

Self-critical governance: The evolution of the Integrated Sustainable Rural Development Strategy

Summary

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This report

As Phase I of the Integrated Sustainable Rural Development Programme (ISRDP) draws to a close, the Independent Development Trust (IDT) has commissioned two studies. The first is an evaluation of the emergence and development of the strategy that underlies the ISRDP; the second is a status quo report analysing the current state of the programme as a whole as well as each of the 13 nodes. This summary document, reflecting work in progress, deals with the first area. The report is written to both inform and generate debate at the Fifth Reference Group meeting.

An idea whose time had come?

The ISRDS is the formal, programmatic expression of a need government had begun to identify soon after the first democratic elections of 1994. Government was guided and informed by the *Reconstruction and Development Programme* (RDP), effectively its election manifesto. Put simply (and probably simplistically), the RDP gave a powerful vision of *what* government had to achieve – but little if any guidance as to *how* it might do so effectively and efficiently. But changing the way government works – the ‘how’ – is not an easy or straightforward task.

The ISRDP – the October 2001+ expression of the Integrated Sustainable Rural Development Strategy (ISRDS) – is a document, with authors. Our purpose here is not to try and credit this or that individual for writing it and/or for having this or that particular idea. But the paper does tell a story with actors – a story about how ideas take shape within government, where they are buffeted by multiple factors including institutional competition, differing ideological perspectives and political interests, personality differences and the like. The quality of the final product is testament to its own resilience and that of the system that produced it. Readers should be clear: there is no ‘history’ of the ISRDS, but multiple ‘histories’, inevitable when relying on recall over an increasing span of years and in a context where the ISRDP is a real and changing entity in the world.

The ISRDS was and remains an elegantly simple strategy:

The thrust of the strategic initiative is to build immediately on existing programmes of government that have the possibility of wide impact and replicability, while initiating and developing selected new programmes. The strength and success of the new programme will be derived from the

¹ The author has benefited enormously from inputs and insights from the IDT ISRDP Team and CEO, which are gratefully acknowledged.

well-coordinated bottom-up approach in a rural local economic development context underpinned by a well thought-out local institutional base within and outside government. Because of this bottom-up approach and the primary reliance on better coordination of existing programmes, the strategy will be able to deliver results on the ground very quickly. Rural communities are empowered to undertake integration for the purposes of development planning under Section 21 of the Municipal Systems [Act].²

The ISRDS is testament to the capacity of the South African government for self-criticism, which gave rise to it. The ISRDS is the product of debates - about what rural development actually means and what delivering it entails – by multiple agencies, sometimes working in tandem, at other times working in parallel or opposing directions. But it is precisely the ability to manage these creative tensions, and ensure that they informed or fleshed out this or that aspect of the ISRDS, that gave the Strategy its robust content.

This brief paper tries to tell the story of how the ISRDS came into being. In doing so, some institutions and individuals may appear and others not; this is not through any malefic intent but the result of our focus on the ideas that fed the ISRDS rather than the specific individuals who had them in the first instance. Finally, as noted at the outset, this paper is ‘work in progress’; the research process is still underway; and we welcome all input and criticism which will help us better tell the story of the ISRDS.

Introduction

In June 1999, having steered the African National Congress (ANC) to a massive electoral victory, President Mbeki’s speech at the opening of parliament highlighted *inter alia* rural poverty:

The rural areas of our country represent the worst concentrations of poverty. No progress can be made towards a life of human dignity for our people as a whole unless we ensure the development of these areas. The government is now in a position to implement a rural development programme for the integrated development of the rural areas. This will bring together all government departments and all spheres of government, including the traditional leaders. The integration we seek must, for instance, ensure that when a clinic is built, there must be a road to access it. It must be electrified and supplied with water. It must have the requisite personnel, qualified to meet the health needs of the particular community. The safety and security of the personnel and the material resources which are part of the clinic must be guaranteed. We must also establish the conditions which give the possibility to this medical point to radiate outwards as a point of reference with regard to the larger project of our self-definition as a people at work, building a better life for ourselves.³

² ISRDS draft 1, para 94

³ Mbeki T. (2002) *Africa: Define yourself* (Tafelberg/Mafube, Cape Town), p.40.

