

<p>Development of local economic linkages in rural areas</p> <p><u>Andries Naudé</u> - anaude@csir.co.za</p> <p><u>Mac Mashiri</u> ; mmashiri@csir.co.za</p>	<p><u>PAPER ABSTRACT:</u> INTERNATIONAL JUBILEE CONFERENCE ON THE ECONOMIC EMPOWERMENT OF SOUTHERN AFRICA, September 13-14, 2000 Muldersdrift</p> <hr/> <p>CSIR Transportek Stellenbosch 7599 South Africa. Tel: +27 21 888 2643 Fax: +27 21 888 2694</p>
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The relative underdevelopment of South Africa's traditional, deep rural areas is not only a function of their physical remoteness, and the attendant logistical problems such as long distances, poor roads, relatively low densities and market thresholds. The present situation is, fundamentally, also a function of the apartheid history, and a range of factors that are perpetuating an unacceptably high degree of *economic dualism and dependence*.

One of the factors is economic globalisation and the accompanying increase in competition, as well as associated *structural economic barriers* (such as the digital divide). These barriers can be seen to operate at different levels, creating a series of divides between those places or groups that are better positioned to compete in the *globalised, mainstream economic circuits* and, and those who are reliant on *subsistence activities* or small, segmented, and over-traded *local economic circuits*.

In contrast to the implicit assumption that the "mainstreaming" of rural economies is inherently desirable, a more appropriate approach might be also to recognise the logic of local self reliance or resourcefulness. Recognition of the logic of local resourcefulness has in recent years led to a number of development approaches that emphasise the need for *integrated local economic initiatives to strengthen and employ local people and other resources*. One of these is the *sustainable livelihoods approach*, which was first developed by Britain's DFID (Department for International Development), in response some of the perceived failures of the integrated rural development (IRD) approach of the 1970s.

Using the sustainable livelihoods approach as a basis, the paper will highlight the need for coordinated investment in *access and linkage- providing assets (linkage assets for short)*. These are the basic means of linking different stages of resource transformation – i.e. extraction, production, and distribution - over time and space, and therefore enabling the creation of supply chains or circuits.

Based on a brief summary of the lessons that have been learnt with various recent initiatives to develop *multi-purpose centres* (MPCs), the paper also outlines a practical set of interventions that can be deployed as part of a *coordinated nodal and linkage development strategy*. This includes:

1. Establishment of logistical services as one of a range of services provided by *rural multi-purpose centres* (MPCs), focussing particularly on freight collection/distribution services for incipient agro-forestry and tourism enterprises.
2. The development of MPCs and logistical services within the context of a *periodic market system*, giving particular attention to pension pay-out schedules, and the coordination of transport, periodic service provision and market schedules (including aspects such as routes, stopping places and service times).
3. *Information provision, regulation and selective subsidisation* in support of the coordinated schedules, centres and services, giving particular attention to opportunities for transforming subsidised passenger transport services into “*omnibus*” *communications, transport and storage/exchange services*.
4. The exploitation of opportunities arising from the ongoing rapid advancements in *communications and information technologies* (ICT) to create a range of hub-satellite arrangements with ICT linkages between the hub and satellite centres.
5. *Coordinated planning of “linkage infrastructure”* (ICT-, transport and allied nodal infrastructure) aimed at providing an appropriate, integrated infrastructure platform for rural logistics services, periodic markets and other nodal development activities.
6. *Capacity building of district councils* to undertake linkage development planning, establish public-private partnerships and/or issue contracts for the provision of integrated rural logistics services.

The paper concludes with a prognosis of the potential economic empowerment impacts of developing a network of rural activity hubs and logistical linkages, both in terms of the establishment of self-reliant local supply circuits, and the creation of springboards for accessing mainstream circuits.