

**EVALUATING THE PROGRESS OF COMMUNITY-BASED DEVELOPMENT IN THE KAT
RIVER VALLEY, EASTERN CAPE, SOUTH AFRICA**

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Abstract

Community-based development strategies are gaining in credibility and acceptance internationally and notably in post-apartheid South Africa. In parallel, the concept of social capital and the role of supportive non-governmental organizations are receiving attention as key catalytic elements in encouraging and assisting community-based initiatives. In this paper, a well-documented initiative, the Hertzog Agricultural Co-operative in Eastern Cape province, is critically re-examined after the passage of several years to assess the impact of social capital and the involvement of a non-government organization in ensuring the sustainability and economic survival of the project. Whilst both elements have proved critical in the past, serious concerns have emerged about the future sustainability of the project.

Key words: social capital; non-governmental organizations (NGOs); community-based development; South Africa

Introduction

Developing countries are frequently confronted with serious internal and externally-imposed constraints on the ability of governments to provide meaningful support for their populations at the grassroots level. In consequence, from both theoretical and applied perspectives there is now widespread support for the notion of 'bottom-up' development - which is variously referred to as 'self-reliance', 'endogenous development' and 'local economic development' (LED) (Stöhr, 1981; Gooneratne and Mbilinyi, 1992; Stock, 1995). From a policy perspective, the concept of community-driven economic development has been endorsed by bodies such as the World Bank and the United Nations Centre for Regional Development (Gooneratne and Mbilinyi, 1992; Stock, 1995). However, in reality, it would be unrealistic to anticipate that a multitude of community-based economic development endeavours can emerge spontaneously and sustain themselves indefinitely. Such factors as shortages of local capacity and resources, poor understanding of the broader economic environment and the frequently limited life-span of projects, all play a part in ensuring that, other than for isolated success stories such as Machakos in Kenya (Tiffen, Mortimore and Gichuki, 1994), community self-reliance initiatives are "...unlikely to achieve more than small sporadic victories for the disadvantaged majority" (Stock, 1995, p. 363). In most cases, as Burkey (1993) notes, there is a very defined role and place for limited external guidance and support, "...Self-reliant participatory development processes normally require an external catalyst to facilitate the start of the process and to support the growth of the process in its early phases" (Burkey, 1993, p.73). Within this context, the delicate balance between ensuring local control and involving limited, yet appropriate, external support and guidance needs to be carefully mediated. It is suggested that two of the key factors impinging on the success of such a scenario will be the role of local social capital (Buckland, 1998; Fine, 1999) and the appropriateness of external support, which in many cases is now provided by non-governmental organizations (NGOs) active in community development initiatives (Edwards and Hulme, 1996). In the absence of these inputs, it might be suggested that prospects for the widespread emergence of self-initiated, community-based projects will be limited and, where they do emerge, their long-term prognosis could be doubtful.

In an attempt to explore these ideas further, and in line with the principle of critical reflection which is so crucial in participatory rural appraisal methodologies, (Chambers, 1992), an example of community self-reliance in South Africa has been re-examined after several years to see whether the project is still functioning and, if so, what factors account for its survival and its current viability. Longitudinal studies, which attempt to track and analyse the life-cycle of particular development initiatives, are all too rare, but can yield valuable information on the reasons behind the changing fortunes of projects and the key variables involved. The present study has monitored the trials and tribulations of the Hertzog Agricultural Co-operative (HACOP), a noteworthy irrigation scheme which was spontaneously initiated in 1994 by a deprived, black rural community in one of South Africa's former Homeland areas. The field-based

research, undertaken from 1994, has involved semi-structured interviews, focus groups, workshops and participatory action research. The early successes of that project were well documented during the first two years of its existence (Nel and Hill, 1996; Nel, Binns and Hill, 1997). However, it seems that often such initiatives fade away after the passage of time, perhaps because participant enthusiasm wanes, internal conflict emerges or economic and environmental constraints impact on income levels and project viability. The same might also be said for 'interventionists', such as NGO's and local government, whose interest and effectiveness in community development can also wane over time due to staff changes, funding issues or loss of momentum. The critical mechanisms involved in how a project evolves and matures over time, and what factors sustain it in times of crisis, are explored in this paper. The importance of social capital and the role of external development agents and non-governmental organizations in supporting community based endeavours are given particular attention, and these are examined in relation to the experiences of the Hertzog project since its inception, drawing upon the authors' field research and the strong links which the authors have developed with the community and other stakeholders.

