

Langeberg Local Economic Development Strategy



Compiled by
HS Business Solutions

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List of acronyms and abbreviations

AIDS	Acquired Immune Deficiency Syndrome
B & B	Bed and Breakfast
BFAP	Bureau for Food and Agriculture Policy
CBD	Central Business District
COGTA	Cooperative Governance Trading Affairs
CWD	Cape Winelands District
CWDM	Cape Winelands District Municipality
DAFF	Department of Agriculture, Forestry and Fisheries
DBSA	Development Bank of South Africa
DEAT	Department of Environmental Affairs and Tourism
DEDAT	Department of Economic Development and Tourism
DPLG	Department of Provincial and Local Government
dti	Department of Trade and Industry
DM	District Municipality
e	Estimate
e.g.	Exempli gratia (for example)
etc	Et cetera
FET	Further Education and Training
FPL	Food Poverty Line
GBH	Grievous Bodily Harm

GDP	Gross Domestic Product
GDPR	Gross Domestic Product for a Region
GDS	Gross Domestic Savings
GGP	Gross Geographic Product
GNI	Gross National Income
GNP	Gross National Product
GVA	Gross Value Added
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
i.e.	Id est (that is)
ICT	Information and Communication Technology
IDP	Integrated Development Plan
ILO	International Labour Organisation
JAN	January
KZN	Kwa Zulu Natal
LBPL	Lower Bound Poverty Line
LED	Local Economic Development
LM	Local Municipality
LQ	Location Quotient
MERO	Municipal Economic Review and Outlook
MLL	Minimum Living Level
MTB	Mountain Bike
N/A	Not Applicable

n.e.c	Not elsewhere classified
NDP	National Development Plan
NDT	National Department of Tourism
NRTS	National Rural Tourism Strategy
NTSS	National Tourism Sector Strategy
P	Product/ Place/ Promotion/ Price/ People
p.a.	Per annum
PERO	Provincial Economic Review and Outlook
PPP	Private Public Partnership
Pty Ltd	Proprietary Limited
R	Rand
RLED	Regional Local Economic Development
RSA	Republic of South Africa
SA	South Africa
SAMPI	South African Multidimensional Poverty Index
SAT	South African Tourism
SMART	Specific, Measurable, Agreed, Realistic and Timed
SMME	Small, Medium and/ or Micro Enterprise
SO	Strategic Objectives
StatsSA	Statistics South Africa
Std	Standard
UBPL	Upper Bound Poverty Line
UK	United Kingdom

US	United States
USA	United States of America
USP	Unique Selling Proposition
VFR	Value for money
VIC	Visitor Information Centres
vs	Versus
WC	Western Cape
WESGRO	Western Cape Investment and Trade Promotion Agency

Introductory chapters:

The purpose of the introductory chapters is to share information about the methodology employed to compile this report, the structure of the report and some of the theory underpinning the report.

It also aims to describe the context and concepts of Local Economic Development.



1. Introduction

Local Economic Development (LED) encompasses all economic activities by stakeholders within a defined geographical region, working together in partnership to create economic development (Meyer, 2014). LED is an approach towards economic development which supports local collaborations, thereby achieving sustainable economic growth and development and bringing economic benefits for all residents in a local municipal area (COGTA, 2016; Swinburn et al, 2006). The partners collaborate to harness local resources, encourage investments and stimulate local commercial activities, particularly that of micro, small and medium-sized enterprises. These local commercial activities lead to gains in job creation, business development and, ultimately, quality of life for citizens (CARILED, 2017).

LED means more than just economic growth. It is concerned with **promoting participation** and **local dialogue**, and **connecting people** and their **resources** for **better employment** and a **higher quality of life** for both men and women.

LED is thus a participatory process and can be regarded as the process whereby the wealth in local communities is created not by government alone, but by the complement of private enterprise. These enterprises depend on favourable local business conditions to create prosperity, while the local governments have the key role of providing the enabling environment for businesses to succeed.

According to the International Labour Organization (ILO, 2006), local economies need to find solutions and alternatives to improve and strengthen local competitiveness and comparative advantages to compete on a global scale. The challenge of LED is to find ways to maximise local resources and local knowledge to benefit all inhabitants within a specific geographical area.

2. Purpose and Objectives

The evolution of LED policy in post-1994 South Africa is closely associated with the transition to developmental local government (DPLG, 2006). Prior to 1994, Municipalities had a lesser role to play with regards to economic planning and development, with limited scope beyond certain town planning responsibilities. The post-1994 government however placed a far greater emphasis on community and grassroots initiatives and participation. Local government has since been allocated a range of roles and responsibilities with respect to economic and social development, and this is confirmed in the Constitution and the Local Government: Municipal Systems Act of 2000.

A fundamental objective of local government as per the Constitution is to promote social and economic development in localities.

The main goal of economic development is the improvement of the economic well-being of a community through efforts that entail job creation, job retention, tax base enhancements and improvement of quality of life. Economic development, in the broadest sense, comprise of three major areas: policies that government undertakes to attain broad economic objectives such as high employment and sustainable growth; policies and programmes to provide services; and policies and programmes specifically aimed at improving the business climate.

Local Economic Development is an outcome of actions and interventions resulting from local good governance and the constant improvement and integration of national priorities and programmes in local spaces (DPLG, 2006). Improving the economic climate should enable sustainable growth and job creation, which will increase per capita income and ideally lead to an acceptable distribution in income that would, in turn, support improvements in quality of life and broadening the tax base.

Effective LED strategies encompass the generation of informed local responses to local problems, aligned with broad overall development guidelines provided by provincial and national spheres. An appropriate local economic development (LED) strategy could, through appropriate policies and programmes, serve as a guideline to

facilitate multiple benefits like job creation, an economic climate that supports growth, improvement of quality of life and tax base enhancement.

The aim of this project was to develop a comprehensive LED Strategy in order to harness the resources and skills of all stakeholders in a uniform and coherent manner to achieve agreed aims and objectives.

HS Business Solutions was appointed to develop such an Economic Strategy.

3. Methodology

3.1. *Approach*

Each community differs in terms of strengths and capabilities, and each also faces unique challenges. An appropriate local economic development strategy should therefore find the optimal balance to capitalise on strengths and address development needs.

A simple approach to understanding the complexity of strategic thinking involves finding the answers to three questions:

- Where are we now?
- Where do we want to go?
- How do we get there?

Developing a strategy involves an analysis of the current situation, a clear vision of the desired outcomes and then developing a roadmap to move from the status quo to the desired future state, through considering macro-economic factors and unique internal strengths and weaknesses.

Strategy Development is about creating the optimal synergy between the strengths and weaknesses and the external or macro-economic environment. This is called achieving Strategic Fit and is achieved by capitalising on strengths and opportunities and developing weaker areas.

In the development of this local economic strategy, such a process was followed.

3.2. *Data collection*

Both quantitative data and qualitative data was gathered to provide a firm foundation for the development of the LED strategy. Quantitative data is information about quantities; that is, information that can be measured and written down with numbers.

Qualitative data is a categorical measurement expressed not in terms of numbers, but rather by means of a natural language description.

Data was gathered from primary and secondary data sources. Primary data is information which is sourced directly from respondents and was not previously published. This allows for the experiences and perceptions of respondents to be captured directly. Secondary data refers to all sources of data that are already published, such as previous research reports, academic and journal articles, and published statistics. “Secondary” therefore means that the data was obtained from previously published research, and not that it is of lesser importance.

The study found that there was congruence between the results of the primary and secondary data, indicating that the experience of the community confirms the statistical data.

3.2.1. Primary data

Primary data, through engagement with role-player and stakeholders, was gathered through administering questionnaires. The questionnaires were carefully designed, observing the guidelines for constructing proper questionnaires, avoiding negative statements and avoiding leading the respondents. The questionnaires were compiled using recognised and accepted standards and approved by the project management team before they were administered.

The questionnaires were administered through semi-structured interviews, either individually or in group settings during stakeholder workshops. The process was therefore participatory, and stakeholders were involved in both workshop-level and individual-level engagement.

The following stakeholder groups were included:

- All stakeholders invited to workshop sessions by the Municipality and who attended the workshops.
- The top 100 businesses were identified and those who agreed to participate were engaged individually

- Important stakeholders, identified by the municipality, who agreed to participate were engaged individually.

A number of stakeholder engagement sessions were conducted in order to gain inputs and share information regarding the process. Stakeholder workshops were conducted on the following dates:

- 2 November 2017
- 7 November 2017
- 9 November 2017
- 24 April 2018
- 25 April 2018
- 4 May 2018

3.2.2. Secondary data

Secondary data comprised of a desktop study of published literature, official records, academic papers and peer-reviewed articles. A literature search was conducted to source applicable theoretical information and relevant published documents, including peer-reviewed articles. The literature was reviewed in order to integrate available data and highlight important trends and themes.

Secondary data was sourced from sources such as StatsSA and other reputable and established sources. The Municipality also shared previous research studies and other internal documents.

Statistics South Africa is responsible for conducting a nation-wide statistical survey every ten (10) years. The previous census was in 2011 and in 2001 before then. The next census will be in 2021 and until then, the latest statistical data available is for 2011 and this data is used by all reputable institutions. There was a household survey in 2007 and again in 2016 and therefore some data could be updated.

3.3. Analysis of data

Analysis is a critical element of all planning processes. The success of development planning depends on the quality of analysis of all the elements contributing to development (DBSA, 2001). Economic strategy cannot be made haphazardly and has to be evidence-based.

Economic trends provide important information that describes the health and vitality of the surrounding community and region. This information is useful for business operators and investors make informed decisions regarding development in the community.

3.3.1. Analysis of primary data

Once all data was gathered and captured, the responses could be coded for analysis and interpretation. Qualitative data were quantified by counting the frequency of occurrences of particular responses to questions. This allowed for the use of statistical methods to analyse the data. The data was coded by grouping responses according to the predominant themes and trends that emerged from individual responses.

3.3.2. Analysis of secondary data

The secondary data was analysed using accepted and recognised theoretical models and tools. Once appropriate dimensions/ measures were identified, suitable variables were selected, information was extracted from the data, trends were identified, performance comparisons were conducted, and the results were interpreted. The report frequently displays statistical data graphically in order to communicate results clearly and simply.

3.4. Formulation of the LED strategy

After careful analysis of the data to determine the status quo of the local economy and identify development needs, pressing issues were identified as key focus areas, and

unique capabilities and skills were considered. Policies and legislation were also reviewed and considered. The strategy was developed to serve both regional and broader economic growth plans, as well as to be aligned to provincial and national economic growth plans and the applicable policy and legislative frameworks.

Current best practice models in local economic development, both nationally and internationally, were reviewed and considered. The strategy was developed to create optimal “strategic fit” between the area’s unique needs and strengths and the macro-economic environment.

Implementation plans were developed to give practical effect to the theories, models and objectives included in the strategies.

3.5. *Validity and Reliability of the research*

In order to ensure optimal credibility of research, triangulation was employed to enhance reliability and validity. Denzin (1970) describes triangulation as being a combination of methodologies used to study the same phenomenon. He argues that the use of different methods should lead to greater validity and reliability than a single method approach.

Easterby-Smith, Thorpe and Lowe (1991) identified four types of triangulation, which were all applied in the research methods:

Table 1: Research triangulation

Triangulation types	How it was applied in this research
Collecting data from different sources (data triangulation)	Data were gathered from various stakeholders involved in the process from various perspectives. Statistical data were sourced from different, independent sources to eliminate bias.
Investigator triangulation	The project was completed by a team of researchers who worked independently as not to influence one another. However, team members reviewed and critiqued one another’s work to improve the final product.

Methodological triangulation, using both qualitative and quantitative data collection methods	Qualitative data were collected through semi-structured interviews. The interview questions were carefully developed to meet the criteria for unbiased and reliable research. Quantitative data were collected through desk research, as well as a carefully designed questionnaire to produce qualitative data that could be quantified.
Triangulation of theories – using theory of one discipline to explain a phenomenon in another discipline	For this research, relevant theories from various disciplines were combined through the collaboration of a diverse and skilled research team.

4. Structure of the report

This report is structured to provide a practical and understandable review of the current status of the regional economy and propose practical implementation steps that are rooted in solid theoretical and academic principles.

4.1. *Factors of production*

For the purpose of sound economic analysis, the issues to be considered for the development of the LED strategy were grouped in accordance to the four factors of production.

Factors of production:

1. Human Capital (Labour)
2. Entrepreneurship
3. Capital
4. Natural Resources

4.1.1. Human Capital (Labour)

Labour refers to the physical and mental ability, as well as the needs of the local population of an area. This can also be referred to as human capital. The report will look at:

- The type of human capital available, including educational levels
- The state of human capital, including factors used to measure human development such as health and living conditions (i.e. demographics and social development).

4.1.2. Entrepreneurship

- The private sector (formal)

- The informal sector
- SMME development

4.1.3. Capital

- Infrastructure
- Economic clusters
- Investment climate

4.1.4. Natural Resources (Rural Development)

This factor of production pertains to resources that occur naturally in the region. The following subsections pertain to the first factor of production:

- The primary sectors, including Agriculture
- Tourism (as tourism in the region is based mostly on natural resources)
- Sustainability: the availability of natural resources, including water and the impact of the current drought and the conservation of the natural resources available in the area.

The concept of Rural Development encompasses the elements associated with natural resources, and this section of the report therefore focusses on rural development.

Each section is discussed against the backdrop of regional, provincial and national targets as well as the regulatory framework.

4.2. *Contents of the report:*

The preliminary chapters of the report explain basic principles of economics, economic growth and economic development. The background offers an understanding of why certain factors are important and explains their relevance to economic growth. These

preliminary chapters provide insight into accepted and recognised models for economic development, and explain how and why they are important. It should serve as a key to understanding the analyses and recommendations contained in this report.

The regulatory framework provides a guideline to the relevant legislation and policies that guide and impact on local economic development, as well as the targets set out on local, provincial and national level.

The second section of the report contains the analyses set out in the terms of reference, grouped according to the applicable factors of production. Each section considers the progress of the region compared to the applicable targets, and will aim to address issues relevant to the applicable factor of production. The various sections of the report each explain what the various factors mean and what their implications are for economic growth.

Each section provides a brief explanation of the aspect under evaluation and stipulates how and why it is relevant to local economic development. The region's progress against targets is discussed and the most pressing issues identified.

The report then considers the engines of growth and results of the analyses, and makes recommendations that are aligned to sound, academic, accepted and recognised economic development principles. The recommendations are contained in practical and implementable plans.

5. Economics, Economic Growth and Economic Development

Roux (2014) defines Economics as “the study of the way in which human beings employ scarce resources to satisfy their many needs” (Roux, 2014:4). Therefore, economics is about dividing available resources to satisfy a variety of needs. The demands on government spending must be prioritised, and economics is thus about making choices. Economic analysis is aimed at determining how well an economic system is functioning.

There are four economic factors of production (Roux, 2014:2):

- Human Capital (Labour)
- Entrepreneurship
- Capital
- Natural Resources

Human Capital (Labour) refers to the physical and mental ability, and the well-being of the local population of an area. This can also be referred to as human capital.

Entrepreneurship refers to the efforts of those who run businesses in the private sector, be it formal or informal. Entrepreneurship is very important for putting labour, natural resources and capital to productive use. The under-performance of the South African economy over the past two decades can partially be attributed to a lack of entrepreneurship (Roux, 2014:3).

Capital refers to investment in physical assets, such as factories, machinery and infrastructure that assist in the production of goods and services.

Natural resources refer to resources that are naturally available in an area. These may include mineral deposits, water and agricultural land.

The four factors of production are the “ingredients” required to develop the local economy.

5.1. The Quantity and Quality of the four production factors in South Africa

5.1.1. Human Capital and Entrepreneurship

South Africa's population is categorised by rapid urbanisation over the last few decades. The reason for this can be partly attributed to the declining importance of agriculture. This trend is in line with trends throughout the world. As the economy becomes more developed and the population increases, fewer people are able to make a reasonable living from agriculture and are therefore forced to find work in urban centres (Roux, 2014).

A rise in population means more mouths to feed, more bodies to clothe and more accommodation or housing to be built. A rise in population therefore means increased pressure on basic resources such as food. The increased demand can only be adequately met if the increase in the population is accompanied by a corresponding increase in production of goods and services. An increase in population should imply a growing number of economically active people (factors of production). As the South African population is growing, our labour force is expanding. The question is whether the South African labour force has adequate skills and sufficient training to produce enough goods and services to meet the growing demands of the increasing population.

Currently the level of education and appropriate skills in South Africa is too low to generate the desired levels of growth for a sustained period (Roux, 2014:44). South Africa will be able to exploit our economic growth potential by successfully raising the level of education and skills in our country.

Human capital can be measured in terms of the Human Development Index (HDI) that includes the following dimensions:

- Living a long and healthy life (life expectancy)
- Being educated
- Having a decent standard of living (income)

The World Bank (1991) defines development as an increase in living standards, which refers to:

- Material consumption
- Education
- Health
- Environmental protection

5.1.2. Capital

The supply of capital in an economy increases when government and businesses (i.e. public and private sector) invest in goods such as machinery, equipment and factories. These goods are assets that are used to produce consumer goods and services. If capital goods increase, the economy's ability to produce products rises. Rising production translates to an increase in Gross Domestic Product (GDP), which in turn means economic growth.

Capital formation is measured by the annual rate of gross capital formation. There is therefore a correlation between gross capital formation and economic growth. Savings by households, government and businesses form a pool of savings known as gross domestic savings (GDS). Economic theory dictates that savings in an economy are channelled towards financing capital formation. Therefore, the acquisition of investment goods for any year is financed by the gross domestic savings for that year. Without adequate investment, an economy cannot grow to its full potential. Therefore, investment is an important engine of growth.

Typical sources of productivity include trade, import substitution and export led growth.

5.1.3. Land and natural resources

The primary sector (i.e. agriculture and mining) is greatly dependent on the availability of natural resources. South Africa is considered the mineral treasure house of the world, but the contribution of agriculture and mining (the primary sector) to the South African economy has been steadily declining over time. Although the primary sector plays a vital role in our economy, this role is diminishing over time and is unlikely to increase again in the years ahead (Roux, 2014:42).

5.2. *Economic Growth versus Economic Development*

Economic *growth* occurs by an increase in Gross Domestic Product (GDP) or Gross National Product (GNP). Therefore, economic growth means an increase in real per capita income. GDP per person is associated with the levels of poverty, and an increase in per capita income translates to lower levels of poverty.

Economic *development*, however, includes more than the limited objective of increased average income to include higher employment rates, improving the business climate, social development and infrastructure development. Economic *development* can be defined as economic growth plus improvement in human welfare as well as social and structural transformation.

Improvement in quality of life includes economic growth and improvement in human welfare. Economic growth can occur without economic development, but development without growth is unlikely. Economic growth is therefore a prerequisite for economic development.

Economic Development includes more than just economic growth and is measured in terms of:

- Life expectancy
- Educational attainment
- GDP per capita or GNP per capita

It is argued that to attain economic development, there must not only be growth in aggregate output, but also equitable distribution thereof (Nnadozie, 2003: 66). In some instances, economic growth can even exacerbate income inequalities and therefore may have adverse effects on certain vulnerable groups (Kuznets, 1955; Kanbur, 1997). While it is important for an increase in income to be equitably distributed, growth must first occur, because there must be resources to distribute before consideration can be given to how this distribution will take place (Dollar & Kraay, 2000).

Through creating employment and a nurturing economic climate, job creation and inequality can be addressed.

6. The principles of Local Economic Development

Local Economic Development (LED) has gained widespread acceptance across the world as a locality-based response to the challenges posed by globalisation, devolution and local-level opportunities and crises (Glasmeier, 2000). The South African national government recognises local government as key agents for change, and therefore specifically tasked them to respond to the developmental needs faced in their localities, with a specific focus on the poorest members of society (RSA, 1998).

LED strategies, as opposed to traditional development policies, empower local communities and generate local dialogue. Citizens, who previously had little or no control over economic activities in their territory, usually adopt a more proactive stance towards their own economic future. This leads to a general improvement in the quality and quantity of jobs because of the involvement of local stakeholders in the economic activity within their territory (Rodriguez-Pose, 2001).

A main driving force behind decentralisation is the fact that every city, area or community is unique. It has its own advantages and disadvantages, possesses certain assets that others do not have, or has the highest cost advantage. Competitive advantages are not simply strength and weaknesses which all communities have, but those characteristics of an area and its community which can be exploited for that community's benefit (VNG International, 2007).

Communities differ in their geographical, political and economic landscapes. Each community will therefore have a unique set of challenges and corresponding strategies to address this uniqueness and create better conditions for economic growth, poverty reduction and employment generation. A successful LED programme is based on basic principles such as the identification and exploitation of a community's natural endowments, the forging of public-private partnerships, and participatory decision-making and social dialogue.

LED is defined by Zaaier and Sara (1993) as “essentially a process in which local government and/or community-based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in an economic area.”

The involvement of local stakeholders in the process of developing their own territory is a prerequisite for sustainable growth. Creating a forum for social dialogue and participatory decision-making helps to build trust, encourages innovation and promotes the creation of social networks and activities, fostering social cohesion and decreasing the risk of conflict.

Decentralisation presents local leaders with the challenge to find innovative ways to respond to poverty, to encourage development, to provide infrastructure and to facilitate growth.

As a programme, LED is intended to maximise the economic potential of all municipal localities throughout the country, and to enhance the resilience of the macro-economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development.

LED has a dual nature in that both pro-growth and pro-poor interventions should occur in harmony to achieve inclusive economic development. LED is therefore characterised by both growth-orientation and welfarist orientation, also known as pro-poor, interventions (Rogerson, 2003).

A draft policy paper issued in 2000 lists defining criteria that form the basis of LED:

- To balance local economic strategies so that they achieve increased competitiveness, poverty alleviation and job creation
- To address service delivery demands, particularly where services have not reached the most vulnerable members of society, as well as severe affordability constraints
- To engage in more open, transparent and mutually respectful state-society relations
- To forge new and reformed inter-governmental relationships

The goals of LED tend to revolve around a set of common issues of job creation, empowerment, the pursuit of economic growth, community development, the restoration of economic vitality and diversification in areas subject to recession. Additionally, it involves establishing the locality as a vibrant, sustainable economic entity, often within a global context (World Bank, 2001).

Meyer-Stamer (2003) contends that LED should focus on markets and that competitive business and community development interventions should be used to deal with social problems.

South Africa's Department of Trade and Industry links LED firmly to mainstream economic development and to small business promotion in particular (Rogerson, 2002). South Africa's focus on small business development and poverty relief parallels international experience in terms of community-based LED. While LED must be focussed on development and growth, it also needs to be responsive to the needs of the poor. The official conception of LED in South Africa therefore accommodates elements of market-led and market-critical approaches towards LED.

The World Bank (2001; 2002) suggests the following ten issues as representative of the most important and frequent sets of LED interventions:

- Ensuring that the local investment climate is functional for local enterprises
- Supporting Small and Medium sized enterprises
- Encouraging new enterprises
- Attracting inward investment
- Investing in physical (hard) infrastructure by improving the built environment for businesses
- Investing in soft infrastructure including human resource development, institutional support, and regulatory issues
- Supporting the growth of business clusters
- Targeting particular geographical areas for regeneration of growth (i.e. spatial targeting)
- Supporting survivalist, primarily informal sector enterprise
- Targeting certain disadvantaged groups

The core concepts of LED therefore include partnership, economic sustainability, job creation and improvement of well-being, taking place at local or community level. LED initiatives can be constrained by a lack of available resources and a lack of private sector participation.

Direct applications of LED include issues of service delivery, public works, shelter provision, livelihood support, urban agriculture, and affirmative procurement. Tourism

is emerging as one of the most rapidly growing focus areas for the evolution of LED strategies in South Africa. The Department of Provincial and Local Government has identified the following as key principles underlying LED:

- Poverty and unemployment are the main challenges facing South Africa. LED strategies must prioritise job creation and poverty alleviation
- LED must target previously disadvantaged people, marginalised communities and geographical regions, black economic empowerment enterprises and SMMEs to allow them to participate fully in the economic life of the country
- There is no single approach to LED. Each locality may develop an approach that is best suited to its local context
- LED promotes local ownership, community involvement, local leadership and joint decision making
- LED involves local, national, and international partnerships between communities, businesses and government to solve problems, create joint business ventures and build local areas
- LED uses local resources and skills and maximises opportunities for development
- LED involves the integration of diverse economic initiatives in an all-inclusive approach to local development
- LED relies on flexible approaches to respond to changing circumstances at local, national and international level

LED is a means to achieve the effective mobilisation of local resources by encouraging investments with the highest rate of socio-economic return. Partnerships between private, public and non-profit stakeholders become crucial for a sustainable development process, allowing the convergence in investment programming between the different local role players, while supporting the legitimacy and sustainability of the development process.

LED initiatives can be constrained by a lack of available resources and a lack of private sector participation. In order for LED to be successfully implemented, the involvement of the local business community is essential. Partnership formation is critical to applied LED.

The basic benefits of LED according to the United Nations (2009) are:

- LED is a shared process in which local citizens from all sectors work together to stimulate local business, producing a resilient and sustainable economy. LED is a way to create decent jobs and improve the quality of life for everyone, including the poor and marginalised.
- LED encourages public, private, academic and civil societies to establish partnerships and together find local solutions to common economic problems. The LED process tries to empower local people to effectively use business enterprise, labour, capital, and other local resources to achieve goals that are of local importance (e.g. to reduce poverty, provide quality jobs and use municipal taxes to provide better services)
- LED is focussed on sustainable development in the long term. It takes time to change local conditions, build ability, organise shared processes and empower stakeholders such as the marginalised and the poor.
- Creating an LED strategy is a collaborative effort. It uses local values such as poverty reduction, increased self-reliance, satisfying basic human needs and integrated social and environmental goals, and combines these values with economic drivers such as growth in jobs, income and business-activity. It also considers development in the form of structural change for the benefit of all people in the community.

Benefits of LED also include creating vocational education opportunities, strengthening political leadership and stability at local and regional level, promoting economic opportunities in regions outside metropolitan districts, reducing poverty through SMME development, expanding employment opportunities at local level, strengthening the local tax base, creating healthy competition between local communities and preserving cultural heritage.

7. Regulatory Framework

7.1. Introduction

The Constitution of the Republic of South Africa (1996) determines how government works. There are three spheres of government: National government, Provincial government and Local (Municipal) government. These spheres are distinctive, interrelated and interdependent.



Figure 1: The three spheres of government

Various sections of legislation and policy form the foundation for LED in South Africa. Local Economic Development is prioritised by various National, Provincial and Local legislation, policies and strategies which provide a legal framework and guidelines for the implementation of LED.

The overarching role of local government is to create a platform and environment to engage stakeholders in implementing strategies and programmes. There is clear implication given by the Constitution (1996) and the National Framework for Local Economic Development that municipalities have a key role in creating a conducive environment for investment through provision of infrastructure and quality services, rather than by developing programmes and attempting to create jobs directly.

The following statutes are important for LED and must be adhered to.

7.2. National Level

7.2.1. The Constitution (1996)

The Constitution is the most supreme law of South Africa and sets out the rights and duties of its citizens. The Constitution defines the structures of government as well as their relationships with each other. Anything in contrast with the Constitution is unlawful and must be changed or set aside.

Section 152 of the Constitution outlines the objectives of local government. The Municipality is legally compelled to promote social and economic development in its area of jurisdiction.

7.2.2. The White Paper on Local Government (1998)

The White Paper on Local Government has been described as a “mini Constitution for local government.” It sets “the basis for a new developmental local government system, which is committed to working with citizens, groups and communities to create sustainable human settlements which provide for a decent quality of life and meet the social, economic and material needs of communities in a holistic way” (WPLG, 1998).

7.2.3. National Spatial Development Framework (2006)

The NSDP was developed to reform apartheid spatial relations and implementing spatial priorities in a manner that aligns with the Constitution. The NSDF sets out principles that enables and promotes Local Economic Development.

The NSDP will assists in bringing investment and growth in the area. It also provides a common reference point for the spheres of government to analyse and debate the comparative development potentials of localities in SA.

7.2.4. The Municipal Structures and Municipal Systems Acts (1998)(2000)

The Municipal Structures Act sets out the types and categories of Municipalities to be established as well as the functions and powers they possess.

The Municipal Systems Act sets out a framework to guide a municipality's performance through the development of a performance management system.

The purpose of the Act is to:

- Provide for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities.
- Provide for community participation.
- Establish a simple and enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change which underpin the notion of developmental local government.

7.2.5. National Framework for Local Economic Development (2006-2011)

"The National Framework for LED in South Africa aims to support the development of sustainable local economies through integrated government action. This government action is developmental and stimulates the heart of the economy which comprises those enterprises that operate in local municipal spaces." (NFLED, 2006-2011)

It states: "Local Government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities" (NFLED, 2006-2011)

The Municipality should administer policy, programmes and projects and be the main initiator of economic development programmes through public spending, regulatory powers and their promotion of industrial and small business development, social enterprises and co-operatives (Kayamandi, 2015).

7.2.6. New Growth Path (2010-2020)

The intention of the New Growth Path (NGP) is to increase growth, create employment and foster equity. The policy's principal objective is employment creation. This framework reflects government's obligation to prioritising employment creation in all economic sectors (Dataworld, 2016).

With this plan government attempts to create decent employment, sustainable livelihoods and eradicate poverty and income inequality to build an inclusive economy. It sets out the key jobs drivers and the priority sectors that must be focussed on.

Employment Drivers identified in the NGP:

- Infrastructure for employment and development: “Substantial public investment in infrastructure both to create employment directly, in construction, operation and maintenance as well as the production of inputs, and indirectly by improving efficiency across the economy.”
- Improving Job Creation in Economic Sectors: Targeting more labour-absorbing activities across the main economic sectors, namely the agricultural and mining value chains, manufacturing and services.
- Seizing the potential of New Economies: Taking advantage of new opportunities in the knowledge and green economies.
- Investing in Social Capital: Leveraging social capital in the social economy and the public services.
- Spatial Development: Fostering rural development and regional integration.
- The focus on the youth of South Africa as they are vulnerable.

7.2.7. Spatial Planning and Land Use Management Act (2013)

The Spatial Planning and Land Use Management Act provides a single national framework for spatial planning and land use management in South Africa. It seeks to promote consistency and uniformity in procedures and decision-making in this field. SPLUMA applies to the governance of how land is used.

Municipalities will exclusively be responsible for processing and dealing with land use applications and the appeals relating thereto. Therefore, Municipal Planning Tribunals should be established to decide on cases and deal with appeals. Although it is a national regulation, local authorities have the right to promulgate their own SPLUMA by-laws.

7.2.8. Comprehensive Rural Development Programme (CRDP) 2009

The CRDP's purpose is to mobilise and empower rural communities to take up initiatives aimed at controlling their own destiny, with the support of government. The CRDP addresses issues such as underdevelopment, hunger, poverty, joblessness, lack of basic services and other social problems as seen daily in rural areas.

The main purpose of the programme is on agricultural transformation and land reform as pillars of rural development, alongside infrastructure provision such as housing, energy, sanitation, schools, clinics, boreholes and water reticulation system in rural areas. It creates a platform for rural people to be effectively involved in their development.

7.3. Provincial Level

7.3.1. Western Cape Provincial Strategic Plan (2014-2019)

This policy has the vision of creating “an open-opportunity society for all.” The plan sets out strategic priorities that are aligned with the Constitution. The following is the strategic goals the plan aims to achieve:

- Create opportunities for growth and jobs
- Improve education outcomes and opportunities for youth development
- Increase wellness, safety and tackle social ills
- Enable a resilient, sustainable, quality and inclusive living environment
- Embed good governance and integrated service delivery through partnerships and spatial alignment

7.3.2. Provincial Spatial Development Framework (WCPSPDF) (2014)

This Framework is a forward planning document that indicates the long-term growth and development path of the municipality. It also co-ordinates the spatial implications of all the strategic sector plans of the municipality. It gives physical effect to the vision and goals of the IDP of the municipality and it informs land use management.

It identifies and spatially locates available resources as well as existing and planned infrastructural provision. Additionally, it spatially identifies where the key economic sectors will be best placed given their requirements.

7.3.3. Western Cape Province Growth and Development Strategy (Ikapa GDS) (2007)

Also called the Ikapa Growth and Development Strategy, this strategy aims to promote sustainable growth and development in the Western Cape. This strategy sets out a clear framework for accelerated and shared economic growth by advancing interventions that will assist the poor, whilst restoring ecosystems and resources essential to sustain shared economic growth within a coherent spatial development framework (Ikapa Growth and Development strategy, 2007).

This strategy is also aligned with the Constitution.

7.3.4. Western Cape Infrastructure Framework (2013)

It is not possible to achieve the eradication or halving of poverty and unemployment without significant improvement in the infrastructure which directly serves the economy.

This Framework is “intended to align the planning, delivery and management of infrastructure, provided by all stakeholders (national government, provincial government, local government, parastatals and the private sector), to the strategic agenda and vision for the province” (WCIF, 2013).

7.4. Local government level

7.4.1. By-laws

The Constitution (1996) gives specified powers and competencies to local government as set out in Part B of Schedule 4 and Part B of Schedule 5. One of these powers is that a municipality can create by-laws. By-laws are passed by the municipalities' councils to come into effect. They are created to regulate the affairs and the services

the municipality provides in its area of jurisdiction. By-laws regulate public order, public amenities or properties of the municipality, and ensure that the municipal area is safe and orderly.

7.4.2. Policies of the Municipality

The Constitution stipulates certain service provision standards. To achieve these standards, municipal policies are developed and implemented. Local government has the legislative and executive power to develop and implement policies. Various pieces of legislation require municipalities to develop and implement policies, such as a Local Economic Development Plan and Integrated Development Plan.

Policy differs from by-laws in that policy is wide-ranging and cannot easily be enforced; it does not enforce specific rights and obligations, but states goals and desirable states. It is therefore best to convert policy into legislation, which is then enforceable.

8. Municipality's Legislative Mandate

Sec 152 of Constitution (Act 108 of 1996) – (1) The objects of local government are:

- To provide democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development
- To promote a safe and healthy environment
- To encourage the involvement of communities and community organisations in the matters of local government

(2) A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).

Sec 153 of Constitution – A municipality must –

- (a) Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- (b) Participate in national and provincial development programmes

Sec 156 of Constitution – (1) A municipality has executive authority in respect of, and has the right to administer –

- (a) The local government matters listed in Part B of Schedule 4 and Part B of Schedule 5; and
 - (b) Any other matter assigned to it by national or provincial legislation
- (2) A municipality may make and administer by-laws for the effective administration of the matters it has the right to administer.
- (5) A municipality has the right to exercise any power concerning a matter reasonable necessary for, or incidental to, the effective performance of its functions.

Local government matters listed in Parts B of Schedules 4 and 5 include: (list not complete)

- Local tourism
- Municipal health services

- Municipal public transport
- Municipal public works
- Trading regulations
- Billboards and the display of advertisements in public places
- Cleansing
- Control of public nuisances
- Local amenities
- Local sport facilities
- Markets
- Municipal parks and recreation
- Municipal roads
- Public places
- Refuse removal, refuse dumps and solid waste disposal
- Street trading
- Traffic and parking

8.1. Policy, legislative and strategic framework: tourism (the interface between Local Government and the Tourism sector)

The Constitution in sec 125 (2)(b)-(c) identifies tourism as a functional area of concurrent national and provincial legislative competence in Part A of Schedule 4.

Local tourism is listed in **Part B of Schedule 4 of the Constitution** as one of the functional areas of local government – a local government competence.

The **Tourism White Paper of 1996** outlines the roles and responsibilities of the three spheres of government with regards to tourism development and promotion in South Africa.

Sec 73(1) of the **Local Government Municipal Systems Act (Act 32 of 2000)** places a general duty on a Municipality to “give effect to the provisions of the Constitution and – (b) promote the development of the local community

Chapter 5 of Act 32 of 2000 provides an overarching framework for integrated development planning in Municipalities. Integrated development plans (IDP) must be compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation. All sector plans (including Tourism) are integrated in the IDP in order to facilitate the achievement of integrated development in communities.

Tourism Act (Act 3 of 2014) aims to promote growth in and development of the tourism sector and enhance cooperation and coordination between all spheres of government in developing and managing tourism (sec 2(1) (d) and (e).

The National Development Plan (NDP), 2013 is the 2030 vision for the country. The NDP aims to improve employment, increase productivity and incomes as a way to ensure a long-term solution to achieve a reduction in inequality, an improvement in living standards and ensuring a dignified existence for all South Africans. **Tourism is recognised as one of the main drivers of employment and economic growth.**

The **New Growth Path (Economic Development Department, 2011)** recognises tourism as one of the key sectors (priority areas) that will be supported to create employment.

The National Tourism Sector Strategy (NTSS) 2016-2026 provides a blueprint for the tourism sector in the pursuit of growth targets in the New Growth Path. NTSS aims to ensure alignment between the private and public sector, focusses on the sensible use of resources and draws on pragmatic planning and prioritisation.

Tourism White Paper South Africa, DEAT 1996 confirmed that tourism in South Africa is “government led, private sector driven and community based.” It also informed that “Local government tourism represents the third sphere of public sector tourism.” Local government bears the responsibility for promoting and supporting local tourism products.

9. National, Provincial and Regional Planning Framework

The regional and local economic strategies adopted by municipalities have to be aligned with the national and provincial planning frameworks in order to ensure that development initiatives are aligned and cohesive. The National Development Plan (NDP) is a planning framework developed by national government with the objective of eliminating poverty and reduce inequality by 2030. The NDP outlines goals and objectives identified as important by national government. These goals and objectives should filter down from national level to provincial level and to local municipal level.

The NDP aims to address key challenges and develop the capabilities required for the South African economy to grow and raise the living standards for all, particularly the poor (NDP, 2012). Unemployment, the need for education, infrastructure, health services and public services are identified as priorities. The NDP highlights four important objectives believed to be crucial to achieving the desired growth objectives, namely: raising employment through faster economic growth; improving the quality of education, skills development and innovation; protection of natural resources; and building the capability of the state to play a developmental and transformative role.

The NDP shortlists key objectives and corresponding actions as follows:

Table 2: NDP objectives

<u>Objective</u>	<u>2012 level</u>	<u>Target for 2030</u>
1. Economy and Employment		
Unemployment rate	24.9%	14% by 2020 6% by 2030
Proportion of adults working (urban)	41%	61%
Proportion of adults working in rural areas	29%	40%
Labour force participation rate	54%	65%
Average annual GDP growth rate	-	5.4% p.a.
GDP per capita	R 50 000 (in 2010)	R 110 000

Proportion of national income earned by the bottom 40%	6%	10%
Export volume annual growth rate	-	6% p.a.
Increase in national savings as % of GDP	16%	25%
Level of gross fixed capital formation	17%	30%
Public sector fixed investment as % of GDP	-	10%

In order to achieve the above objectives, the NDP proposes the following actions:

- Reduce the cost of living for poor households
- Reduce the cost of doing business
- Achieve an acceptable standard of living for all
- Remove most pressing constraints on growth (investment, job creation)
- Attract offshore business services and build on advantage provided by telecommunications, banking and retail sectors in other countries
- Increase rail, water and energy infrastructure
- Structure a taxation regime that is fair, equitable and recognises the non-renewable nature of mineral resources
- Broaden the expanded public works programme to create employment
- Offer a tax incentive to employ young people
- Provide a subsidy to place matric graduates into jobs
- Reduce youth unemployment
- Expand the supply of high-level skills.

2. Economic Infrastructure

- 90% of people with access to the electricity grid by 2030
- Ensure that all people have access to clean, potable water and that there is enough water for agriculture and industry
- Ensure public transport that is user-friendly, less environmentally damaging, cheaper and integrated
- Competitively priced and widely available broadband
- Move to less carbon-intensive electricity production (renewable energy), including solar water heating
- Develop a strategy for water resource management
- Improve public transport infrastructure and systems
- Establish a national, regional and municipal fibre-optic network to provide the base for broadband access and attract private investment.

