets, by deepening the understanding of the ways in which markets are socially constructed. It draws on social science, political economy and economics, to engage also with the shifting development discourse of the day, as elaborated in Chapter Two.

3. Overview of the Chapters

Chapter Two provides a theoretical overview of the macro-level debates about the development of markets and the market economy, how societies have tried to harness the wealth creation potential of markets while protecting societies from their negative potential effects, and the key theoretical movements that have informed policy and practice in this respect.

In that process, understanding markets as institutions and institutions as social constructs is key, and begs the question of the ways and extent to which markets are socially constructed. This Chapter provides the theoretical framework that will inform the discussion of what making markets work for the poor might mean.
**Chapter Three** plunges from theory into the hurly burly of the 1987 mineworkers strike, its consequences for those who lost their jobs, and the intense and sometimes violent struggles through which NUM’s job creation programmes were forged. It illustrates how the strategies and programmes that arose in the organisation were framed by the politics in which it was embedded, and the often unhappy transition from struggles within the labour market to the terrain of enterprise development – and in this context, of co-op development.

**Chapter Four** covers the co-op development experience, starting with a brief introduction to some of the key theoretical concerns in relation to co-ops, before tracking the experiences of the NUM programme. While the notion of making markets work for the poor is not present in this period, the micro-level engagement with the internal challenges facing an enterprise are formative. Both the ex-miners and MDA ‘discover’ the role of management - and the labour theory of value never looks quite the same again.

In addition, while the thesis and MDA leave co-ops and project approaches behind relatively early, they continue to be the default development approach for a wide range of government and civil society programmes, and further evidence of their limitations is a continuing if minor theme in later phases.

The shift in MDA’s strategy to the more inclusive provision of support services for enterprise development through a network of Development Centres is covered in **Chapter Five**. The centres attempted to provide an integrated set of services including business supply stores, technology promotion, business and technical training, and business counselling.

The focus of such support programmes was primarily on local markets, and on attempting to promote horizontal diversification within those markets.

The shift to service delivery was aligned with wider shifts in the roles of Non-Governmental Organisations (NGO’s) post 1994, in a context in which the need for
development support institutions to become financially sustainable through cost recovery mechanisms of some form was a strong theme in the development and donor discourses.

Yet by the late 1990’s, direct service delivery by development agencies was coming in for strong critique in the enterprise development sector, in the context of what became known as the ‘Business Development Services Market Development Paradigm.’ NGOs involved in service delivery were accused of distorting business services markets. The focus of development intervention shifted instead to the facilitation of markets for business services, henceforth to be provided from within the private sector.

While this approach introduced some conceptual distortions of its own, it did bring a set of important insights - and home truths - into focus, and provided the foundations for the ‘making markets work for the poor’ (M4P) approach that superseded it. These issues are covered in Chapter Six.

Chapter Seven explores the lessons that the BDS approach held for MDA’s development centres.

One of the features of the M4P approach was a shift away from the rather narrow focus on business service markets to market systems in general. Within this, the spheres of action in M4P have included an increased focus on supply chains and how they do or don't work for the poor – and the scope for increasing their ability to do so.

Chapter Eight explores M4P, before focusing on MDA’s market facilitation work in the Craft Sector. Within the craft sector MDA attempted to ‘Bridge the Gap’ between rural producers and higher value, higher volume external markets – shifting away from the focus on local markets that was characteristic of the Development Centres. This experience introduced key lessons about how markets work and illustrated some of the scope to shape how they work at a local level.
Finally, Chapter Nine looks at MDA’s programme of commercializing the indigenous marula resource. The marula programme entailed setting up an enterprise to act as an intermediary between the village-based collection of marula berries from communal land, and national and international food and cosmetic markets. The programme worked with 42 village committees acting as intermediaries for up to 4,000 people, who were able to earn an income contribution to their livelihoods from the process.

This was – and still is - a market under construction; in which the development intervention has to bridge the gap between non-market and market systems. The commercialization of the marula resource provides a unique case study of a particular market under construction, the risks and opportunities, and the limits and possibilities that arise.

The conclusions in Chapter Ten attempt to draw lessons from the cumulative experience of these different approaches, in a context in which in practice, the learning process was not linear, and the lessons and themes weave across the different phases in ways that are not always direct. These conclusions focus first at the level of enterprise strategies on the margins, and on what has been learnt about how to optimize the impacts of such strategies. It goes on to look at lessons learnt about forms of development intervention, and in particular, how ‘systemic change’ can be achieved in markets, drawing from both the theory and lessons from experience in these chapters. Finally, the thesis examines what ‘making market systems work for the poor’ (M4P) might mean in practice.

4. Conclusion

Part of the problem of being a development practitioner is the extent to which the space for reflection narrows or even closes. At a personal level, the purpose of this PhD has been to gain greater analytical clarity, in order to make intellectual sense of what have been complex, contested, fast-moving processes – and this in the context of complex, contested, fast-moving forms of social change. The thesis has provided the opportunity to step back from the pragmatic concerns that dominate praxis, and to reflect on outcomes and lessons, and re-connect with theory in ways that are now separate from
the pressures of the donor proposal that has to be written, the delegation of newly-
retrenched miners waiting in the reception area, the cashflow crisis, or the interest
group within the organisation to be placated.

The space to reflect analytically on the issues represents an intellectual freedom, and
although it is explored with a rather rusty set of tools, much more attuned to the
dynamics described above, the aim is to do so with the analytical rigour and intellectual
honesty that is implied in Burawoy's concept of the dialogue between participant
experience and theory.

In the process, note is also taken of the comments of a staff participant quoted in the
minutes of one of many internal reviews – which reflects the kind of robust interaction
that was typical, both in terms of defence and correction:

    There was tension in debating some issues - some comrades were harsh: it
    seems they were trying to hide their mistakes. We should discuss issues with a
    warm spirit, we are all learning and anyone who says they never make
    mistakes is lying.

    (MDA: 'The Role of Development Centres in Local Economic Development, 16-
    20 January 1995': Workshop Report)

This thesis attempts to discuss issues ‘with a warm spirit,’ as advocated.