Framing Practice: Some Theoretical Considerations

The concept of 'bottom-up development', as popularised by Walter Stöhr (1981), has helped to encourage the emergence of both policy debate and applied action in many parts of the world, including South Africa (Nel, 1999). This has coincided with, and indeed has been fuelled by, the effects of structural adjustment policies which were implemented in many developing countries during the 1980s and 1990s, such that the much-vaunted 'withdrawal of the state' has, often by default, imposed the responsibility for development initiatives on local communities. Implicit within these broad arguments is the notion that communities both can and must seize the development initiative and embark on strategies which might improve their social and economic well-being. These ideas accord with broader structural adjustment discourse about the need to ensure that local leadership retains control over development projects, and that such projects should also endorse the current global, neo-liberal orthodoxy regarding promotion of the spontaneous development of the market (Edwards and Hulme, 1996; Dicklitch, 1998).

Meaningful development, however, does not only depend on the existence of a facilitating environment, but also requires certain other factors to be in place - notably usable physical resources, human and social capital and appropriate external support. From field-based research in Eastern Cape province, South Africa, it is suggested that these factors have proved to be particularly critical in explaining the emergence, development and survival of HACOP. 'Human capital' encapsulates the skills and talents possessed by members of a community, which, significantly, can be learned both through traditional educational means and/or in a working environment. Without a reasonable degree of human capital it might be argued that no locally-initiated project would ever take place and certainly could not be sustained. Dozens of 'top-down' development schemes have failed due to increased dependency and inadequate human and social capital to fill the role of the external body when it withdraws from a project

(Sen, 1997; Martin and Sunley, 1998; Hiebert, 1999).

As recent literature has shown, possessing human capital is not alone adequate to ensure project success. Community-based projects are likely to be of limited relevance and effect if local pools of social capital are not present. The definition, nature and existence of social capital have provoked much debate within academia, often reflecting the varied disciplinary backgrounds and topical focuses of the researchers involved (see, for example, Giusta, 1999, and Serra, 1999). Social capital, as popularised by Robert Putnam in his study of North Italy, is defined as, "...features of social organization, such as trust, norms (customary behaviour), and networks, that can improve the efficiency of society by facilitating co-ordinated actions" (Buckland, 1998, p.241). Social capital, therefore, measures the degree to which a community can co-operate towards achieving desired results. As Buckland asserts, "Trust and co-operation are essential for achieving indigenous efforts at community development" (Buckland, 1998, p.241). Evans argues that social capital is a critical ingredient for sustainable improvement in the welfare of Third World citizens and that pre-existing endowments of social capital are valuable resources in development (Evans, 1996a,1996b). Social capital can therefore be seen in the reciprocity in relationships and the ability to engage people in a way that is mutually beneficial. Importantly, it is not the *potential* for such relationships that forms the basis for social capital, it is its successful functioning in everyday transactions with and between people (Fukuyama, 2001). In practice, it is often necessary to 'scale-up' existing social capital to, "...create organizations that are sufficiently encompassing to effectively pursue development goals" (Evans, 1996b, p.1130). Evidence from Kerala, in India, illustrates just how important local social cohesion and mobilisation can be in ensuring the vibrancy and success of both local community and broader state development projects (Heller, 1996).

Possession of physical, human and social capital may, in itself, be insufficient to ensure the success of community development endeavours and the incidences of success, though sometimes dramatic when they occur, are often limited in number (Stock, 1995). Community initiatives are frequently impeded by a fairly standard list of constraints, such as a lack of finance, equipment, technical expertise, organizational skills and inadequate knowledge of the commercial market in which they are seeking to operate and compete. In such scenarios, there seems to be a very clear motivation to try and link external agencies with local projects in order to help address these shortfalls. If projects are to become sustainable, such links must be acknowledged and predicated on the principles that they avoid dependency, ensure that local organizations are appropriately supported and that, where necessary, training is provided. Within this context, strategies which blend local initiatives with external support, whether government, commercial or non-governmental, need to be sought.