3. Environmental Sustainability and Resilience
• Absolute reduction in the total volume of waste disposed to landfill each year • Improved disaster preparedness for extreme climate events • Increased investment in new agricultural technologies, research and the development of strategies for the protection of rural livelihoods and the expansion of commercial agriculture • A regulatory framework for land use to ensure the conservation and restoration of protected areas • Municipal regulations to stimulate renewable energy, waste recycling and in retrofitting buildings. • All new buildings to meet the energy-efficiency criteria set out in South African National Standard 204 • Channel public investment into research, new agricultural technologies for commercial farming as well as for the development of adaption strategies and support services for small-scale rural farmers
4. Inclusive Rural Economy
• Create additional jobs in the agriculture, agro-processing and related sectors by 2030 • Maintain positive trade balance for primary and processed agricultural products • Improved infrastructure and service delivery to activate rural economies • Create tenure security for commercial farmers
5. Improving Education, Training and Innovation
• Prioritise early childhood development. Children should be well cared for from an early age • Ensure that all children have at least two years of pre-school education • By 2030 80%-90% of learners should complete twelve (12) years of schooling, with at least 80% successfully passing their exit exams • Provide learning opportunities through Community Education and Training Centres • Design and implement nutrition programmes for pregnant women and young children • Promote access to educational institutions and build capacity of FET colleges.
6. Health Care for All
• Increase average male and female life expectancy at birth to 70 years by 2030 • Reduce maternal, infant and child mortality • Reduce the prevalence of communicable chronic disease • Reduce injury, accidents and violence by 50% from 2010 levels by 2030

• Improve the availability of health personnel in the public sector and improve the quality of care in public facilities • Prevent and control epidemic burdens through deterring HIV/ AIDS and alcohol abuse.
7. Social Protection
• Address problems such as hunger, malnutrition and deficiencies that affect physical growth in children • Ensure access for all children to nutrition, health care and education • Provide income support to the unemployed through labour market initiatives such as public works programme, training and skills development • Mechanisms to foster self-employment • Create and support an effective social welfare system • Launch and support food security campaigns • Design and implement mechanisms to assist the unemployed to access the labour market.
8. Building safer communities
• Promote safety in all communities • Increase community participation in crime prevention and safety initiatives • Implement the National Rural Safety Strategy Plan in high-risk areas • Prevent and eradicate corruption.

(Adapted from: NDP, 2012)

The following important objectives are highlighted by the 2030 Vision of the NDP (2012):

- Access to high-quality basic services that enable people to be well-nourished, healthy and increasingly skilled;
- Rural economies are to be supported by agriculture, tourism and agro-processing (and where possible also mining and fisheries);
- Better integration of rural areas through land reform, job creation and poverty alleviation.

The main priorities of creating an Inclusive Rural Economy highlighted by the NDP are:

- Creating additional job opportunities
- Reducing water demand, energy usage and the generation of waste
- Producing renewable energy
- Improving service delivery

- Supporting small and micro farmers
- Improving and securing access and accommodation for people living in poverty
- Efficient use of land and existing services
- Identifying the developmental role of small towns
- Inclusion of women and youth in the rural economy
- Improving access and the quality of education and training
- Protection of the environment, heritage and culture

(Source: Rural Development Plan for Cape Winelands, 2016)

The New Growth Path (NGP, 2011) emphasises the importance of economic growth, employment creation, equity and a better life for all citizens. The NGP notes the important role of investment in infrastructure to drive employment creation.

Another national initiative that advocates the creation of vibrant, equitable and sustainable rural communities is the Comprehensive Rural Development Programme (CRDP). The CRDP also focuses on, among other things, redistribution of agricultural land, food security, the creation of business opportunities and expanding opportunities for rural women, youth, older persons and disabled persons living in rural communities.

The Agriculture Policy Action Plan (APAP) is aligned to the NDP and NGP and also strives to achieve the following outcomes of the Medium Term Strategic Framework (MTSF) (2014-2019):

- Decent employment through inclusive growth
- Comprehensive rural development and food security
- The protection and continuous enhancement of environmental assets and natural resources

9.1. Provincial Strategic goals

In addition to key National development objectives, each province, including the Western Cape Province, also highlights important provincial strategic goals. The Western Cape Provincial Strategic Plan (WCPSP) outlines the province's strategic priorities for 2014-2019. Economic priorities include, but are not limited to:

- Building an appropriately skilled workforce
- Prioritising Green Economy.

Priorities specifically relevant to rural development are tourism, agro-processing, increasing the quality of education in poorer communities, providing more economic opportunities for the youth and improving family support.

The Provincial Economic Review and Outlook (PERO) serves as a source of information to inform policy makers about key economic issues that impact planning, policy making and budgeting, thus enabling them to engage in evidence-based planning and budgeting practices.

- Provincial Strategic Goal 1: Create opportunities for growth and jobs;
- Provincial Strategic Goal 2: Improve education outcomes and opportunities for youth development;
- Provincial Strategic Goal 3: Increase wellness and safety and tackle social ills;
- Provincial Strategic Goal 4: Enable a resilient, sustainable, quality and inclusive living environment; and
- Provincial Strategic Goal 5: Embed good governance and integrated service delivery through partnerships and spatial alignment.

(Source: PERO, 2017)

From provincial level, key goals and objectives filter down to municipal level. The Cape Winelands District Draft Rural Development Plan (2016) offers a synthesis of the various strategic documents and stakeholder consultations, and outlines the key focus areas as follows:

- Enhance agriculture and rural development as a means to fight hunger and poverty;
- Linking rural areas to opportunities through services;
- Promote tourism by developing new and existing sites;
- Develop and promote SMMEs;
- Conserve and protect the natural environment;
- Build community capacity through training and skills development;
- Create jobs and reduce unemployment through economic growth;

- Linking rural population to opportunities;
- Attract new businesses and investments to revive the economies of small towns;
- Facilitate the establishment of rural enterprises and industries.

(Source: Draft Rural Development Plan, 2016)

Local Municipal objectives are outlined in an Integrated Development Plan (IDP) which is reviewed annually. An IDP acts as a tool to measure performance and track progress in order to enable municipalities to remain on track to reach their goals. It is this plan that guides and focuses the Municipality's attention on the development priorities as identified by the community and businesses.

9.2. Strategic goals as per Langeberg IDP 2017/2022

Langeberg Local Municipality's IDP was reviewed in 2017 in order to ensure its relevance for strategic planning. The IDP was adopted by council and serves as the Municipality's principle strategic plan.

Langeberg Local Municipality's Mission statement for 2017/2022: "(By) providing cost effective quality services to the Citizens, exercise good leadership, ensuring sound governance and financial management" underpins the following strategic goals:

1. Housing: Effective approach to integrated human settlements and improved living conditions of all households
2. Basic Service Delivery: Maintain infrastructure to provide basic services to all citizens
3. Local Economic Development: Create an enabling environment for economic growth and decent employment
4. An efficient, effective, responsive and accountable administration
5. Sound Financial Management: Adherence to all Laws and Regulations applicable to Local Government
6. Effective stakeholder engagements to promote civic education

Further to the above strategic goals, the guidelines presented by the National Development Plan, together with the 2017 State of the Province Address by Premier Helen Zille, such as economic inclusion of all, skills development, job creation, agri-processing, tourism, the energy economy and SMME's as potential contributors to the decreasing rural unemployment rate, will collectively be the key drivers to deliver on the strategic objectives of Langeberg Municipality.

10. Brief Background of Langeberg Local Municipality

The Langeberg Local Municipality, a Category B municipality, is situated in the Western Cape Province and is one of the five local municipalities located within the Cape Winelands District Municipality. The Langeberg Local Municipality has an area of 4 517.4 km² which accounts for approximately 20% of the total district area. The municipality lies east of the Stellenbosch Local Municipality and south of the Breedevalley Local Municipality.

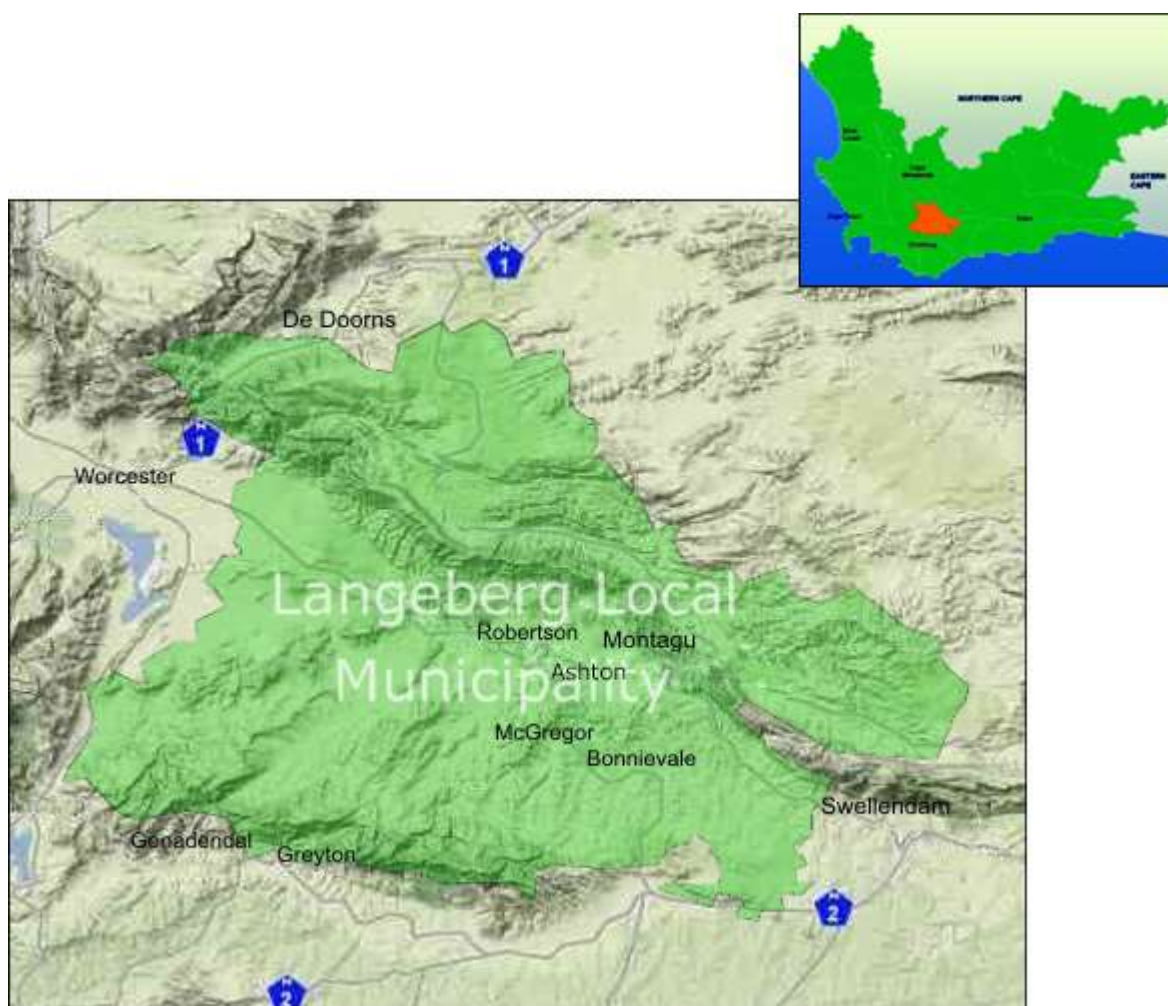


Figure 2: Map of Langeberg Municipal area

(Source: westerncape.gov.za)

It is a landlocked area between the Breede Valley Local Municipality in the north and west, and the Overberg District Municipality in the south and east. The Langeberg

Local Municipality is located in reasonably close proximity to the Cape Metro and its port, and is crossed by two national highways, the N1 and N2, which contributes towards the municipality's ability to connect with markets.

Major towns situated in the Langeberg Local Municipality include Ashton, Bonnievale, McGregor, Montagu and Robertson.

The area has three mountain ranges, the Riviersonderend, Langeberg and the Waboom ranges, which frame the Breede River valley and the Koo and Keisies River valley. The area consists mostly of extensive farming, natural veld and large game farms, and is renowned for its farming and tourism activities. The Langeberg area is one of the largest wine-producing regions in South Africa.

The well-known tourism route, Route 62, starts in Montagu and gives access to the Little Karoo. The scenic attractiveness of the Langeberg Local Municipality's rural environment is a major resource for the tourism industry. The area includes the R60 route that provides a linkage between the N1 intersection at Worcester and the N2 intersection at Swellendam. Distances between the major towns are relatively short.

Well-known agro-processing factories, such as Ashton Canning and the Parmalat Cheese factory in Bonnievale, are located within the municipality. In addition, there are several heritage resources, increasing the area's potential as an important tourist destination.

The Langeberg Local Municipality has the smallest population of all the municipalities in the Cape Winelands District Municipality, with 117 167 inhabitants.

The main economic sectors and main contributors to the total GGP are wholesale & retail, catering and accommodation, finance, insurance, real estate and business manufacturing, and agriculture, forestry and fishing (Quantec, 2017), contributing R4.484 billion to the Cape Winelands District's total R44.16 billion GDPR as at the end of 2015 (Langeberg Annual Report, 2016/2017).

Human Capital

This section of the report deals with the demographic and social profile of Langeberg Local Municipality. The people of the municipality are both the purpose of LED and a contributing factor to LED. This section therefore considers the factors that impact on the individuals who live in Langeberg. This includes their health, skills/ educational levels, poverty, living conditions and safety.



11. Human Capital (Labour)

The population of a region forms part of the ultimate objective of the development process, as well as being a factor in the process (DBSA, 2001). Labour, or Human Capital is the second economic factor of production. The demographic characteristics of an area have an influence on the socio-economic conditions and should therefore be taken into account for future planning.

The population (people who live in an area) is arguably one of the most important resources that drive the local economy. Both the quantity and the quality of the human capital in an area have an impact on economic growth and development. The quantity (size of the population) is important, because each resident can be viewed as a production factor who contributes to economic activity in an area. In addition, the size of the population has an impact on food, shelter, health care and other resources required.

In addition to the number of people, the health and welfare of the people are also important, because in order to be optimally productive, people need to be healthy, well-fed and generally taken care of. The needs of a population are also relevant to planning the support needed to provide for the basic needs of a community.

11.1. Demographic profile of Langeberg Local Municipality

11.1.1. Population size and growth

Population growth is useful for planning purposes in terms of projecting the needs of the population. Strong population growth indicates inward migration, which is indicative of job opportunities resulting from economic growth. Inversely, below average population growth indicates outward migration, which may be due to very slow or negative economic growth resulting in reduced job opportunities.

The population of the Langeberg Municipal area has grown between 2012 and 2017 as shown in the table below.

Table 3: Population per municipality Cape Winelands

Total population per Municipal area						
	2012	2013	2014	2015	2016	2017
Municipality						
Langeberg	103 496	106 599	108 789	113 542	115 175	117 167
Witzenberg	110 552	113 841	116 103	121 514	125 037	127 442
Stellenbosch	158 744	162 436	165 630	170 028	173 092	176 279
Breede Valley	176 104	180 185	183 157	189 739	193 369	196 743
Drakenstein	250 696	255 968	260 770	267 549	273 221	277 899
Cape Winelands	799 592	819 029	834 449	862 372	879 894	895 529

(Source: Quantec, 2017)

The Langeberg Local Municipality has maintained its position as the municipality with the lowest population in the Cape Winelands District between 2012 and 2017.

The population size and growth trends of all the municipalities relative to the district are shown in the figure below.

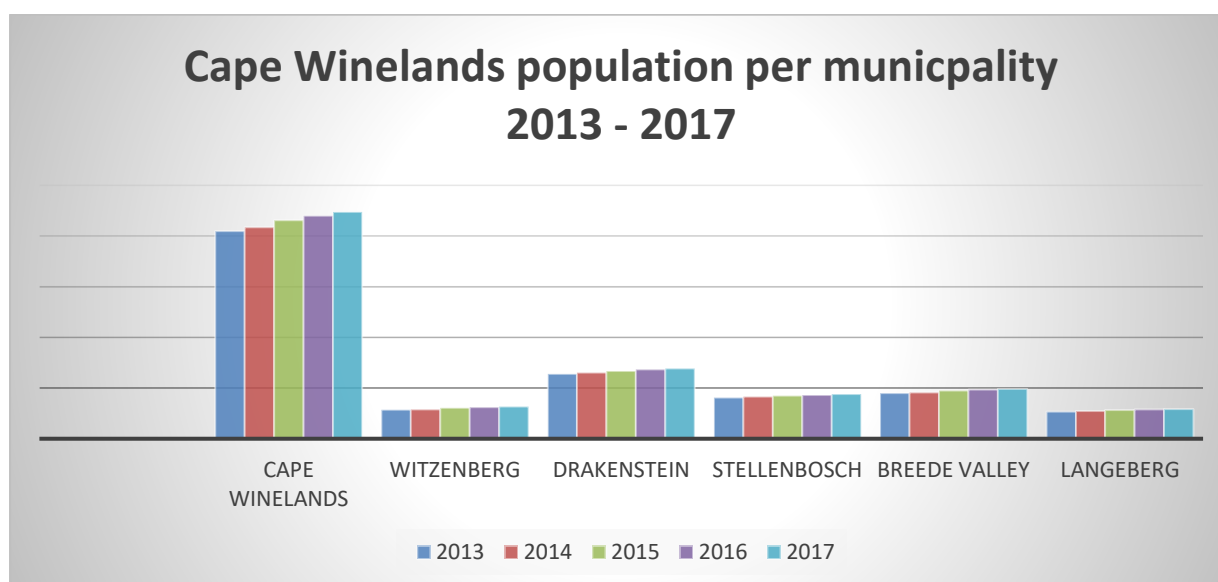


Figure 3: Cape Winelands population by municipality

(Source: Quantec, 2017)

The table below shows the population growth trend for South Africa, the Western Cape Province and each municipality in the Cape Winelands District. Nationally, there was

a steady increase in population between 2013 and 2017. Population in the Western Cape Province and Cape Winelands District have been following a similar growth trend when compared to the aggregate for South Africa, although the growth rate in the Cape Winelands District has slowed down over recent years.

Table 4: Percentage population growth per region

Region	Percentage Population growth (%)			
	2014-2015	2015-2016	2016-2017	Average
South Africa	1,55	1,59	1,68	1,60
Western Cape	2,09	2,11	2,17	2,12
Cape Winelands	3,35	2,03	1,78	2,38
Witzenberg	4,66	2,90	1,92	3,16
Drakenstein	2,60	2,12	1,71	2,14
Stellenbosch	2,66	1,80	1,84	2,10
Breede Valley	3,59	1,91	1,74	2,42
Langeberg	4,37	1,44	1,73	2,51

(Source: calculations based on population figures)

The Langeberg area had the second fastest average population growth rate between 2014 and 2016 of all municipalities in the Cape Winelands District at 2.51%. In contrast to South Africa and the Western Cape Province, the Cape Winelands District's population growth rate has been slowing down. There has been a marked reduction in the population growth rate for the Cape Winelands District from 2015, and the same trend applied to the Langeberg area. The population is still growing, but at a slower rate than the provincial average, albeit at a higher rate than the national average.

11.1.2. Number of households

The size of the population, and particularly the number of households, is an indication of the magnitude of the need for infrastructure and social services, housing, sanitation and health care. The number of households in the Cape Winelands District is illustrated in the table below.

Table 5: Number of households per municipal district

Number of households					
Municipal district	2013	2014	2015	2016	2017
Cape Winelands	205 750	209 576	216 430	220 747	224 293
Witzenberg	27 240	27 745	29 010	29 820	30 337
Drakenstein	60 531	61 643	63 203	64 510	65 493
Stellenbosch	45 374	46 180	47 29	48 075	48 754
Breede Valley	45 204	46 063	47 806	48 835	49 730
Langeberg	27 401	27 945	29 115	29 506	29 980

(Source: Quantec, 2017)

The number of households in the Langeberg area increased by 2 579 between 2013 and 2017. The Langeberg Municipal area has gone from having the second lowest number of households in the Cape Winelands District to the lowest number in 2017. The number of households in the Langeberg area made up 13.4% of the total number of households in the Cape Winelands District in 2017.

The percentage increase in number of households in each of the municipal areas between 2013 and 2017 was as follows:

Table 6: Percentage growth in the number of households

Municipality	% growth in number of households 2013-2017
Cape Winelands	9%
Witzenberg	11.4%
Drakenstein	8.2%
Stellenbosch	7.5%
Breede Valley	10%
Langeberg	9.4%

(Source: Quantec, 2017)

Between 2013 and 2017, the number of households in the Langeberg Municipal area increased by 9.4%, compared to an increase of 9% for the whole of the Cape Winelands District. The municipalities with lower populations are growing at a faster rate, because a similar increase in numbers has a greater impact in terms of percentage on a lower base. The Langeberg area experienced the smallest proportional increase in the number of households between the Breede Valley, Witzenberg and Langeberg Municipal areas.

11.1.3. Population composition

An age and gender pyramid displays gender and age composition of a region and gives a useful picture of the population characteristics. A smaller number of younger age groups suggest a constrictive (slow) growth profile. A large proportion of younger age groups are typical of an expansive (rapid growth) profile. A higher representation of males in a population may represent that there are migrant workers present.

The population characteristics in terms of age, gender and population group for the Langeberg local municipality were as follows (based on 2011 census):

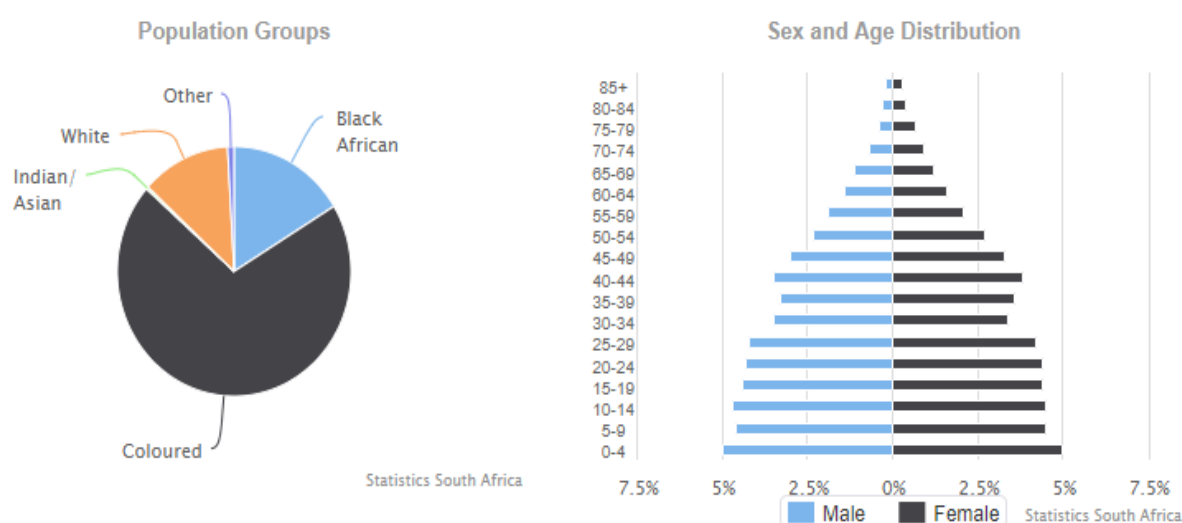


Figure 4: Langeberg population composition

(Source: Statistics South Africa, 2017 – based on Census 2011)

The Langeberg Municipal area had a high proportion of young, working-age people in 2011, which is typical of an expansive growth profile.

11.1.4. Dependency ratio

The dependency ratio measures the number of persons on average dependent on every working person in a region, i.e. the number of people supported by each economically active person. The lower the dependency ratio, the better, because it means that fewer people are reliant on a single job opportunity and the community is therefore less vulnerable to shifts in the economy. It also means that the income of

one job opportunity has to feed fewer mouths, and is therefore not so thinly distributed as it would be if the dependency ratio was higher.

The Cape Winelands District has a significantly lower dependency ratio than the average for South Africa as is illustrated in the table below.

Table 7: Dependency ratio per area

Dependency ratios					
Year	2013	2014	2015	2016	2017
Geography					
Total: South Africa	53	53	53	53	53
Cape Winelands	45	45	44	44	44
Witzenberg	45	45	43	43	43
Drakenstein	46	46	45	45	45
Stellenbosch	38	38	38	38	38
Breede Valley	48	48	47	47	47
Langeberg	49	49	47	48	48

(Source: Quantec, 2017)

The Langeberg Local Municipality has a higher dependency ratio (48) than the district average (44) and also the highest dependency ratio in the Cape Winelands District. This means that, on average, fewer people per household are employed in the Langeberg area than in other areas in the district.

11.1.5. Human Development

Human development is measured in terms of three dimensions of human development, namely:

- living a long and healthy life (expressed as life expectancy);
- being educated (measured in terms of adult literacy rates and gross enrolment); and
- having a decent standard of living (in terms of income or purchasing power).

Human Development Index (HDI) scores can be classified as follows:

- Very high: 0.8 or above
- High: above 0.7
- Medium: 0.55 to 0.69
- Low: below 0.54

South Africa's HDI in 2015 was 0.67, putting the country in the medium range.

Between 2011 and 2016, all local municipalities in the Cape Winelands District increased their HDI score, as can be seen in the figure below.

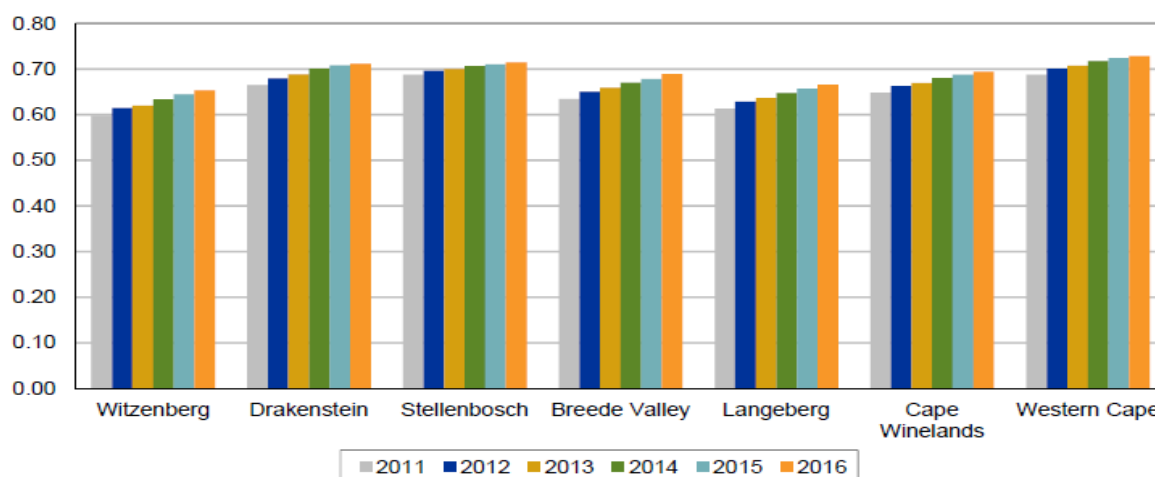


Figure 5: Human Development Index for Cape Winelands

(Source: MERO, 2017)

The top performers in the Cape Winelands District in terms of HDI were Stellenbosch at 0.72 and Drakenstein at 0.71, while Witzenberg scored the lowest in the district at 0.66 in 2016. The HDI for Langeberg was 0.67 in 2015, and remained constant between 2015 and 2016. Langeberg's HDI is on par with the national average, but is below that of the province and the Cape Winelands District. This means that Langeberg lags behind the rest of the district in terms of health, education, income, or any combination of these factors. Each factor is considered in turn below.

11.1.6. Health

The health status of a region remains a vital dimension of the welfare of a community. Improving the health status of the population has important benefits, as poor health can affect people's ability to be productive and earn an income. Poor health therefore

threatens the ability of people to escape the poverty cycle. Curative treatment costs far more than preventing illness.

The NDP targets a life expectancy at birth of 70 years by 2030. Life expectancy at birth in South Africa compared to the global average is displayed in the table below.

Table 8: Life expectancy at birth, SA vs World average

Life expectancy at birth, total (years)						
	2010	2011	2012	2013	2014	2015
World	70,7	71	71,2	71,5	71,7	71,9
South Africa	55,9	57,2	58,5	59,8	61	62

(Adapted from Quantec, 2017)

South Africa lags behind the world average, but life expectancy in South Africa has been increasing at a faster rate than the worldwide average. The figure below indicates a gradual increase in life expectancy at birth globally as well as nationally. Although at a lower level, South Africa was closing the gap between national and global life expectancy between 2010 and 2015.

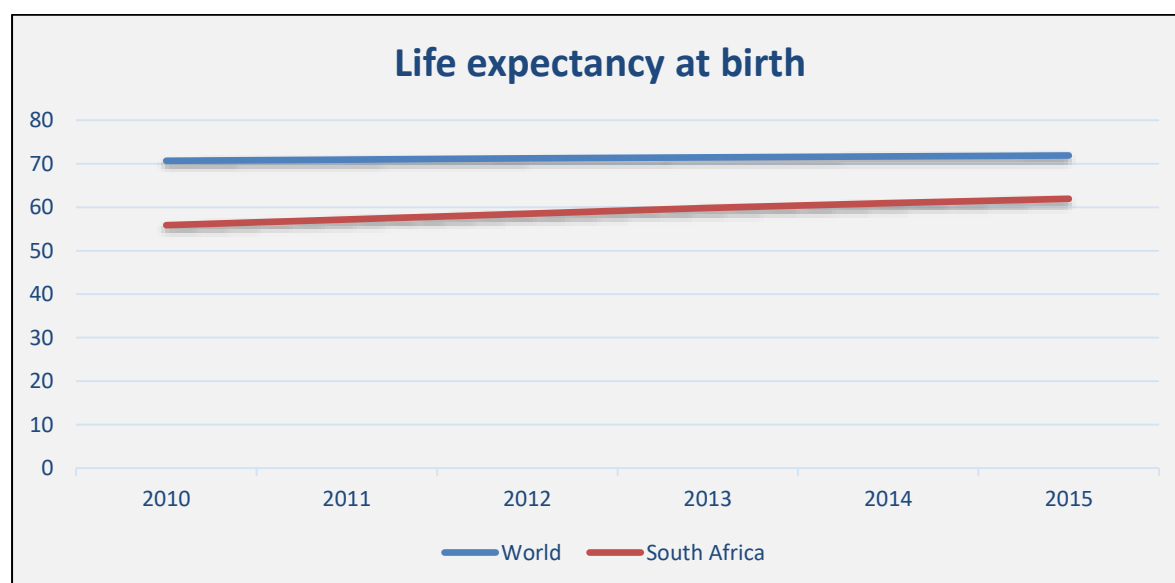


Figure 6: Increase in Life Expectancy at birth

(Source: Quantec, 2017)

Being HIV positive puts an individual at higher risk of becoming ill. The HIV infection rate and AIDS-related death rate per area is depicted in the table below.

Table 9: HIV infection rate and AIDS-related mortality rate

Geography	% of total population HIV positive	AIDS-related deaths (% of total population)
South Africa	11,80	0,42
Western Cape	6,34	0,22
Cape Winelands	5,25	0,18
Witzenberg	5,81	0,20
Drakenstein	5,07	0,18
Stellenbosch	5,75	0,20
Breede Valley	5,25	0,19
Langeberg	4.29	0.15

(Source: own calculations from Quantec data, 2017)

The HIV infection rate and AIDS mortality rate in the Cape Winelands District were below the national and provincial averages in 2017. The Langeberg Municipal area had the lowest HIV infection rate in the Cape Winelands district with 4.29% of the total population known to be HIV positive in 2017. In addition, the Langeberg area also had the lowest percentage of AIDS-related deaths in the district.

HIV was spreading slower in the Langeberg area in 2015 than on average in the Cape Winelands District. The Mother-to-child HIV transmission rate in the Langeberg area is 0% compared to the average of 1.7% for the Cape Winelands district.

Table 10: HIV Antiretroviral treatment Langeberg and Cape Winelands (2015)

Health Indicator	Langeberg	Cape Winelands
Total registered patients receiving ART	1 858	19 615
No of new ART patients	621	5 445
Mother to child Transmission Rate	0%	1.7%

(Source: Langeberg SEP, 2015)

The number of patients receiving treatment for Tuberculosis (TB) decreased slightly from 2013 to 2014, but increased again between 2014 and 2015. In 2015, 1 039

patients were receiving TB treatment from 16 clinics or treatment sites in the Langeberg area (Langeberg SEP, 2015).

Reducing child mortality is another priority targeted in the NDP. Child mortality (death of children under four years of age) in the Cape Winelands District has declined slightly from 2.65% in 2013 to 2.35% in 2017 as shown in the table below.

Table 11: Child (under 4 years) mortality rate Cape Winelands

	2013	2014	2015	2016	2017
South Africa	5,47%	5,31%	5,20%	5,09%	5,10%
Western Cape	2,83%	2,74%	2,65%	2,56%	2,55%
Cape Winelands	2,65%	2,55%	2,46%	2,37%	2,35%
Witzenberg	2,58%	2,48%	2,39%	2,30%	2,27%
Drakenstein	2,65%	2,55%	2,46%	2,37%	2,35%
Stellenbosch	2,76%	2,66%	2,57%	2,49%	2,47%
Breede Valley	2,66%	2,56%	2,47%	2,38%	2,36%
Langeberg	2,54%	2,43%	2,34%	2,25%	2,23%

(Source: Quantec, 2017)

The child mortality rate in the Cape Winelands District was well below the national average of 5.10% in 2017. Stellenbosch had the highest child mortality rate at 2.47% in 2017, and Langeberg the lowest at 2.23% in the Cape Winelands District. Langeberg managed to maintain the lowest child mortality rate in the district since 2013.

Langeberg had a marginally lower incidence of child malnutrition than the district average in 2015. Langeberg also had lower average immunisation rates than the district in 2015, which means that a small percentage of children under the age of one year were protected against avoidable diseases.

Table 12: Child health: Immunisation and malnutrition

Health Indicator	Langeberg		Cape Winelands	
	2015	2016	2015	2016
Full Immunisation cover under 1 year	73%	53.2%	79%	69.2%
Malnutrition in children under 5 years (per 100 000 children)	2.62	2.8	2.94	3.9

(Source: Langeberg IDP, 2017)

Immunisation is important to maintain good health. The full immunisation coverage in the Langeberg Local Municipality falls short of the average for the district and should be increased as a priority. It is concerning that the immunisation cover in Langeberg showed a significant decrease between 2015 and 2016.

Malnutrition (children under five years) in the Langeberg area was lower than that of the Cape Winelands District but increased between 2015 and 2016. Proper nutrition is essential for good health and development and may have a life-long effect on an individual. Eradication of malnutrition should therefore be prioritised.

Maternal mortality is measured as maternal deaths per 100 000 live births and none were recorded in Langeberg in 2015.

Table 13: Maternal health Langeberg and Cape Winelands 2015

Health Indicator	Langeberg	Cape Winelands
Maternal Mortality Ratio	0	20.8
Delivery Rate to Women under 18 years	9.8%	7.3%%
Termination of Pregnancy Rate	0.0	0.7

(Source: Langeberg SEP, 2015)

Langeberg recorded a higher delivery rate to women under 18 years than in the district on average for 2015. Teenage mothers and maternal mortality has an impact on infant

care, while teenage pregnancy may also reduce the mother's ability to further her education.

In South Africa, health care is provided in three tiers, namely primary, secondary and tertiary health care facilities. Progression from the one tier to the next works on a referral system. All people have the right to basic health care, and the accessibility of such health care is often dependent on the number and geographical spread of primary health care facilities in the area.

Table 14: Number of health care facilities in Cape Winelands and Langeberg in 2016

Facilities	Cape Winelands DM			Langeberg LM		
	Number	Persons facility	Per	Number	Persons Facility	Per
District hospitals	4	215 593		2	56 771	
Fixed clinics	44	19 599		8	14 193	
Community day centres	6	143 728		0	-	
Mobile/satellite clinics	34	25 364		6	18 924	

(Source: own calculations using 2015 population figures)

The number of persons per facility, i.e. the number of citizens that each facility has to service, is lower in the Langeberg Local Municipal area than the average per facility for the Cape Winelands District. Langeberg has a slightly higher number of operational ambulances per 10 000 people (0.78) compared to that of the Cape Winelands.

The Langeberg Municipal district is therefore relatively well-serviced in terms of health care facilities.

11.1.7. Education

Having an education expands the range of options open to an individual, thereby creating opportunities to live a fulfilling life. Education satisfies the basic human need for knowledge and skills.

Important indicators of the education and skills provision in a population include literacy rate, teacher-pupil ratio, classroom-pupil ratio and the extent of training received by individuals. Low educational levels mean that the productivity of labour is lower than what it could be.

The table below outlines learner enrolment, drop-out rate, learner-teacher ratios and the matric pass rate per municipality in the Cape Winelands District for 2016.

Table 15: Learner enrolment and matric pass rates Cape Winelands, 2016

Municipality	Learner enrolment 2016	Grade dropout rate	12	Learner-teacher ratio	Number PO schools March 2016	Proportion no-fee schools March 2016	Number of schools with Libraries 2016	Matric pass rate 2016 %
Breede Valley	32 558	32.7		37.47	58	77.59	33	84.2
Drakenstein	47 601	26.0		36.45	68	67.65	49	86.7
Langeberg	17 838	46.8		40.54	55	87.27	21	85.7
Stellenbosch	26 085	23.0		32.36	39	64.10	29	86.9
Witzenberg	18 048	35.5		34.57	54	83.33	14	74.5

(Source: MERO, 2017)

All municipal areas, with the exception of Witzenberg, in 2016 already surpassed the NDP target of 80% matric pass rate by 2030. Langeberg had a matric pass rate of 85.7% in 2016. Langeberg suffered the highest drop-out rate and also had the highest learner-teacher ratio in the Cape Winelands district.

The education levels per municipality in the Cape Winelands District in the table below show that a significant proportion of the population is inadequately educated.

Table 16: Education levels in the Cape Winelands district

Education levels	Cape Winelands		Witzenberg		Drakenstein		Stellenbosch		Breede Valley		Langeberg	
	Number	% of total adult population	Number	% of total adult population	Number	% of total adult population	Number	% of total adult population	Number	% of total adult population	Number	% of total adult population
No schooling	57 353	7.6	10 223	8.8	16 680	6.9	8 684	6.2	13 199	8.3	8 585	9.0
Some primary	165 388	22.0	30 001	25.7	48 163	20.0	27 358	19.6	34 594	21.8	25 324	26.6
Complete primary	55 114	7.3	10 230	8.8	16 309	6.8	9 239	6.6	11 486	7.2	7 866	8.3
Some secondary	269 344	35.8	44 325	38.0	85 533	35.5	46 808	33.5	59 442	37.4	33 367	35.0
Grade 12/ Std 10	145 051	19.3	17 115	14.7	53 128	22.0	28 741	20.6	30 407	19.1	15 774	16.6
Higher	59 150	7.9	4 873	4.2	21 139	8.8	19 007	13.6	9 838	6.2	4 356	4.6
Total	751 401	100	116 767	100	240 952	100	139 837	100	158 967	100	95 272	100

(Source: MERO, 2017)

In 2017 9% of people aged 20 years and older in the Langeberg area had no formal education at all and 26.6% only had some primary school education. In the Langeberg Municipal area only 16.6% of adults had a matric certificate and 4.6% a higher qualification. This means that in 2017 78.8% of adults in the Langeberg area did not have matric and were becoming more unemployable in an economic environment where manual labour is becoming less important, whilst appropriate skills are becoming increasingly more important (Roux, 2014:63). The primary sectors that traditionally absorbed low-skilled labour are declining. In addition, it is very difficult to teach people skills if they do not have a solid educational background. For example, teaching someone computer skills if they cannot read and write fluently poses a great challenge.

The figure below illustrates the number of adults with matric or higher per municipality in the Cape Winelands District between 2011 and 2017.