Given the challenges that had faced the ANC in many rural electoral districts, it was perhaps reasonable to expect a massive cash injection by the newly elected party. But when Mbeki unveiled government's major 10-year rural development initiative, it stood out by having no dedicated budget of its own and making no promises of short-term impact.

Mbeki formally announced the introduction of the Integrated Sustainable Rural Development Strategy and the first 13 nodal points it would target, drawn from 8 of the 9 provinces in South Africa, in his State of the Nation speech in February 2001. In stark contrast to other post-1994 government development interventions, the ISRDS was a strategy rather than a programme; had and was to have no dedicated budget or funding stream; and had no tangible, project-level deliverables. How did this come about? What were the roots of this new initiative? What decisions taken then have had a lingering impact on the ISRDS?

In this brief report, we attempt to answer these and other questions. The report is not comprehensive, and focuses primarily on the ISRDS design period between 1999 and mid-2001.

The origins of the ISRDS

The ISRDS was a simple idea, premised on better co-ordination of existing government resources and programmes across all three spheres, with the legally required Integrated Development Plan (IDP) providing the mechanism for integration of multiple services and alignment of different spheres of government. But it is also a very challenging approach, which requires inter- and intra-sphere planning and budgeting, in turn relying on negotiation and trade-offs within and between spheres of government. The ISRDS also requires a change in mindset – away from a focus on individual projects and individual delivery agencies to broader understandings of public goods and seamless government. These are long-term changes which the ISRDP is meant to help kick-start between 2001 and 2010.

The 'delivery' presidency

At one level, the ISRDS is the natural product of the ANC's second term in government. Where the 1994-1999 government concentrated primarily on policy formulation and releasing resources to benefit the majority of citizens, the post-1999 'Mbeki government' was characterised by a focus on implementation and delivery, including better organisation of government. The Cabinet Cluster system was a mechanism for improving co-ordination as well as focusing attention on cumulative impact, in place of stand-alone project or programme foci.

But these easy characterisations belie the complexity of how bureaucracies operate. The roots of the new Presidency lie in the pre-1999 period, when the Cabinet Cluster system was being designed, alongside other planning and measurement systems and structures including the Poverty Relief Fund, the annual Cabinet *lekgotlas*, the origins of the Medium Term Strategic Framework and other issues relating to the inter-governmental framework. The ISRDS also has deep policy roots, again because the systems that make up government evolve and change according to their own rhythms, which only occasionally elide with the electoral timetable. For example, as early as 1996 – just two years after the first democratically elected government came to power – sector departments were aware of the weaknesses inherent in delivering single assets as

widely as possible, itself a natural response to the inequities of apartheid.⁴ The Department of Public Works, for example, after just a year of implementing the Community Based Public Works Programme, had developed the 'cluster' delivery model, which later became the nodal model, where complementary and mutually reinforcing assets were provided to a given spatial area.⁵

The Rural Development Strategy

Perhaps more directly relevant were the policy initiatives that informed the ISRDS. The *Reconstruction and Development Programme*⁶ set out delivery requirements and standards, but was written without experience of the complexities of governance. A year after the RDP, government released the *Rural Development Strategy* (RDS).⁷ The RDS showed the way in which government thinking was evolving, and predicted the legislative steps that would follow, stating:

We will create the structures of local government and local coordination that will allow rural people to set the local development agenda, influence development in the district and province, influence the infrastructure investment programme and maintain the assets created, and access and control service delivery

Key elements of the later ISRDS were visible, including:

- A demand-driven approach
- Building local government capacity
- Local-level civil/government 'co-ordinating committees' to set local development goals
- Local authorities to lobby all spheres of government for appropriate investments

The RDS called for co-ordination, but it was weakly conceptualised. The Strategy talked of 'rings of markets' "managed by local people with government blessing" occurring on sequential days, co-ordinated with government services such as pension payments. These rings of markets would (somehow) begin to re-organise the skewed spatial development introduced by apartheid.