In poor countries, particularly, NGOs frequently have a very defined role to play in addressing various local and governmental constraints and in overcoming the current, so-called, 'development impasse' (Binns and Nel, 1999; Mercer, 1999). It seems that NGOs have the potential, by virtue of their

intermediary position, to facilitate the development process through linking both 'top' and 'bottom'. However, it is important to appreciate that if NGOs are to have a meaningful impact, they should ideally operate in a sensitive and participatory manner (Chambers, 1993). Rightly or wrongly, "...non-governmental organizations are increasingly regarded as the development panacea for the 1990s and beyond" (Mercer, 1999, p.247). As Edwards and Hulme suggest, "NGO expansion is seen as complementing the counter-revolution in development theory that underpins the policies of liberalisation, state withdrawal and structural adjustment favoured by official donors. NGOs are viewed as the 'private non-profit' sector, the performance of which advances the 'public-bad', 'private-good' ideology of the new orthodoxy" (Edwards and Hulme, 1992, p. 20). NGOs are seen as having a key role to play, through assisting with grassroots development (Buckland, 1998), reflecting what has been called the 'New Policy Agenda' (Edwards and Hulme, 1996; Hulme and Edwards, 1997). NGOs are now attracting significant bilateral and multilateral funding and are being promoted by such bodies as the World Bank and the UK Department for International Development (DfID). They are seen as being "...able to deliver higher-quality services than government to the very poorest sectors of society, while remaining cost-effective and efficient" (Mercer, 1999, p. 247). Additionally, in the era of democratisation which has swept across Africa, NGOs are perceived as vehicles of this process (Dicklitch, 1998), contributing to good governance, which is seen as a key pre-requisite for a healthy economy and increasingly a condition for receiving external assistance (Edwards and Hulme, 1996).

Whilst NGOs have undoubtedly played a critical role in encouraging and supporting local development initiatives, the picture is by no means entirely positive. For example, research has criticised NGOs for lacking the capacity to involve the 'ultra-poor', accusing them of frequently operating on undemocratic lines, having only a limited impact and encouraging dependency (Buckland, 1998; Dicklitch, 1998). A further concern is that NGO's often perform functionalist activities normally associated with the state, yet the former lack the democratic process and accountability that accompanies state-run programs (Alam, 1998). Operating within a framework in which NGO's are generally accountable only to their funders, most NGO's are free to choose their own targets for success and the evaluation methods themselves. This could lead such organisations to adopt technocratic approaches that provide quantitative evidence of success with which to satisfy funders, yet there may be a lack of integrity in the monitoring process (Ritchey-Vance, 1996). Some of these perspectives are explored further in this paper with reference to one of a number of initiatives in post-apartheid South Africa (see, for example, Lipton and Simkins, 1993; Lipton, de Klerk and Lipton, 1996; Lipton, Ellis and Lipton, 1996). The detailed study and experiences of the Hertzog Agricultural Co-operative should serve to shed light on some of the issues raised above and to evaluate the extent to which they have been significant in the evolving life-cycle of the project.

The Hertzog Initiative

Recognizing opportunities: 1994-1996

Hertzog is a small rural community lying within the borders of the former Ciskei 'Homeland' (or 'Bantustan'), one of the reserves for Black people in apartheid South Africa. Independent of external intervention and motivated by the community's realisation that if development was to take place, they would have to launch the process themselves, one of South Africa's most significant cases of local economic development (LED) has been unfolding (Nel, 1999).

The area of operation of the Hertzog Agricultural Co-operative (HACOP) stretches from Hertzog village to the lands at Fairbairn, situated on the banks of the Kat River in an area of relatively high rainfall (over 600mm annually) compared with the rest of Eastern Cape Province. The area has a population of approximately 1,500 and, as in many districts in the Eastern Cape, poverty levels are high, with unemployment prior to the launching of the initiative in excess of 84% of the potential economically active population (based on survey results, Nel 1999)

Commercial farming started in this area as early as the 1820s. But, under apartheid, the white farmers in the area were 'bought out' by the South African government in the 1970s and 1980s and they moved elsewhere. The area fell under the control of the Ciskei Homeland and ownership of most of the land in the valley was vested in the state, which failed to utilise it to the benefit of the remaining non-white local community (Hartle, 1990). As a consequence, by the early 1990s, much of the land had not been farmed to its full potential for almost thirteen years. This resulted in the total absence of local employment opportunities, exacerbating poverty levels and encouraging male-absenteeism. Despite this negative picture, the valley possessed certain advantages, most notably the farming skills and experience possessed by several hundred ex-farm workers (who had previously worked the land prior to its expropriation), high degrees of social cohesion and the presence of abandoned agricultural infrastructure.