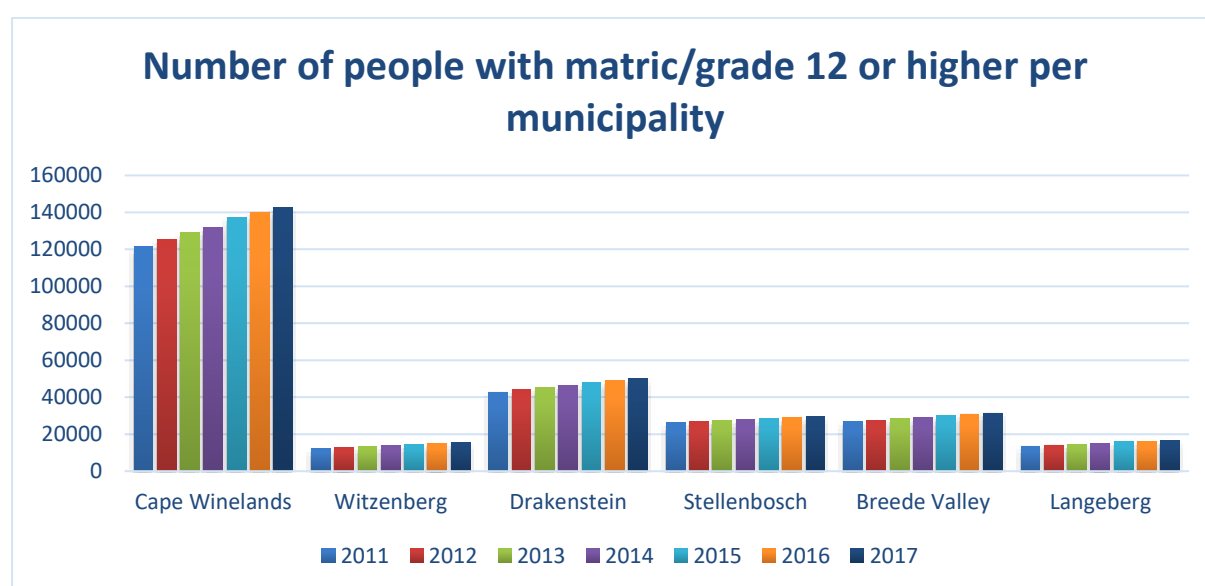


Figure 7: Number of people with matric per municipality

(Source: Quantec, 2017)

In terms of educational levels at local municipal level, Witzenberg and Langeberg have the lowest educational levels and Stellenbosch the highest, which is probably attributable to the University being located in Stellenbosch.

Although not out of line with the national trend, educational levels in the Cape Winelands District are alarming and a cause of great concern for future job creation

and poverty alleviation efforts. Solving the current educational crisis in South Africa is likely to take more than ten years and requires urgent attention at national level. Poor education levels result in poor productivity that, in turn, leads to slow economic growth. This means that there are less resources to invest in human capital, which further exacerbates the problem of poor education. It is a vicious circle that needs to be addressed through improved educational levels and stronger economic growth.

11.1.8. Income

Household income is one of the most important determinants of social welfare in a region. The ability of the population to meet their basic needs such as food, clothing, shelter and basic amenities is largely determined by the level of income of households.

Gross National Income per capita is the total national gross income divided between the number of people. The GNI per capita for the Cape Winelands District, South Africa and the Western Cape are depicted in the figure below.

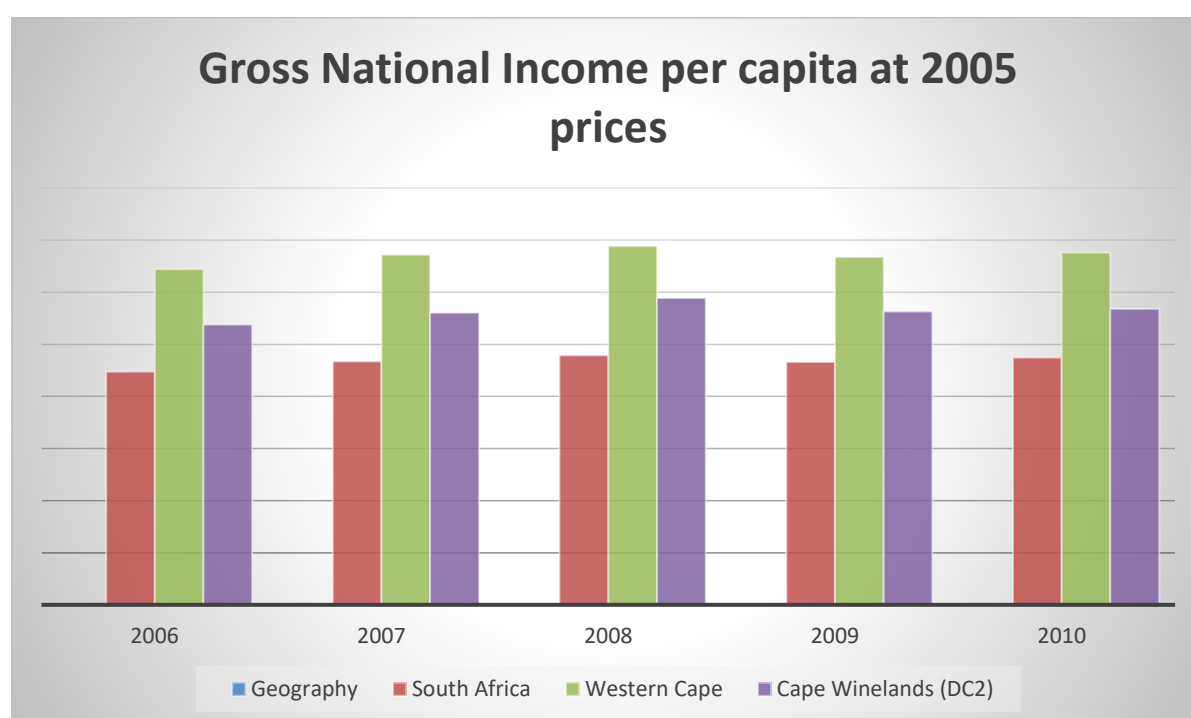


Figure 8: GNI per capital Cape Winelands 2006 - 2010

(Source: Quantec, 2017)

Although the Cape Winelands District lags behind the Western Cape average in terms of GNI per capita, it performed better than the national aggregate between 2006 and 2010.

Household income in Langeberg in 2016:

Table 17 Household Income in Cape Winelands and Langeberg:

Amount (2016)	Cape Winelands District	Langeberg	
No income	13.1	10.0	Low income
R1 – R6 327	1.9	2.5	
R6 328 – R12 653	3.5	4.3	
R12 654 – R25 306	13.4	15.8	
R25 307 – R50 613	20.1	24.3	
R50 614 – R101 225	18.4	19.8	Middle Income
R101 226 – R202 450	12.3	10.8	
R202 451 – R404 901	8.8	7.3	
R404 902 – R809 802	5.7	3.6	High income
R809 803 – R1 619 604	2.0	1.0	
R1 619 605 – R3 239 208	0.5	0.2	
R3 239 209 or more	0.4	0.2	

(Source: Langeberg IDP, 2017)

With 56.9% of the households falling within the lower-income bracket, a higher proportion of households in the Langeberg area fall within the low-income bracket than the average for the district. Langeberg has a proportion of 37.9% households in the middle-income bracket and only 5% in the high-income bracket.

Poverty is defined as the inability to attain a minimal standard of living. Poverty can be measured by means of the “Human Poverty Index” or as a percentage of the population living below the poverty line. According to the Poverty Trends report released by Statistics SA (2017), poverty is increasing in South Africa. The report notes that children, women, black Africans, people living in rural areas and those with little or no education are most affected by poverty.

The table below shows inflation-adjusted poverty lines, from 2006 to 2017 (per person per month in rands):

Table 18: Inflation-adjusted poverty lines per person per month in rands (2006-2017)

Year*	Food poverty line (FPL)	Lower-bound poverty line (LBPL)	Upper-bound poverty line (UBPL)
2006	219	370	575
2007	237	396	613
2008	274	447	682
2009	318	456	709
2010	320	466	733
2011	335	501	779
2012	366	541	834
2013	386	572	883
2014	417	613	942
2015 (April)	441	647	992
2016 (April)	498	714	1 077
2017 (April)	531	758	1 138

(Source: Stats SA, 2017)

The South African multi-dimensional poverty index (SAMPI) was developed considering which variables capture deprivation in pre-determined dimensions. The dimensions that were found to be the most suitable indicators of multi-dimensional poverty are outlined in the table below.

Table 19: Indicators of multidimensional poverty

Dimension	Indicator	Deprivation cut-off
Health	Child mortality	If any child under the age of 5 has died in the past 12 months
Education	Years of schooling	If no household member aged 15 or older has completed 5 years of schooling
	School attendance	If any school-aged child (aged 7 to 15) is out of school
Standard of living	Fuel for lighting	If household is using paraffin/candles/nothing/other
	Fuel for heating	If household is using paraffin/wood/coal/dung/other/none
	Fuel for cooking	If household is using paraffin/wood/coal/dung/other/none
	Water access	If no piped water in dwelling or on stand
	Sanitation type	If not a flush toilet
	Dwelling type	If an informal shack/traditional dwelling/caravan/tent/other
	Asset ownership	If household does not own more than one of radio, television, telephone or refrigerator and does not own a car
Economic activity	Unemployment	If all adults (aged 15 to 64) in the household are unemployed

(Source: Statistics South Africa, 2014)

The table below compares the poverty headcount (percentage of households classified as multi-dimensionally poor) and intensity of poverty (the average proportion

of indicators in which poor households are deprived) between 2011 and 2016 per municipality.

Table 20: Poverty headcount and intensity 2011 vs 2016 per municipality

District/ Local Municipality	Poverty			
	2011		2016	
	Poverty headcount	Intensity of poverty	Poverty headcount	Intensity of poverty
Western Cape	3.6%	42.6%	2.7%	40.1%
Cape Winelands	2.5%	42.0%	3.1%	41.3%
Witzenberg	1.8%	40.6%	2.5%	40.8%
Drakenstein	2.1%	42.5%	2.5%	42.7%
Stellenbosch	3.8%	42.1%	6.1%	39.8%
Breede Valley	2.8%	41.8%	2.4%	44.3%
Langeberg	1.7%	42.4%	1.0%	39.8%

(Source: Stats SA, 2016)

The poverty headcount for the Langeberg Municipal area in 2011 was 1.7% (the lowest in the district) and the intensity of poverty was at 42.4%. The poverty headcount decreased to 1% in 2016 and the intensity of poverty declined to 39.8%. Langeberg was the only municipality in the district that managed to reduce both the poverty headcount and the intensity of poverty between 2011 and 2016.

Unemployment means a lack of income and therefore the absence of the means to fulfil one's basic needs. Unemployment is one of the dimensions of multi-dimensional poverty and often a contributing factor to the other dimensions of poverty.

The table below outlines unemployment rates in South Africa and the municipalities in the Cape Winelands District.

Table 21: Unemployment rate (percentage) per municipality

Unemployment rate (Percentage)

Date		2012	2013	2014	2015	2016
Geography						
Total: South Africa		24,85	24,62	24,91	25,19	26,55
Cape Winelands		10,38	10,05	10,28	9,94	10,68
Witzenberg		7,15	6,83	6,97	6,57	6,98
Drakenstein		13,28	12,98	13,28	13,05	13,94
Stellenbosch		10,19	9,94	10,19	10,08	10,92
Breede Valley		10,64	10,27	10,50	10,03	10,75
Langeberg		6,98	6,65	6,80	6,37	6,99

(Source: Quantec, 2017)

The unemployment rate in the Langeberg area was the lowest in the Cape Winelands District between 2012 and 2015, consistently being below 7%. However, in 2016 Witzenberg's unemployment rate dropped to slightly below Langeberg's level of 6.99%.

According to the World Bank (1991), development entails a sustainable increase in living standards that include:

- material consumption;
- education;
- health; and
- environmental protection.

Environmental protection includes access to facilities such as shelter, water and electricity and protection from crime. People who enjoy a higher level of environmental protection are more likely to be economically productive, thereby stimulating economic growth and initiating a virtuous cycle of increased productivity and prosperity.

The table below provides a comparative outline of types and number of dwellings in the Cape Winelands district in 2017.

Table 22: Dwelling type by municipal area 2017

Dwelling type	Cape Winelands		Witzenberg		Drakenstein		Stellenbosch		Breede Valley		Langeberg	
	Number	% of total	Number	% of total	Number	% of total	Number	% of total	Number	% of total	Number	% of total
House or brick structure on a separate stand or yard	154 653	68.5	24 513	78.1	48 225	70.6	28 423	57.4	29 603	61.1	23 927	84.5
Traditional dwelling/hut/structure made of traditional materials	1 144	0.5	214	0.7	305	0.4	244	0.5	312	0.6	87	0.3
Flat in a block of flats	12 769	5.7	402	1.3	4 374	6.4	4 829	9.8	2 768	5.7	401	1.4
Town/cluster/semi-detached house (simplex, duplex or triplex)	14 081	6.2	1 956	6.2	4 408	6.5	3 251	6.6	3 687	7.6	973	3.4
House/flat/room, in backyard	2 689	1.2	177	0.6	1 004	1.5	463	0.9	789	1.6	272	1.0
Informal dwelling/shack, in backyard	14 504	6.4	1 213	3.9	5 439	8.0	3 055	6.2	2 967	6.1	1 894	6.7
Informal dwelling/shack, NOT in backyard, e.g. in an informal/squatter settlement	23 922	10.6	2 668	8.5	3 696	5.4	9 441	19.1	7 661	15.8	607	2.1
Room/flatlet not in backyard but on a shared property	1 455	0.6	178	0.6	635	0.9	304	0.6	278	0.6	70	0.2
Other/ unspecified/ N/A	2 048	0.9	332	1.1	539	0.8	452	0.9	592	1.2	227	0.8
Total	225 909	100	31 390	100	68 284	100	49 483	100	48 445	100	28 316	100

The types of dwelling can also be graphically displayed as in the figure below.

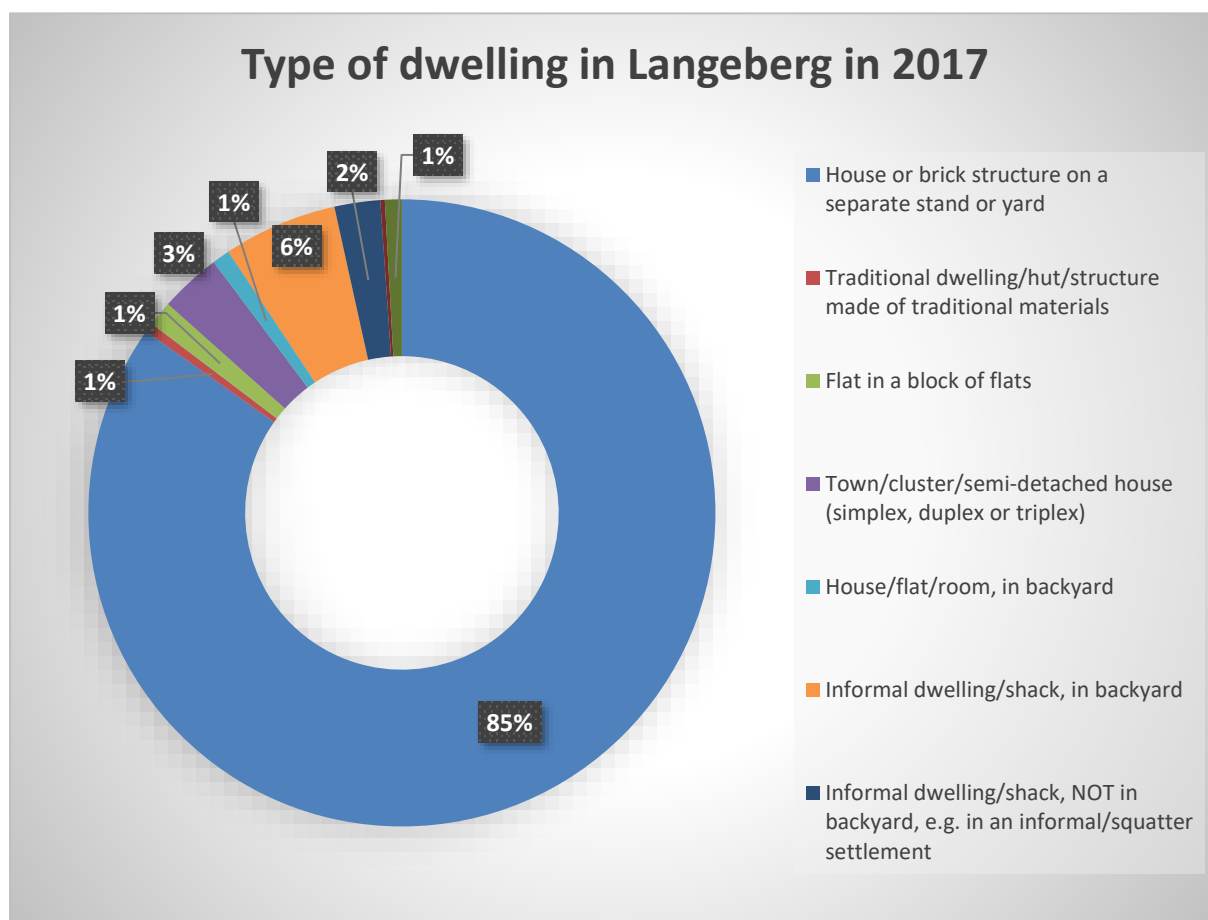


Figure 9: Dwelling types Langeberg in 2017

(Source: Quantec, 2017 – numbers rounded)

The vast majority (85%) of households in the Langeberg municipal area live in a brick structure on a separate stand and 8.8% of households live in informal dwellings or shacks. A higher percentage of households live in formal structures in the Langeberg area than the average for the Winelands district.

The NDP targets 90% of South Africans to have access to the electricity grid by 2030.

Electricity was the energy source for lighting in 94% of households in the Langeberg area in 2017, and the district therefore already surpassed the national target set for 2030 by the NDP.

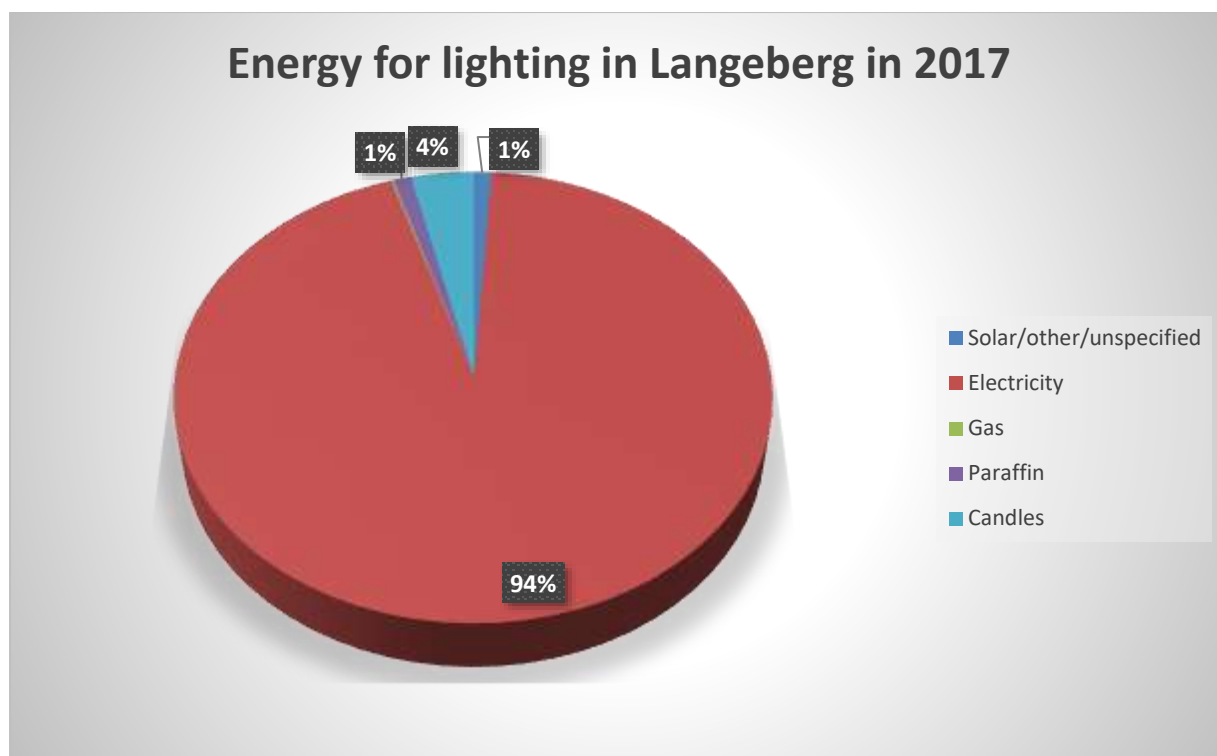


Figure 10: Energy source for lighting in Langeberg in 2017

(Source: Quantec, 2017)

The majority of residents (82%) in the Langeberg area had access to a phone inside the dwelling, with 17% reporting “other” or not having any phone access in 2017.

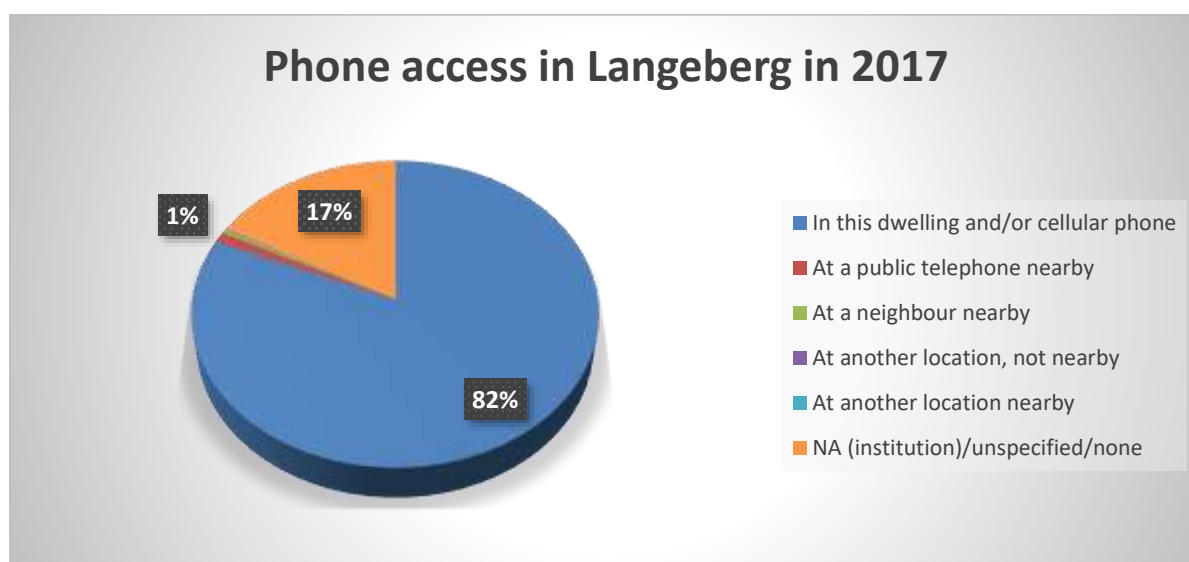


Figure 11: Access to a phone Langeberg in 2017

(Source: Quantec, 2017)

Sanitation, including access to toilets and ablution facilities, is important for health and human dignity. The percentage of households with access to different types of toilets at their dwellings are depicted in the figure below.

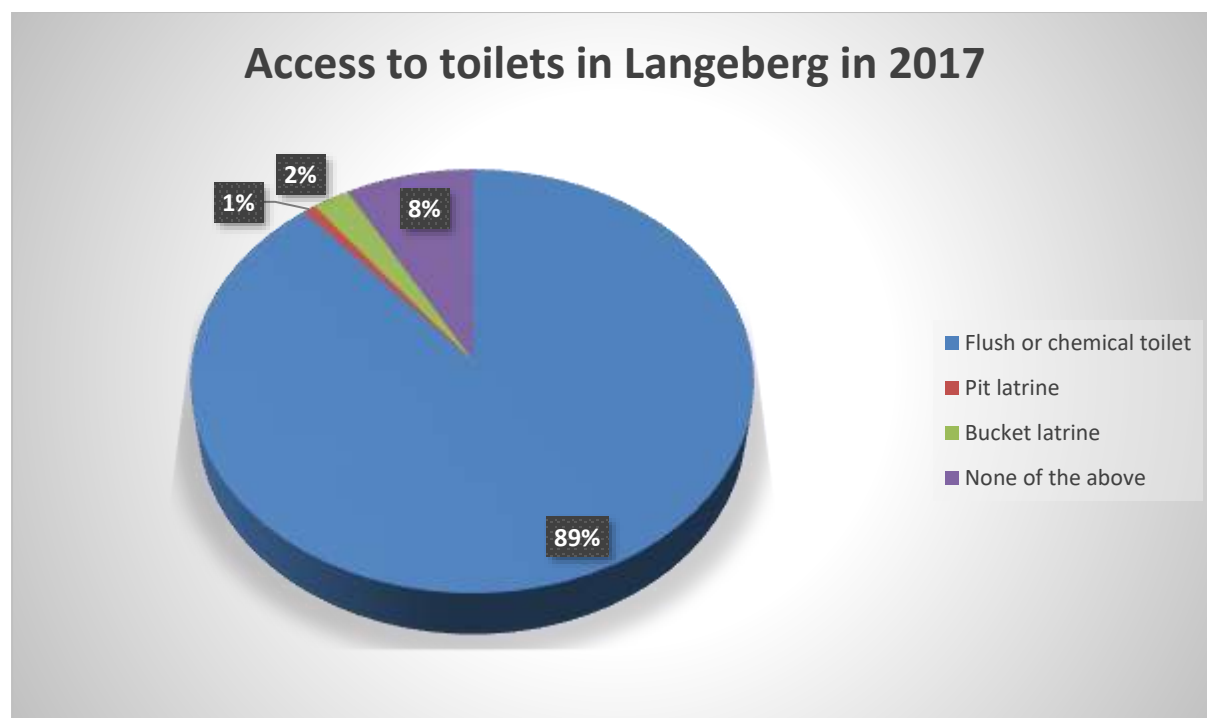


Figure 12: Access to toilets Langeberg, 2017

(Source: Quantec, 2017)

Of households in the Langeberg municipal area, 1% reported using a pit latrine at their household, 2% reported using a bucket latrine and 8% responded “none of the above” which indicates no access to a toilet in the dwelling. 89% of households in the Langeberg Municipal area had a flush or chemical toilet in their homes in 2017.

79% of households in the Langeberg area had access to piped water inside their dwelling, 15% reported having access to piped water inside the yard and 4% had access to piped water on a community stand less than 200 metres from the dwelling in 2017. Two percent (2%) of households had to access water more than 200 metres from the dwelling.

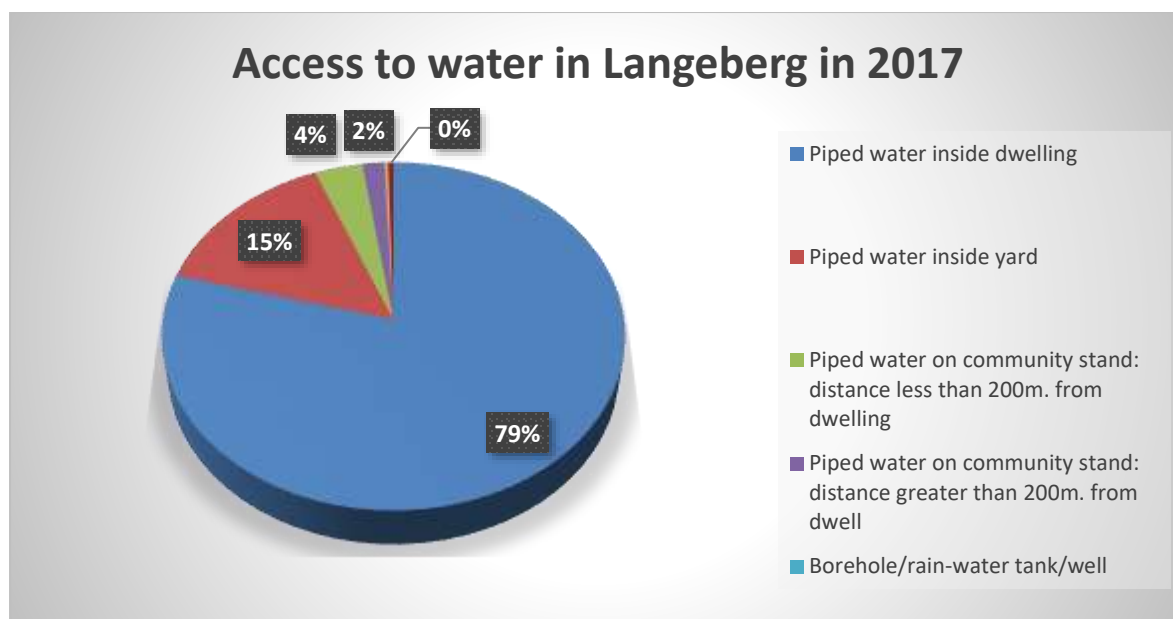


Figure 13: Access to water in Langeberg, 2017

(Source: Quantec, 2017)

Indigent households receive free basic services from the municipality. The table below describes the number of indigent households per municipality who received free services in the Cape Winelands district in 2015 and 2016.

Table 23: Indigent households and provision of basic services in Cape Winelands:

Municipality	No. of indigent households		Free basic water		Free basic electricity		Free basic sanitation		Free basic refuse removal	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Witzenberg	2 794	2 574	2 794	2 574	2 794	2 574	2 794	2 574	2 794	2 574
Drakenstein	15 095	17 971	15 095	17 971	15 095	15 452	15 095	17 971	15 095	17 971
Stellenbosch	5 757	6 486	5 757	6 486	5 757	6 486	5 757	6 486	5 757	6 486
Breede Valley	7 593	6 996	7 593	6 996	7 593	6 996	7 593	6 996	7 593	6 996
Langeberg	7 495	6 215	7 248	5 757	7 495	6 215	6 910	5 740	6 917	5 749

(Source: Stats SA, 2017)

The number of indigent households in the Langeberg Local Municipal area decreased between 2015 and 2016, and therefore, so did the number of households receiving free basic water, electricity, sanitation and refuse removal.

The lower the number of indigent households, the higher the number of households that contribute to municipal service fees and the lower the number of households that need to be serviced for free.

Being one of the smallest municipalities, it is not unexpected that Langeberg had the second lowest number of indigent households in the Cape Winelands district. The number is, however, comparatively high to that of the Witzenberg Municipality.

The table below provides an overview of socio-economic indicators in the Cape Winelands district.

Table 24: Overview of socio-economic indicators per municipality

Indicator	Cape Winelands District	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg
GDP growth (2005 - 2015)	3.3%	5%	2.8%	2.8%	3.4%	3.6%
Population growth (2005 - 2015)	1.72%	1.88%	1.65%	1.88%	1.49%	1.84%
Real GDP per capita (2005 - 2016)	R48 827	R43 865	R52 413	R61 193	R42 406	R38 006
Gini coefficient (2010 - 2016)	Increase	Increase	Increase	Decrease	Increase	Increase
Household expenditure	Services/ non-durables	Services/ non-durables	Services/ non-durables	Services/ non-durables	Services/ non-durables	Services/ non-durables
HDI (2010 - 2016)	Increase	Increase	Unchanged	Increase	Unchanged	Unchanged
No schooling (2016)	7.60%	8.80%	6.90%	6.20%	8.30%	9.00%
Grade 12 dropout rates (2016)	Increase	35.50%	26.00%	23.00%	32.70%	46.80%
Informal dwelling (2016)	17%	12.40%	13.40%	25.40%	21.90%	8.80%
Indigent households (2015 - 2016)	Increase	Decrease	Increase	Increase	Decrease	Decrease
Free basic water (2015 - 2016)	Increase	Decrease	Increase	Increase	Decrease	Decrease
Free basic electricity (2015 - 2016)	Decrease	Decrease	Increase	Increase	Decrease	Decrease
Free basic refuse removal (2015 - 2016)	Increase	Decrease	Increase	Increase	Decrease	Decrease
Free basic sanitation (2015 - 2016)	Increase	Decrease	Increase	Increase	Decrease	Decrease
Main causes of death	Diseases of the circulatory system					
Age group with highest death rate	45 - 65+	45 - 65+	45 - 65+	45 - 65+	45 - 65+	45 - 65+

(Source: MERO, 2017)

11.1.9. Safety and Security

Freedom and the security of persons is a basic right included in the Constitution of South Africa. The safety and security of citizens impacts not only on their quality of life, but also affects tourism, business and investment.

It is encouraging that there was a reduction in almost all types of crime (with the exception of drug-related crimes) in the Langeberg area between 2013 and 2015:

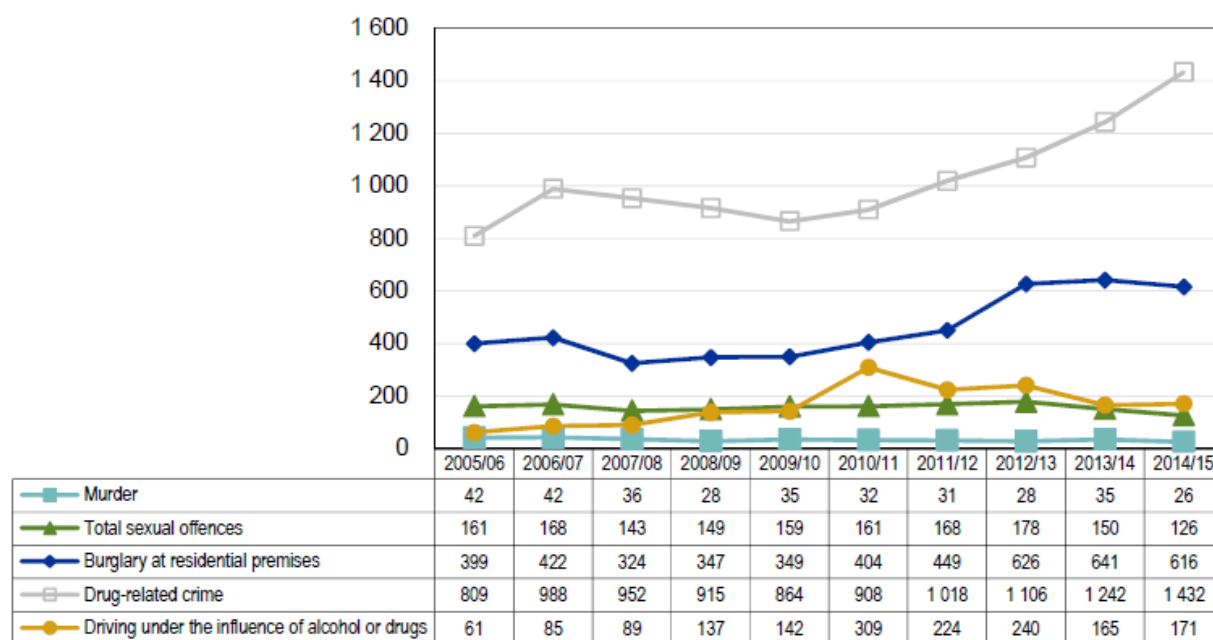


Figure 14: Langeberg crime statistics 2005-2015

(Source: SAPS, 2015)

The only type of crime that increased sharply since 2011 was drug-related crimes. Drug related crimes are when a person is found to be in possession of, under the influence or selling illegal drugs. A high incidence of drug-related crimes may indicate a problem with drug abuse in the area.

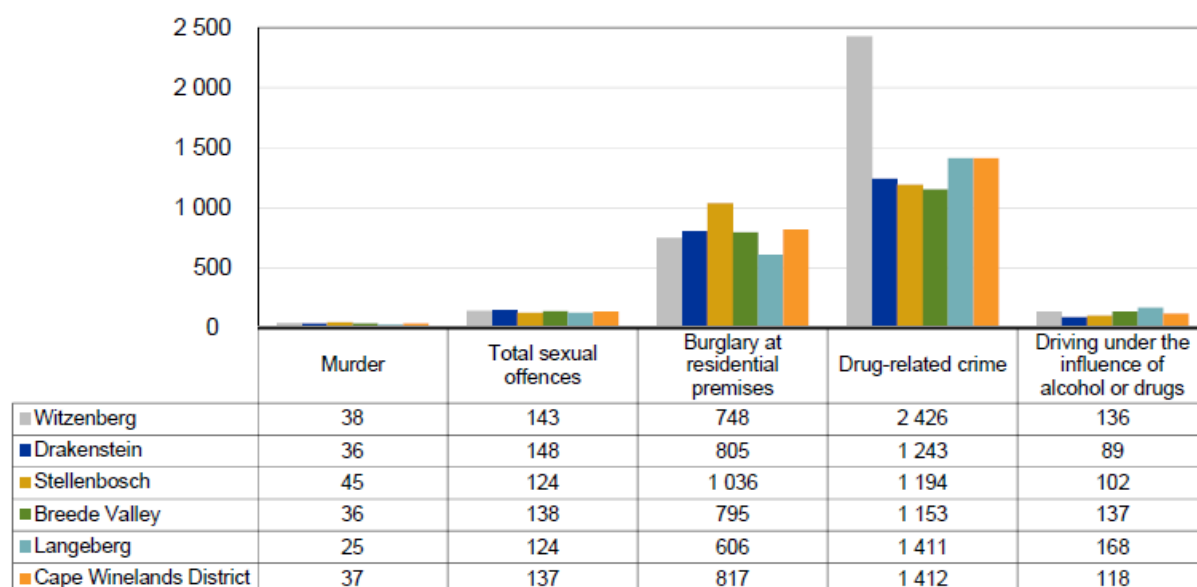


Figure 15: Type of crime per municipal area 2014/2015

(Source: SAPS, 2015)

When comparing the types of crimes reported per municipality, the relatively high incidence of drug-related crime in the Langeberg area is noticeable. This is an indication that the Langeberg Local Municipal area is struggling with substance abuse problems.

Addressing substance abuse should be a high priority in the fight against crime in Langeberg.

11.1.10. Farmworkers

In an area that is dependent on agriculture and where many residents are employed in the agricultural sector as farmworkers, the well-being and living conditions of farmworkers is of particular interest. Considering that farmworkers are typically low-skilled and fall within the lower income brackets, they are more vulnerable to socio-economic shocks than other population groups. In the face of a declining agricultural sector and the current drought in the Western Cape, farmworkers are especially at risk.

In March 2015, the Department of Agriculture and FEM Research conducted a Household Survey with farmworkers in Cape Winelands, Cape Agulhas and

Swellendam. A total number of 23,202 individuals participated in the survey of which 8,181 resided in the Witzenberg area. 2,482 households, living on 110 farms in the Witzenberg area, formed part of the sample.

The study found that more than two-thirds (66%) of farmworkers were below the age of 35 and could therefore be classified as youths. The average age of farmworkers was found to be 27.37 years. The study concluded that 37.37% of individuals who live on farms and are eligible to work, are at risk of being unemployed.

When asked what form of social support they most needed, the greatest need across all regions was support regarding behavioural problems, followed by substance abuse. An average of 74% of all households across all the regions belonged to a religious group.

Approximately 90% of farmworker households living on farms were found to have piped water, electricity and flush toilets.

Farmworkers who participated in the Western Cape Annual Farmworker of the Year Competition (WCAFYC) reported that it improved their skills and confidence. Most respondents heard about the WCAFYC through word of mouth or on the radio. Mobile phone SMS is the most popular and preferred communication mode followed by receiving information from the Farmer, while social media is the least used and least preferred mode of communication.

11.2. Stakeholder Feedback

Community members, stakeholders and role-players were engaged to obtain their views and inputs on Social Development in the Langeberg Local Municipal area.

Their feedback was as follows:

1. What do you regard to be the most pressing need for development in terms of Social Development in your municipal area?