Equally important, the RDS identified blockages and problems facing government in pursuit of bottom-up rural development, many of which (as we show below) remained both pertinent when the ISRDS was introduced 6 years later and unresolved. These included:

- the problem of managing a new sphere of government – in 1995 this referred to the provincial sphere, by 2001 it would be true of the new municipalities created by the Municipal Demarcation Board
- the lack of capacity at local level restricting its ability and effectiveness

⁴ See Everatt D. and Zulu S. (2001) "Analysing rural development programmes in South Africa 1994-2001" in *Development Update* Vol. 3 No. 4

⁵ See Everatt D., Gwagwa N. and Shezi S. (1999) "Public Works into the next millennium" in Khosa M. (ed) *Empowerment through service delivery* (HSRC Publishers, Pretoria)

⁶ African National Congress (1994) *The Reconstruction and Development Programme* (Ravan Press, Johannesburg)

⁷ General Notice 1153 of 1995

- the need for “major changes in systems in national departments” as well as “rigidity ... in financing mechanisms in government”

The Strategy, in its own words, sought to identify

...the instruments for more efficient, speedy and accountable rural development, where priorities have been set by rural people To do this well, rural people need good information, increased capacity to evaluate, and access to planning, implementation and monitoring support. To support these efforts, rural people have a right to demand assistance from their government.

As we shall see, before rural people could ‘demand assistance from their government’, that government would have to be significantly reoriented so that it could hear and would respond to demands.

Rural Development Framework

The 1997 Rural Development Framework (RDF) continued many of the themes picked up by the RDS, whose work had moved from the RDP Office to the Department of Land Affairs. The RDF highlighted the importance of co-ordinated planning, demand-driven development and emphasised cost recovery, arguing that “investment must be justifiable on the grounds of its potential to raise productivity and incomes, and to generate the income to pay for services.” The Framework went further than the RDS in offering a definition of ‘rural’. It re-emphasised the importance of the local sphere in co-ordinating development interventions, and (politely) noted the failure of the provincial sphere to perform in this key area.

For these objectives to become a reality in rural areas, coordination of the different sectoral initiatives is essential at both national and provincial level. Until 1996, national level coordination of rural development was carried out by the inter-departmental Rural Development Task Team. At provincial level, rural development policy and implementation are guided by inter-departmental committees which are not altogether successful in coordinating planning and development. Local government is well placed to effectively coordinate sectoral initiatives on the ground, but few rural municipalities are as yet in a position to do this.

The RDF hinted at the difficulties inherent in co-ordinating departments, suggesting that:

A case can be made for placing the responsibility for overall rural development within the office of the State President or with another cross-cutting sectoral department, such as Finance , or Constitutional Development. If the function were to be located in the Department of Finance, it would have the added advantage of being able to oversee government expenditure on rural development...

Co-ordination, it implied, was not happening voluntarily, and departments were wary of losing their autonomy.

Finally, the RDF – as the RDS had before it – identified critical issues facing attempts to decentralise and co-ordinate rural development:

* To what extent will power of resource allocation, both between and within national and provincial departments, remain centred at national and provincial level? To what extent will the municipal level be able to influence the budgetary process? Will the essence of the system be one of requests travelling up the system and decisions being transmitted downwards? Will feedback on requests which are passed up the system fail to flow back down to local committees?

* Will the national and provincial governments' expenditure estimates be disaggregated for district planning? Will districts have a clear understanding of what they can expect in terms of capital allocations channelled through national and provincial departments?

* Will municipalities have access to reliable data on development expenditure by NGOs and community groups for planning purposes?

* At what local government level would planning be most practicable – primary local government level or at secondary level (i.e. district)?

These remain key challenges facing the ISRDP in 2003.