National political change, with the election of the ANC government in 1994, and mounting unemployment and poverty locally, prompted the Hertzog community to independently launch a development initiative (Nykae, pers. com., 1995). Following a series of community workshops run by the local civic (community organization), development options for the area were identified (Meyer, pers. com., 1995). The Hertzog community realised that their particular strengths lay in the agriculture sector, with their farming skills and the presence of abandoned farmland and implements in the valley (Nykae, pers. com., 1995). A leadership core soon emerged, which successfully negotiated on the community's behalf with the Department of Agriculture, a commercial bank and a number of outside businesses. The Department of Agriculture granted permission for the community to farmland in the valley and to use the abandoned irrigation equipment on a temporary basis (Meyer, pers. com., 1995).

In an attempt to improve local living standards, the community agreed to establish a local farming co-operative (HACOP) in August 1994. Community members were motivated to co-operate by the small-scale of their individual operations, their lack of capital and a desire for more effective marketing. Each of the first 23 volunteer members living in Hertzog was allocated a one hectare plot and sufficient piping to irrigate their land (Farmers, pers. com., 1995; Nykae, pers. com., 1995; Video interview, 1995). Significantly, a commercial loan to undertake the project was secured in 1994 (Meyer, pers. com., 1995). The initial success of the scheme may be attributed to the available physical and human capital, together with the financial investment and a sense of euphoria generated by the return to organized work. Firm leadership in the form of the two men responsible for mobilising the community also played a key part in organizing and energizing the community at this stage. Market gardening of vegetables was pursued, which is well suited to the labour-intensive and irrigation-dependent nature of small-scale farming. Production in the early phase was primarily for sale to itinerant traders and local markets, as well as providing household subsistence requirements (Video interview, 1995; Vuyani, pers. com., 1996). The attainment of initial profits of up to R 3,000 per quarter hectare in each growing season (approximately £400 in 1995) certainly had a major impact on farmers and their families (Meyer, pers. com., 1995; Survey, 1996). Although this figure might seem low, for families which had often been dependent on a single state pension, these earnings increased available income by a factor of up to five and in the initial phase of the project significantly improved the overall quality of life (Meyer, pers. com., 1995).

The demonstration effect and success of this first phase had a dramatic impact upon the wider community (Meyer, pers. com., 1995; Nykae, pers. com., 1995; Transect walks, 1995, 1996). As a consequence, a further 60 hectares of farmland were rehabilitated in the Fairbairn area and a further 14 hectares at Philipton . A second bank loan was obtained in 1995 by HACOP to develop this new land, and by 1996 it was back in production and delivering yields sufficient to meet repayment deadlines (Meyer, pers. com., 1995). The most significant constraint which HACOP faced was in the marketing of produce. The absence of a community-owned truck to reliably transport fresh vegetables to distant markets reduced the potential profits accruing to the community and enforced a dependence on itinerant, urban-based wholesalers and local sales (Nykae, pers. com., 1996). Even though HACOP earned significant income during the 1994-1996 period, this was much less than might have been obtained if the co-operative could have sold directly to urban markets.

Nevertheless, the scheme had a tremendous impact on the community in these early years, generating an observable sense of pride and self-achievement in the community and its work (Meyer, pers. com., 1995). It is particularly significant that what was achieved was done without external support or direction, with the exception of the two bank loans. However, as we will see from an examination of the more recent experience of HACOP, the need for external assistance became progressively more apparent.

Constraints and Crises: 1996-1998

The initial successes of the 1994-1996 period were not, unfortunately, carried over into the subsequent three years when certain events almost precipitated the demise of the initiative. On reflection, what our earlier evaluation of HACOP did not fully appreciate was just how significant the role of local leadership had been in both establishing the initiative and ensuring its early success (Nel, Binns and Hill, 1997). The two pre-eminent leaders in the inaugural phase were Ebenezer Nykae, who was to become Chairman of HACOP and was able to galvanise support among the community, and who was assisted by Charles Meyer. Meyer, who, driven by his evangelical Christian beliefs, came to live in Hertzog in 1993 and devoted himself wholeheartedly to supporting the initiative. His impressive knowledge and skills, ranging from book-keeping, to business planning, mechanics, agricultural science and marketing, proved instrumental in ensuring the success of the endeavour during its first two years of operation. In a community where, after years of oppression and deprivation during the apartheid era, education and self-confidence levels were depressingly low, Meyer displayed an impressive ability to broker deals with the bank and to negotiate with outside suppliers, whilst in HACOP he introduced a transparent and efficient management system. Although the project would have undoubtedly started without his presence, Meyer's unexpected departure from Herzog in late-1996 left a significant void which was not effectively filled until an NGO intervened in 1999. The breakdown of the crop-rotation system, record-keeping and HACOP's inability to repay loans and maintain farm equipment, must to a significant degree be attributed to his departure. What this somewhat bleak re-evaluation emphasises is that impressive levels of human capital were just not enough to ensure project success, and that a closer look at the community dynamics and organizational operation of the scheme is needed in order to identify specific weaknesses.