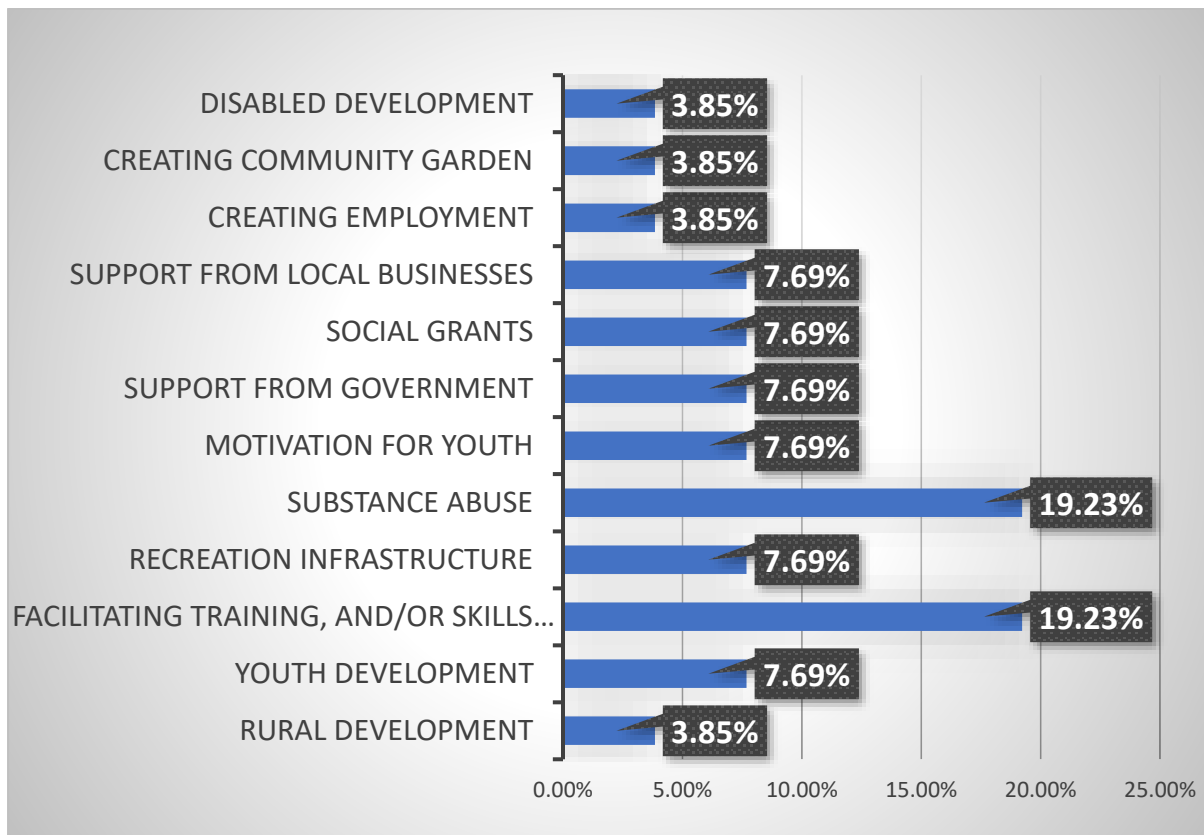


Figure 16: Most pressing need for Social Development, according to stakeholders

Respondents most frequently reported substance abuse and the need for training/skills development as the most pressing development needs. The stakeholder feedback therefore confirms the statistical data analysis.

1. What solution do you propose for the most pressing need for development in terms of Social Development in your municipal area?

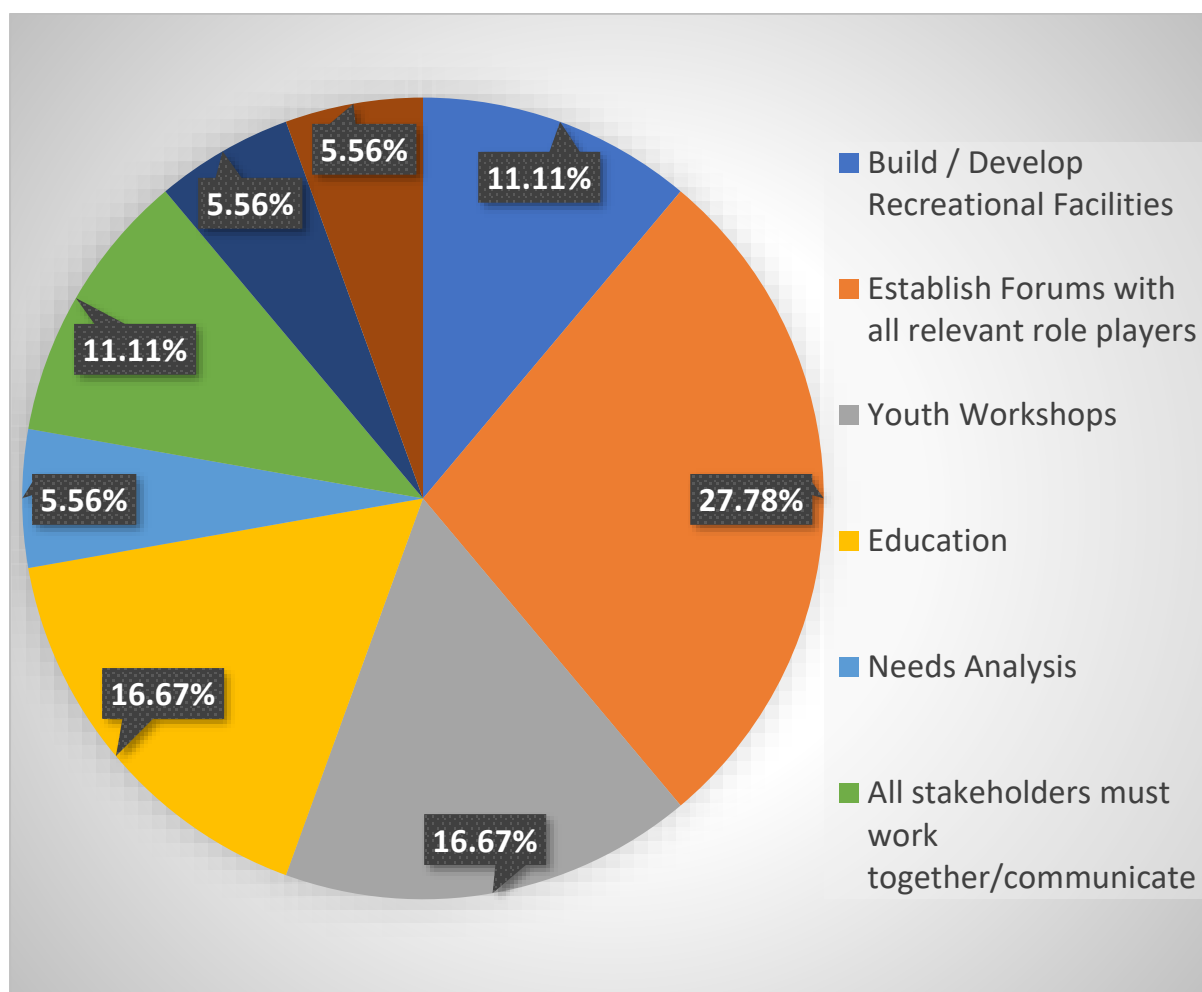


Figure 17: Proposed solutions for social development, according to stakeholders

The most frequent response was to establish forums with all role-players, followed by Youth Workshops and Education.

The primary data therefore confirms the need to address skills shortages and educational levels in the Langeberg Local Municipal area.

In Summary

- Langeberg has maintained its position as the municipality with the lowest population in the district between 2012 and 2017.
- Langeberg had the second fastest average population growth rate of all municipalities in the Cape Winelands District at 2.51% between 2014 and

2016.

- There was a marked reduction in the population growth rate for the Cape Winelands District from 2015, and the same trend applied to Langeberg. The population is still growing, but at a slower rate than the provincial average, albeit at a higher rate than the national average.
- The number of households in the Langeberg area increased by 2 579 between 2013 and 2017. The Langeberg Municipal area has gone from having the second lowest number of households in the Cape Winelands District to the lowest number in 2017.
- The municipalities with lower populations are growing at a faster rate, because a similar increase in numbers has a greater impact in terms of percentage on a lower base.
- Langeberg had a high proportion of young, working age people in 2011 which is typical of an expansive growth profile.
- Langeberg local municipality has a higher dependency ratio (48) than the district average (44) and also the highest dependency ratio in the Cape Winelands District.
- The HDI for Langeberg was 0.67 in 2015 and remained constant between 2015 and 2016. Langeberg's HDI is on par with the national average but is below that of the province and the Cape Winelands District.
- Langeberg had the lowest HIV infection rate in the district with 4.29% of the total population known to be HIV positive in 2017. In addition, Langeberg also had the lowest percentage of AIDS-related deaths in the district.
- Langeberg had the lowest child mortality rate the Cape Winelands District in 2017 at 2.23% and managed to maintain the lowest child mortality rate in the district since 2013.
- Langeberg had a matric pass rate of 85.7% in 2016 but suffered the highest dropout rate and also had the highest learner-teacher ratio in the Cape Winelands District.
- In 2017, 9% of people aged 20 years and older in the Langeberg area had no formal education at all and 26.6% only had some primary school

education. In the Langeberg area only 16.6% of adults had a matric certificate and 4.6% a higher qualification. This means that in 2017 78.8% of adults in Langeberg did not have a matric certificate.

- In terms of educational levels at local municipal level, Witzenberg and Langeberg have the lowest educational levels in the Cape Winelands District.
- With 56.9% of the households falling within the lower-income bracket, a higher proportion of households in Langeberg fall within the low-income bracket than the average for the district.
- The unemployment rate in Langeberg was the lowest in the Cape Winelands District between 2012 and 2015, consistently being below 7%. However, in 2016 Witzenberg's unemployment rate dropped to slightly below Langeberg's level of 6.99%.
- The vast majority (85%) of households in the Langeberg municipal area lived in a brick structure on a separate stand and 8.8% of households lived in informal dwellings or shacks.
- The energy source for lighting in 94% of households in the Langeberg area was electricity in 2017 and the district therefore already surpassed the national target set for 2030 by the NDP.
- The majority of residents (82%) in Langeberg have access to a phone inside the dwelling with 17% reporting to not having any phone access in 2017.
- 89% of households in the Langeberg Municipal area had a flush or chemical toilet in their homes in 2017, 1% reported using a pit latrine at their household, 2% reported using a bucket latrine and 8% responded "none of the above".
- 79% of households in the Langeberg area had access to piped water inside their dwelling, 15% reported having access to piped water inside the yard and 4% had access to piped water on a community stand less than 200 metres from the dwelling in 2017.
- Langeberg managed to increase its GDP per capita between 2005 and 2015. The type of dwelling and facilities available in dwellings is on average better than that of the district. The educational levels in terms of the relatively high percentage of people with no schooling and the high dropout rate are

concerning. Langeberg appears to have problems with substance abuse, resulting in a relatively high incidence of drug-related crimes. Fighting substance abuse should be prioritised.

11.3. Objectives

- The focus areas should be education and fighting substance abuse.
- Education is the key to improved opportunities and better quality of life for all.
- The Langeberg Municipality can facilitate partnerships with local stakeholders to transfer skills and share facilities.
- Initiatives can include:
 - Affluent schools can “adopt” schools that are struggling financially and share facilities and transfer skills.
 - Local business can become involved to donate equipment (computers) and material (books) to schools in need. Community drives to elicit assistance can be created.
 - The community needs to take ownership of their youth. Programmes to create awareness about substance abuse can be launched. Healthy recreational activities as alternative lifestyle must be promoted.
 - Local heroes can be used to promote an alternative to failing and substance abuse. Campaigns such as “U can 2” can highlight good values and choices.

11.4. Conclusion:

Social development in Langeberg should be focused on improving educational levels and fighting social issues such as substance abuse and teenage pregnancy.

Economic Profile

This section contains an analysis of the structure of the local economy, and includes the factors that impact on the growth and trends of the local economy.



12. Economic Profile: Langeberg Local Municipality

An appropriate local economic strategy should be developed from evidence-based analysis to reveal the current economic landscape within the municipal area. Economic analysis provides insight into the overall performance of the local economy. The insight into the economic conditions can assist policy makers, decision makers and management in planning processes.

The objective of the economic overview is to:

- Identify local economic strengths and weaknesses.
- Identify strategic opportunities and priorities for strategic investments.
- Examine how regional, social and economic strengths may be linked together to create unique competitive advantages.

The factors of production (natural resources, labour, capital and entrepreneurship) enable an economy to meet demand for goods and services. Therefore, if the supply of these production factors increases, the production of goods and services should also increase. Thus, the fundamental prerequisite for economic growth is the increase of the supply of production factors.

12.1. Economic Growth

Economic Growth is important, because it is a prerequisite for economic development. Economic growth is measured in terms of an increase in Gross Domestic Product (GDP), referred to as the GDP growth rate. GDP can be defined as the monetary value of all the finished goods and services produced within a country's borders during a specific time period.

GDP is measured in real terms, which means that an adjustment for inflation is made to enable comparing one year's GDP with another's. Economic growth is calculated by the percentage change in the real GDP between one year and the previous (or the next) year.

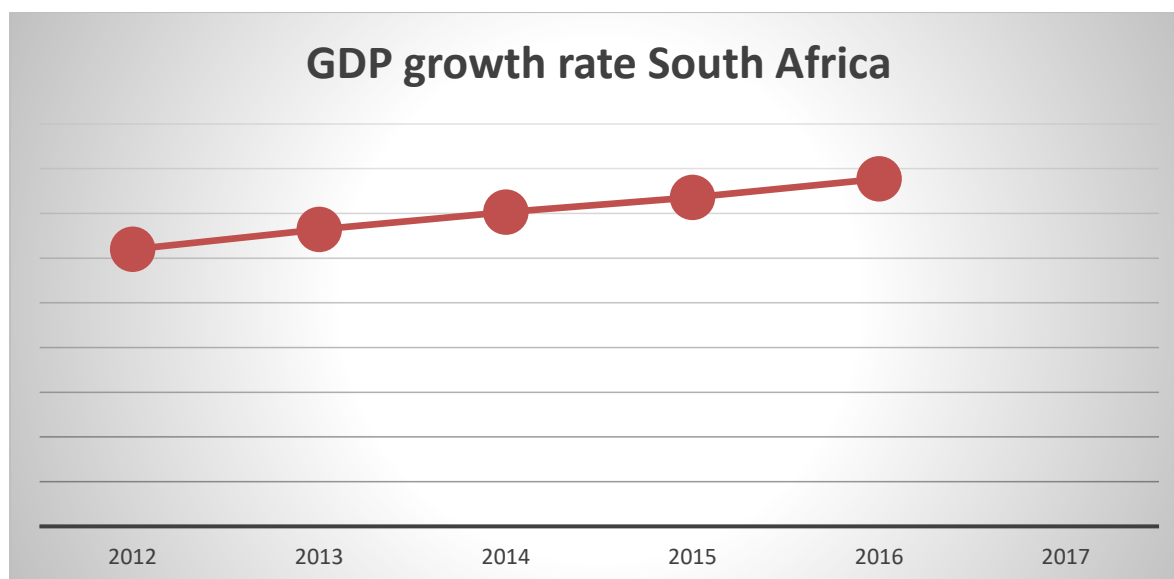


Figure 18: National GDP growth rate

(Source: Quantec, 2017)

The figure above shows that there has been a slow increase in the value of South Africa's GDP between 2012 and 2016. The NDP sets a target of 5.4% average annual growth in GDP, and the country needs to speed up GDP growth in order to meet that target. Statistics SA (2018) reported GDP growth of 1.3% for 2017, which is slightly higher than the 1% GDP growth rate expected for 2017. It is, however, still a far cry from the targeted 5.4% average annual GDP growth targeted by the NDP.

12.2. GDP per capita (per person)

Labour (human capital) is a factor of production, and an increase in population should translate to an increase in GDP since an increased population means there are more factors of production in an economy of a region. The economic growth rate (year-on-year change in GDP) should therefore exceed the population growth rate in order to translate to actual economic growth.

A rise in population means more mouths to feed, more bodies to clothe and more accommodation or housing to be built. A rise in population therefore means increased pressure on basic resources such as food. The increased demand can only be adequately met if the increase in the population is accompanied by a corresponding

increase in production of goods and services. It is therefore important to consider the increase in GDP relative to the increase in population.

Per capita GDP is a measure of the total output of a country that takes gross domestic product (GDP) and divides it by the number of people in the country. GDP per person is associated with the levels of poverty, and an increase in per capita income translates to lower levels of poverty.

The GDP per capita growth rate for South Africa has been declining since 2013 as can be seen in the figure below.

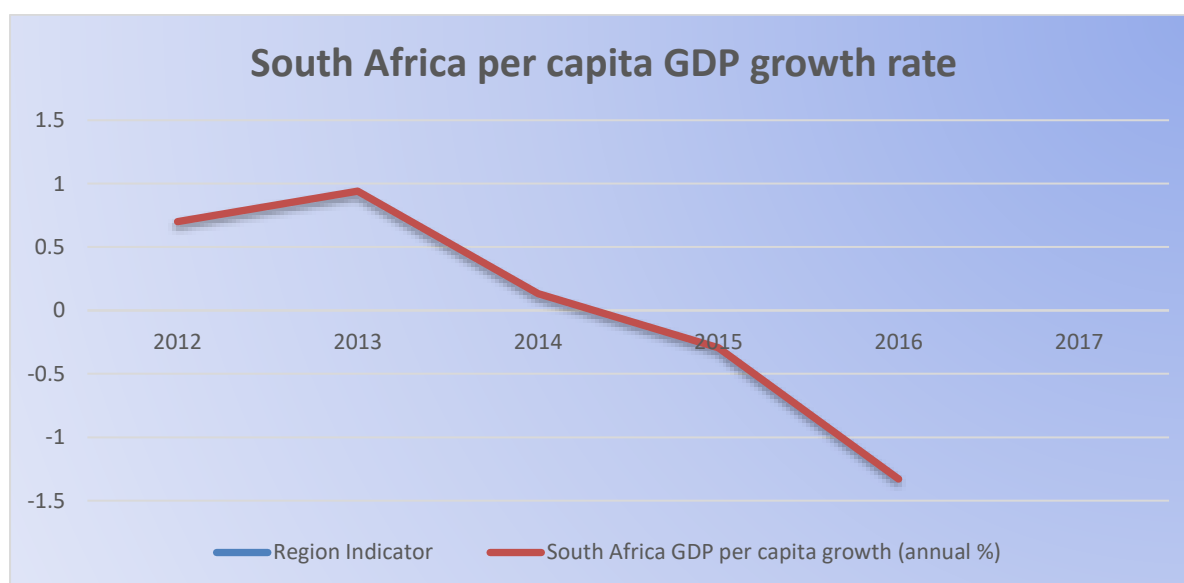


Figure 19: SA per capita GDP growth rate

(Source: Quantec, 2017)

12.3. Gross Domestic Product of a Region (GDPR)

The GDP of a region is called the GDPR. The gross domestic product of a region (GDPR) is used to measure the size of a region's economy. The Cape Winelands District's regional GDP (GDPR) has averaged an annual growth rate of 2.9% between 2010 and 2015 as shown in the figure below. However, the growth rate was expected to fall to 0.5% in 2016 (PERO, 2017).

Langeberg Local Municipality is the smallest economy in the Cape Winelands District and managed to average a GDPR growth rate of 3.6% per annum between 2005 and 2015. This average growth rate was better than that of the province and the district, but can in part be attributed to the fact that the local economy is small and therefore growing from a smaller base.

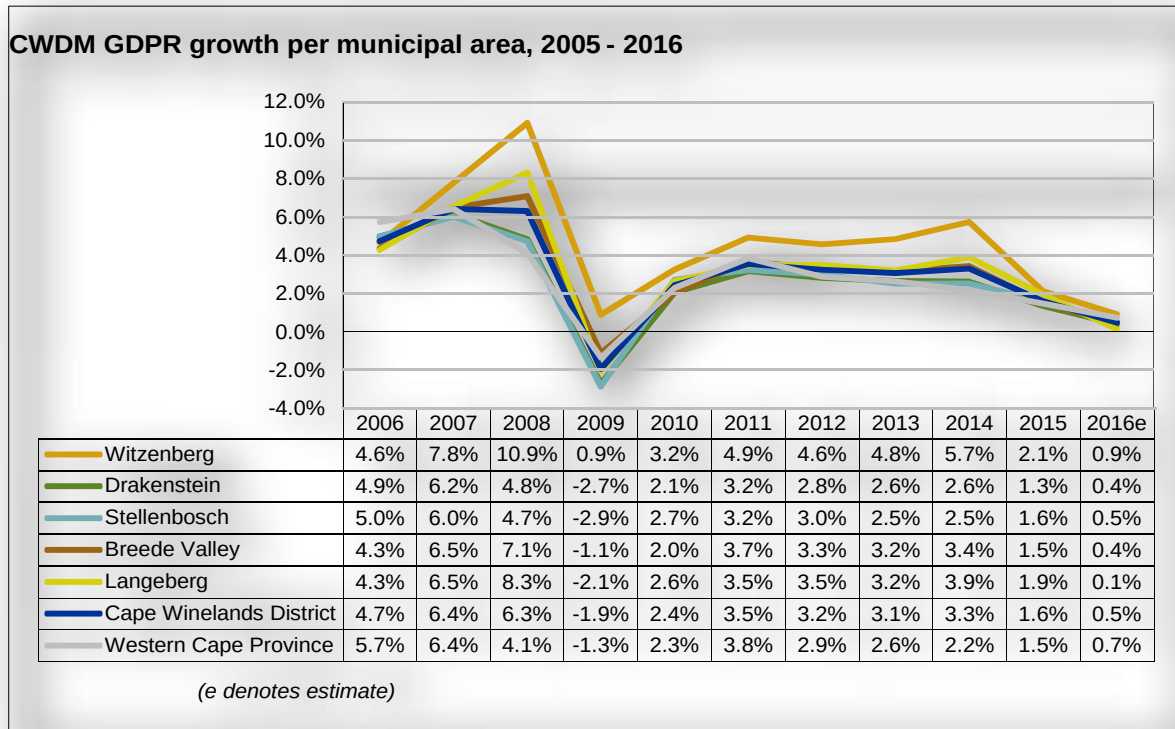


Figure 20: GDPR growth rate per municipality

(Source: Quantec, 2017)

As a district, Cape Winelands outperformed the Western Cape Province's average GDPR growth rate since 2012, but is expected to fall behind the provincial growth rate in 2016. Langeberg's GDPR growth rate slowed from 3.9% to 1.9% between 2014 and 2015. Langeberg was also forecast to experience the most dramatic decrease in GDPR growth rate which was expected to drop to 0.1% in 2016.

The real economic growth rate (GDPR), has to exceed the population growth rate in order to yield an increase in per person (per capita) GDPR. A small GDPR growth rate (such as 0.1%) will therefore mean a negative per capita (per person) growth rate.

In terms of GDP per capita, the Cape Winelands District on average performed poorer than the aggregate for the Western Cape Province in terms of GDP value. However, all regions followed a similar trend in terms of GDP per capita growth as can be seen in the figure below, with the exception of Stellenbosch with a higher and/or same average.

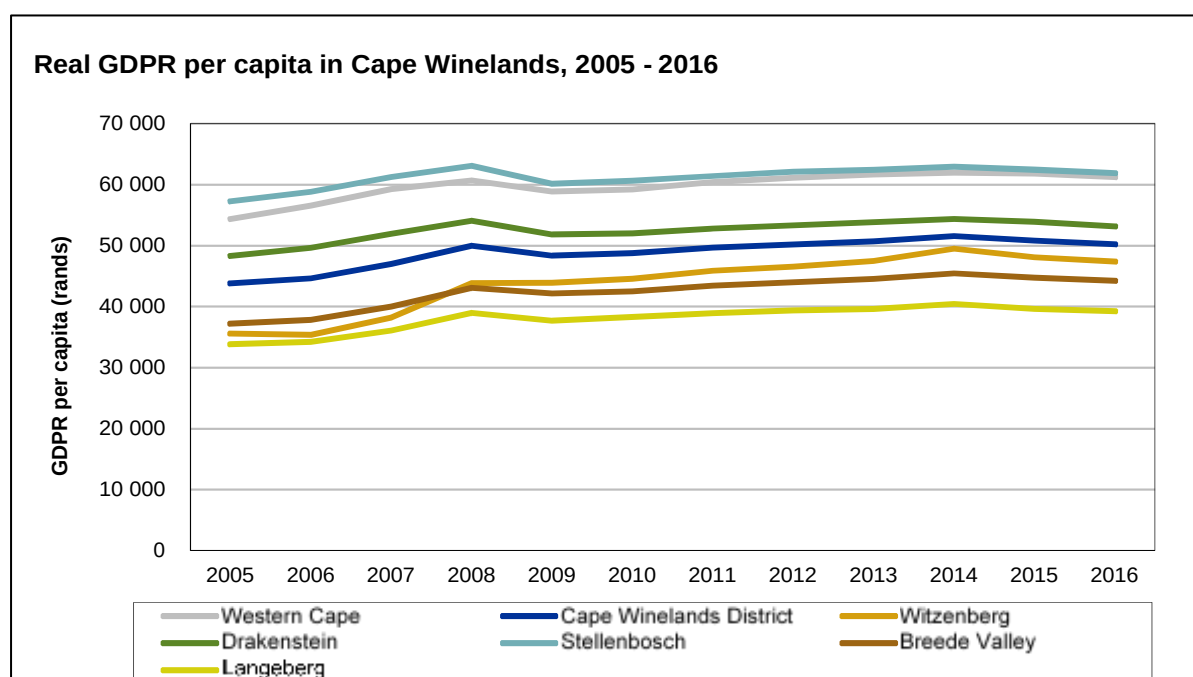


Figure 21: Real GDP per capita in Cape Winelands 2005 - 2016

(Source: MERO, 2017)

The Cape Winelands district- and all the local municipalities followed a similar GDP per capita growth pattern from 2005 to 2016. Langeberg lagged behind the other areas in terms of GDP growth rate and the gap between Langeberg's GDP and that of other local municipalities in the district increased gradually as Langeberg was modestly slower to recover from the 2008/ 2009 financial crisis.

The NDP sets a target of a national average of R110 000 per capita GDP by 2030. The real GDP per capita for the province and district in 2016 were as follows:

Table 25: GDP per capita per Municipality in Western Cape 2016

Western Cape	R 61 199
Cape Winelands District	R 50 239
Stellenbosch	R 61 871
Drakenstein	R 53 135
Breede Valley	R 44 200
Witzenberg	R 47 393
Langeberg	R 39 237

(Source: Quantec, 2017)

The real per capita GDP of the Cape Winelands district lagged behind that of the Western Cape Province with only Stellenbosch exceeding the provincial average GDP per capita. Langeberg had the lowest real GDP per capita in 2015, lagging behind the district average along with Breede Valley and Witzenberg.

At a per capita GDP of R 39 237 in 2016, Langeberg needs to dramatically increase its GDP (per capita) growth rate in order to attain the targeted R 110 000 per capita in 2030. A nominal GDP per capita growth rate of more than 7.5% per annum would be required to reach the NDP target for 2030.

12.4. Equality of the economy

Economic development implies not only an increase in income (economic growth), but also equitable distribution thereof. This means that in order for a region to develop economically, there must not only be growth in terms of the average per capita income, but also equitable distribution thereof (Nnadozie, 2003: 66).

The equality of an economy is measured using the Gini Coefficient. The Gini Coefficient is a statistical measure of distribution used to gauge income inequality in an area. It ranges between 0 and 1, with 0 representing completely equal distribution of income; this means that in an area where everyone earns the same, the Gini coefficient would be 0. The more unequal the distribution of income, the higher the Gini coefficient will be. The target according the NDP is to reduce South Africa's Gini coefficient to 0.6 by 2030.

The Gini coefficient per area can be displayed as follows:

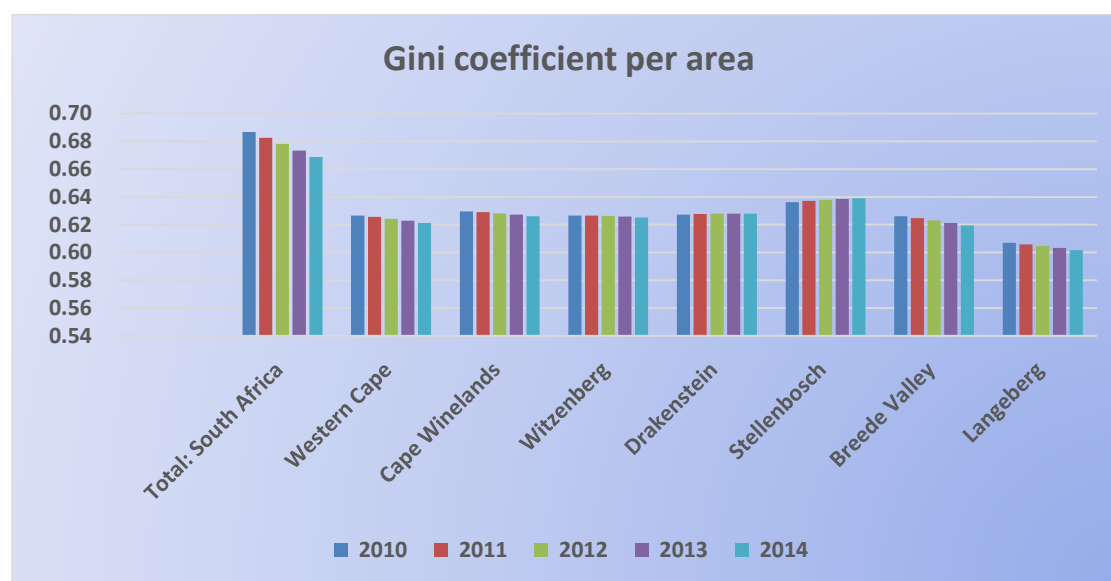


Figure 22: Gini coefficient 2010 - 2014

(Source: Quantec, 2017)

The Western Cape Province and Cape Winelands District's Gini coefficient is lower (more favourable) than the average for South Africa. However, the Gini coefficient for the Cape Winelands District has stagnated between 2010 and 2014, closing the gap between the district and national score. The Cape Winelands District also has a higher (less favourable) Gini Coefficient than the average for the Western Cape Province.

Langeberg's Gini coefficient is not only lower (more favourable) than the national and provincial average, but also the lowest (most favourable) in the Cape Winelands District. The Gini coefficient in the Langeberg Local Municipal area was already at the level (0.6) targeted for 2030 by the NDP in 2014.

The Gini coefficient (score) per area between 2010 and 2014 was as follows:

Table 26: Gini coefficient per area 2010 - 2014:

	2010	2011	2012	2013	2014
Total: South Africa	0,69	0,68	0,68	0,67	0,67
Western Cape	0,63	0,63	0,62	0,62	0,62
Cape Winelands	0,63	0,63	0,63	0,63	0,63
Witzenberg	0,63	0,63	0,63	0,63	0,63
Drakenstein	0,63	0,63	0,63	0,63	0,63
Stellenbosch	0,64	0,64	0,64	0,64	0,64
Breede Valley	0,63	0,62	0,62	0,62	0,62
Langeberg	0,61	0,61	0,60	0,60	0,60

(Source: Quantec, 2017)

The challenge for Langeberg is therefore to accelerate GDP growth whilst maintaining a superior level of equitable distribution thereof. A more equal economy (lower Gini coefficient) is more favourable for growth than a more unequal economy.

12.5. Structure of the Economy

The structure of an economy can be described in terms of the relative contribution of the primary, secondary and tertiary sectors. The structure of an economy determines the dependence of that economy on specific sectors.

The primary sectors are those involved with using or extracting natural resources and consist of the agriculture, forestry and fishing sectors, as well as the mining and quarrying sector. Secondary sectors are those that use the raw materials obtained

from the primary sectors in production, and include manufacturing, electricity, water, gas and construction. The tertiary sector includes services sectors such as wholesale and retail trade, finance, insurance, business services, transport, catering real estate, government and personal services sectors.

12.5.1. National Economy

The contribution of agriculture and mining (primary sectors) to the South African economy has been steadily declining over time. Although the primary sector plays a vital role in our economy, this role is diminishing over time and is unlikely to increase again in the years ahead (Roux, 2014:42). This is in line with global trends. The fastest growing sector in the South African economy over the last few decades has been tertiary (services) sector. The major components of the services sector are:

- Wholesale, retail, catering and accommodation
- Transport, storage and communication
- Finance, insurance, real estate and business services
- General government services

12.5.2. The structure of Langeberg Local Municipality's economy

The proportion of the contribution that each of the main sectors make towards the total economy is referred to as the structure of the economy. The contribution to GDP in the Cape Winelands District per sector is as follows:

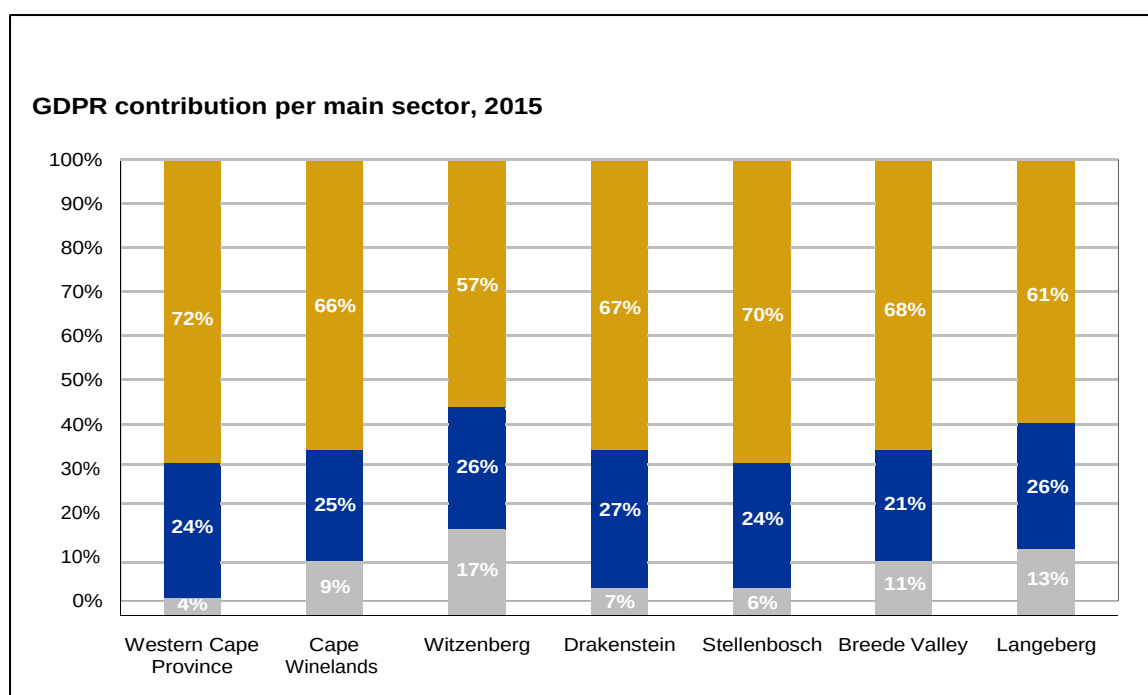


Figure 23: GDPR contribution per main sector 2015

(Source: MERO, 2017).

The primary sector in Langeberg and Witzenberg contribute proportionally more to total GDP than in other municipal areas in the Cape Winelands District. The proportionally greater contribution of the primary (agricultural) sector in Langeberg and Witzenberg, combined with the comparatively smaller service node, is indicative that Langeberg is more rural in nature than municipal areas like Drakenstein and Stellenbosch.

The GDP contribution (percentage in 2015) per sector for each municipality in the Cape Winelands District is depicted in the table below.

Table 27: Percentage GDP contribution per sector for each municipality in 2015

Sector	Cape Winelands	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg
Primary Sector	9.3	17.4	6.6	5.7	10.6	12.9
Agriculture, forestry and fishing	9.1	17.3	6.4	5.5	10.4	12.8
Mining and quarrying	0.2	0.0	0.2	0.2	0.2	0.1
Secondary Sector	24.9	26.1	26.6	24.1	21.4	25.9
Manufacturing	15.7	14.2	16.0	17.0	13.4	18.2
Electricity, gas and water	2.2	3.3	2.6	1.4	2.0	1.8
Construction	6.9	8.5	8.0	5.6	5.9	5.9
Tertiary Sector	65.9	56.5	66.8	70.3	68.0	61.2
Wholesale and retail trade, catering and accommodation	18.4	16.9	17.7	20.2	18.3	19.2
Transport, storage and communication	9.8	7.0	8.9	11.0	11.0	11.1
Finance, insurance, real estate and business services	19.8	15.4	21.2	21.6	20.4	16.2
General government	10.2	10.4	10.6	10.6	10.2	8.0
Community, social and personal services	7.5	6.9	8.4	6.8	8.0	6.6

(Source: MERO, 2017)

Langeberg and Witzenberg follow the same trend, with the agricultural sector making a proportionally greater contribution to GDP and the tertiary sector contributing less relative to the province and other municipalities in the district.

In terms of percentage contribution to GDP, the table below ranks the greatest contributing sub-sectors to GDP in Langeberg for 2015.

Table 28: Sub-sector ranking according to GDP contribution

Sub-sector	Main sector	% contribution to GDP in 2015
Wholesale and retail trade, catering and accommodation	Tertiary	19.2
Manufacturing	Secondary	18.2

Finance, insurance, real estate and business services	Tertiary	16.2
Agriculture, forestry and fishing	Primary	12.8
Transport, storage and communication	Tertiary	11.1

(Own calculations from Quantec, 2017)

12.5.3. Gross Value Added

GDPR is the aggregate of gross value added (GVA) of all resident producer units in the region. Gross value added (GVA) is a measure of the value of goods and services produced in an area, industry or sector of an economy. It is the difference between the economic output of an area and the direct inputs used to produce the output. GVA is used in the calculation of gross domestic product (GDP), and is therefore an important indicator of the economic performance of an area.

The figure below shows that there has been growth in terms of real GVA between 2010 and 2016 in the Langeberg area.