The ISRDS emerges⁸

But an intellectual process was running in tandem with the policy and strategy development process. This was initiated by the then Deputy President, who in 1997 asked Directors General if the way was clear for their departments to achieve their objectives, with much of the initial phase of policy formulation complete, the Medium Term Expenditure Framework (MTEF) in place and giving certainty over budget allocations, and so on. Some responded in the negative: and this can be seen as the inception point of the ISRDS in two key respects:

- debating the nature of 'rural development' – including definitions of 'rural' and the content of 'development', and
- focusing on the need to appropriately sequence government investments (co-ordination) in order to deliver sustainable and integrated services to rural areas

Key issues were under-developed in government's thinking, including the meaning of 'rural', the purpose of 'development', the orientation of agriculture and its relationship to land redistribution, and others. The same was true at a delivery level: it appears to have been the common experience of sector departments, expressed in the simultaneous realisation that the sequencing of government was not working – true of issues from

⁸ We are indebted to Ms Bongi Njobe for her input on the early history of the ISRDS.

reporting requirements to planning and implementation. Throughout the latter half of the 1990s, these issues were debated and discussed in government.

On the one hand, the process informed and gave rise to intergovernmental tools including what became the Medium Term Strategic Framework – the annual cycle of activities from planning through implementation that ensured Cabinet’s medium-term strategic goals were continually informing and being reflected by government programmes. On the other, led by a core group of Directors-General (DGs), debate focused on the meaning and purpose of ‘rural development’. How could rural development be redistributive: not to keep black agriculture synonymous with subsistence and white with commercial agriculture? Was the purpose of rural development wealth creation or poverty alleviation focusing on social development and infrastructure delivery? The process was given added impetus when two provinces, Free State and Eastern Cape, designed their own provincial growth strategies that focused on these core issues. As more provinces followed suit, what became clear was (a) the centrality of rural development as well as (b) lack of clarity as to exactly what it meant.

Once the ANC began its second term in office, both processes had moved ahead. The lekgotla, cluster system and working groups were implemented, the Presidents Co-ordinating Committee had been constituted (though it took longer to get going), and integration was widely seen as a key challenge facing government. This was given sharp focus by the President himself. At the January 2000 lekgotla, Mbeki used the town of Carolina (in Mpumalanga) to interrogate the notion of integrated rural development, analysing various datasets to query both the ‘what’ and the ‘how’ of government strategy. The Carolina case study was premised on a fundamental question: what was government’s rural development strategy? At a more basic level, how could government properly sequence its activities and investments so that people living in rural areas could make rural development a reality?

The Carolina case study gave concrete expression to the concerns and objectives of government, and the dataset was re-analysed by the Department of Land Affairs and Agriculture in their effort to answer the question as to what exactly was government’s rural development strategy. They did so in a context where the National Spatial Development Perspective (NSDP) had completed its initial report, which argued for heavy urban investment to match the location of rural/urban migration and the key location of poverty.⁹

Led by the small group of 5 DGs, it was understood that rural development strategies were not put in place to stop rural to urban migration, but to better manage the process. Properly done, migration could be stretched over scores of years rather than packed into a single decade-long rush to urban centres. Examples from Bavaria to South America were assessed. Local datasets were analysed to understand the natural resource base of rural areas and how it should inform a rural development strategy. After much debate, the following equation was developed:

$$\text{Rural development} = \frac{(\text{mining} + \text{agriculture} + \text{conservation}) \times \text{business} + \text{infrastructure}}{\text{Local government}}$$

⁹ The NSDP was published by the Presidency in 2003.

In other words, managing the natural resource base (the agrochemicals – mining, agriculture, conservation) with appropriate investments in business and social infrastructure was the traditional area of rural development; but the key variable was local government. Without effective local government, co-ordinating investments in response to demand-driven need identification was impossible. The point was not local government for its own sake, or because of political theory: local government was critical to any notion of integrated rural development. Empowered local government should be able to make decisions based on an accurate knowledge of under- and above-ground resources and recommend investments accordingly. (The DLA went on to create a decision-making tool for precisely this reason.)

Suddenly, the ISRDS skeleton was taking shape, and it had been named. In *Towards the development of an integrated sustainable rural development programme* (2000), the ISRDS is clear, from the importance of the demarcation process (the definition of 'rural' and associated natural resources) through to making decisions about investments on the basis of accurate *economic* data (a recurrent problem we return to below) to the centrality of inter-departmental co-ordination, planning and monitoring. The ISRDS had been given its basic shape by early 2000.