The heady days of 1994-1996 were tempered by a series of notable shocks in the period from 1996-1998, which almost forced the co-operative to close, revealing that enthusiasm and social cohesion could not compensate for resource constraints and the loss of vital skills. These shocks exposed internal weaknesses, stretched participants to the limit and almost caused the total financial collapse of the scheme. However, the farmers' tenacity could not be underestimated, such that their determination to secure a living from farming, together with gaining formal access to the land, helped maintain morale (Ntsibisi, pers. com., 2000). But, by 1998 it had become apparent that external support was needed urgently if the scheme was to survive, prompting Mr Nykae to appeal directly to various potential donors, including NGOs (de Lange, pers. com., 2000). By 1999, a point was reached when it seemed that the scheme would, in effect, have to be rebuilt if it was to survive.

Certainly the biggest blow to HACOP was the loss of the talented and charismatic Charles Meyer in late 1996. Apparently, the main reason for Meyer's departure was an approach by an international donor organization, which recognised his abilities and success with HACOP and recruited him to the position of project manager in a large, former state irrigation scheme which he was charged to resuscitate (Meyer, pers. com., 1996). Unfortunately, the gap left by his departure from HACOP has never been filled, and only in late 1999 and early 2000 was being partially addressed by the involvement of external expertise.

HACOP also encountered other problems soon after Meyer's departure. Unusually heavy rainfall in late-1996, together with problems associated with the tractors and pumps, led to poor harvests and limited sales (Madikizela and Groenewald, 1998). In 1997, these difficulties were further exacerbated by drought (Motteux, pers. com., 2000). As a result, only half of the farmers were able to repay their bank loans in 1997 and additional loans could not be secured, leading to a severe lack of funds to buy seedlings and fertilisers. Although these problems would have probably occurred whether or not Charles Meyer had been present, his departure led to the collapse of the book-keeping system and deprived the scheme of his mechanical skills, needed to maintain the machinery. In fact, HACOP's situation became so desperate that in 1997 many young people in the community became disillusioned, stopped farming and started to seek jobs elsewhere (Motteux, pers. com., 2000).

A persistent problem with the scheme has been that of marketing the vegetable produce. As we have seen, the absence of a truck forced farmers to rely on local sales or itinerant traders who were only prepared to pay prices below those in nearby urban markets such as Adelaide, Fort Beaufort and Queenstown. The absence of marketing skills in the community was revealed by Madikizela and Groenewald (1998), who established that two-thirds of farmers were 'passive' about sales, taking no decisions and instead preferring to wait in the hope that itinerant traders would visit them. The remaining one-third did actually try to deliver their produce to traders and wholesalers in Fort Beaufort. However, as research has shown, irregular supplies and the variable quality and quantity of produce from HACOP encouraged these dealers to purchase from large commercial farmers instead (Binns, 1999). Furthermore, a poor road infrastructure and a general reluctance among producers to use telephones, even where they existed, further militated against effective contact between producers and wholesalers.

Other issues which need to be factored into this analysis of the fortunes of HACOP, include the fact that in 1997 the potato crop was effectively stolen when a trader failed to pay for what he had taken (Nykae, pers. com., 1997). Furthermore, inadequate support from the state agricultural extension service is also frequently cited by community members as a major barrier to progress. The irregular water supply in the Kat River, due to a major impoundment upstream and the limited number of holding reservoirs, has further affected the day to day running of the scheme (Motteux, pers. com., 2000). The failure of most of the irrigation pumps in 1998 led to a significantly reduced area of planting. The intensity and extent of production started to visibly decline, and in 1997 Mr Nykae claimed that he was the 'only successful farmer' in the previous harvest. He also frankly admitted, "We are struggling now ... we would like to be strong, but ... we need help". (Nykae, pers. com., 1997).