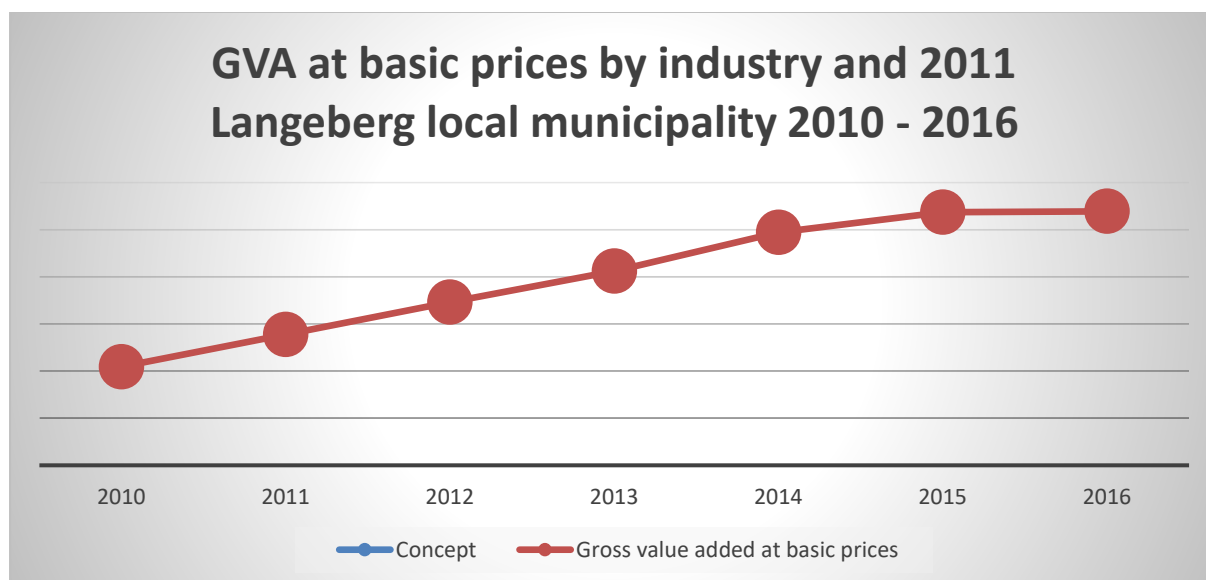


Figure 24: Langeberg GVA 2010 – 2016

(Source: Quantec, 2017)

The GVA growth rate in Langeberg began to slow between 2014 and 2015, and was even more modest between 2015 and 2016. The GVA growth rate for Langeberg between 2011 and 2016 were as follows:

Table 29: GVA growth rate Langeberg 2011 - 2016

2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
3,47	3,23	3,90	1,93	0,09

(Source: own calculations from Quantec data, 2017)

The GVA contribution of the primary sectors in Langeberg between 2012 and 2016 is depicted in the figure below:

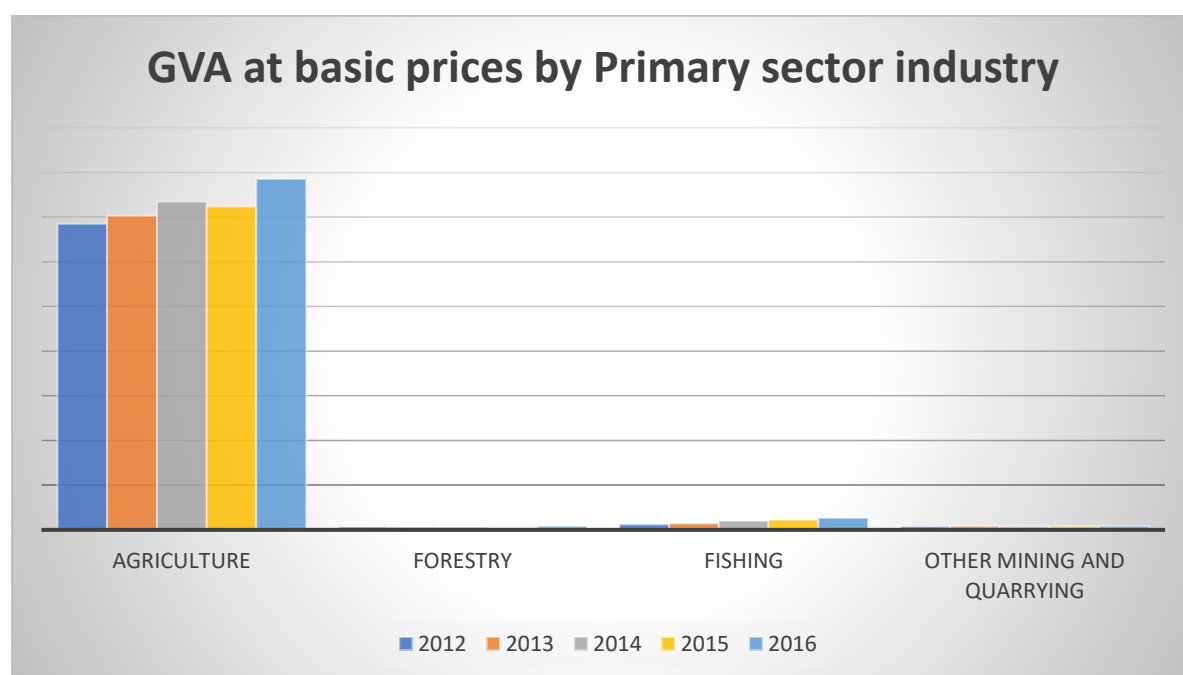


Figure 25: GVA contribution of primary sector industries in Langeberg between 2012 and 2016

(Source: Quantec, 2017)

On average, the GVA contribution from the agricultural sector grew between 2012 and 2016, with the strongest growth between 2015 and 2016. However, the growth pattern fluctuates year-on-year, and the GVA contribution declined between 2014 and 2015.

The secondary sectors grew its contribution across the board between 2012 and 2016, with the greatest contribution to GVA coming from the construction sector, followed by

food industries. The construction and food sectors also showed strong growth in terms of GVA contribution in the Langeberg Local Municipality.

The contribution towards GVA in the Langeberg area from 2012 and 2016 from the Secondary sectors are depicted in the figure below.

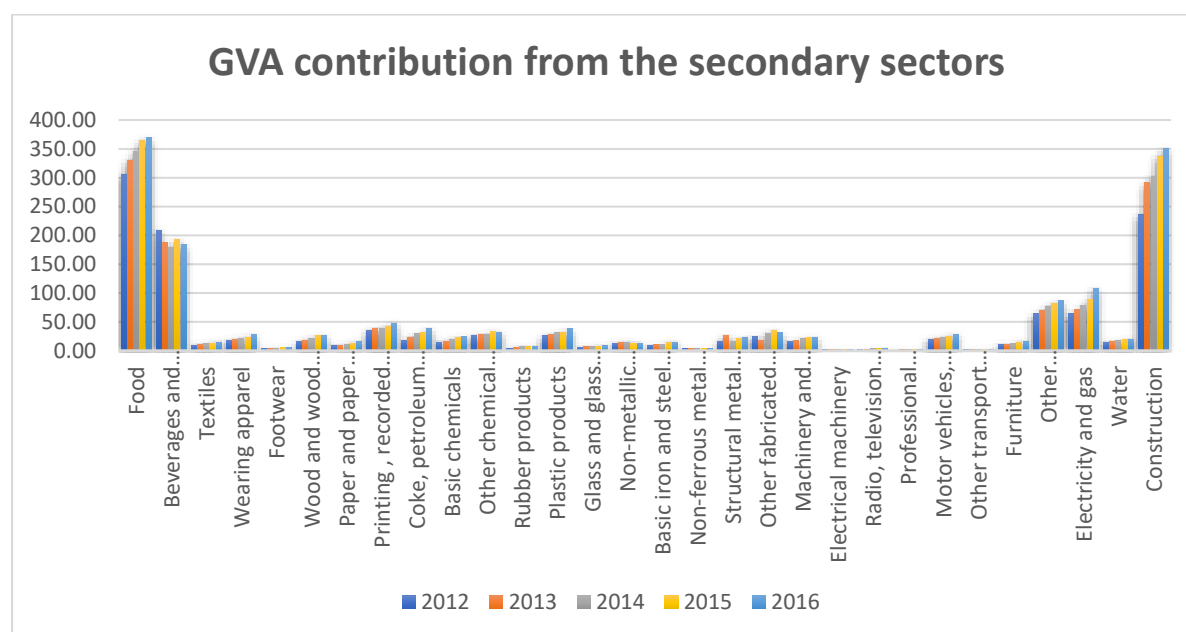


Figure 26: GVA contribution from the secondary sectors

(Source: Quantec, 2017)

The GVA contribution from the tertiary sectors in the Langeberg Municipality between 2012 and 2016 were as follows:

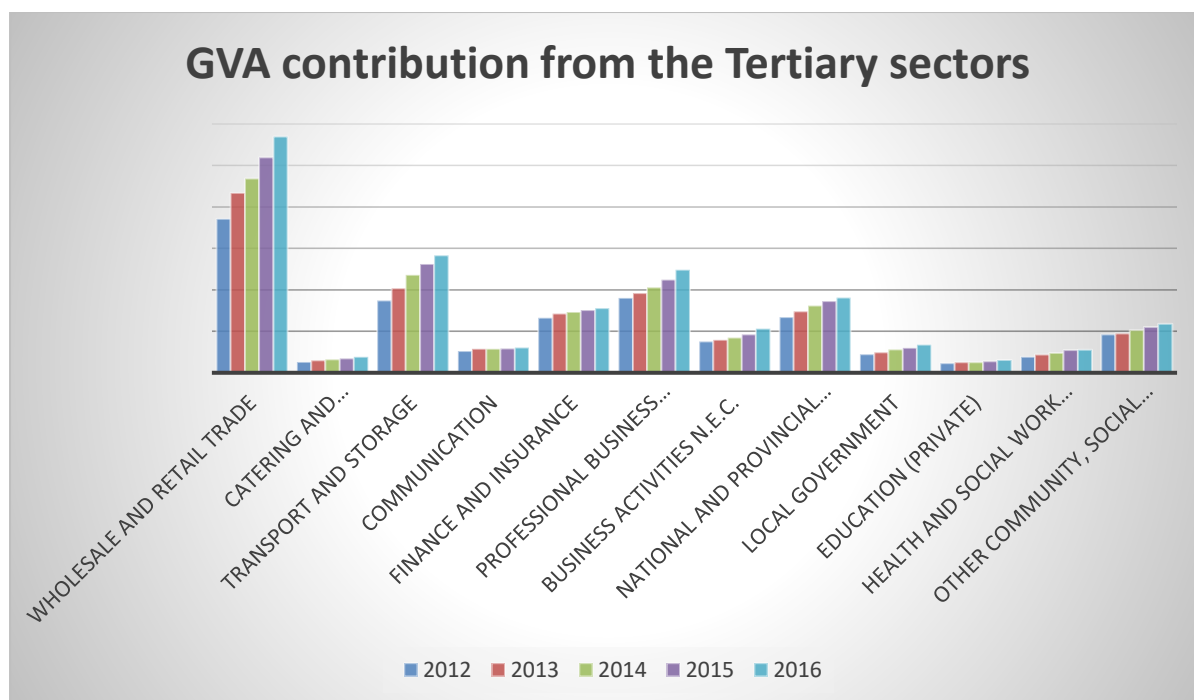


Figure 27: Contribution of tertiary sectors to GVA in Langeberg 2012 - 2016

(Source: Quantec, 2017)

The wholesale and retail trade industry contributed the most to the district's aggregate GVA between 2012 and 2016, followed by the transport and storage sector.

The top ten individual sectors in terms of GVA at basic prices (R millions current prices) for 2016, are listed in the table below.

Table 30: Top ten sectors i.t.o. GVA at basic prices for Langeberg 2016

Top ten (10) Individual Sectors	2015	2016
Wholesale and retail trade	1 039,34	1 139,12
Agriculture	723,48	785,08
Transport and storage	524,63	566,45
Professional business services	448,46	496,48
Food	364,88	369,00
National and Provincial government	345,40	363,34
Construction	337,64	351,45
Finance and insurance	302,83	311,97

Other community, social and personal services	219,87	236,35
Business activities n.e.c.	184,33	212,17

(Adapted from: Quantec, 2017)

From the table above, it is evident that the top five (5) individual sectors contributing toward GVA in the Langeberg Municipal area in 2016 were:

1. Wholesale and retail trade
2. Agriculture
3. Transport and storage
4. Professional business services
5. Food

12.5.4. Employment

Employment trends in the Cape Winelands District show a net gain in job opportunities between 2005 and 2015. However, employment creation was forecast to slow down in 2016.

Table 31: Employment trends and contribution per municipality

Municipality	Contribution to employment (%) 2015	Trend 2010 - 2015	Employment (net change)					
			2011	2012	2013	2014	2015	2016e
Witzenberg	16.8	13 966	953	2 757	2 996	733	6 527	1 413
Drakenstein	28.4	16 054	1 572	2 853	3 785	1 660	6 184	1 024
Stellenbosch	20.0	11 728	1 274	1 977	2 925	1 377	4 175	248
Breede Valley	21.3	14 663	1 089	2 623	3 364	1 133	6 454	579
Langeberg	13.6	11 433	893	1 890	2 691	1 091	4 868	-161
Total Cape Winelands District	100	67 844	5 781	12 100	15 761	5 994	28 208	3 103

Western Cape Province		326 986	38 314	58 799	81 285	45 807	102 781	15 050
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(Source: MERO, 2017)

The table above shows that Langeberg contributed 13.6% to employment in the Cape Winelands District. Langeberg was forecast to experience a reduction in employment opportunities in 2016.

In spite of the increase in the number of job opportunities, there was an increase in unemployment in the Cape Winelands District between 2011 and 2015 as shown in the table below. As the population grows, additional people enter the job market and thus every year there are more people in need of jobs. In order to reduce unemployment, the number of job opportunities must exceed population growth.

Table 32: Unemployment rate per municipality 2011 - 2015

Municipality	2011	2012	2013	2014	2015	2016e
Witzenberg	6.0	6.6	6.8	7.0	6.9	7.0
Drakenstein	13.1	13.7	13.6	14.0	14.4	14.9
Stellenbosch	10.4	10.8	10.6	11.0	11.3	11.9
Breede Valley	10.4	11.0	10.9	11.2	11.4	11.8
Langeberg	7.1	7.6	7.4	7.7	7.9	8.4
Cape Winelands District	10.1	10.7	10.6	10.9	11.2	11.6
Western Cape Province	16.4	17.0	16.7	17.2	17.8	18.7

(Source: MERO, 2017)

The Langeberg Municipal district managed to maintain a lower unemployment rate than the rest of the Cape Winelands District since 2011. There was, however, expected to be a slight increase in the unemployment rate in 2016.

The table below shows that the majority of jobs in the Langeberg Municipal area were created by the wholesale and retail trade, catering and accommodation sector, followed by the agriculture, forestry and fishery sector.

Table 33: Langeberg employment opportunities per sector

Sector	Contribution to employment (%) 2015	Number of jobs 2015	Trend		Employment (net change)					
			2005 - 2015	2010 - 2015	2011	2012	2013	2014	2015	2016e
Primary Sector	23.4	12 014	-4 036	2 399	-473	512	450	-707	2 617	-192
Agriculture, forestry and fishing	23.4	11 998	-4 028	2 405	-473	512	456	-707	2 617	-192
Mining and quarrying	0.0	16	-8	-6	-	-	-6	-	-	-
Secondary Sector	15.7	8 060	1 011	937	130	-33	356	173	311	-33
Manufacturing	8.7	4 468	-444	-91	-11	-233	216	-148	85	-141
Electricity, gas and water	0.2	92	34	23	4	2	2	5	10	2
Construction	6.8	3 500	1 421	1 005	137	198	138	316	216	106
Tertiary Sector	60.9	31 298	14 837	8 097	1 236	1 411	1 885	1 625	1 940	64
Wholesale and retail trade, catering and accommodation	25.2	12 928	5 829	3 027	569	640	537	617	664	-1
Transport, storage and communication	5.9	3 038	1 987	1 071	93	215	305	74	384	-207
Finance, insurance, real estate and business services	10.9	5 620	2 863	1 576	248	205	329	283	511	99
General government	6.3	3 233	988	425	153	72	66	197	-63	78
Community, social and personal services	12.6	6 479	3 170	1 998	173	279	648	454	444	95
Total Langeberg	100	51 372	11 812	11 433	893	1 890	2 691	1 091	4 868	-161

(Source: MERO, 2017)

Wholesale and retail trade, catering and accommodation contributed 25.2% to employment in the Langeberg area in 2015. Agriculture, forestry and fisheries contributed 23.4% to employment in 2015.

The agricultural sector created a large number of job opportunities in 2015 due to record grape harvest that year (VinPro, 2016). While other sectors have been creating jobs at a low but steady rate, job creation in the agricultural sector has been volatile. Aside from the large grape harvest that created seasonal employment in 2015, the sector's performance in terms of job creation has been modest. In addition, the current drought in the Western Cape Province poses a serious threat to job opportunities in the agricultural sector.

In the years that the agricultural sector shed jobs, sectors linked to agriculture (such as storage, transport and communication) also shed jobs. This trend highlights the importance of the agricultural sector in the Cape Winelands District.

The majority of workers in the Langeberg area are low-skilled, and the number of low-skilled jobs declined on average by 1.3% between 2005 and 2015 as can be seen in the table below.

Table 28: Langeberg formal employment per skills level

Langeberg formal employment by skills level, 2015

Formal employment by skill	Skill level contribution (%) 2015	Average growth (%) 2005 - 2015	Number of jobs 2015
Skilled	15.2	2.6	4 689
Semi-skilled	36.0	1.7	11 076
Low-skilled	48.8	-1.3	15 009
Total Langeberg	100	0.2	30 774

(Source: MERO, 2017)

Between 2005 and 2015 there was an increase of 2.6% and 1.7% in skilled and semi-skilled employment respectively. This trend highlights the necessity to up-skill workers to be employable in an economy requiring increased skills levels.

The Winelands District is a nett importer, with the value of imported products exceeding that of exported products. Imports are mostly mining and quarrying products, and exports are mostly manufactured products. The value of exported products increased relative to imported products between 2013 and 2016 as a result of the weaker Rand and increased demand for South African products.

The trade balance of the Cape Winelands is shown in the figure below.

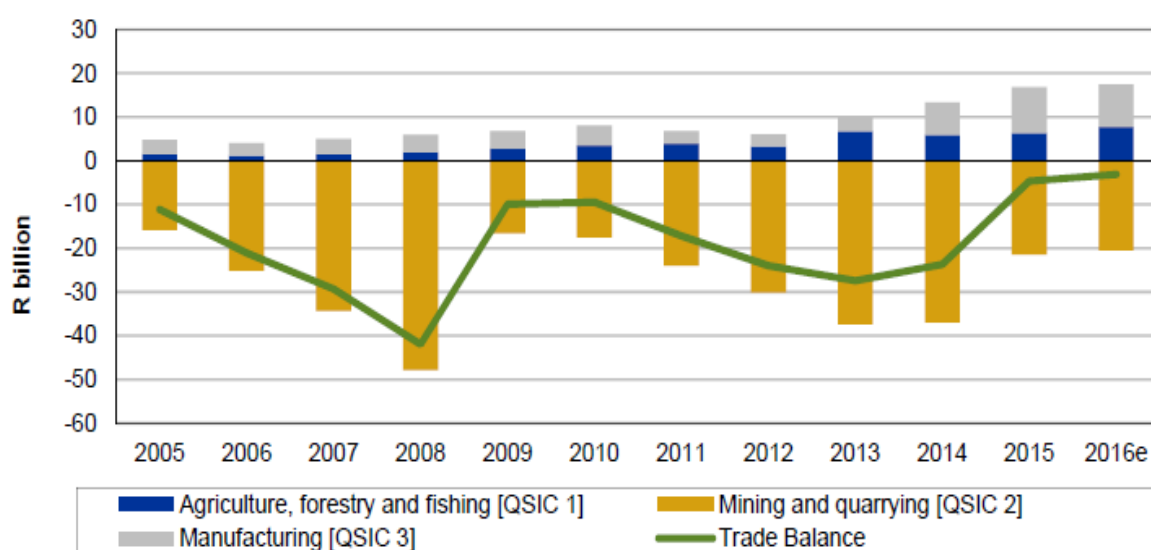


Figure 29: Cape Winelands trade balance 2005 - 2016

(Source: MERO, 2017)

The NDP sets a target of an annual export growth rate of 6%. Growing exports is also important for improving the district's trade balance.

12.6. Stakeholder feedback

Community members, stakeholders and role-players were engaged to obtain their view and inputs on developing the local economy in the Langeberg area.

Their feedback was as follows:

1. How do you see the role of your organisation in LED?

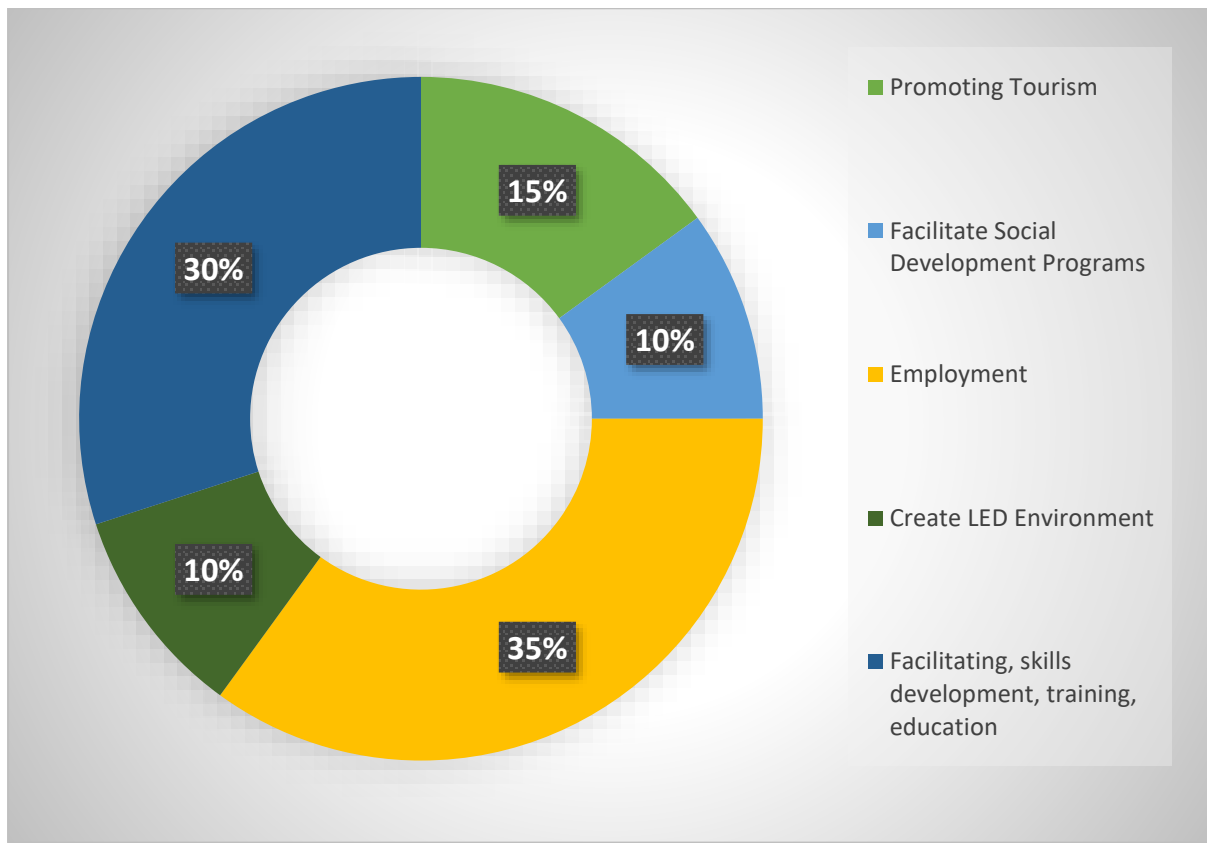


Figure 30: Stakeholders' perceived role in LED

Stakeholders most frequently responded that the role of their organisation in LED was creating employment, followed by skills training.

2. What do you regard to be the most important development need in terms of growing the economy in your municipal area?

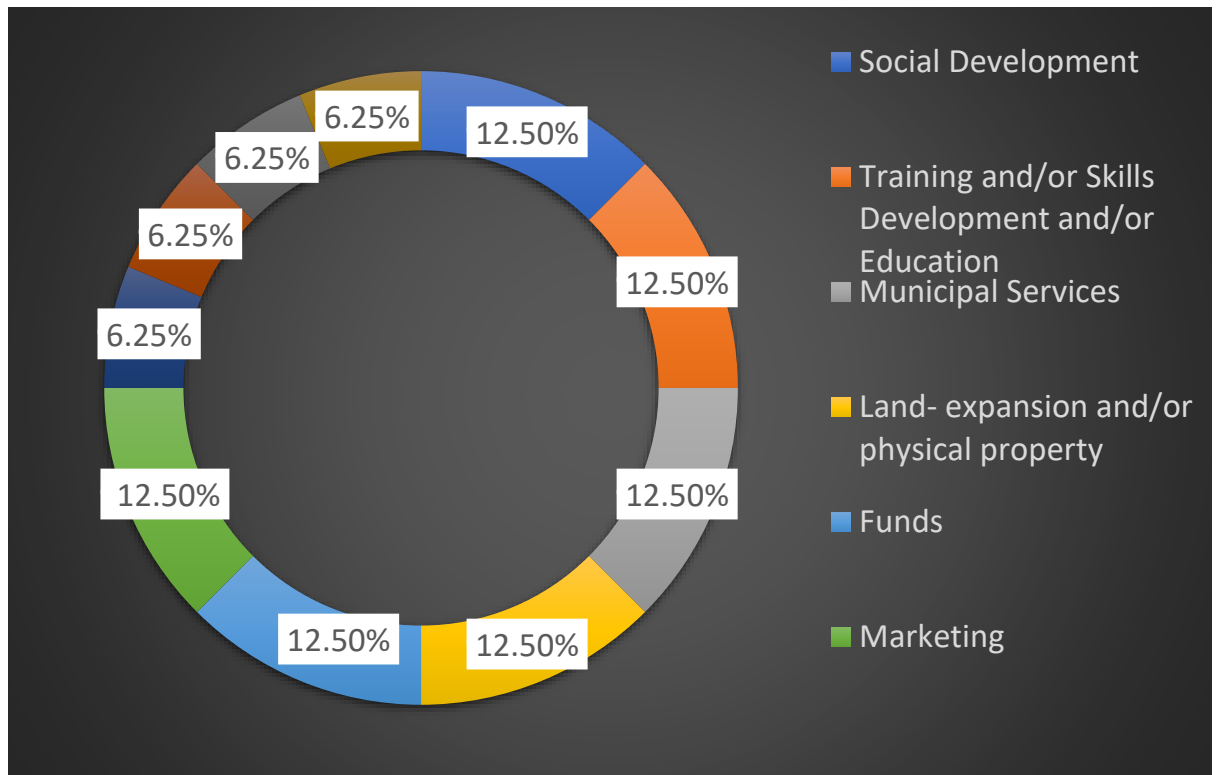


Figure 31: Most important development need, according to stakeholders

Respondents most frequently listed social development, training, municipal services, funding and marketing as the most important development needs in order to grow the local economy.

3. What solution do you propose for the most important development need in terms of growing the local economy in your municipal area?

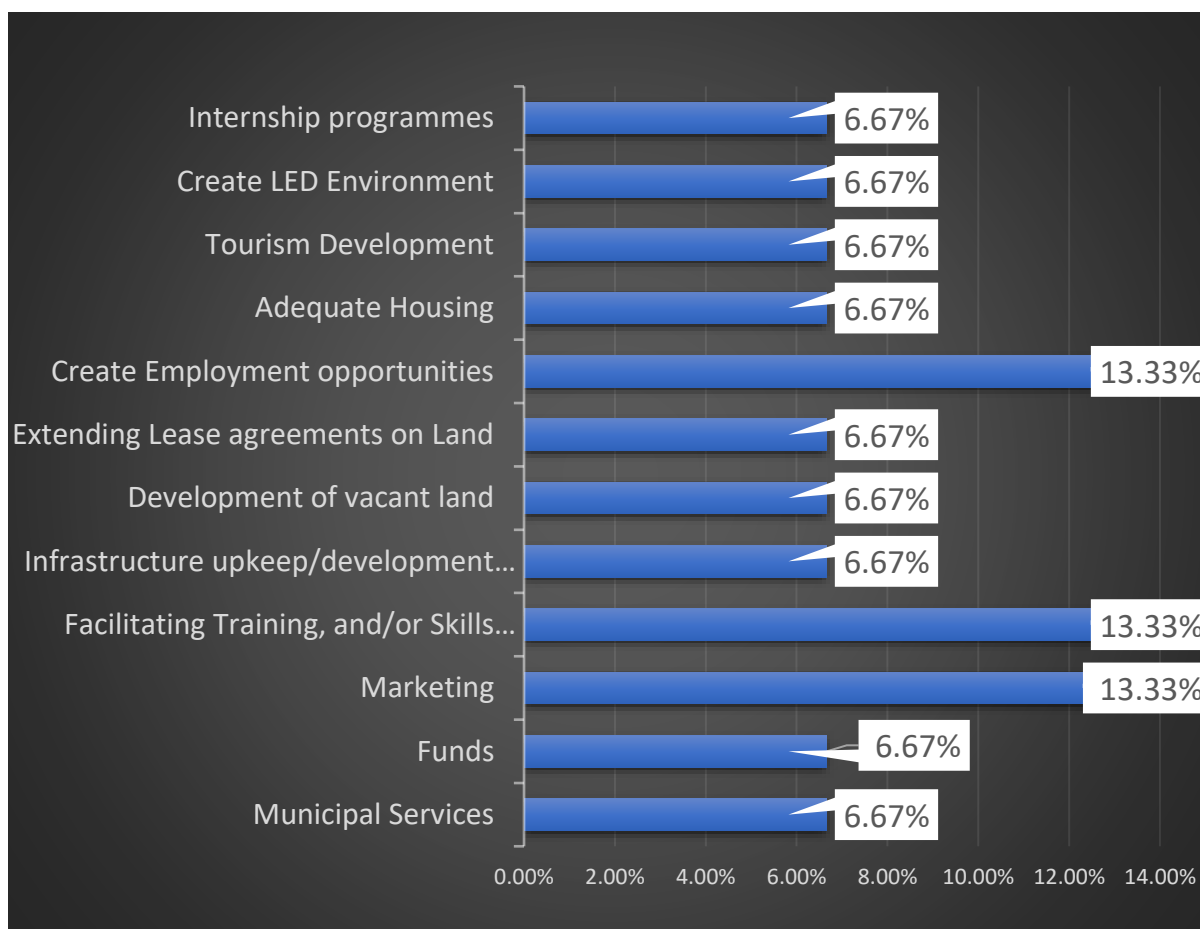


Figure 32: Solutions for development needs, according to stakeholders

The most frequently suggested solution was employment creation, skills development and marketing.

4. What do you view as the overall most pressing issue in terms of LED in your municipal area?

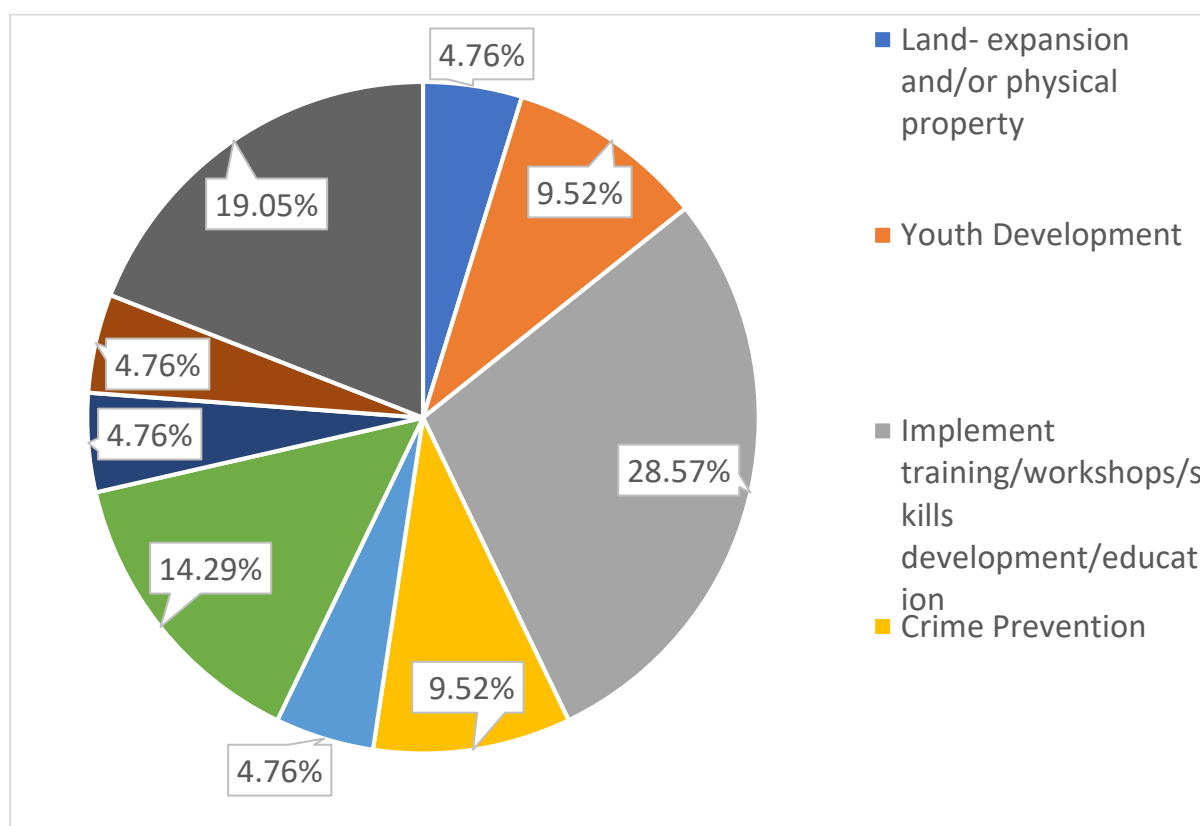


Figure 33: Most pressing issue in terms of LED, according to stakeholders

The need for training programmes/ skills development, followed by Youth Development and Crime Prevention were identified as the most pressing issues relating to local economic development.

5. How do you think should the municipality address the overall most pressing issue in terms of local economic development?

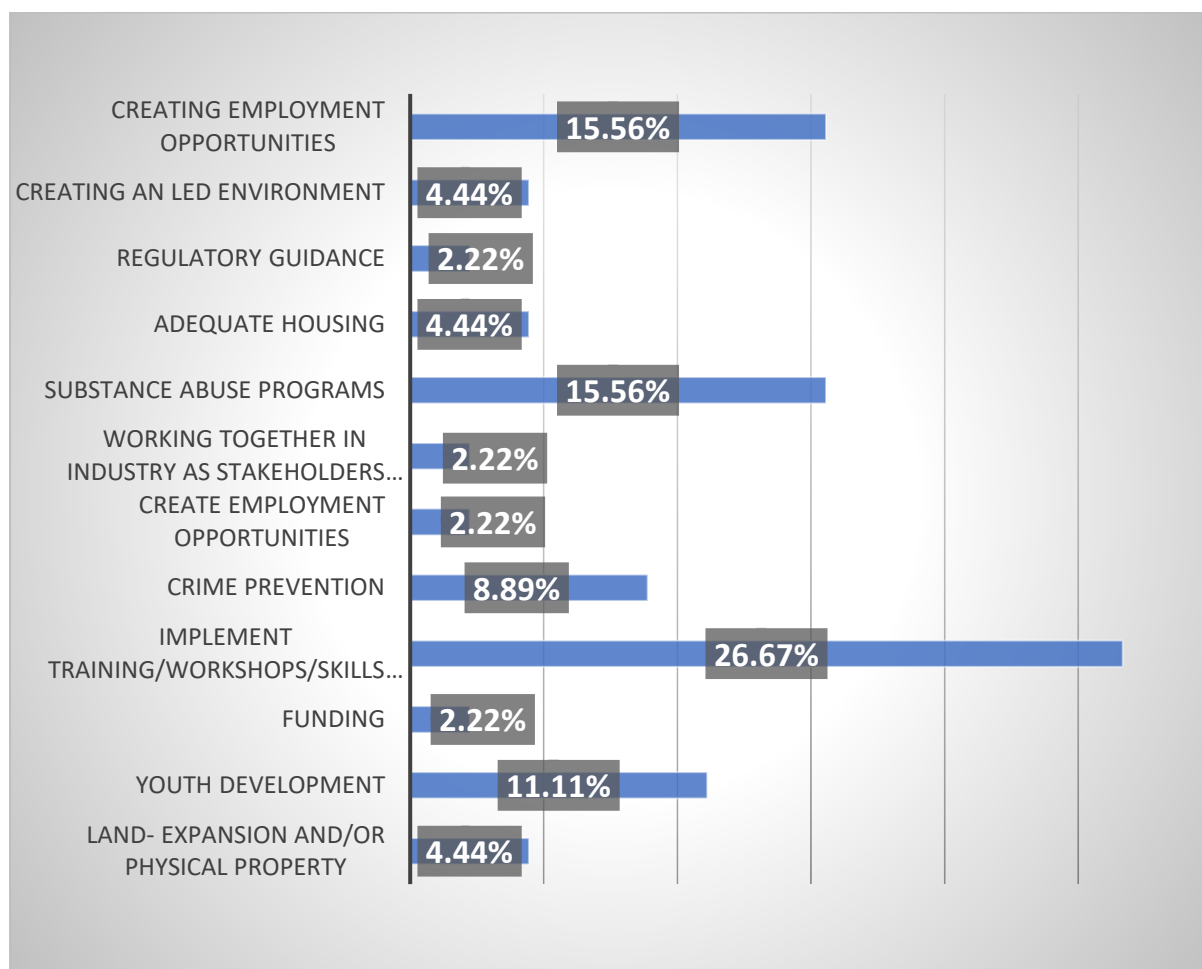


Figure 34: Municipality's role in LED development, according to stakeholders

Respondents felt implementing training programs, followed by creating employment opportunities and substance abuse programs would address the LED needs in the Langeberg local municipal area.

6. What role do you feel should the private sector play in addressing the overall most pressing issue in terms of local economic development?

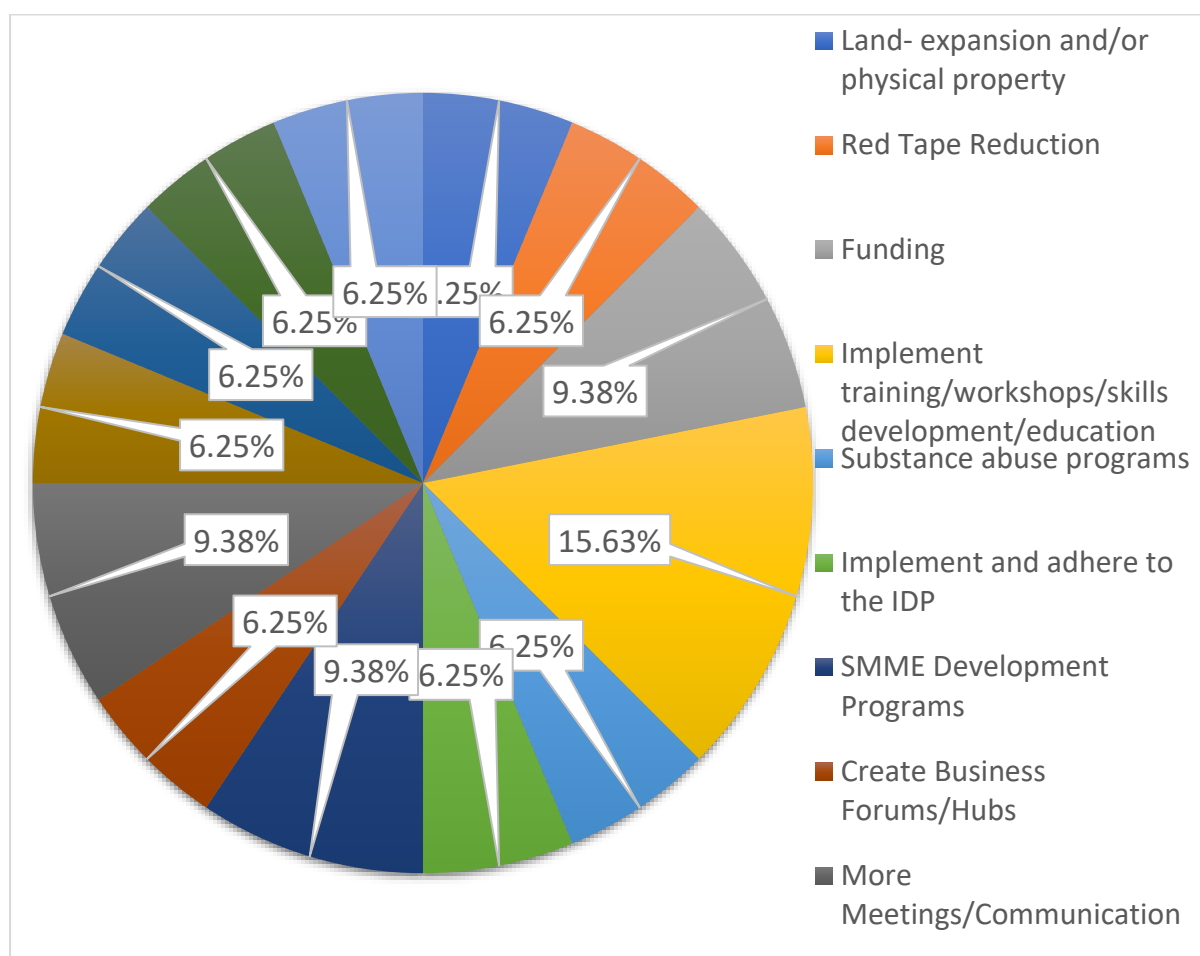


Figure 35: Private sector role in LED development, according to stakeholders

Stakeholders most frequently responded that the role of the private sector should be to provide training and funding to promote LED.

7. What do you think can be done to enhance co-operation between government and the private sector in your municipal area?