From strategy to strategy

The ISRDS design process was also energised by other events and processes, including work done around the May 2000 Mining Summit, which highlighted the impact on rural poverty of massive retrenchments taking place in the mining sector. This brought new actors and ideas to the process. Following the Summit, the Minister of Minerals & Energy Affairs, with the support of the Deputy President, began championing the process of formulating a rural development strategy. Support was sought from ESKOM. The IDT first joined the process when the Minister asked the IDT to support the ESKOM secretariat. Work was done in the area of identifying pilot projects in Bushbuckridge and Lusikisiki and compiling a register of government poverty relief programmes and projects. The link had been made between IDT and the Minister for Minerals & Energy Affairs, which was to prove critical in bringing the ISRDS into being.

This was not the only initiative: once the issue had been flagged as having both national importance and the attention-cum-support of the Presidency, a number of public entities began working on rural development; work was also being done by different sector departments.¹⁰ Where multiple agencies share and improve ideas, all-round improvements are possible. But bureaucracies – particularly in government – are frequently uneven and illinear in their work. Some of the strategies were completed and submitted and supported, whilst others lay idle. All in some measure contributed to the debate about the nature of rural development (the 'what') and ways in which it could be delivered (the 'how'). What is interesting is that the major conceptual work was done in government by government, primarily by the core group of DGs who formulated the early version of the ISRDS. Their work is the continuum that stretches from the mid-1990s through to the ISRDS launch in 2001.

¹⁰ Including *Towards implementing an integrated Rural Development programme* by the Department of Housing and a second document (with the same title) by the Department of Minerals & Energy Affairs; the *Consolidated Municipal Infrastructure Programme* document from the Department of Provincial and Local Government.

By the second half of 2000, events had speeded up considerably. In mid-October, a Cabinet memorandum was submitted and approved, which set out the skeleton of the ISRDS and appointed IDT to facilitate the process. The IDT then met with academics who had been designing a demand-driven rural fund. The Deputy President appointed a Special Advisor on rural development and HIV/AIDS. Between October 2000 and early February 2001, the ISRDS was developed, the result of hard work by a dedicated team infused by a shared sense of excitement, and cushioned by political support. Where previous initiatives had come to nothing, on this occasion things gelled and worked: the importance of high-level *and sustained* political support was particularly important.

The DBSA approach

In July 1999, the DBSA completed *Delivering Rural Development*, a report it had compiled in response to a request for “input in the development of a strategy for sustainable rural development” from the Presidency.¹¹ Building on points made in the RDS and RDF, the DBSA report noted that government had

... produced sound rural policy approaches but the delivery of reconstruction and development programmes in support of rural development has not been impressive.... because of lack of articulated demand from rural poor in expressing their real needs, and lack of co-ordinated focus of ... projects, the scope of their impact is far less than desired.

Where previous documents had taken rural development to be a self-evidently ‘good thing’, the DBSA went further in arguing for redistribution and growth as key aspects of national growth. The document noted that an economy “where there is more equitable distribution of income shows faster growth in its GDP than where economic growth takes place without redistribution. The rural economy can contribute to this rapid growth scenario.” A key shift in tone introduced by the Bank was that rural development became purposive and economically grounded, rather than merely morally correct. This reflected the work being done by the 5 DGs. Economic development was foregrounded in the document, which also offered a rough typology of areas ranging from those with economic potential to those without where “public investment into appropriate levels of infrastructure development will be required.” This disaggregation was however considerably weaker than that done by the DLA (working with the 5 DGs), which used the DBSA’s Gross geographic Product data overlaid with GIS natural resource mapping to provide a more rigorous economic differentiation.

The overall vision was as follows:

The vision for rural development is a set-up which provides for institutional and financial arrangements which plans for support to stimulate and grow rural economic activity, through providing off-farm infrastructure, mobilising and attracting private sector support services for on-farm and off-farm activities, stimulating small micro enterprises and tourism, and

¹¹ Stilwell T., Mmakola D and Dusmanitch C (26 July 1999) *Delivering Rural Development* (DBSA, Report to Minister Pahad: Office of the President)

responding to effective demand for domestic infrastructure and other services

The DBSA report was very good in its diagnosis of the problems and their location, but weak in suggesting remedies. The key problems facing rural development, according to the DBSA, were the lack of demand-driven development and the failures of co-ordination. In all these areas, nothing in the DBSA report was at odds with what became the ISRDS.