It is important to note, however, that there were also several positive developments during the 1996-1998 period, which gave a boost to farmers and motivated them to continue. The most important of these was the decision by the Eastern Cape provincial government in September 1997 to grant HACOP a ten-year

lease on the land (Ntsibisi, pers. com., 1997). This moral victory, which at last resolved a long-standing uncertainty over the tenure situation, provided the security to ensure continuing production. It also did much to enhance local morale, despite the prevailing economic crisis. Another important development was a significant expansion of the scheme, despite the declining production on the state-allocated land. From 1996 several private farmers negotiated to bring their land (approx. 20 ha.) into the scheme in order to benefit from access to HACOP's resources, most notably tractors (since they previously ploughed with oxen), irrigation infrastructure and collaborative marketing (Hans, pers. com., 1999). Despite equipment failures and limited sales, the benefits for the new farmers outweighed the costs associated with what had largely been subsistence farming in the past. Another landmark in local environmental management was the establishment of a Water Users Association in the valley in 1999, based on detailed participatory research and community workshops. Mediated through researchers based at Rhodes University, this Association has sought to co-ordinate the community and commercial interests in the valley to ensure equitable water supply to groups such as HACOP (Motteux, pers. com., 2000).

Further Successes: 1998-2000

The severity of the crisis in HACOP prompted its chairman, Mr Nykae, to appeal for external help in 1998 (de Lange, pers. com., 2000). His pleas were heard by an NGO with access to significant multilateral donor funds. This intervention proved to be both timely and vital to the survival of the scheme, with the much-needed provision of technical and marketing skills and funding. This led to a significant resuscitation of the scheme and its further expansion.

Material support has taken a number of different forms. In 1998, a grant of R600,000 (c. £60,000) was made to purchase five new pumps and additional irrigation piping. In 1999, a further grant of R200,000 (c.£20,000) was made to purchase 400,000 litres of diesel, seedlings and fertilisers, whilst an additional R25,000 (c.£2,500) was made available to repair the co-operative's tractors.(Ntsibisi, pers. com., 1999; Nykae, pers. com., 1999; de Lange, pers. com., 2000). The NGOs intervention also helped to prevent the threatened seizure by the bank of one of HACOP's tractors, for non-repayment of the loan made for its purchase.

It is significant that the NGO has not only provided material assistance. In 1999, HACOP's limited technical skills, following the departure of Charles Meyer, was recognised by the NGO which responded by contracting a private agricultural consultant to train HACOP members and to assist with direct management of the scheme (Motteux, pers. com., 2000). More specifically, the key interventions undertaken by the consultant included:

- the re-establishment of an effective book-keeping and banking system and the training of

co-operative members in these aspects,

- the re-introduction of crop-rotation to ensure improved turnover and soil fertility. The crops produced at this point include: cabbages, potatoes, butternut, beetroot, pumpkin, carrots, onions and maize,
- ploughs have been obtained from a government agricultural training centre,
- fresh produce dealers were encouraged to visit the area on a regular basis to purchase vegetables, thus addressing the problem of irregular market access. In the 1999/2000 growing season, for example, these links helped to ensure the guaranteed production and sale of over 4,000 cabbages a week to wholesalers from Queenstown, some 100 kms north of HACOP (Ntsibisi, pers. com., 1999; de Lange, pers. com., 2000)

The results of these interventions were immediate and dramatic. The land returned to full-scale production, all the mechanical equipment was once again functioning, effective management was in place and the scheme expanded in size with significantly improved harvests and sales being recorded in the 1999/2000 growing season (Ntsibisi, pers. com., 1999, 2000). According to Mr Nykae (pers. com., 1999, 2000), profits improved dramatically because of the greater availability of both inputs and markets, and he commented that "...marketing is no more a problem". By September 1999 there were 112 farmers active on the scheme, with another 10 waiting to join, compared with a total of 95 in 1998 (Hans, pers. com., 1999).

The success led to a significant expansion of the scheme, such that between 1998-1999, 43 additional hectares were brought back into production in the Hertzog, Bellvale and Masimbambane areas. In the case of the latter, 17 farmers participating in a pre-existing scheme have been absorbed into HACOP (Ntantiso, pers. com., 1999). The government lease granted HACOP all the lands from Hertzog to Fairbairn, and the additional material resources available enabled HACOP to bring all that land back into production. Once again the farming community was active, with the amount of arable land incorporated into the scheme increasing from 23 ha in 1994 to 160ha in September 1999.