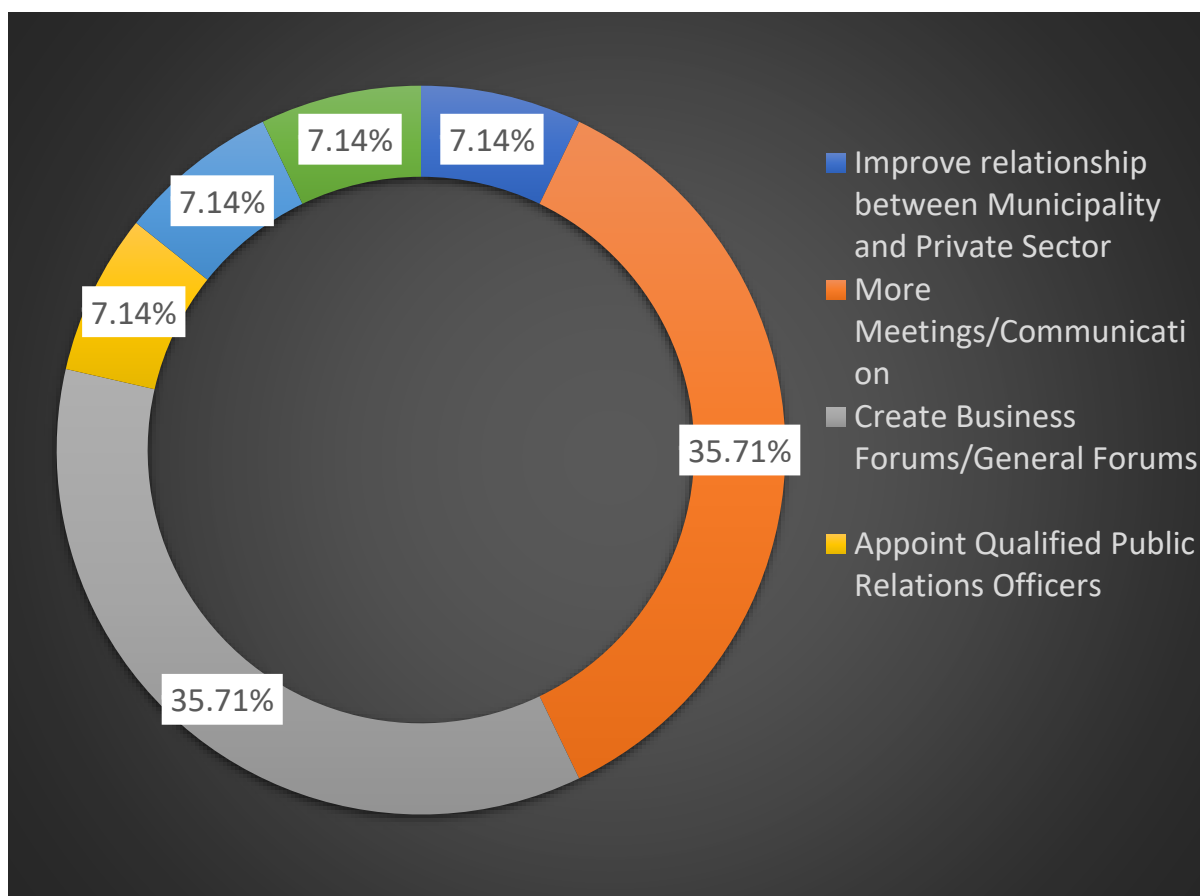


Figure 36: Strategy to enhance cooperation between private and public sectors, according to stakeholders

Respondents most frequently felt that more meetings and establishing business forums would enhance cooperation between government and the private sector.

In summary:

- The Langeberg economy was slower than other municipalities in the Cape Winelands District to recover from the 2008/ 2009 financial crisis and the growth rate has been declining since 2014.
- Langeberg needs to dramatically increase its per capita growth rate, as more than 7.5% per. annum is required to meet the national target of R110 000 per capita by 2030.

- If the GDPR growth rate does not outperform inflation and population growth rates, it would mean that the residents of Langeberg are in reality getting poorer.
- Langeberg's Gini coefficient was below (more favourable than) the national, provincial and regional average at 0.6 in 2014. This means that the income distribution in Langeberg is more equal than in the rest of the Cape Winelands District.
- Wholesale and retail trade, catering and accommodation and the agricultural sector were important contributors to both GDPR and GVA in 2015/2016.
- The agricultural sector plays a very important role in Langeberg, not only due to its significant contribution towards GDPR and GVA, but also in terms of creating employment and linkages to other sectors.
- Job opportunities for low-skilled workers in the Langeberg district are declining and, together with the volatility of jobs in the agricultural sector, it highlights the importance of up-skilling the labour force.

The main challenge facing the Cape Winelands economy is the slow economic growth rate. Langeberg's growth rate lags behind that of other municipalities in the district and the Langeberg area would benefit from accelerated economic growth. In addition, volatility of employment opportunities in the agricultural sector, the current drought gripping the Western Cape Province and fewer job opportunities for low-skilled workers underlines the importance of a suitably skilled labour force.

12.7. Objectives:

The main challenge facing Langeberg is a slow economic growth rate which can be attributed to the following factors:

- Low educational levels (unskilled workforce) resulting in unemployment
- The shrinking agricultural sector
- Socio-economic challenges such as substance abuse

Efforts should focus on accelerating economic growth through BRE and fostering the establishment of new businesses.

12.8. Conclusion

The slow economic growth rate and corresponding slow population growth rate erodes the tax base of the Municipality. The ongoing drought is an additional threat to the agricultural sector and economic growth. Growing the tourism sector, SMME development, agri-processing, investment attraction and the development of arts and crafts as a means of income, are tools that can be utilised to accelerate economic growth in the area.

Entrepreneurship

Entrepreneurship is one of the factors of production. This section considers the business environment and entrepreneurship in the Langeberg Local Municipality.



13. Entrepreneurship

The businesses in an area constitute the fourth factor of production, namely Entrepreneurship. Entrepreneurship refers to the efforts of those who run businesses in the private sector, be it formal or informal. Entrepreneurship is essential for putting labour, natural resources and capital to productive use, and is thus the driving force behind the first three factors of production.

13.1. The contribution of the Private Sector (local businesses)

13.1.1. The formal sector

Businesses create employment for local residents, provide families with livelihoods and ignite local economic development.

The table below outlines the number of people employed per economic sector and sub-sector in each municipal area, including Langeberg.

Table 34: Employment (number) per industry 2016

Employment (Number): Total for 2016						
Industry	CWDM	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg
Total (all sectors)	376 029	59 006	108 595	76 295	80 685	51 448
Primary sector total	70 704	16 140	16 001	9 270	17 520	11 773
Agriculture	66 294	14 974	14 886	8 238	16 798	11 398
Forestry	1 692	521	404	499	152	116
Fishing	2 556	640	634	504	536	242
Other mining and quarrying	162	5	77	29	34	17
Secondary sector total	59 155	8 510	18 589	12 859	11 170	8 027

Food	5 627	1 223	1 399	1 024	1 093	888
Beverages and tobacco	3 847	362	1 239	1 126	488	632
Textiles	1 383	59	426	394	254	250
Wearing apparel	2 076	54	331	715	504	472
Leather and leather products	99	14	50	25	10	0
Footwear	485	214	112	85	29	45
Wood and wood products	1 411	290	557	274	183	107
Paper and paper products	537	50	167	135	147	38
Printing, recorded media	1 781	86	445	604	365	281
Coke, petroleum products and nuclear fuel	310	102	75	57	50	26
Basic chemicals	291	34	70	68	77	42
Other chemical products	848	69	251	236	176	116
Rubber products	164	13	43	48	41	19
Plastic products	771	0	259	252	164	96
Glass and glass products	223	19	65	60	49	30
Non-metallic mineral products	1 018	205	376	182	158	97
Basic iron and steel products; casting of metal	298	57	81	65	59	36
Non-ferrous metal products	118	0	50	32	27	9

Structural metal products	885	75	241	206	192	171
Other fabricated metal products	1 272	131	348	306	275	212
Machinery and equipment	1 797	116	696	482	367	136
Electrical machinery	560	33	274	172	57	24
Radio, television and communication apparatus	109	8	41	26	23	11
Professional equipment	205	7	75	87	24	12
Motor vehicles, parts and accessories	1 274	111	364	363	270	166
Other transport equipment	505	21	208	127	134	15
Furniture	655	58	233	159	97	108
Other manufacturing groups	1 537	226	473	320	282	236
Electricity and gas	703	151	231	109	132	80
Water	268	66	107	39	39	17
Construction	28 098	4 656	9 302	5 081	5 404	3 655
Tertiary sector	246 170	34 356	74 005	54 166	51 995	31 648
Wholesale and retail trade	76 816	10 501	21 488	18 052	15 069	11 706
Catering and accommodation services	10 523	1 576	3 155	2 217	2 387	1 188
Transport and storage	14 022	1 437	3 680	3 320	3 280	2 305
Communication	2 731	205	689	763	510	564
Finance and insurance	7 773	831	2 674	2 044	1 414	810

Professional business services	19 453	2 181	6 643	4 713	3 855	2 061
Business activities n.e.c.	24 102	2 955	6 647	5 024	6 589	2 887
National and Provincial government	28 499	4 591	9 539	6 055	5 691	2 623
Local government	8 337	2 100	2 610	1 639	1 300	688
Education (Private)	4 022	478	1 270	957	760	557
Health and social work (Private)	6 981	1 042	2 240	1 454	1 466	779
Other community, social and personal services	42 911	6 459	13 370	7 928	9 674	5 480

(Source: Quantec, 2017)

Of the three main sectors, the Tertiary Sector creates the highest number of jobs in the Cape Winelands District Municipality, including all the respective Local Municipalities. The vast majority of people in Langeberg are employed in the Agricultural sector, followed by the Wholesale and Retail trade sub-sectors. This is reflective of the high level of economic specialisation in the Agricultural sector as indicated by the Location Quotient.

Of the 51 448 people employed in the formal sector in Langeberg in 2016, 3 311 were employed in the public sector (national, provincial and local government) and 48 137 in the private sector. This emphasises the important role the private sector plays in creating employment in the Langeberg Local Municipal area.

13.1.2. Compensation per sector

Table 35: Nominal compensation (R million in current prices) 2016

Nominal compensation (R million current prices) 2016						
	Cape Winelands	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg
Industry						
Total	34 574	4 466	11 576	8 650	6 567	3 315
Primary sector	1 676	347	436	276	378	239
Secondary sector	8 541	1 100	2 921	2 150	1 444	925
Tertiary sector	24 357	3 018	8 219	6 224	4 745	2 150

(Source: Quantec, 2017)

The tertiary sector makes the greatest contribution in terms of nominal compensation in the district and all the local Municipalities respectively. This can be attributed not only to the sector employing the highest number of individuals, but also to higher compensation per person associated with higher skills levels.

13.1.3. Contribution to Municipal income

In addition to creating employment and capital formation, local businesses also contribute toward municipal income. The table below outlines the various revenue streams (sources of income) per municipality.

Table 36: Income for Rates and General Services in R'000 for 2016

Geography	Breede Valley LM	Cape Winelands DM	Drakenstein LM	Langeberg LM	Stellenbosch LM	Witzenberg LM
Income						
Property rates from Residential	58 660	0	172 988	19 797	159 772	22 441
Property rates from Commercial or Business	21 786	0	67 352	5 196	128 904	10 207
Property rates from State	11 657	0	26 723	1 034	0	6 639

Property rates from Other (includes agriculture, municipal etc.)	27 885	0	41 155	24 272	14 310	23 233
Property rates – penalties imposed and collection charges	1 001	0	353	0	2 067	1 435
Interest earned from external investments	10 919	42 792	19 255	4 392	49 713	6 772
Interest earned from outstanding debtors	3 162	0	7 533	1 955	671	116
Interest earned from dividends received	0	0	15	0	0	0
Interest earned from fines	68 284	0	52 687	20 679	90 554	8 559
Grants and subsidies from National Government	10 458	5 172	90 960	15 311	18 676	54 850
Spent conditional grants	17 677	213 886	90 868	37 081	73 408	28 378
Other income	4 727	1 579	100 029	23 857	31 382	870

(Source: Stats SA, 2017)

The greatest contribution towards Municipal income for Rates and General Services, not considering grants, comes from Property Rates from Residential properties.

The value of the private business sector therefore mostly lies in creating employment, thus enabling households to pay for Residential Property Rates (and contribute to the

local economy). A lack of job opportunities in a region leads to out-migration, causing a vicious circle of slower economic growth (DBSA, 2001).

13.1.4. The informal sector

The informal sector is characterised by small-scale, labour intensive, largely unregulated and unregistered businesses (Wilson, Whiteman & Tormin, 2001). These businesses typically engage in low-technology manufacturing or the provision of services. Informal sector entrepreneurs do not pay taxes, do not have the required trading licenses and are not included in government schemes (Haan, Coad & Lardinois, 1998). The informal sector can therefore be defined as “the total value of economic activity that is not captured in official statistics and which constitutes the value added by various participants to the value of economic transactions” (Roux, 2014).

The informal sector is therefore very difficult to quantify.

The table below depicts estimated employment levels in the formal versus informal sectors:

Table 37: Estimated Employment in Formal and Informal Sectors

	<u>Formal jobs per municipality</u>			<u>Unemployment rate</u>	<u>Employed - Informal (Number)</u>			<u>Labour force participation rate (Percentage)</u>
	2014	2015	2016		2014	2015	2016	
Geography								
Cape Winelands	256 516	271 490	278 201	10.68%	89 572	101 518	97 828	68.95%
Witzenberg	43 124	46 825	48 399	6.98%	9 280	10 760	10 607	72.44%
Drakenstein	78 093	81 383	83 369	13.94%	23 284	26 205	25 226	67.06%
Stellenbosch	51 548	53 353	54 601	10.92%	20 287	22 695	21 694	68.29%
Breede Valley	55 424	59 190	60 463	10.75%	18 308	20 972	20 222	68.78%
Langeberg	28 327	30 739	31 369	6.99%	18 413	20 886	20 079	70.94%

(Source: Quantec, 2017)

It is estimated that in developed economies such as Europe and the USA, the informal sector accounts for between 15% and 30% of business activity (Roux, 2014). The South African informal sector developed mostly as a means of survival for those unable to find employment, in contrast to the informal sector in developed countries where the objective is more often to enhance income. It is therefore likely that the informal sector in South Africa accounts for an even greater proportion of business activity.

In South Africa, the informal sector is not confined to any particular sector of the population (Roux, 2014). Flea markets, street vendors, housewives who work from home, hawkers, sewing and backyard mechanics are but some examples of informal businesses. Although the informal sector is unregulated and does not pay taxes, it does contribute to economic activity by producing goods and creating employment (a means of livelihood). The informal sector contributes to poverty alleviation by creating a livelihood for the poor, creating employment and producing goods and services for the local community.

Informal businesses included in the CWDM informal sector survey (2008) showed an almost equal split between male and female ownership. In addition, the age groups were also evenly distributed. The qualifications of informal business owners varied from individuals with a primary school education to some who enrolled in tertiary studies. The demographics of informal traders therefore reflected the demographics of the area.

The majority of informal traders were active in the retail trade, followed by taxis. Turnover varied from less than R 150 000 per annum to over a million rand per annum (in which case the businesses were supposed to have been registered for VAT). The number of persons employed per business also varied, but the concerning fact is that by virtue of being informal, no income tax, UIF or COIDA was being deducted or paid over for these employees.

In view of the contribution of the informal sector to job creation and economic activity, it should not be regarded as a nuisance, but rather as an additional source of economic growth that can be developed. Initiatives focused on the informal sector should be

aimed at providing support to develop enterprises and empower them to grow into the formal sector.

Government incentives are useful tools for growing enterprises, and can motivate businesses to register with SARS (tax clearance is usually required to qualify for government grants). During the informal sector survey (CWDM, 2008), most businesses (74%) indicated that they were unaware of government incentives. Business forums can be utilised as communication channels to share information regarding incentives with small businesses, including those in the informal sector.

The sample selection criteria for the informal sector survey (CWDM, 2008) included businesses not registered with SARS, with the Compensation Commission or Unemployment Insurance Fund, irrespective of the business entity type. This reiterates the fact that a business does not have to be a registered company or co-operative in order to be considered part of the formal sector. Sole proprietorships, that have the applicable registrations for SARS and the Unemployment Insurance Fund in place, and comply with industry regulations, indeed form part of the formal sector.

Misinformation and confusion regarding the requirements to start trading are not only damaging to new enterprise development, but also have a detrimental impact on the inclusion of businesses in the formal sector. The misconception that businesses have to be registered with CIPC in order to be considered formal businesses creates perceived barriers to establishing a new (formal) business. The process, cost and documentation requirements of registering an entity with CIPC are viewed as insurmountable barriers for some entrepreneurs, and therefore act as very unnecessary deterrents. Entrepreneurs under the false impression that they have to first register a company or co-operative before they can start trading, delay engaging in income generating activities and therefore miss out on opportunities and income.

The type of business entity (i.e. sole trader, partnership, company or co-operative) has no impact on the prosperity and growth of the business. It also has no impact on the eligibility for funding of a business. Factors that do have an impact on the eligibility for funding are the statutory registrations, or legally compulsory registrations, such as registering for income tax and registering with the Department of Labour as an employer in order to deduct and pay over UIF.

There are many different registrations included in the process of registering a business, and statutory registration should take precedence over registering an entity type. As the business grows, it may decide to register a different entity type, but for small start-ups it is best to limit red tape and start trading as soon as possible. This can be done by registering with SARS and the Department of Labour.

The argument of limited liability is dependent on the business activities, and often negated by lenders requiring that the business owners sign surety for the business's borrowings.

The Finscope Small Business Survey conducted in 2010 identified specific challenges facing SMMEs in South Africa:

- Start-up SMMEs experience significant challenges in obtaining finance and credit
- Infrastructure is key to SMME development, but businesses often struggle with lack of access to physical infrastructure
- SMMEs often have limited Research and Development (R&D) capabilities
- Labour laws discourage SMMEs from employing significant numbers of employees
- An inadequately educated workforce leads to skills shortage constraints
- Red tape, such as obtaining permits, often proves challenging for SMMEs
- High crime levels push up expenditure on security
- The inability for SMMEs (especially in rural areas) to gain access to markets has been identified as a major threat to their longevity.

13.2. Business Environment

The business environment of the area is dependent on the following:

- Economic growth in the area

- The availability of human capital and the required inputs to their respective production processes
- Access to markets
- Basic service delivery and maintenance of infrastructure

The private sector, made up of businesses, is both a beneficiary and driving force for economic growth. Strong economic growth allows businesses to expand and grow, thereby increasing their economic contribution and facilitating economic growth, creating a virtuous cycle. Efforts to promote economic growth therefore create an enabling environment for businesses to grow and prosper, and are especially important for new venture creation.

The availability of a suitably skilled workforce is an important ingredient for businesses to grow and prosper. Skills development is thus important for businesses, and in turn, most businesses assist in the development and training of their workforce.

Accessibility, both in terms of access to markets and accessing production inputs (raw materials) is important for the development of the private sector. Although the Cape Winelands District is situated outside of the economic hub of the Cape Town metropolis, it is connected to ports via excellent road and rail infrastructure.

Excellent basic service delivery from the local municipality and a safe and secure environment form the base of growing the private sector. Businesses are known to move away from areas where poor service delivery disrupts production processes, or from crime-ridden areas where crime and a lack of security result in financial losses. Attracting a strong private sector is built upon basic service delivery and safety and security.

13.3. Tress Index

The tress index is used to measure the level of diversification of an economy, i.e. how dependent the economy of a region is on a single or a few economic activities. In lay terms, the tress index measures if the economy has “all its eggs in one basket.” The higher the tress index, the more concentrated an economy, or the more dependent on

a single or a few business activities the economy is. Therefore, the higher the tress index, the more vulnerable the economy is to risk factors that might influence those few economic activities on which it is dependent. Such risks can include adverse climatic conditions or commodity price fluctuations. A totally diversified economy will have a tress index of zero.

The tress index for each of the municipalities, relative to the province and country, is depicted in the table below.

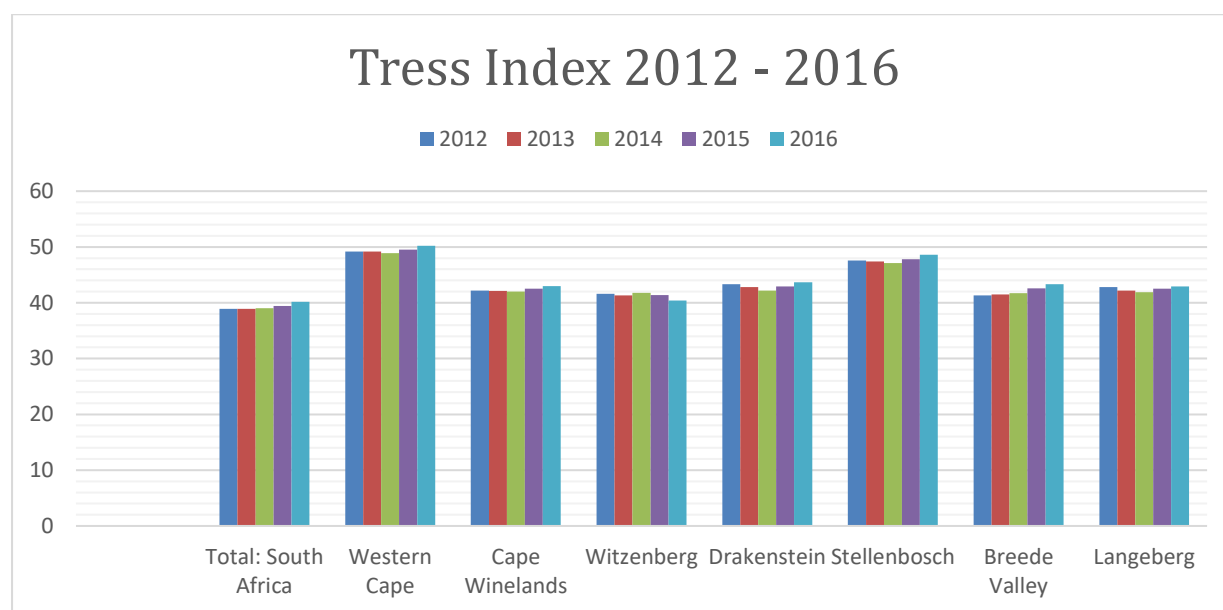


Figure 37: CWDM Tress Index

Table 38: Tress Index, 2012 - 2016

	2012	2013	2014	2015	2016
Total: South Africa	38,9	38,9	39	39,4	40,2
Western Cape	49,2	49,2	48,9	49,5	50,2
Cape Winelands	42,2	42,1	42	42,5	43
Witzenberg	41,6	41,3	41,8	41,4	40,4
Drakenstein	43,3	42,8	42,2	42,9	43,7
Stellenbosch	47,6	47,4	47,1	47,8	48,6
Breede Valley	41,3	41,5	41,7	42,6	43,3
Langeberg	42,8	42,2	41,9	42,5	42,9

(Source: Quantec, 2017)

Although lower than the average for the Western Cape, the tress index for the Cape Winelands District is higher than the average for the country. This is expected, because across the country there is a greater variety of economic activities across which dependence can be spread. Although the second lowest in the district, the tress index for the Langeberg Local Municipality increased between 2012 and 2016, indicating that it became more dependent on a smaller number of economic activities. The increase in the tress index, more than the score itself, is of concern, because it means that the local economy is becoming more vulnerable due to its increased dependence on a smaller number of economic activities (the agricultural sector). The current drought in the Western Cape therefore poses a serious threat to the district's economy. A strong and diversified business sector can assist to mitigate this risk.

The priority should be to attract and foster a variety of businesses to further increase the diversity of the local economy.

13.4. Profile of Main Towns:

The Cape Winelands District includes the following towns:

- Robertson
- Montagu
- Ashton
- McGregor
- Bonnievale

13.4.1. Robertson

Robertson is the western gateway to Route 62 and the dried fruit centre of the country. The area is known for the more than 50 wine estates included in its wine route. Farming and wagon building were the town's original industries, with agriculture the mainstay of the town's economy in the present day. Robertson is an attractive Cape Winelands town, with Victorian buildings and jacaranda-lined streets. The town offers tourists a variety of experiences to choose from, ranging from wine-tasting to sky

diving. Robertson Business Chamber represents the private sector and is situated in Reitz Street.

13.4.2. [Ashton](#)

The small town of Ashton developed around the railway station, the Langeberg Co-op and the second canning factory of Langeberg Ashton Foods (Pty) Ltd. Ashton is an agricultural and industrial hub that services the surrounding farms. The CBD is comprised of general stores, restaurants, petrol stations, coffee shops and agricultural service organisations.

13.4.3. [Bonnievale](#)

Bonnievale is a small town that services the surrounding farms, and the CBD is comprised mostly of businesses that service the agricultural sector. The town offers a few retail outlets, petrol station and business services. The town is also a popular weekend getaway and boasts a number of accommodation establishments.

13.4.4. [Montagu](#)

The beautiful little town of Montagu is known for its dried fruit and hot springs. It is situated on the R62 approximately two hours' drive from Cape Town. The town is located in a valley surrounded by beautiful mountains. Montagu offers a variety of hospitality establishments, including restaurants and accommodation. The rural town caters to tourists, and services the surrounding farming community. The CBD is comprised of several small businesses, restaurants, coffee shops and retail outlets.

13.4.5. [McGregor](#)

McGregor is a small town located 19 kilometres away from Robertson. The town has a quaint, rural character and boasts beautiful natural gardens. Local crafters and artists offer their work for sale to locals and visitors. The town has a rural character

and hosts the annual McGregor poetry festival. The McGregor art route offers a variety of cultural venues and experiences.

13.5. The role of the Municipality

The role of the Municipality is to facilitate an economic climate that supports growth, improvement of quality of life and tax base enhancement. Improving the economic climate should enable sustainable growth and job creation, which will increase per capita income and improve an acceptable distribution in income. This will, in turn, support improvements in quality of life and broadening the tax base.

Provision of public safety, cleansing services, maintenance or upgrading of the urban public environment and infrastructure, and social services that address social issues in the area, allow individual property owners to benefit from a well-managed and safe neighbourhood. A supportive business environment also attracts investment to the area. Therefore, the private sector can be supported through service delivery in terms of:

- Uninterrupted basic service delivery
- Reducing crime and therefore losses due to criminal behaviour
- Reducing litter and enhancing cleanliness
- Lighting & marking of streets and pavements
- Creating a safe and clean public environment by addressing issues of maintenance and cleaning of streets, pavements and public spaces
- Manage existing and new public infrastructure for the future benefit of all of the users of the area
- Support the promotion of the area as a safe and clean environment by promoting greening, energy efficiency and recycling
- Effective management of traffic flow and parking spaces.

The Municipality can work with private sector to launch co-operative projects to enhance the business environment to the benefit of all stakeholders.

13.6. Stakeholder feedback

Several stakeholders were engaged to obtain inputs from the local community. The inputs of stakeholders were as follows:

1. What do you regard to be the most important need for development in the business sector in your municipal area?

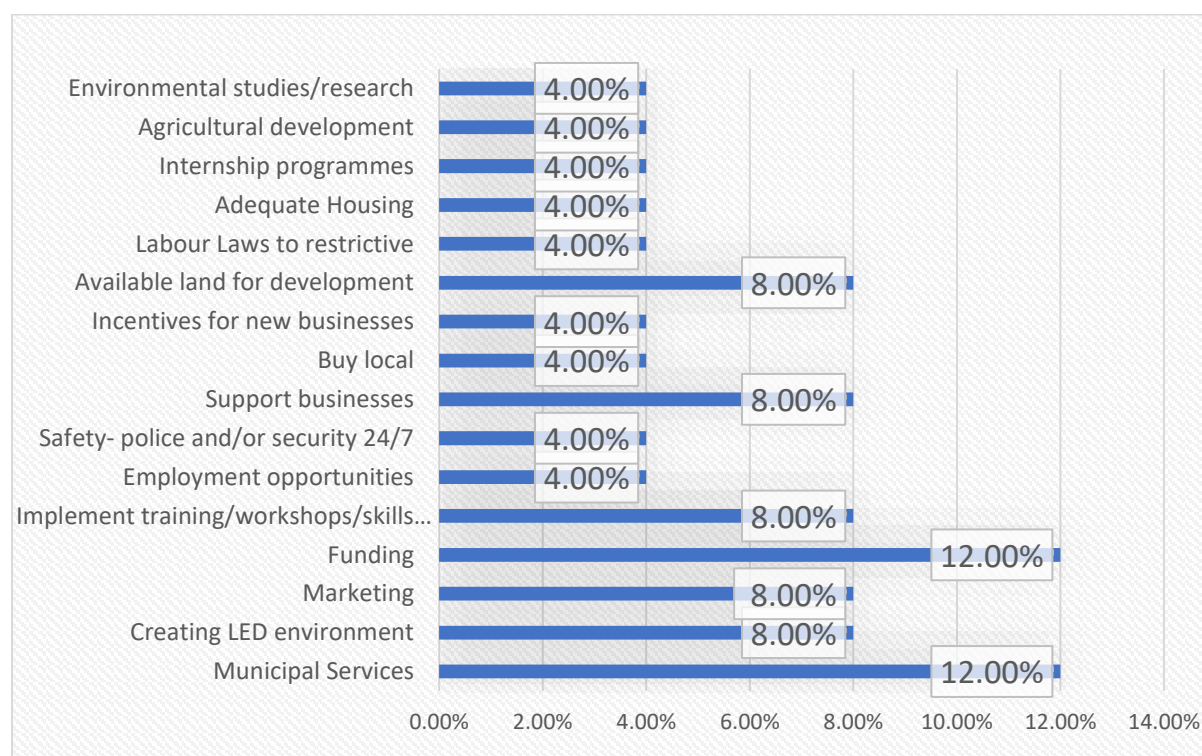


Figure 38: Most important need for business, according to stakeholders

Stakeholders most frequently identified Funding and Municipal Services as development needs for the business sector in Langeberg.

2. What solution do you propose for the most important development need in the business sector in your municipal area?

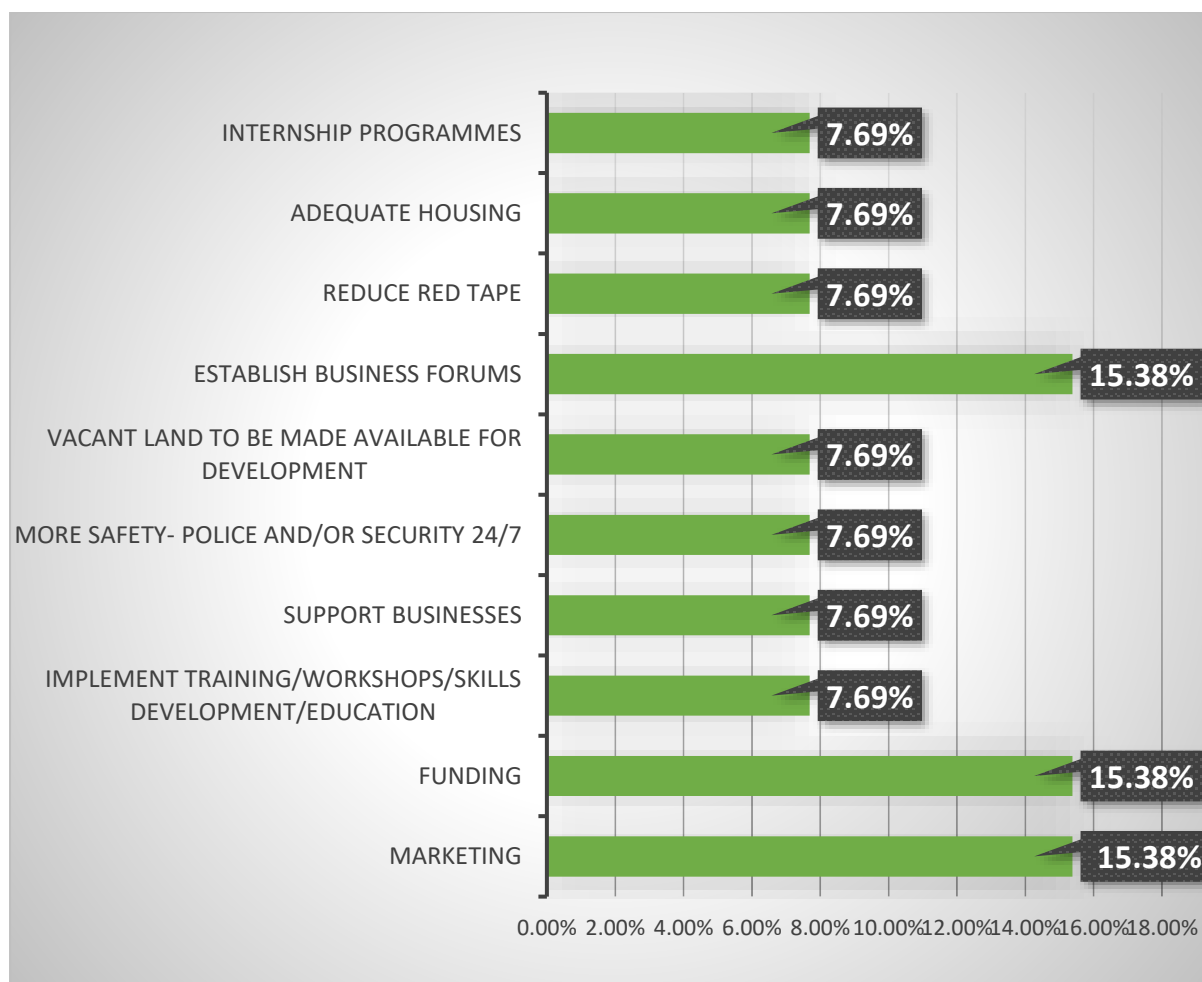


Figure 39: Solutions to business needs, according to stakeholders

Respondents most frequently listed Marketing, Funding and the establishment of business forums as solutions to the development needs of the business sector. The responses suggest that respondents felt that the municipality should fund the business sector and view this perceived duty as part of service delivery.

3. What do you think can be done to enhance enterprise development in your municipal area?

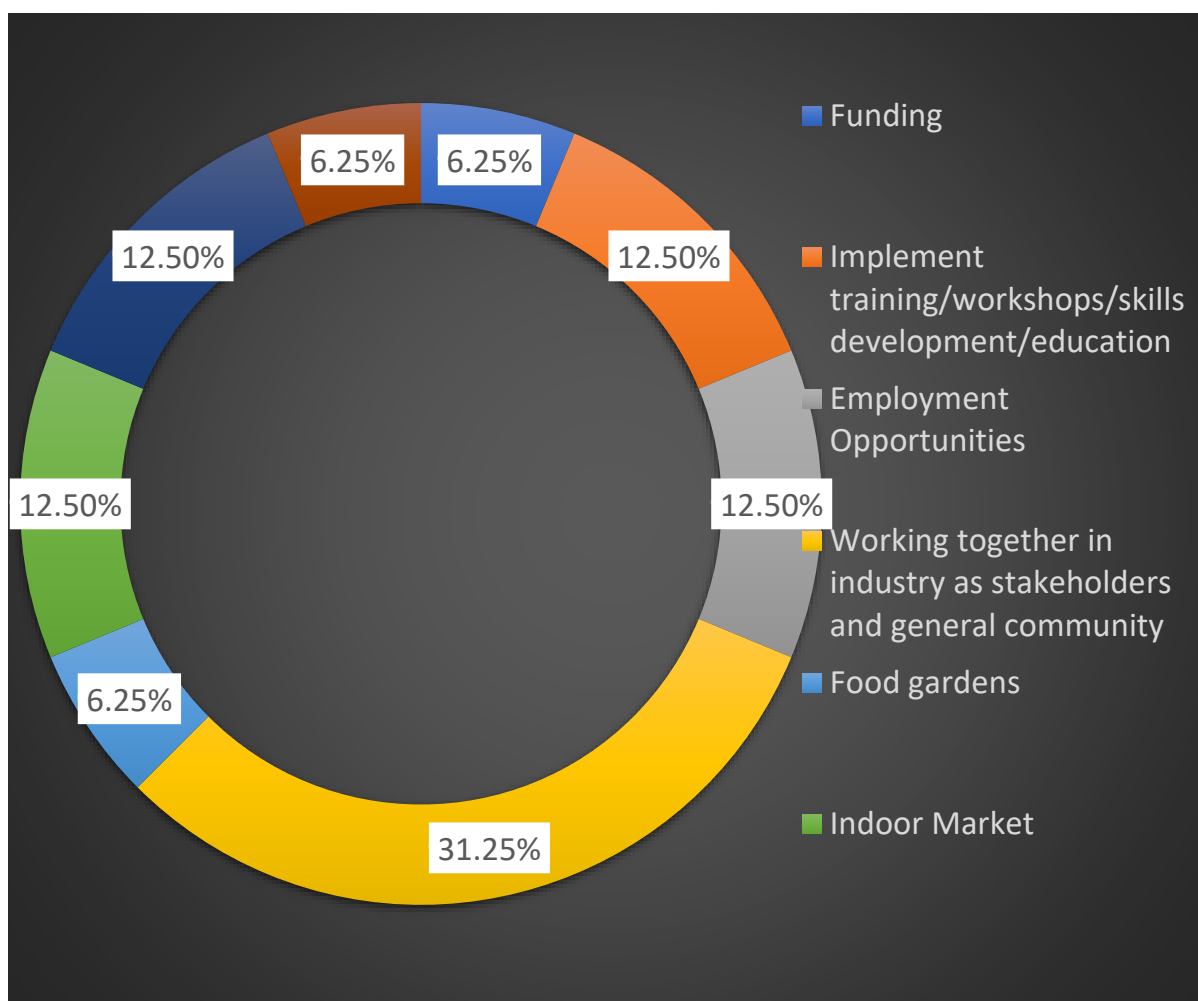


Figure 40: Enhancing enterprise development, according to stakeholders

Respondents most frequently listed that working together as stakeholders and a community should enhance the business sector in Langeberg.

* A database of the 100 most prominent business in the Cape Winelands District is annexed to this report. *

Summary

- Entrepreneurship refers to all the businesses in an area, both formal and informal.
- Entrepreneurship is the driving force that puts labour, natural resources and capital to productive use.

- Businesses create employment for local residents, provide families with livelihoods and ignite local economic development.
- Of the three main sectors, the Tertiary Sector created the highest number of jobs in the Langeberg Local Municipal District.
- The agricultural and Wholesale and Retail Trade sub-sectors employed the highest number of people in the Langeberg Local Municipal area. This is reflective of the high level of economic specialisation in the Agricultural sector as indicated by the Location Quotient.
- The tertiary sector makes the greatest contribution in terms of nominal compensation in the Langeberg Local Municipal area. This can be attributed not only to the sector employing the highest number of individuals, but is also due to higher compensation per person associated with higher skills levels.
- In addition to creating employment and capital formation, local businesses also contribute toward municipal income. In this respect, the value of the private business sector mostly lies in creating employment, thus enabling households to pay for Residential Property Rates and contribute to the local economy. A lack of job opportunities in a region leads to out-migration, causing a vicious circle of slower economic growth (DBSA, 2001).
- In view of the contribution of the informal sector to job creation and economic activity, it should not be viewed as a nuisance, but rather as a source of economic growth that can be developed. Initiatives focused on the informal sector should be aimed at providing support to develop enterprises and empower them to grow into the formal sector.
- The business environment of the area is dependent on the following:
 - Economic growth in the area
 - The availability of human capital and the required inputs to their respective production processes
 - Access to markets
 - Basic service delivery and maintenance of infrastructure.
- The tress index for the Langeberg Local Municipal District increased between 2012 and 2016, indicating that the economy became dependent on a smaller

number of economic activities, which increased the vulnerability of the economy to external risk factors.

- A strong and diversified business sector can assist to mitigate the risk associated with dependence on a singular or small number of economic activities.
- The priority should be to attract and foster a variety of businesses to increase the diversity of the local economy.
- The towns in the Langeberg local municipal district all have a distinct economic composition, but all are mainly built around the agricultural sector.
- Most towns have small business associations of business chambers that can be used as communication channels with the formal sector.
- The role of the municipality is to facilitate a climate that supports business growth. Provision of public safety, cleansing services, maintenance or upgrading of the urban public environment and infrastructure, and social services that address social issues in the area, allow individual property owners to benefit from a well-managed and safe neighbourhood.