But what the DBSA failed to offer was substance regarding how to better co-ordinate government's work, which may have appeared if the Bank had been closer to the work done by the DGs. Rather than suggesting a mechanism, the report spoke generally of a "pragmatic spirit of 'the job must be done'" prevailing and "new forms of co-operation ... evolving that cut across formal jurisdictions and job descriptions" – but offered little more than the following:

All spheres of government should be encouraged to "contract in" the necessary expertise to fulfil their co-ordinating and facilitating role Government agencies must co-ordinate development policies at national level, and their activities at provincial level, and empower municipalities to co-ordinate external assistance within their boundaries.

It could be argued that this is precisely *what* the ISRDS is – but the DBSA report missed out a key step in telling readers *how* to achieve co-ordination.

The next step

The Cabinet Memorandum of October 2000 – *A strategic approach to rural development* – laid the basis of the ISRDS. Its key components included the following:

- A primary focus on generating rural *economic* activity, anchored in an LED-based approach
- The nodal approach
- Offering a 'basket of services' drawn from existing government programmes
- Recommending the Deputy President's Office as the locus of co-ordination
- The need for 'political champions' to co-ordinate planning and budgeting
- Using the MTEF planning process to align and integrate budgetary planning

The Memorandum was accepted by Cabinet, but a series of questions were asked, which in turn helped flesh out the Strategy. Cabinet noted that

- the constituent parts did not yet amount to a strategy;
- asked what the ISRDS would do in areas without economic potential;
- required more detail on exactly who would do what in co-ordinating rural development at national level;
- questioned whether a Special Fund was required; and
- noted that "political leadership is a critical factor for the success of the strategy".

The strategy lacked a magic ingredient that could bring the ISRDS skeleton to life – i.e. that could make it a realistic, implementable strategy that could help take government towards the common vision of sustainable rural development and thriving rural areas.

The missing link

By mid-November, just a month later, the missing elements had been located and inserted. The November ISRDS had two critical components. Firstly, the mechanism for combining demand-driven development, co-ordination and integration had been found: the IDP process. IDPs were mechanisms for participative identification and prioritisation of local needs, around which all spheres of government had to agree. Gone were 'compacts' or acts of goodwill: there was now a legislated instrument in place. This explicitly linked to the DLA equation, where empowered local government was the fulcrum around which integrated rural development had to turn.

Secondly, the Strategy was now explicit: there would be no Special Fund or funding stream. The ISRDS would have no budget. It would better plan, sequence and co-ordinate existing budgets and programmes. Where government had been investing heavily in development but seeing little return, the Strategy promised to realise that impact. The ISRDS had finally come to life.

The IDT had been handed a "boiling hot potato"¹² - government had failed to co-ordinate itself (as the RDS and RDF made clear) and brought in a public entity to do the job. The IDT may have been over-sensitive in response: in its first diagrammatic representation of institutional arrangements, the IDT placed itself on the wings with government at the centre. It was told quite clearly to place itself at the centre: it had been appointed on the assumption that it could make a difference, could achieve what government by itself could not, and that this would (and could) not occur if it sought to stay on the fringe.¹³

This became yet more complex, when the Department of Provincial and Local Government (DPLG) was brought in to take government responsibility for the ISRDS at the 2001 January lekgotla. Given the centrality of local government to the ISRDS – from the early equation to the later fleshed-out strategy – DPLG was the natural government champion. It was unfortunate that the DPLG had not been involved in the early design stages: this may have better prepared it (and created a greater initial sense of ownership) for the role it had to play.