Collapse and Reconstruction: 2000 to 2003

By 2000 the scheme appeared to have overcome some of its earlier difficulties. Security of tenure, mechanical malfunctions, and the loss of Charles Meyer had all been overcome through a combination of community representation and NGO intervention. By early 2000 virtually all the arable land available to HACOP was in use, a sight rarely seen in the life of the project. However, this optimistic scenario was the prelude to a catastrophic 2000-2001 marketing season, in which over 60% of the produce simply rotted in the ground and never reached the market (Kyle, 2001). Within a year the number of active farmers in HACOP plummeted from over 120 to just 5. Such a serious contraction in operations following a period of relative stability and generous NGO investment, suggests a need for careful evaluation of HACOP's

operational dynamics to determine whether the collapse was solely the result of environmental factors, or symptomatic of deeper problems.

In the light of the 'spontaneity' of HACOP's emergence and lack of external catalyst, it was assumed that the scheme benefited from community-wide support and tight integration of grassroots participants. With a constitution that enshrined democratic principles and an active indigenous leadership, it was assumed that all members were fully involved in the key decision-making processes. However, with the benefit of hindsight, it seems that the reality was rather different. Recent field research has revealed that democracy, whether in spirit or in practice, was absent in the scheme, such that none of the grassroots members had ever actually seen the constitution which governed HACOP (Peter Kyle, interviews 2000-2003). Furthermore, elections had not actually been held since HACOP's establishment in 1994, thus denying members the right to express their formal approval (or disapproval) of the leadership's style and actions. The literature suggests that, aside from the formal process of voting, debate and deliberation are "...at least as important as the poll itself to the long-term health of democracy" (Leadbeater, 2002, p259). Yet, by 2001, the HACOP leadership had become dictatorial in nature, stifling such debate, with members expressing the futility of raising problems in meetings in fear of provoking confrontation with the chairman, Mr Nykae (Kyle, 2000-2003). In fact, Mr Nykae himself admitted that he discouraged meetings of the whole membership due to the 'squealing' of villagers (Mr Nykae, 2001). In response to the perceived dominance and inflexibility of the leadership, HACOP members have become more individualistic in their approach. By the 2000 production and marketing cycle, members were producing and marketing individually, such that the only remaining communal activity was the co-ordination of irrigation equipment and tractor use.

Whilst the NGO's timely intervention in 1998 undoubtedly gave the scheme a new lease of life, in retrospect it might be asked how effective that intervention was if the only result was to postpone the collapse of HACOP by two years? Indeed, the life-cycle of HACOP between 1994 and 2001 shows a recurring pattern of financial and material investment followed by one good production cycle, decline and collapse. This four-year cycle has been repeated twice, first with investment from the government and a loan in 1994, followed by a decline in productivity until 1998, when the NGO intervention rejuvenated the scheme, and HACOP again faced collapse in 2001. An extension officer summed up the situation thus, "The money goes into the ground, out of the ground and into the pocket and is gone" (de Lange, 2000). As we have seen, many of the problems within the scheme were related to social dynamics, which affected communications, democratic practice, problem solving and marketing.

The NGO appeared to be unaware of the community tensions, and the three training courses organised by the NGO and extension services focused on practical issues such as accountancy, business practice, and production techniques. There was a lack of engagement with grassroots members, with no 'ordinary' members reporting conversations with any NGO representatives outside of a formal meeting (Kyle, 2000-

2003). The reason for this was explained by the NGOs Director of Projects, who stated that they wanted to “kick start the community, and then get out” (anonymity protected, 2001). As a result, NGO assistance was essentially technocratic and failed to engage with any social issues that may lead to long-term ties and commitments.

By mid 2001 most of HACOP’s arable land lay fallow, the electricity supply had been disconnected due to non-payment of bills, the tractor was broken, and the NGO had all but withdrawn. To all intents and purposes the scheme had collapsed with the exception of 5 farmers who retained the financial resources needed to continue working independently. Yet the spirit of determination remained in the community, which was as desperate as ever to use the land resources and irrigation infrastructure as an engine for local development. At about this time, a locally-based academic researcher embarked on a programme of ‘action research’ after being invited by a group of HACOP members to advise on possible solutions to their community’s problems. Group meetings and workshops were held, during which the principles of localised democracy and accountability were discussed. This process was carried forward by community members, whose skills in key areas such as marketing, leadership, mechanics etc. had been identified by participants. Within three months the tractor was operational once more, and the electricity was re-connected following a community-wide collection to repay the debt to the electricity provider. Local meetings, facilitated by the researcher, were characterised by open and often heated debate. Crucially, these achievements were attained by utilising locally available skills and problem-solving methods which were carried out collectively. Hopefully, the sense of ownership engendered by this process will lead to better maintenance of community-owned assets.