13.7. Objectives:

- Create an enabling environment that attracts diversified private sector investment and fosters growth and development of existing and new businesses.
- Initiatives focused on the informal sector should be aimed at providing support to develop enterprises and empower them to grow into the formal sector.
- Excellent basic service delivery is key to creating a supportive business environment, and the Municipality should provide and facilitate the following:
 - Uninterrupted basic service delivery
 - Reducing crime and therefore losses due to criminal behaviour
 - Litter and cleanliness
 - Lighting & marking of streets and pavements
 - Creating a safe and clean public environment by addressing issues of maintenance and cleaning of streets, pavements and public spaces.

- Manage existing and new public infrastructure for the future benefit of all the users of the area.
- Support the promotion of the area as a safe and clean environment by promoting greening, energy efficiency and recycling.
- Effective management of traffic flow and parking spaces

13.8. Conclusion

The growth and development of the business sector is imperative to economic growth in the area. Businesses create employment and the economic activity that enables growth. Existing businesses should be supported and enabled to grow and expand and the establishment of new businesses should be encouraged and fostered.

Capital

The accumulation of capital (investment) is important for economic growth and development. This section considers investment trends in Langeberg Local Municipality and how investment can be increased.



14. Investment (Capital)

Capital formation (investment) is the third factor of economic production. Capital formation includes the following:

- The accumulation of human capital
- The accumulation of physical capital
- Technological advancement and innovation
- Economic clusters
- Foreign investment

Countries, regions and cities benefit from attracting investment (capital formation in the area) by the private sector as it enhances the economic base of the area and promotes economic development.

14.1. Accumulation of human capital

Theoretically, population growth should contribute to economic growth as more workers should produce more output (Fafchamps, 2000). Population growth also triggers investment in infrastructure and technological advances (Boserup, 1965). The population in the Langeberg Local Municipal area was growing faster than the national and provincial rate at an average of 2.51% between 2014 and 2016. For Local Government, population growth usually translates to a wider economic base and a declining population means a smaller revenue base.

Education and skills are complimentary to physical capital (Schultz, 1961). In order to make effective use of the accumulation of physical capital, workers need new skills and higher education. Human capital plays a very important role in growth (Barro, 1991; Mankiw et al., 1992). The accumulation of human capital ties in with the production factor of labour.

Even though primary and secondary education seldom provides vocational training that is immediately applicable in the workplace, several studies have shown that there is a positive relationship between economic performance and education (Mankiw et

al., 1992; Barro, 1991). This evidence has given rise to the belief that the primary focus of government policy should be on primary and secondary education.

A challenge faced by the area is that 78.8% of adults in the Langeberg Local Municipal area do not have matric and are becoming more unemployable in an economic environment where manual labour is becoming less important, whilst appropriate skills are becoming increasingly important (Roux, 2014). Facilitating the improvement of educational levels in the area should be a key focus area (as outlined in the section on human capital). Primary and secondary school education should enjoy priority, but building the knowledge base of the community is also dependent on tertiary education. Typical policy recommendations for filling the knowledge gap include study and research grants and subsidies.

Schumpeter (1961) argues that the future of developing economies depends on the quality and imagination of its entrepreneurs. The development of entrepreneurship is thus not only important for economic development, but also for attracting knowledge capital and innovation to an area (as discussed in the section on entrepreneurship). Attracting knowledge based in private firms, directly or through joint-venture agreements, supports local economic development.

Long term growth in a region is impossible without adequately educated manpower. However, an educated workforce still requires modern equipment and machinery to be optimally productive (Fafchamps, 2000). The accumulation of physical capital is a prerequisite for growth, but modern capital can only be put to good use by a well-trained labour force. Human Capital and Capital Formation are therefore interlinked and inter-dependent.

14.2. Accumulation of machinery and equipment (physical capital)

An increase in the number of pieces of machinery and equipment per worker should increase productivity and therefore the output per worker. There is, however, a limit to how much additional equipment can increase production, as too much equipment per worker can reach a saturation point. Therefore, there is a limit to the level of growth

that can be achieved through the accumulation of physical capital over the long term (Solow, 1956).

Accumulation of physical capital ties in with the production factor of capital formation (investment). Capital accumulation speeds up when income and savings are higher. Increases in savings and income should therefore be considered along with investment and infrastructure development.

Although household savings in the country and Western Cape remained negative between 2009 and 2013, savings levels showed improvement. The Cape Winelands managed to sustain an increase in positive household savings between 2009 and 2013. Langeberg Local Municipality (formerly Winelands/ Breede River Local Municipality) improved household savings levels between 2009 and 2013. Investment is financed by savings, and improvement in savings is positive for investment. Household savings in Langeberg improved from - 53 R million (current prices) in 2009 to a positive R 79 million (current prices) in 2013. It is encouraging that Langeberg Local Municipality was showing growth in aggregate household savings.

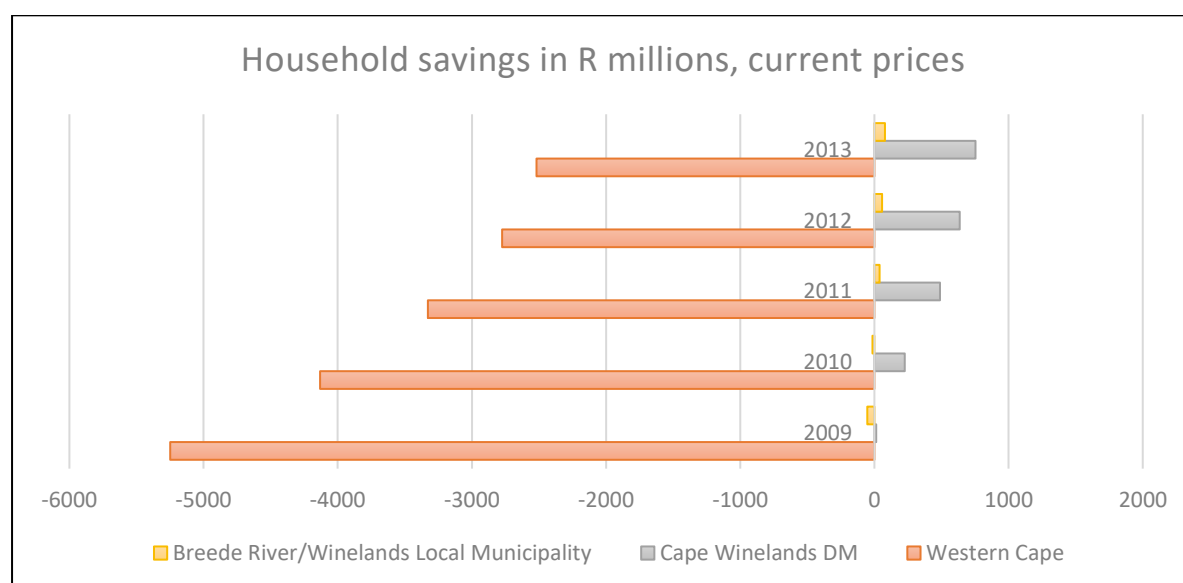


Figure 41: Household savings in Langeberg, CWDM and Western Cape, 2009 - 2013

(Source: Quantec, 2018)

Physical capital also includes the development of infrastructure such as transport infrastructure, ICT infrastructure and agricultural infrastructure.

14.3. Infrastructure

Infrastructure investment is a catalyst for economic and social development. Municipalities face the challenge of providing infrastructure and service delivery as a result of unplanned urbanisation (CWDM IDP, 2017). Funding for infrastructure development is comprised of the municipality's internal revenue sources as well as grants from Provincial and National government.

The provincial allocation for infrastructure development in Langeberg Local Municipality for 2017/ 2018 was as follows:

Table 39: Provincial allocation for infrastructure development in Langeberg, 2017/ 2018

Vote R'000	Cape Winelands District	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg
Cape Nature	-	-	-	-	-	-
Education	-	23 617	5 000	15 000	21 413	25 000
Health	-	38 132	5 269	21 181	6 637	
Human Settlements	-	38 960	79 764	7 767	100 200	32 150
Public Works	11 258	-	-	-	-	-
Social Development	92	-	-	-	-	-
Roads	181 863	72 000	86 000	91 492	81 300	331 400
Total	193 213	172 709	176 033	135 440	209 550	388 550

(Source: Langeberg IDP, 2017)

The following projects contributed to Langeberg's infrastructure allocation:

Table 40: Langeberg infrastructure projects

Sector	Project description	R'000		
		2017/18	2018/19	2019/20
Transport	C818 Ashton-Montagu	210 000	178 000	5 000
Transport	C820 PRMG Robertson-Bonnievale	116 000	56 000	4 000
Education	Bonnievale PS	25 000	5 970	-
Human Settlements	3041-02 - McGregor Erf 360 (450 units) IRDP	30 000	-	-
Education	Wakkerstroom Wes PS	-	2 000	25 000
Human Settlements	3495-xx - Robertson Nkanini Erf 136 (450 services) UISP	-	22 500	-
Health	C1830044: Robertson - Robertson Hospital - Acute Psychiatric Ward and New EC	250	2 000	10 000
Human Settlements	3241-xx01 - ISSP Montagu Mandela Square (500 services) UISP	-	-	10 000
Human Settlements	3586-xx01 - ISSP Bonnievale North Squatter Area Boekenhoutskloof (563 services) UISP	-	-	10 000
Transport	C1053.2 Montagu East area	3 000	300	-

(Source: Langeberg IDP, 2017)

Infrastructure/ capital projects planned in Langeberg Municipality by Provincial Departments for the period 2018-2021, with a total budget of R447,102 million (Langeberg IDP, 2017) include:

- Department of Transport and Public Works: 12 projects
- Department of Education: 7 projects
- Department of Health: 6 projects
- Department of Social Development: 6 projects
- Department of Human Settlements: 6 projects

Freight Transport plays an important role in the area's economy in terms of the transport of agricultural produce. Increasing volumes of long-distance trucks passing through towns in the District also put additional pressure on road infrastructure.

Transport infrastructure, such as road and rail, is essential for ease of access for tourists, to facilitate trade (i.e. the transport of goods into and out of the region), and in terms of attracting investment.

14.4. Agricultural infrastructure

The agricultural sector plays a very prominent role in the Langeberg Local Municipal area. Having the necessary infrastructure supports agricultural development and is an essential component within the agricultural value chain.

Table 41: Agricultural infrastructure in the Cape Winelands, 2013

Infrastructure	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg	Cape Winelands District
Abattoir - red meat	2	3	0	1	2	8
Abattoir - white meat	0	1	0	2	1	4
Agro-processing plant	13	21	13	7	11	65
Airfield	10	5	1	5	7	28
Chicken batteries	0	0	0	0	1	1
Chicken batteries - broilers	7	39	13	21	0	80
Chicken batteries - layers	6	58	5	4	2	75
Chicken hatchery	0	0	1	1	0	2
Cool chain facilities	8	0	0	2	0	10
Crush pen	107	44	7	45	61	264

Crush pen and dip tank	1	1	2	9	4	17
Dairy	8	14	9	15	25	71
Dam	2 726	787	981	930	1 806	7 230
Feedlot - beef	2	1	0	4	6	13
Feedlot - pigs	0	0	0	1	0	1
Feedlot - sheep	0	0	0	0	0	0
Fruit cool chain facilities	9	2	0	0	9	20
Fruit packers	2	1	1	0	5	9
Grain dam - commercial	0	0	0	0	0	0
Homestead	594	724	705	757	657	3 437
Homestead - labour	342	483	155	422	472	1 874
Nursery	5	14	15	2	8	44
Other	0	2	0	0	2	4
Packhouse	130	37	21	115	32	335
Piggery	1	9	12	1	3	26
Shade netting	45	128	51	18	43	285
Silo bags - commercial	0	1	1	0	2	4
Silo bags - non-commercial	1	0	0	0	0	1
Silos - commercial	1	1	0	0	1	3
Silos - non-commercial	0	2	0	0	1	3
Tunnels	24	123	69	9	21	246

(Source: WC Agristats, 2013)

The Langeberg Local Municipal area is known for producing wine grapes and fruit, but also has a relatively high number of dairy facilities, beef feedlots and crush pens, indicating the prevalence of cattle farming in the area.

14.5. Building plans passed

Growth in the number of building plans passed and completed is indicative of a growing economy, both in that building is a response to growth in demand as well as a stimulant of further growth. Building plans passed and completed also indicate an increase in the revenue base of the municipality and has spatial development planning implications.

Statistics SA's information on building plans passed and completed is only available for some municipalities in the Cape Winelands, including the Stellenbosch, Drakenstein and Breede Valley Local Municipalities. The results for the areas where data is available vary, and cannot give a reliable reflection of the entire region.

14.6. Technological change and innovation

Economic development can be viewed as a process of modernisation. Technological change can be seen as modernisation and is an essential ingredient of growth (Fafchamps, 2000). The advancement over the last 200 years can be attributed to the application of new science and technology to various industries, including agriculture, medicine and service (Fafchamps, 200). Technological advancement is also called modernisation, and technological transfer is essential for transformation to take place. The rapidity of development can in part be attributed to the speed with which an economy absorbs modern technology and ideas. Innovation is therefore crucial for advancement. Areas that lag behind global modernisation are perceived to be marginalised (Fafchamps, 2000).

Technological advancement is typical in the private sector, as private firms are more flexible and more efficient, and constantly reorganising themselves (Fafchamps, 2000). However, using modern equipment and machinery requires better trained

workers, and human capital accumulation is thus a complement to physical capital accumulation, and is vital for accessing new technologies.

14.7. ICT infrastructure

Connectivity and the sharing of information is important for local residents as well as an important factor for tourists when choosing a destination. The District embarked on a number of infrastructural development initiatives including a plan to install Wi-Fi hotspots in all of the 103 wards across the Cape Winelands District by March 2018.

A list of ICT companies in the Langeberg area is annexed to this report.

14.8. Gains from specialisation and spill overs (forward and backward linkages): Economic clusters

Economic growth can be stimulated through fostering symbiotic relationships between firms. As markets expand, tasks previously carried out in-house later get separated and sub-contracted to specialised firms or individuals. Firms that operate in specialised economies often sub-contract auxiliary activities to outsiders in order to focus on their core business. Specialisation enables firms and individuals to optimally capture the advantages of learning-by-doing, i.e. they become very good at what they do (Fafchamps, 2000). Taking advantage of specialisation, spill over and forward and backward linkages can be achieved by the establishment of economic clusters. Spill over effects are strong within a group of similar industries (Hirschman, 1958). Firms can buy from and sell to each other, which is called backward and forward linkages. The potential for establishing clusters is strongest where spill over effects are strongest.

Once a viable industrial cluster has been established, focus can be moved to establishing another. Industrial policy is essential for development planning, and the optimal sequencing of cluster development is crucial for effective industrial policy (Jacobs, 1969, 1984). It is therefore important to target specific industries and then effectively sequence the establishment of additional clusters through industrial policy.

It is recommended that policy support be targeted at industries that are closely linked instead of sprinkling support thinly over all industries (Hirschman, 1958).

14.9. Foreign investment

Smaller markets often mean fewer specialised industrial services, which makes it unattractive for foreign direct investment. The successful establishment of economic clusters is dependent on the local provision of specialised industrial services and the availability of a pool of qualified workers (Rodriguez-Clare, 1996; Ciccone and Matsuyama, 1996).

The top source markets for FDI into South Africa between 2003 and 2013 were the United States, United Kingdom, Germany, India and Australia (Wesgro, 2014).

Table 42: Top source markets for FDI into South Africa 2003-2013

TOP 10 SOURCE MARKETS FOR FDI INTO SOUTH AFRICA, 2003-2013							
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (ZARm)	% CAPEX	COMPANIES	% COMPANIES
1	United States	239	21.21%	63 348	14.62%	197	22.36%
2	United Kingdom	220	19.52%	77 053	17.79%	160	18.16%
3	Germany	87	7.72%	37 547	8.67%	65	7.38%
4	India	68	6.03%	36 113	8.34%	51	5.79%
5	Australia	45	3.99%	45 857	10.59%	30	3.41%
6	Japan	42	3.73%	15 175	3.50%	32	3.63%
7	France	41	3.64%	9 846	2.27%	34	3.86%
8	China	37	3.28%	10 967	2.53%	29	3.29%
9	Switzerland	37	3.28%	15 381	3.55%	25	2.84%
10	Netherlands	35	3.11%	7 257	1.68%	31	3.52%
Other Countries		276	24.49%	114 657	26.47%	229	25.99%
TOTAL		1127	100.00%	433 201	100.00%	881	100.00%

(Source: WESGRO, 2014)

The City of Cape Town was the second most successful in terms of attracting FDI in 2014, next to Johannesburg.

In order to attract foreign investment and capture the advantages thereof, government should establish support infrastructure and be committed to a pro-business (private sector) attitude. Possible tools for achieving this include setting up export processing zones and industrial parks, introducing investment incentives, and offering tax holidays

(Fafchamps, 2000). In addition, the local workforce should be well-trained, basic infrastructure should be in place and international links should be fostered. Potential investors are also attracted by good governance and capable market institutions.

14.10. Regional integration

Sachs (1998) argues that infrastructure is a regional affair as individual (local) economies are too small to sustain modern infrastructure by themselves. Building a good regional reputation is more likely to successfully attract foreign investment, and regional integration offers the area greater collective bargaining power.

Regional integration is about pooling resources to create a collective that is stronger and more powerful than its individual components. The Cape Winelands, under the leadership of the District Municipality, has the potential to build a strong brand as a sought-after investment destination.

14.11. Investment trends in the Langeberg Local Municipal area

Gross fixed capital formation is the net increase in physical assets (investment minus disposals) for a specific period. The increase in physical assets (investment) trend per municipality in the Cape Winelands District from 2010 to 2016 was as follows:

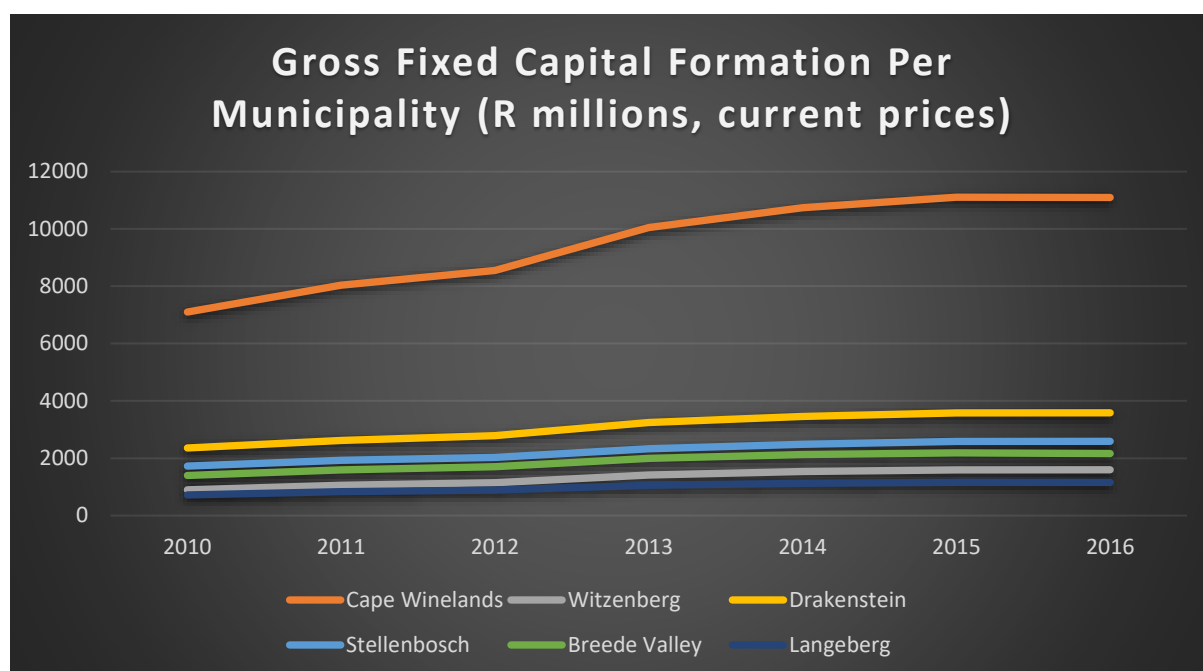


Figure 42: Gross Fixed Capital Formation per municipality

(Source: Quantec, 2018)

All local municipalities, including the District, followed the same trend: fixed capital formation grew steadily, but the growth rate declined from 2013/ 2014. The investment growth rate slowed down even more from 2015. Drakenstein had the highest and Langeberg the lowest level (in R millions) of investment in the district. The low investment rate can be linked to slower economic growth.

The types of fixed capital formation in Langeberg between 2010 and 2016 included Building and Construction Works, Machinery and other equipment, Transport equipment, and Transfer costs, as can be seen in the table below:

Table 43: Fixed capital formation in Langeberg, 2010 - 2016

R millions, current prices	2010	2011	2012	2013	2014	2015	2016
Gross fixed capital formation - Total	719	839	886	1 053	1 130	1 160	1 153
Buildings and construction works	269	274	289	339	368	415	447
Machinery and other equipment	358	461	474	559	596	556	513
Transport equipment	82	94	113	144	152	174	177
Transfer costs	10	10	10	12	13	15	16

(Source: Quantec, 2018)

Machinery and Other Equipment made the largest contribution to gross fixed capital formation in the Langeberg Local Municipal area. While the contribution of Machinery & Other Equipment declined between 2014 and 2016, the contribution of Buildings and Construction Works, Transport equipment and Transfer costs continued to increase.

The trend can be graphically depicted as follows:

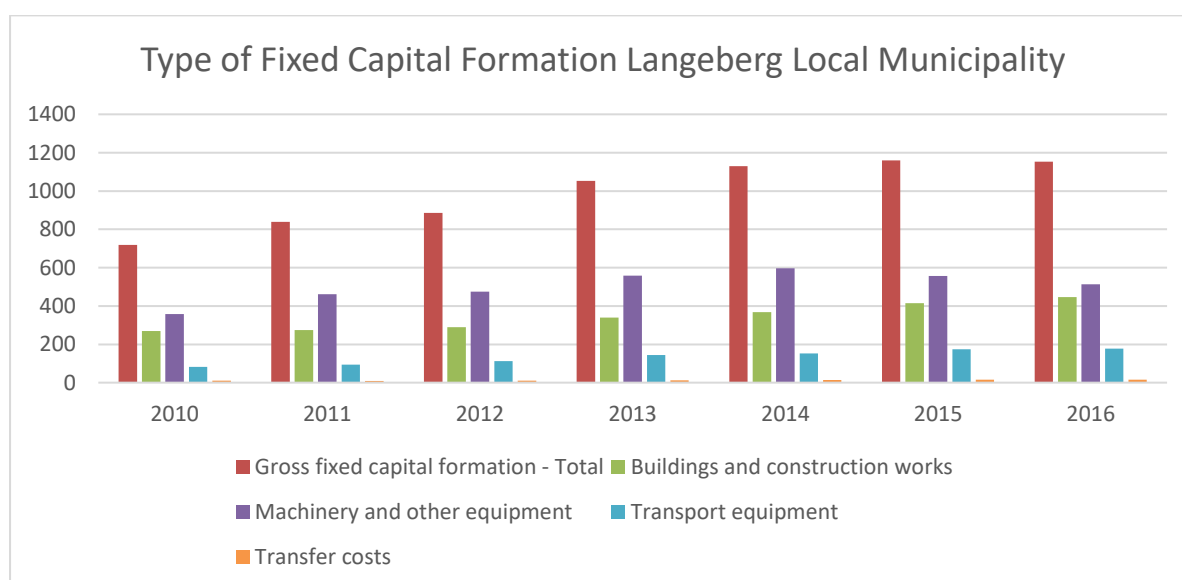


Figure 43: Types of Fixed Capital Formation, Langeberg

(Source: Quantec, 2018)

There was a decrease in total capital formation in Langeberg Local Municipality between 2015 and 2016.

In terms of the sectoral contribution to fixed capital formation, the tertiary sector contributed most to fixed capital formation, as can be seen in the figure below:

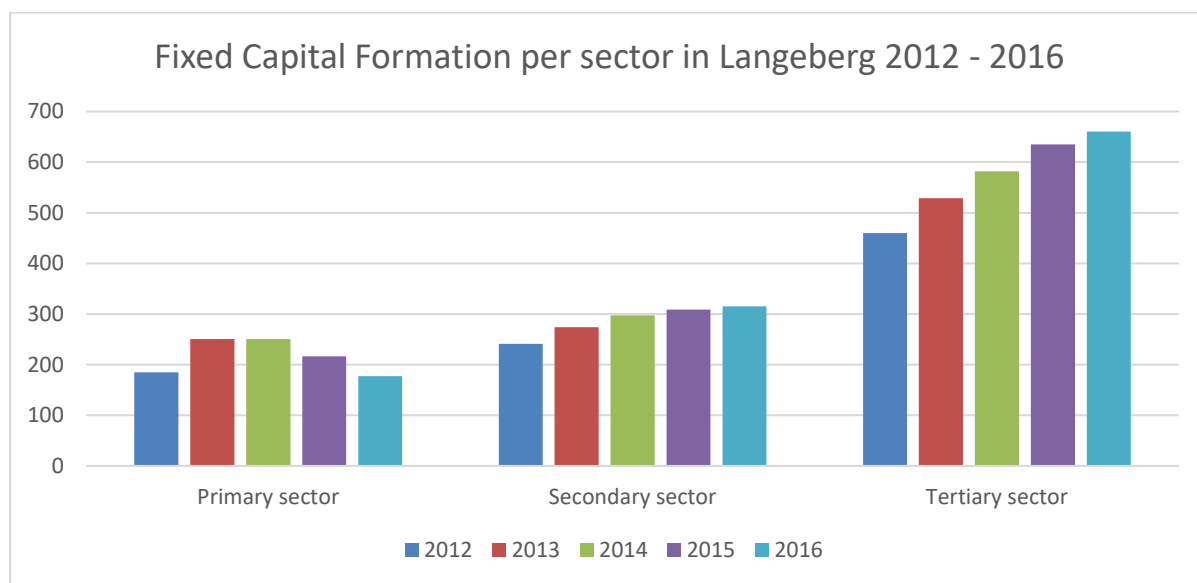


Figure 44: Fixed capital formation per sector, Langeberg, 2012-2016

(Quantec, 2018)

While capital formation in the secondary and tertiary sectors increased, the primary sector declined.

In the face of a declining agricultural sector, the Transport and Storage sector was the sub-sector responsible for the largest contribution to Fixed Capital Formation in the Langeberg area in 2016. The Transport and Storage sector surpassed the agricultural sector in 2016.

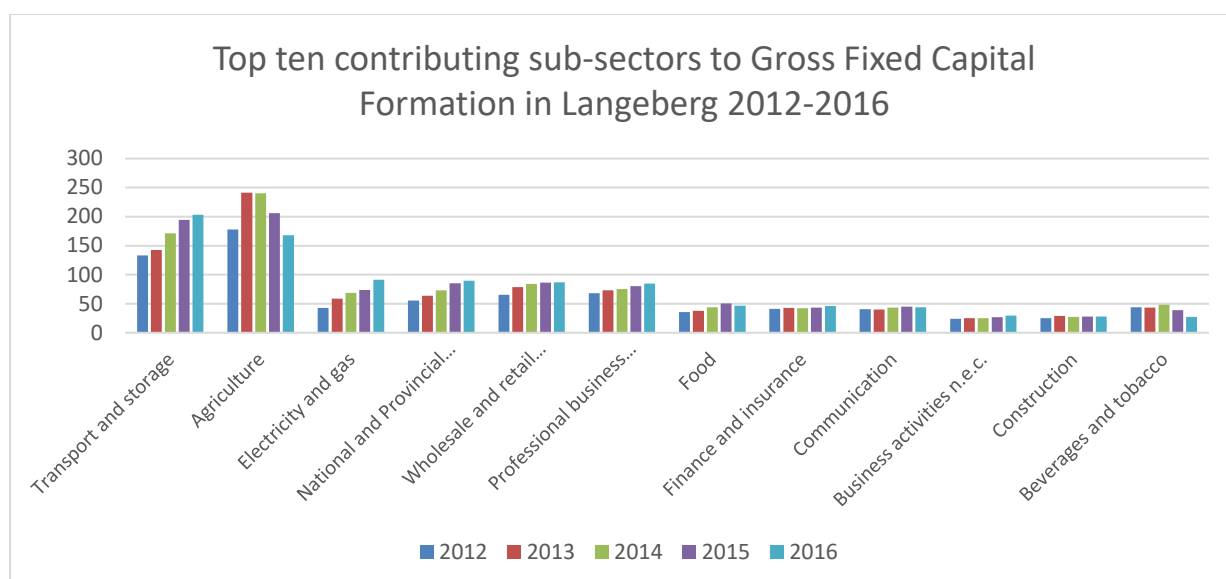


Figure 45: Top ten sub-sectors to Gross Fixed Capital Formation, Langeberg, 2012-2016

(Source: Quantec, 2018)

Electricity and Gas, National and Provincial Government and Wholesale and retail also made significant contributions to capital formation between 2010 and 2016. While most other sectors are growing in terms of gross fixed capital formation, the agricultural is declining.

14.12. Locational Quotient

Location quotient is a measure of specialisation and industrial concentration of a local economy by calculating how closely the local economy mirrors the structure of a reference economy.

A ratio of 1 indicates that the local economy and reference economy is identical, whereas a score smaller than one indicates a smaller share of that sector in the local economy and a score greater than one means that the share of that sector is larger in the local economy than in the reference economy.

Table 44: Key to Location Quotient

Locational Quotient	Classification	Interpretation
Less than 0.75	Low	Regional needs are probably not being met by the sector, resulting in an import of goods and services in this sector
0.75 to 1.24	Medium	Most local needs are being met by the sector. The region will probably be both importing and exporting goods and services in this sector
1.25 to 4.99	High	The sector is serving needs beyond the border, exporting goods and services in this sector to other regions or provinces
More than 5.00	Very High	This is indicative of a very high level of local dependence on the sector, typically in a “single-industry” community

(Source: Mero, 2017)

Location quotient tells a much different story than merely job numbers or job growth. Industries with high LQ are typically (but not always) export-oriented industries, which are important because they bring money into the region, rather than simply circulating money that is already in the region (as most retail stores and restaurants do). Industries which have both high LQ and relatively high total job numbers typically form a region's economic base. Economic developers and government officials need to pay particular attention to these industries not only for the jobs they provide, but also for their multiplier effect – the jobs they create in other dependent industries like retail trade and food services.

Table 45: LQ of Langeberg relative to DM, Province and National

	Location quotient relative to District Municipality	Location quotient relative to Province	Location quotient relative to National
	2016	2016	2016
Agriculture	1,4	4,5	7
Agriculture, forestry and fishing	1,4	3,4	5,7
Beverages and tobacco	1,1	1,8	3,1
Fishing	0,8	0,5	2,9
Food, beverages and tobacco	1,3	1,8	2,7
Wearing apparel	1,5	1,6	2,7
Food	1,5	1,8	2,5
Textiles, clothing and leather goods	1,2	1,3	2
Printing, recorded media	1,2	1	2
Footwear	0,8	1,3	1,9
Furniture	1,6	1,6	1,8
Plastic products	1,5	1,2	1,7

(Source: Quantec, 2017)

Graphically, the LQ of various industries in Langeberg can be displayed as follows:

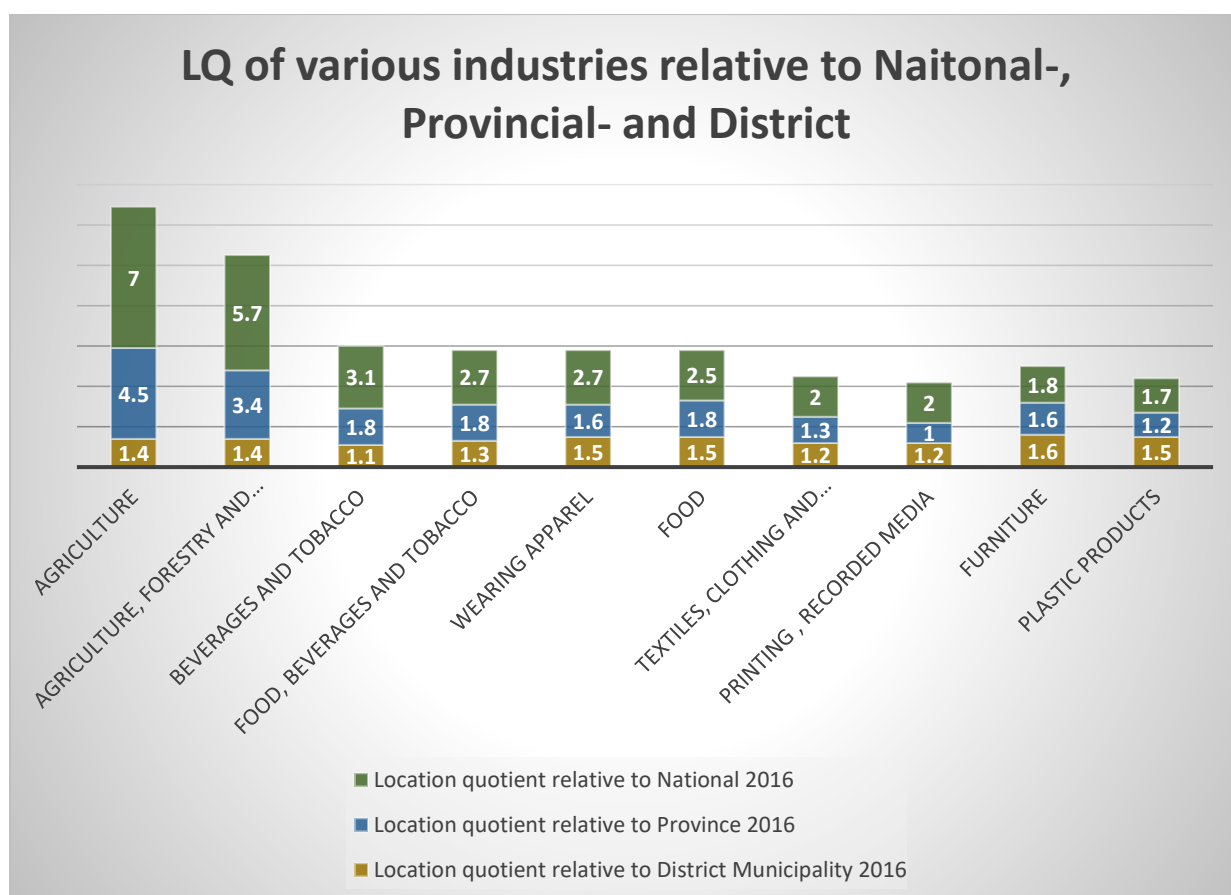


Figure 46: LQ of Langeberg, relative to DM, Province and National

(Source: Quantec, 2017)

The agricultural sector clearly has a strong locational advantage in the Langeberg Local Municipal area, indicating the opportunity to establish an agricultural cluster with the development of agri-processing facilities.

14.13. Growth potential

A study of the growth potential of towns and municipalities in the Western Cape was conducted by the Department of Environmental Affairs and Development Planning (DEADP) in 2014. The growth potential of towns was determined by a composite of different measures. Langeberg Local Municipality was found to have Medium growth potential (DEADP, 2014).

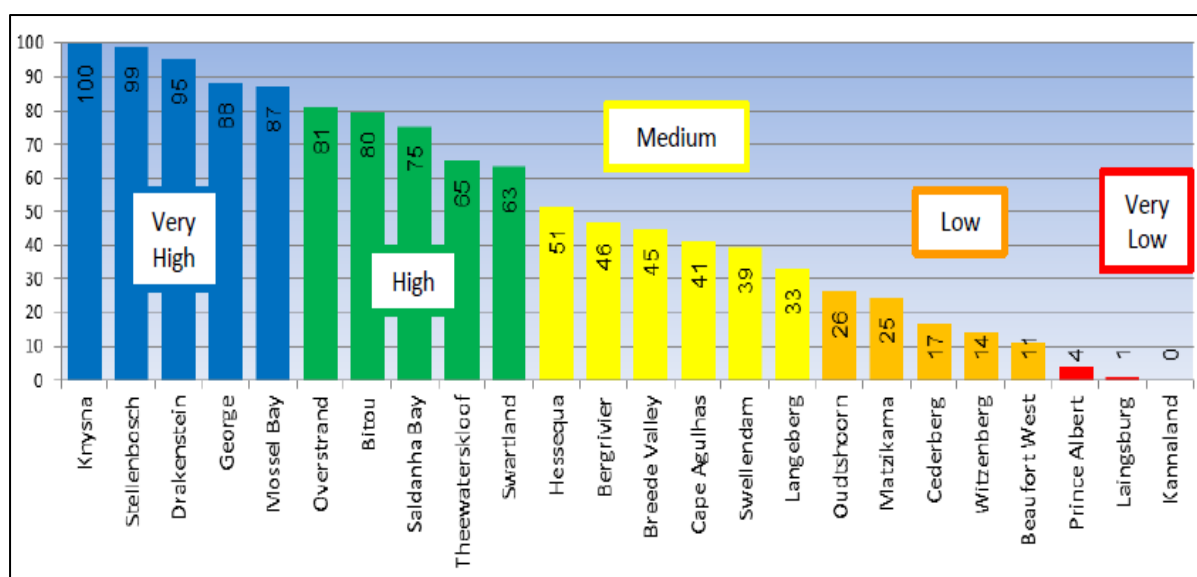


Figure 47: Growth potential at Municipal level

(Source: DEADP, 2014)

When settlement-level socio economic needs were cross-tabulated with growth potential, the results were as follows:

Table 46: Settlement-level Socio-economic needs (absolute) cross-tabulated with growth potential

		Socio-economic needs				
		Very low	Low	Medium	High	Very high
Growth potential	Very low	Bitterfontein				
		Doringbaai				
		Kliprand Leeu				
		Gamka	Calitzdorp De			
		Matjiesfontein	Rust Dysselsdorp			
		Merweville	Murraysburg			
		Nuwerus	Prince Albert			
		Rietpoort	Touwsrivier Zoar			
		Strandfontein				
		Volmoed				

Low	Arniston Aurora Ebenhaesar Elim Graafwater Haarlem Herbertsdale Koekenaap Kurland Pearly Beach Redelinghuys Slangrivier Struisbaai Suurbraak Witsand	Goedverwacht Klawer Ladismith Laingsburg Lamberts Bay Lutzville Uniondale Vanrhynsdorp	Citrusdal Clanwilliam Op-die- Berg Tulbagh Vredendal Wolseley	Beaufort West De Doorns		
	Buffelsbaai Dwarskersbos Eendekuil Elandsbaai Friemersheim Gouda Gouritsmond Greyton Jongensfontein Koringberg McGregor apier Nature's Valley Paternoster Yzerfontein	Albertinia Barrydale Botrivier Darling Genadendal Heidelberg Hopefield Klapmuts Rawsonville Rheenendal Riviersonderend Saron St Helena Bay Stanford Velddrift	Ashton Bonnievale Bredasdorp Franschhoek Montagu Piketberg Prince Alfred Hamlet Riversdale Saldanha/ Jacobsbaai Swellendam Villiersdorp	Ceres Oudtshoorn Robertson	Wellington	
	Wilderness	Kalbaskraal Kleinmond Langebaan Pniel/ Kylemore Sedgefield Stilbaai	Caledon Gansbaai/ Franskraalstrand Moorreesburg Porterville Riebeek- Kasteel/ Riebeek- Wes	Grabouw Plettenberg Bay/ Kranshoek/ Wittedrif	Worcester	

					/	
					Keurboomsrivier	
	Very high	Betty's Bay/ Pringle Bay			Hermanus/ Onrus/ Hawston Knysna/ Brenton- on-sea Malmesbury Vredenburg	George/ Heroldsbaai Mosselbaai/ Groot Brak Paarl Stellenbosch/ Jamestown

(Source: DEADP, 2014)

Towns with a higher growth potential will be more likely to attract investment. In the Langeberg Local Municipal area, Robertson, Bonnievale, Montagu, McGregor and Ashton were all considered to have “medium” growth potential.