The ISRDS also had to balance the needs of sustainable and integrated delivery with the realities of political life. The ISRDS was to have been the ghost in the machine - the silent presence that animated and integrated government's development initiatives, without a budget or a physical presence. It would be slow and deliberate in its actions. In short: it was a development planner's dream. The chairs of the social and economic clusters submitted a status report on the ISRDS (which became Cabinet Memorandum 1 of 2001) which noted, under a header entitled 'Consultation and participation vs. speed of delivery':

That the Strategy will, in the medium-term, shift the initial centralised, supply-driven focus of the ISRDS to a decentralised, bottom-up, demand-

¹² Note from Edith V Vries to Lulu Gwagwa, 23rd November 2000.

¹³ Note from Edith V Vries to Lulu Gwagwa, 23rd November 2000.

driven model...The rhythm and pace of consultation and mobilisation does not naturally fit with the speed of delivery which government desires, nor with the expectation for a visible improvement in the quality of life, on the part of communities

Ministers made it clear that while the longer-term work was critical, it was also important to “pick low-hanging fruit” where possible. This tension is a permanent feature of any political system, but one that has to be carefully managed.

Disaggregating the Strategy

The final section of this paper analyses some of the key aspects of the ISRDS and the decision-making process behind them.

Bad timing

Local government is the fulcrum around which the ISRDS turns – and on which its success depends. It has to effectively manage the IDP process, negotiate budgetary alignment with provincial and national departments, oversee implementation and manage integration. But the ISRDS was launched just after the Municipal Demarcation Board (MDB) had completed its task of redrawing municipal boundaries; many of the 13 nodes fell into new municipalities, which lacked even municipal offices, telephones or fax machines. The result: the first 2 years of the ISRDS have been spent developing local capacity generally, and around IDPs and the ISRDS in particular. The (poor) timing of the ISRDS launch suggested that co-ordination within government was indeed very poor; its impact on the Strategy has been enormous.

Co-ordination and governance

The IDT was brought in to do something government had failed to do for itself, namely to co-ordinate its inter- and intra-sphere work. The DPLG was given political responsibility for the ISRDS. Most of the earlier strategy documents had recommended that the Presidency play a key role, given its elevated status and cross-government mandate. Co-ordination remains a key problem in and beyond the ISRDS, and this issue needs to be re-examined. Governance structures must also give the ISRDS far more attention than it has enjoyed thus far.

Ultimately, government must learn to co-ordinate itself. It will have to do so through trial and error, as indicated in the response Cabinet made to the second draft of the ISRDS in December 2000:

The institutional structure in the political sphere requires that consistent dialogue on both the substantive and implementation levels is created and sustained between Cabinet, Premiers and key MECs. Similar dialogue will be required between Premiers, MEC's, District Council Mayors and Executive Councils. The logic of the hierarchy of decision-making, with a primary responsibility at local levels through IDPs, will create a range of new “rules of engagement”

The operational decisions over budgets and project identification/selection in many departments rests with provincial departments and therefore the

emphasis of the strategy should lie in defining the institutional mechanisms between the three spheres of government in implementing the strategy¹⁴

There are no new “rules of engagement”, but they are urgently needed, and need to incorporate all 3 spheres of government

Nodal selection

The fourth Reference Group discussed the issue of nodal selection criteria in detail, and we do not repeat the points made then. But there are a couple of points to make about the way in which the first set of nodes was selected. Firstly, no reliable economic data existed, and nodes were selected on the basis of high poverty, low infrastructure and limited capacity. Economic development, in such circumstances, is reduced to a hit or miss affair. Secondly, Cabinet asked the IDT to account for level of readiness when selecting nodes. The IDT’s response was that this had to be dealt with under stakeholder mobilisation; with the advantage of 20/20 hindsight, this seems to have been an inadequate response.

Finally, there is a basic contradiction at play. When the Minister of Minerals & Energy Affairs briefed the IDT after it had been appointed by Cabinet to manage the Strategy, she noted that if there were 10 nodes in the first batch,

of these six can be well-established and ready to fly, and the rest are in close proximity to the others and able to benefit from the resources.¹⁵

But they were not. Nodes were selected on the basis of need – not potential or level of readiness, let alone being ‘ready to fly’. It is a natural instinct among targeting experts and development planners to assume that the most needy are the most deserving: in absolute terms that may be true, but less so when trying to build a new way of governing and implementing, and looking for success stories to build on.