By March 2003, some 27 HACOP members had been actively and profitably engaged in farming for 18 months. Whilst this is a far cry from the heyday of the scheme, the significance of this achievement should not be underestimated as it has occurred without any loans or investment from external agencies. Of particular interest is how this new group of active farmers now employs a small number of former HACOP members as workers. There are further grounds for optimism following the election of a new chairman for HACOP in mid-2003. A man whose contribution to the problem-solving process was significant has been installed by the members, each of whom is now in possession of the constitution, translated into Xhosa, the local language. HACOP in its present form remains vulnerable to environmental and economic shocks that often strike agricultural projects of this nature. Despite the reduced membership, however, it may be argued that it is now more organisationally robust and perhaps closer to achieving sustainability than at any time during its turbulent history.

Conclusion

The experience of HACOP provides a valuable insight into the successes and problems encountered in the life-cycle of a community-based local economic development initiative. Furthermore, the involvement of an NGO at a critical stage in the life-cycle throws light on the possible role and potential pitfalls of such

external support agencies. As we have seen, the initial successes of the co-operative were driven by high levels of human capital, available resources and strong leadership. The loss in 1996 of the leadership and technical capacity provided by Charles Meyer, coupled with environmental and financial difficulties, almost led to the demise of the project. However, it is to the credit of HACOP's members that they had both the ability and determination to persevere and recognise that external help was essential if the scheme was to survive.

This longitudinal study reveals that in spite of the rhetoric about community- or locally-driven development and the devolution of control to the lowest tiers of administration, as is currently being promoted by South African politicians and policy documents (ANC, 1994; RSA, 1998), the reality is that even initiatives which are characterised by high levels of human capacity face very real barriers to their on-going development, and varying degrees of external support and guidance are frequently necessary. Such realities accord with the views of Stöhr (1990), Scott Fosler (1991) and Simon (1992), who argue for the blending of 'top-down' and 'bottom-up' approaches to development in order to secure effective and lasting local-level change.

This study has shown how the respective roles of human and social capital are not only independently crucial to an agricultural scheme's success, but are also mutually dependent. Human capital, the skills and knowledge a person has, has played a key role in HACOP, mostly in the farming skills and experience exhibited by the members themselves. These high levels of human capital were a legacy from the days when large white-owned farmers controlled the Kat River Valley, and the workers were taught and trained in all the technical skills needed to farm. Social capital, the ability to build reciprocal and trusting relationships, however, seems lacking among HACOP's grassroots membership. Here, the members failed to gain a voice in the running of the scheme and became progressively more marginalized. As a result, the skills and talents, or human capital, contained within the grassroots went underutilised, due to the lack of ability to command a meaningful relationship with the wider community and the project leadership. Buckland has stated that without social capital "...human capital is easily squandered" (Buckland, 1998, p242) and HACOP seems a case in point. The limited building of social capital provided some room for optimism in recent years, and highlighted the key role that social capital plays in the development process. Of particular note is HACOP's motivation for a Water User's Association in the valley (Motteux, pers. com., 2000), reflecting Chambers' notion of 'progressive development', in which capacity evolves and matures through time (Chambers, 1992).

The NGO invested heavily in HACOP, staving off collapse at a critical point in the scheme's life. Willingness to invest in a community scheme that was on the brink of collapse shows considerable commitment on the part of an NGO. However, the NGO resisted a genuine engagement with the social and political structures of HACOP, in the hope of a speedy withdrawal. As a result, the NGO achieved little in moving the scheme towards long-term sustainability, which may be viewed as a missed

opportunity. The two periods of success and growth in HACOP, during which the most reports of contentment were expressed by the membership, were when large amounts of capital were being invested directly into the scheme. This first occurred after obtaining the loan in 1994, and was repeated with the NGO investment in 1998. That these periods of investment did not translate into longer-term growth and stability points to systemic problems within the organization itself, including the marginalization and underutilization of the human capital among the grassroots membership.

This case study provides some important lessons for both development practitioners and social scientists. There is an urgent need to undertake similar long-term evaluations of local development initiatives elsewhere, to ascertain whether a common set of variables is present and whether, with this knowledge, there might be scope for replicating successful initiatives. Sadly, in the present South African context, given very real capacity constraints, problems of access to resources and the generally weak and limited capacity of NGOs, it would be unrealistic to anticipate more than a handful of such initiatives. This poses a very real challenge to government and development agencies to ensure that the base conditions and external support are in place if there is to be any hope of encouraging more locally-based development initiatives which might learn from the HACOP experience.

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