Alignment

The fate of the ISRDS is inextricably linked to that of the entire developmental approach of government, at the heart of which lies the IDP process. IDPs were put in place to ensure – as Mandela said in the Foreword to the RDS in 1995 – that government was “putting rural people in charge”. IDPs are not merely a product or output, however (although this is often forgotten): what matters is the *process* of negotiation that should occur between local, provincial and national spheres, around IDP priorities, which is critical in ensuring alignment between need and provision. This process should *directly* impact on the MTEF process. Thus far, the ISRDS has failed to do so, signalling the broader failure of provincial and national spheres to adequately understand and accommodate the IDP process.

¹⁴ 7th December 2000: Summary responses to the ISRDS document from National Cabinet Ministers

¹⁵ Minutes of briefing, 12th November 2000

Economic and/or social development?

The first Reference Group debated the issue of economic development in the nodes at some length, and the points made then are not repeated here.¹⁶ This retrospective analysis shows that economic growth was the primary goal of most rural development planning from the RDS onwards. It was the key output expected by Cabinet from the ISRDS. An IDT presentation on the ISRDS in May 2001 stated clearly: “Economic growth and development in the nodes is the PRIORITY focus.”¹⁷ But the lack of available of rigorously collected and accurate data meant that nodes were selected on the basis of two out of three dimensions: social development and infrastructure were measured, but economic potential was not. It is deeply regrettable that this situation has not improved in the period since 2001.

Two things should be said. Firstly, it is obviously critical that accurate economic data are collected; and that this is best done *in situ* at local level, tapping into the knowledge and expertise of local residents, businesspeople, farmers and the like. This must inform the next set of nodes, if their economic growth is to be planned rather than a happy accident. Secondly, greater rigour is needed within government regarding economic development. The RDS, as we saw, offered weak notions of ‘rings of markets’; the RDF pinned its economic faith on rural co-operatives. Public Works Programmes and developmental interventions have tended to focus on similar kinds of productive activities: fisheries, bakeries, and the like – “development by piggeries’ in the words of one observer.¹⁸ There is a massive variety of possible economic activities and interventions that can and should be supported; government requires greater sophistication and flexibility in its approach to local economic development.

A programme or a strategy?

The ISRDS has been renamed the ISRDP, reflecting the fact that it not merely a set of ideas but a set of implementable activities. Changing the name for that reason makes sense. But in the push to give the programme visibility, and pick some ‘low hanging fruit’, anchor projects were fast-tracked. Many bore no relation to the demands set out in local IDPs, but (again) reflected the deliverables of sector departments and their programmes, which seemingly continue to ‘rain down randomly’ from above, to paraphrase the ISRDS. There is a real danger here: the ISRDS is specifically designed to have no budget or project-level deliverables of its own. The IDT has spent two years at nodal level trying to ensure that this understanding is broadly shared. However, if the ISRDS comes to be seen as a delivery programme – precisely the impression given by the anchor projects – it will collapse. Moreover, by concentrating on delivering anchor projects, sector departments are allowed to escape from the real challenge facing them: aligning their delivery with IDPs and ensuring that development is demand- and not supply-driven.

Conclusion

The decisions taken in the inception stages of a strategy, like the ISRDS, resonate throughout its life. We have seen that the ISRDS had clear continuities with post-1994

¹⁶ See Everatt D. (2002) ‘The nature and purpose of the ISRDP’, (Pretoria, Independent Development Trust)

¹⁷ IDT (2001) “Implementation of the Integrated Sustainable Rural Development Strategy” (emphasis in original)

¹⁸ Aliber M. (2001) ‘An overview study of chronic poverty and development policy in South Africa’, (Programme for Land and Agrarian Studies, University of the Western Cape), p.36.

government thinking as well as making some very powerful breaks from the past. The Strategy emerged from a process that was driven by Ministers but staffed by development planners, and reflects the trade-offs made between the two. In some key areas, errors were made, which continue to bedevil the ISRDP; but there are 7 years in which to make the changes needed to reorient the ISRDS back towards its original purpose: to help government do its work differently, and better.