The 2009/ 2010 Cape Winelands Spatial Development Framework classified towns as “High order”, “First order”, “Second order”, “Third order” and “Fourth Order” according to their investment typology.

Table 47: Investment typology of towns in Langeberg

Classification	Town		Investment Typology
High order	-		Leader Town
First order	Robertson; Montagu,		Social and Town investment
Second order	-		Town investment
Third order	McGregor; Bonnievale	Ashton;	Social investment
Fourth order	Op-die-Berg		Minimal investment

(Source: CWSDF, 2010)

14.14. Attracting investment to the Langeberg Local Municipal area

Langeberg Local Municipality offers distinct advantages as an investment destination:

- It is located relatively close to the Cape Metropole and is connected to economic hubs via excellent road infrastructure.
- The area offers an abundance of natural beauty and rural appeal
- Municipal service delivery is stable and reliable
- The area has a relatively high number of health care facilities
- Crime levels and traffic congestion are lower than in more urbanised areas
- The area boasts a strong agricultural sector

The Langeberg area therefore lends itself towards the establishment of agri-processing industries and residential developments, such as retirement villages and lifestyle estates, that capitalise on the peaceful and rural charm of the area.

Industrial and residential development will enhance the tax base for the local municipality, create employment and stimulate economic growth.

The Langeberg Local Municipal area is well known for its desirability as a leisure destination, and much has been made of its beautiful scenery and culinary experiences. The area should be marketed to potential investors as a sought-after destination to work and play.

While national government is responsible for certain key policies such as the tax rate, the decisions of local government are those which have the greatest impact on the economic performance of towns and the prosperity of communities. In an increasingly global environment where capital can move around the world more easily than ever before, competition between destinations for investment becomes increasingly vigorous.

In order to attract foreign investment and capitalise on the advantages, government should establish support infrastructure and be committed to a pro-business (private sector) attitude. There are numerous basic services that all towns and cities need in order to provide a solid foundation for further economic growth and job creation. These include investing in strategic infrastructure, providing adequate electricity, water and sanitation services, rolling out public transport, and ensuring predictable and transparent regulatory processes. Establishing a reputation as a clean environment with a high quality of living is also essential.

Possible tools for attracting investment include setting up export processing zones and industrial parks, introducing investment incentives, and offering tax holidays (Fafchamps, 2000). In addition, the local workforce should be well-trained, basic infrastructure should be in place and international links should be fostered. Potential investors are also attracted by good governance and capable market institutions.

Incentives are special interventions in the form of rewards designed to boost investment and to stimulate economic growth and job creation in a particular area. Investment incentives are specific in that they are restricted to investors who meet given criteria.

While incentive packages can encourage investment, there are revenue implications that have to be considered.

Research indicates that, although incentives are rarely the most important factor in the choice of location, they do influence business decisions and can play a persuasive role when considered in addition to other factors. This is commonly referred to as a “tipping point” influence.

A wide range of incentives are offered by other spheres of government such as the DTI. Standard incentive packages range from financial rewards to tax exemptions and non-financial inducements such as regulatory exemptions or the provision of information. However, for local governments, the use of financial rewards are generally not advised because of the direct and indirect cost implication of ad hoc financial incentives. However, ad hoc financial incentives may be considered if they provide a tipping point factor.

In 2012, the Atlantis business retention and expansion survey report found that most of the firms locating in Atlantis during the 1980s and 1990s were doing so to obtain the incentives offered by government. A further study in 2013 into the aspects that affected the decision to invest in the area revealed the following information:

Retail firms identified the following aspects as key advantages/ deterrents when deciding where to do business:

Table 48: Locational advantages and disadvantages as reported by Retailers

Factors that attract (advantages)	Factors that deter (disadvantages)
✓ Large market potential in the broader area ✓ Availability of local labour and the quality of staff	✗ High unemployment and low levels of income translate into low demand for products, and poor socio-economic conditions are detrimental to the environment in which the firm operates ✗ Crime ✗ Decline in the destination manufacturing sector. Few manufacturing firms result in lower supply of intermediary goods as well as lower demand for retail products.

Manufacturing firms identified the following aspects as key advantages/ deterrents when deciding where to do business:

Table 49: Locational advantages and disadvantages as reported by Manufacturing Firms

Factors that attract (advantages)	Factors that deter (disadvantages)
✓ Proximity to labour ✓ Proximity to supplies and infrastructure in Cape Town ✓ Lack of traffic ✓ Absence of competition ✓ Forming part of an industrial cluster	✗ The lack of skilled labour and poor attitude of workers. A lack of skilled labourers adversely affects the levels of productivity of manufacturers ✗ Crime and safety ✗ Lack of business support ✗ Poor infrastructure

14.15. Key pull factors and competitive assets

Cape Town is a successful and popular investment destination. The Cape Winelands District is located within close proximity to Cape Town and the Lead Towns already function as an extension of the metropole-economy. The District already boasts an industrial hub in Paarl and a knowledge and technology hub in Stellenbosch (and the areas enjoy relatively high levels of investment). Worcester is also the focus of new developments.

The challenge is therefore to attract investment to local municipal areas in order to accelerate economic growth and enhance growth potential. It is important that the local municipalities in the district, under the leadership of the District Municipality, work closely together to co-ordinate their efforts to ensure that initiatives are complementary and not working against each other. Investment attraction should be undertaken to benefit the entire region.

To attract growth-enhancing investment, the Cape Winelands should be marketed as closely linked to Cape Town, with excellent road and rail infrastructure. The Cape Winelands has an abundance of natural resources, scenic beauty, a strong tourism sector and an abundance of able-bodied workers. The district's relatively strong economic growth and existing economic hubs should be a key drawing card for additional investment.

The Cape Town area, including the Cape Winelands, has a reputation for a high quality of life for professionals through the availability of a large amount of cultural and recreational amenities. Therefore, it may be possible to target larger South African businesses that currently have their head offices in Gauteng or other provinces to move to the Western Cape, specifically the Cape Winelands.

With a large local workforce, there is no need for workers to commute over long distances and be exposed to the associated risks such as delays or lack of availability of transport, and they do not face the expense associated with commuting. Ceres, located within the CWDM, was selected as the location for the district's Agri Park. The agricultural sector delivers key benefits: it is labour intensive and utilises natural

resources. Forward and backward linkages to the agricultural industry include (but are not limited to) agro-processing, storage and transport.

Langeberg, with its tranquil environment, abundance of natural resources and fruit production capabilities can be positioned as a hub for lifestyle developments and agri-processing industries.

14.16. Typical risk assessment conducted by potential investors

Before making any large investment in a project, investors typically consider a bouquet of risk factors that influence their decision regarding partners, location and, ultimately, whether or not to go ahead with the project.

A typical risk evaluation will include an assessment of the following risk factors:

Table 50: A typical risk evaluation for potential investors

Activity Planning Risk
Activity planning risk refers to the risk of things not going according to plan. For example, delays and activities not being co-ordinated as planned. If these risks materialise, it can lead to an increase in cost, loss of cash flow and penalties.
Technological Risk
When the technologies used are new, innovative, have not been tested before or are not fully understood, there is the risk that the technologies may not work or not perform as hoped. New technology, without a tried and tested track record, makes it more difficult for project lenders to perform a risk assessment beforehand.
Construction Risk/ Completion Risk
This risk describes the potential that the project may not be completed or that construction may be delayed. Some examples are not completing the project at all, delayed completion, completion with cost overruns or completion with performance deficiency. It also includes noncompletion or delays due to factors beyond the control of any of the players such as an earthquake or flood.

Supply Risk
The risk of not being to obtain the inputs required for operations, when the available inputs are of inferior quality, or inputs are only available at a higher price than expected. Therefore, supply risk materialises when the availability, quality or affordability of the required production inputs are threatened.
Operating Risk/ Performance Risk
Operating or performance is the risk that a functioning plant is underperforming. This may be detected during testing. A deteriorating input/ output ratio is an example of operating risk materialising. The deteriorating ratio may be due to higher input consumption and/ or lower outputs.
Demand Risk
The risk that less revenue than expected might be generated is called demand risk. This risk may materialise as a result of lower-than-expected sales price or lower quantities of the output actually selling. Therefore, it refers to the risk of lower-than-expected quantity or value of sales.
Interest Rate Risk
Interest rate risk is the risk of fluctuations in the interest rate. Due to the long life of projects, lenders grant loans on a variable rate basis. Investors are therefore exposed to the risk of changes in interest rate over a very long period.
Exchange Rate Risk
Exchange rate risk occurs when the money flows of the project are in different currencies. When costs and revenues are computed in different currencies, the risk emerges that changes in the exchange rate can impact on cash flows.
Inflation Risk
Inflation risk refers to the risk that costs may increase at a faster pace than anticipated, resulting in costs later in the project being much higher than planned.
Environmental Risk

Any potential negative impact on the environment as a result of the project is known as Environmental Risk. This risk may materialise as a result of the project causing damage to the surrounding environment, changes in legislation or public opposition.
Political Risk and Country Risk
Political Risk is associated with country stability. Changes in government or citizen's revolt can change the context of a project and make it impossible to complete the project as planned.
Regulatory & Legal Risk
The risk that permits, permissions, licenses or concessions may be delayed, denied or revoked is known as Regulatory Risk. This risk usually materialises due to inefficiency on the part of public administration or the delays due to bureaucratic red tape. Legal Risk refers to possible changes in the host area's legislative framework.
Credit Risk
Credit Risk is the risk that the financial position, i.e. financial soundness or creditworthiness, of some of the parties with whom the investor contracted, might worsen. The financial soundness of counter parties is therefore important to funders.

The Municipality should consider all risk factors faced by potential investors and investigate ways in which to mitigate those within its control. Innovative ways to mitigate selected risks can be used as a selling proposition when marketing the area to investors.

The area's unique natural resources are its greatest asset and should be managed with utmost care and diligence. The environmental impact of any potential development should be thoroughly investigated and considered.

14.17. Possible investment and business incentives

The Department of Trade and Industry (DTI) offers a number of incentives for investment attraction and expansion. The CWDM IDP (2017) includes a planned Investment Attraction and Opportunities Programme.

Suggestions for possible investment and business incentives that could form part of the area's marketing plan, include:

Table 51: Possible investment attraction incentives

Incentive	Description	Eligibility	
1. Non-financial measures			
1.1	Establishment of an Investment Support Facilitation Unit	Services could Include: • One-stop-shop investment function • Management of The Master of Urban and Regional Planning (MURP)/ Special Rates Area (SRA) • Targeted marketing and promotion • Agency function to facilitate access to other government incentives	Available to all new investments in the area
1.2	Development application fast tracking	Applies to all land use and building plan applications in industrial area (but only complete submissions) Also, Environmental Impact Assessments (EIAs) - subject to DEADP agreement.	Applies to all new investments in the Area that require: • EIAs • Land use planning applications • Building plan approval In order to respect timeframes, applications need to be completed submissions EA subject to agreement by DEADP

2. Financial Measures

2.1	Application fee exemption	Applies to land use and building plan application fees	Applies to all new investments in the Langeberg Municipal Area that require: • Land use planning applications • Building plan approval
2.2	Development charge (DC) deferral/ debt write off	Applies in respect of DC's where enhanced development rights granted. The DC debt will still be calculated and Acknowledgment of Debt (AoD) signed. The AoD will become due after 24 months. The debt will be written off on verification that employment targets are met. Where employment targets are not met, the full value of the debt becomes due. The incentives will only be available for a specified number of applicants on a 'first come first served' and a 'use it or lose it' basis. Subject to National Treasury guidelines as outlined in the Policy Framework for	Applies to all new investment or expansions of existing facilities that attract DC's.

		Municipal Development Charges 2013.	
2.3	Electricity tariff subsidy	“Time of Use” tariff at previous price level (thus no increase for the financial year) To be reviewed annually	Applies to all new investments or expansion of existing facilities that attract the “Time of Use” Tariff.

(Source: Wesgro, 2013)

14.18. *The target market for the Marketing Plan*

It is recommended that the Cape Winelands must be marketed to businesses without existing manufacturing plants or industrial operations in the Western Cape. or other areas within the Cape Winelands (unless for expansion). It would run counter to the objectives of the Province and Wesgro to move businesses and factories from one location inside the Western Cape to another, especially considering that businesses will then be moved from industrial sites within the Western Cape to Cape Winelands, where incentives erode income opportunities for the province (PWC, 2013). Therefore, the target market for investment in the Cape Winelands would lie outside the borders of the District and the Western Cape, notably in other provinces or internationally in countries wishing to expand their operations to South Africa or the Western Cape. European, American, Eastern and African multinationals who bring new investment into the Western Cape are the ideal target market. Wesgro could be utilised to act as a portal where clients and investors can access information about products and opportunities in the Cape Winelands District.

Larger, established businesses have the potential to create many jobs in a short period of time. Similarly, labour intensive industries would be key members of the target market. Such businesses are high-impact investors, and one such investment has the potential to improve the living conditions of large sections of the population.

South Africa exports raw materials that are then processed into refined goods and manufactured products abroad. The Cape Winelands could potentially be the home of

manufacturing and processing plants for products that would otherwise be exported as raw materials.

For the Cape Winelands to become an investment destination of choice, it is imperative that the necessary transport and road infrastructure be in place. Otherwise, firms located in the Cape Winelands will suffer from competitive disadvantages due to high transport costs. There are planning frameworks in place that outline transport and spatial development priorities to address this market need.

Investors are less likely to abandon or close factories in other locations to relocate than they are to expand and establish new factories or plants in a new area. The target market therefore comprises of growing businesses. Manufacturers that could potentially supply goods to existing industries in the area should also be targeted. Availability of land also lends itself to industries in need of large premises for their industrial processes.

14.19. Attracting residential developments

Next to grants and subsidies from National Government, property rates and taxes is a local municipality's greatest source of revenue. The development of residential properties has a direct impact on a local municipality's revenue base and can increase municipal income. Attracting residential property development entails a combination of offering an attractive location to potential residents and enticing property developers to embark on developments in the area.

Property developers can be directly engaged to discuss mutually beneficial agreements or invited to tender on residential developments in the area. The viability of a development is dependent on the market demand.

The desirability of an area as a place to live is based (but not limited to):

- Personal safety is very important to people when deciding on a place to live. People want to feel safe where they live and not be threatened by crime
- The availability of jobs and employment opportunities
- Availability of schools and health care facilities

- Air and water quality
- Condition of physical infrastructure such as roads
- Availability of parks and recreational facilities.

Attracting residents to contribute to the Municipality's revenue base is therefore dependent on crime prevention, economic growth (to create employment opportunities) and the maintenance and quality of infrastructure and public spaces.

14.20. Stakeholder feedback

Stakeholders were engaged to gain insight on what they felt were important factors contributing to the investment climate in the Langeberg Local Municipal area. The feedback was as follows:

1. What do you think should be the main focus of the municipality's investment and economic strategy?

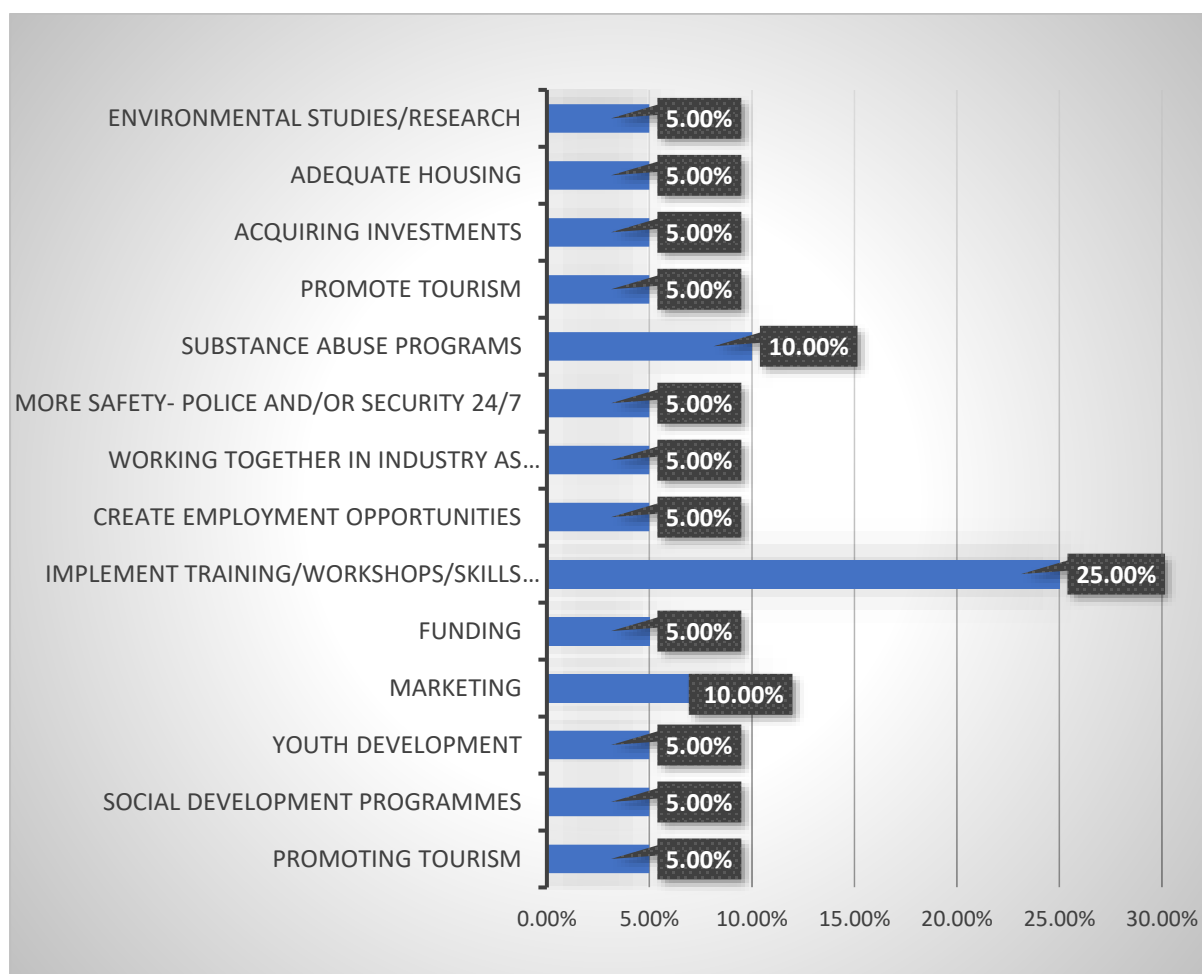


Figure 48 Main focus of investment/ economic strategy, according to stakeholders:

Stakeholders most frequently reported that they felt that training and skills development, followed by substance abuse programmes and Marketing were key in attracting investment to the area.

2. What do you regard to be the most important need for development in terms of infrastructure in your municipal area?

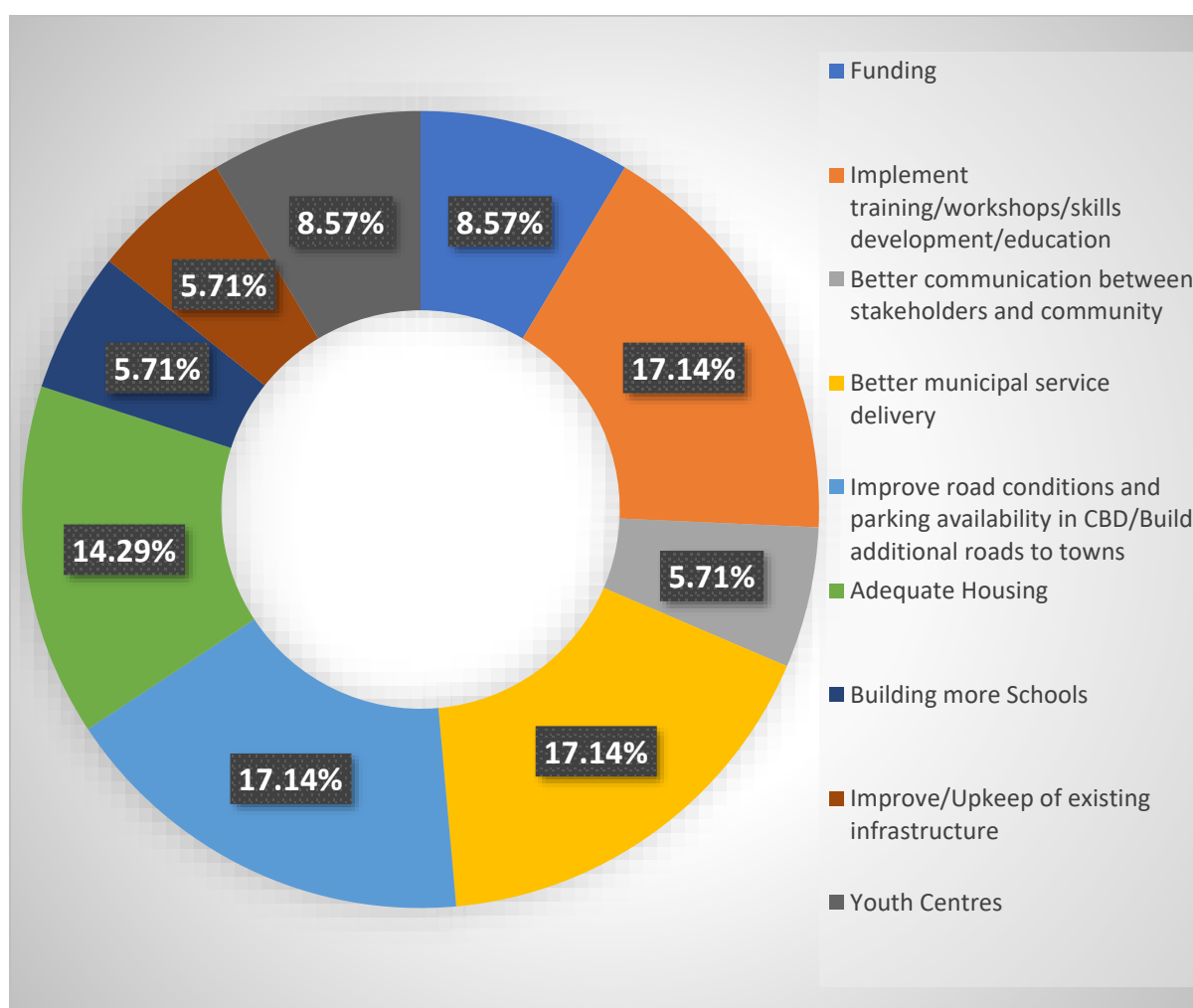


Figure 49: Most important infrastructure need, according to stakeholders

Respondents most frequently listed training, service delivery and the improvement of roads and parking as key infrastructural needs in Langeberg. Although service delivery and training are supporting factors to infrastructure development, improvement in road conditions is the most applicable.

3. What solution do you propose for the most important development need in terms of infrastructure in your municipal area?

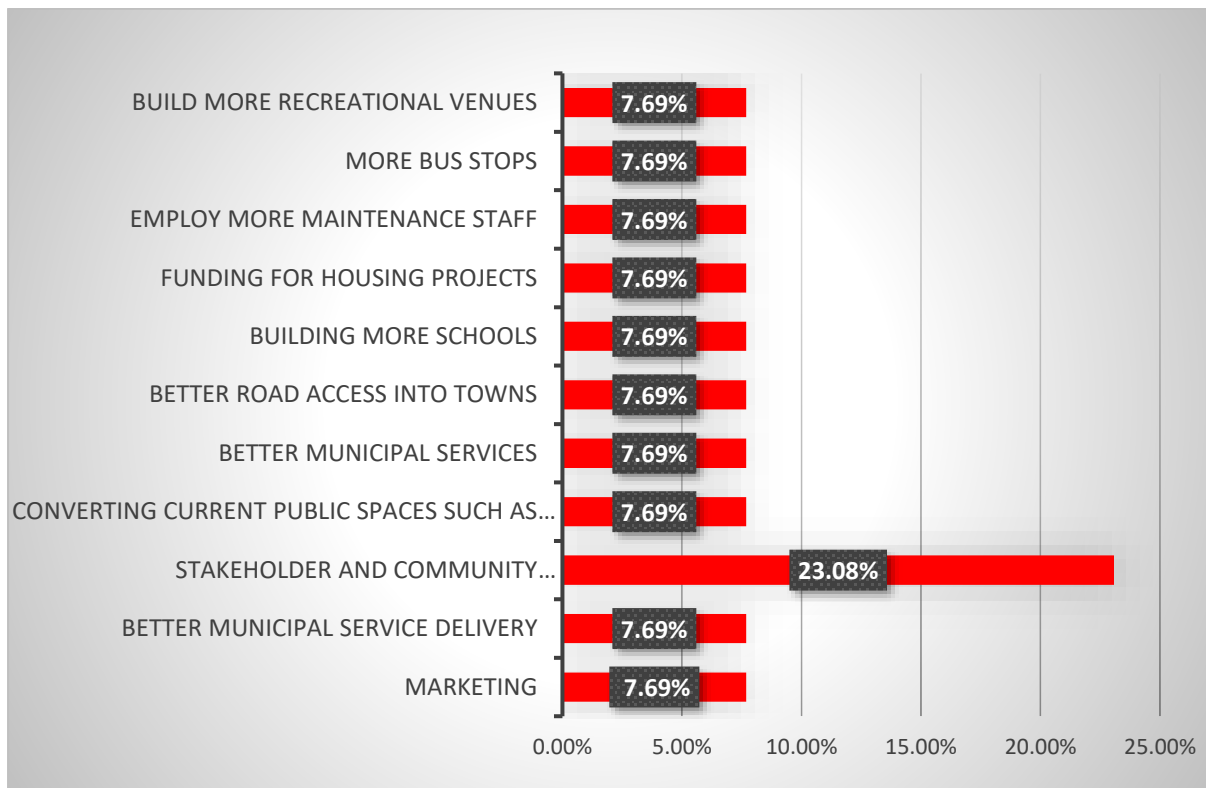


Figure 50: Solution for development need, according to stakeholders

Respondents most frequently proposed community meetings and stakeholder engagements to address infrastructural needs in the area.

4. What do you regard to be the most important need for development in terms of service delivery in your municipal area?

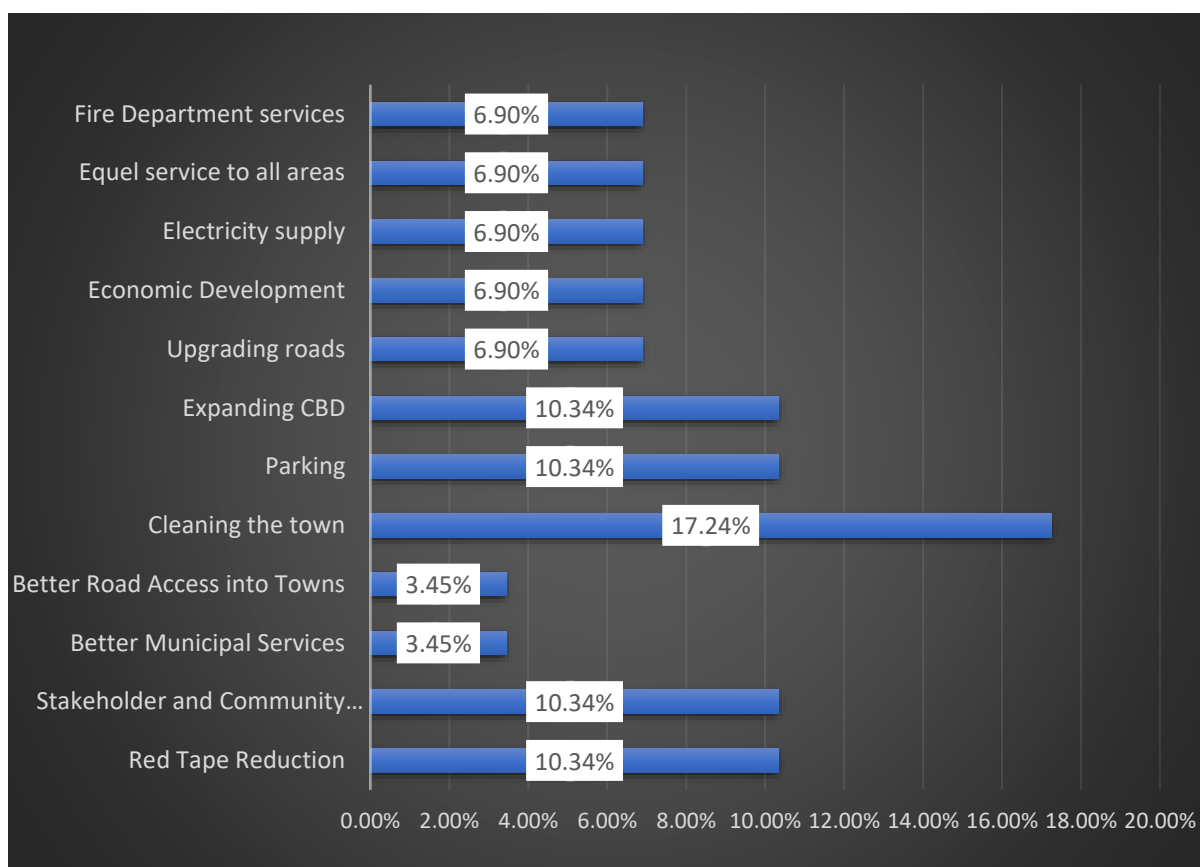


Figure 51: Most important service delivery need, according to stakeholders

In terms of service delivery, respondents most frequently felt that cleaning the town would contribute to local economic development. Red tape reduction, expanding the CBD, additional parking and community meetings were also popular responses.

5. What improvement in terms of service delivery in your municipal area do you think would contribute towards local economic development?



Figure 52: Solution for service delivery need, according to stakeholders

When prompted to give additional information regarding service delivery to obtain clarity, respondents most frequently responded that they would appreciate more employment opportunities, stakeholder and community meetings, and generating economic development ideas.

14.21. Conclusion:

The Cape Winelands should work together as a district to co-ordinate investment attraction initiatives to ensure that they are complementary and to the benefit of all local municipalities in the area, especially those who have previously not enjoyed as much investment focus.

- Each local municipality offers distinctive investment opportunities and can enhance the overall appeal of the district as an investment destination.

Natural Resources

Natural Resources constitute another factor of production and Langeberg enjoys an abundance of natural resources. This section of the report deals with the activities linked to natural resources such as Rural Development, Agriculture and Tourism.



15. Rural Development

Rural Development refers to the focused development of areas outside of the metropole with a mostly agrarian economy. The concept includes the development of such areas in terms of social, spatial and economic development.

Rural Development, and in particular the development of agriculture, is recognised by both the NDP and the NGP as critical for employment and food security.

The Rural Development Plan for Cape Winelands (2016) identified the following rural development priorities in Langeberg:

Rural Development Priorities in Langeberg Local Municipality

- Infill and densification in order to restructure the settlements in the municipality;
- Maintenance of natural resources within the rural system;
- Upgrade and maintenance of infrastructure;
- Tourism development is required;
- Local economic development and job creation;
- Skills development and training, in particular farming skills are required;
- Mining rehabilitation;
- Incorporation of NMT routes in existing road networks and recreational areas;
- Facilitation of small-scale infill schemes as a means of job creation to reduce poverty in farming communities;
- Provision of community facilities to be located on public transport and NMT routes to promote convenience and security.

15.1. Natural resources

Both the CRDP and APAP highlight protection of natural resources as a priority. Outcome 10 of the CRDP notes that an important part of rural development involves “environmental assets and natural resources that are well protected and continually enhanced.” The Langeberg Local Municipality has several policies and programmes in place to ensure the protection and conservation of the environment and natural resources.

Tourism has also been identified as a key driver of economic and rural development. Both the agricultural and tourism sectors are highly dependent on natural resources.

The Western Cape is currently in the grips of a drought and the Bureau for Food and Agricultural Policy (BFAP, 2018) estimates the impact on the Western Cape province's Gross Value Added (GVA) to be R5.9 billion, representing an average production decline of around 20%. The rainfall for 2017 was below average, and the rainfall to date for 2018 is even lower than for the same period in 2017.

Adopting water-efficient farming practices is of paramount importance to shield the agricultural sector (and upstream and downstream sectors) from the effects of the drought. Better use of existing water resources is also highlighted as a priority in the NDP.

15.2. Agriculture

The agricultural sector plays an important role in the Langeberg Local Municipal area. The sector is labour-intensive and its GVA has been increasing in the Langeberg area:

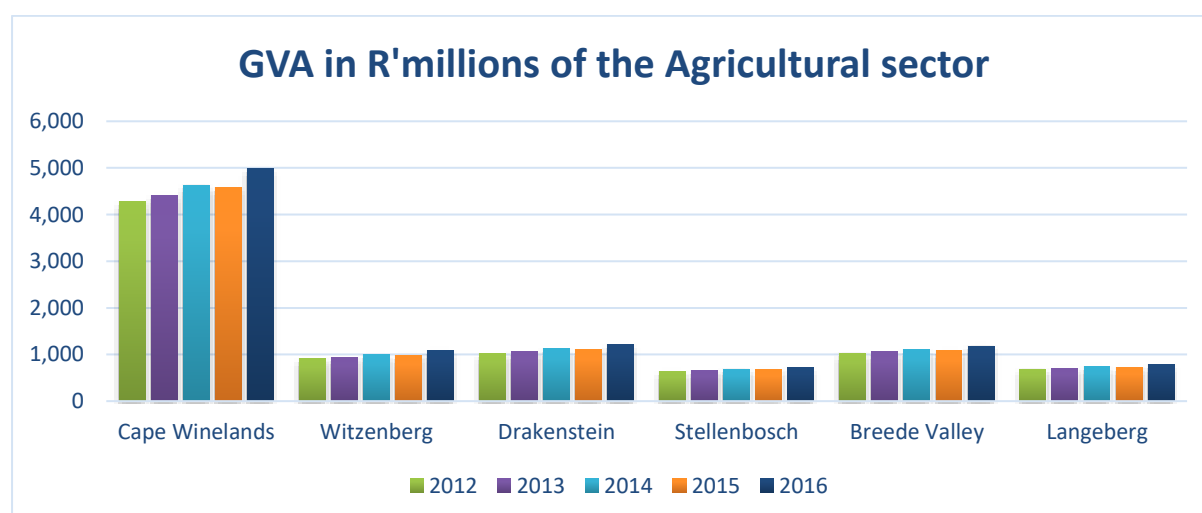


Figure 53: GVA in the agricultural sector 2012 – 2016

(Source: Quantec, 2018)

In 2012 and 2013 more than 75% (Statistics South Africa, 2014) of all national farm operation costs were attributed to labour, further reiterating the significant use of labour in the sector.

The contribution of the CWDM to crops and livestock is depicted in the table below:

Table 52: Contribution of CWDM to crops and livestock

Sub-sector	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg	Total Cape Winelands
Top Crops (as % of Western Cape)						
Wine Grapes	5.1	14.3	15.1	15.9	15.4	65.8
Table Grapes		15.9		44.1		60
Lucerne	2.4	1.7	0.3	0.5	1.6	6.5
Canola		2.1				2.1
Small Grain Grazing	4.5	1.8	0.1	1.0	2.4	9.8
Planted Pastures	2.2	2.5	0.8	0.8	3.4	9.7
Perennial						
Natural grazing	5.7	3.1	1.1	1.1	3.8	14.8
Fallow	3.9		0.4	1.1	2.6	13.4
Stubble				9.3		9.3
Wheat	1.4	3.4		0.3	0.4	5.5
Olives		22.3	5.1			27.4
Peaches	36.4				33.0	69.4
Apricots					50.1	50.1
Plums			14.0			14.0
Pears	60.1		1.5			61.6
Apples	33.1					33.1
Planted Pastures		3.2				3.2
Proteas			8.0			8.0
Weeds				5.2	9.1	14.3
Top Livestock (as % of Western Cape)						
Cattle	1.9	1.4	0.9	2.2	4.1	10.5
Goats	0.6	0.3	0.5	0.0	0.8	2.2
Horses	3.5	4.9	7.3	0.6	20.2	36.5

Ostriches	1.8	0.0	0.1	0.2	1.4	3.5
Pigs	0.4	3.7	14.2	1.2	14.2	33.7
Sheep	1.7	0.8	0.1	0.2	2.1	4.9

(WCDOA, 2013)

Langeberg is an important producer of grapes, apricots and peaches.

15.3. Ward-based analysis

The following is a synopsis of the development needs of the various wards in the Langeberg Local Municipal area:

Table 53: Ward-based analysis of development needs in Langeberg

Ward	Health	Safety	Schools	Employment	Access to piped water	Flush Toilet	Electricity for lighting	Weekly refuse	Storm water drainage	Community Hall	Drug abuse risk	Crime risk	Alcohol abuse risk
1	Ambulance service	SAPS Neighbourhood watch	Creche Pre-Primary Primary High	93%	94%	95%	98.9 %	99.6 %	Yes	Yes	Daily	Throug hout the year	Daily
2	Clinic Mobile clinics	Neighbourhood watch	Creches Pre-Primary Primary High	68%	70%	79%	90.6 %	92%	Yes	Yes	Daily	Throug hout the year	Daily
3	Clinic Hospital Ambulance	-	Creches Pre-Primary Primary High	85%	81%	94%	95%	99.5 %	Yes	Yes	Daily	Throug hout the year	Daily
4	Clinic Ambulance	-	Primary High	90%	73%	78%	93.7 %	98%	Yes	Yes	Daily	Frequ ently throug hout the year	Daily
5	Clinic Mobile Clinic Ambulance	SAPS	Primary High	92.3 &	86%	65%	98.3 %	48%	No	Yes	Daily	Daily	Daily

6	Mobile Clinics Ambulance	-	Primary	92.5 %	78%	86%	95.1 %	57%	Yes	No	Daily	-	Daily
7	Clinic Mobile Clinic Ambulance	SAPS	Primary	91%	82%	84%	91.4 %	68%	Yes	Yes	Continuously throughout year	Continuously throughout year	Daily
8	Mobile Clinic Ambulance	SAPS	Pre-Primary Primary High	98%	81%	68%	94%	25%	Yes	Yes	No	Daily	Daily
9	Clinic Ambulance	SAPS	Primary High	81%	87%	87%	96.2 %	92%	Yes	Yes	Daily	Continuously throughout year	Daily
10	Clinic Ambulance	-	Primary High	67.3 %	74%	92%	97.2 %	99.5 %	Yes	Yes	Daily	Continuously throughout year	Daily
11	Mobile Clinics Ambulance	-	Primary High	97.8 %	89%	90%	92.9 %	42%	Yes	No	Throughout the year	Throughout the year	Daily
12	Ambulance	-	Pre-Primary Primary	93.5 %	81%	84%	91.9 %	55%	Yes	Yes	Daily	Throughout the year	Daily

From the synopsis, the following key issues emerged:

- The employment rates in Ward 2 and Ward 10 are the lowest, and employment creation initiatives should therefore be focuses on those two wards.
- Most wards do not appear to have active neighbourhood watches. Neighbourhood initiatives should be facilitated and supported to promote safety and security in the entire Langeberg Local Municipal area.
- In wards 2, 4, 6 and 10, less than 80% of households have access to piped water.
- In wards 2, 4, 5 and 8, less than 80% of households have access to a flush toilet.

- Across all the wards, more than 90% of households have access to electricity for lighting.
- Weekly refuse removal is provided for more than 90% of households in all wards, except wards 5, 6, 7, 8, 11 and 12.
- Only Ward 5 does not have Stormwater drainage.
- All wards are at frequent risk for alcohol abuse, drug abuse and crime. These social ills are usually interrelated, and combatting substance abuse should enjoy high priority in the Langeberg Local Municipal district.

15.4. Stakeholder feedback:

Several stakeholder sessions and individual engagements were conducted to gain the inputs of the local community in the development of this strategy. The method of data collection and analysis is outlined in the “Methodology” section of this report.

The inputs of stakeholders were as follows:

1. What do you regard to be the most important development need in the agricultural sector in your municipal area?

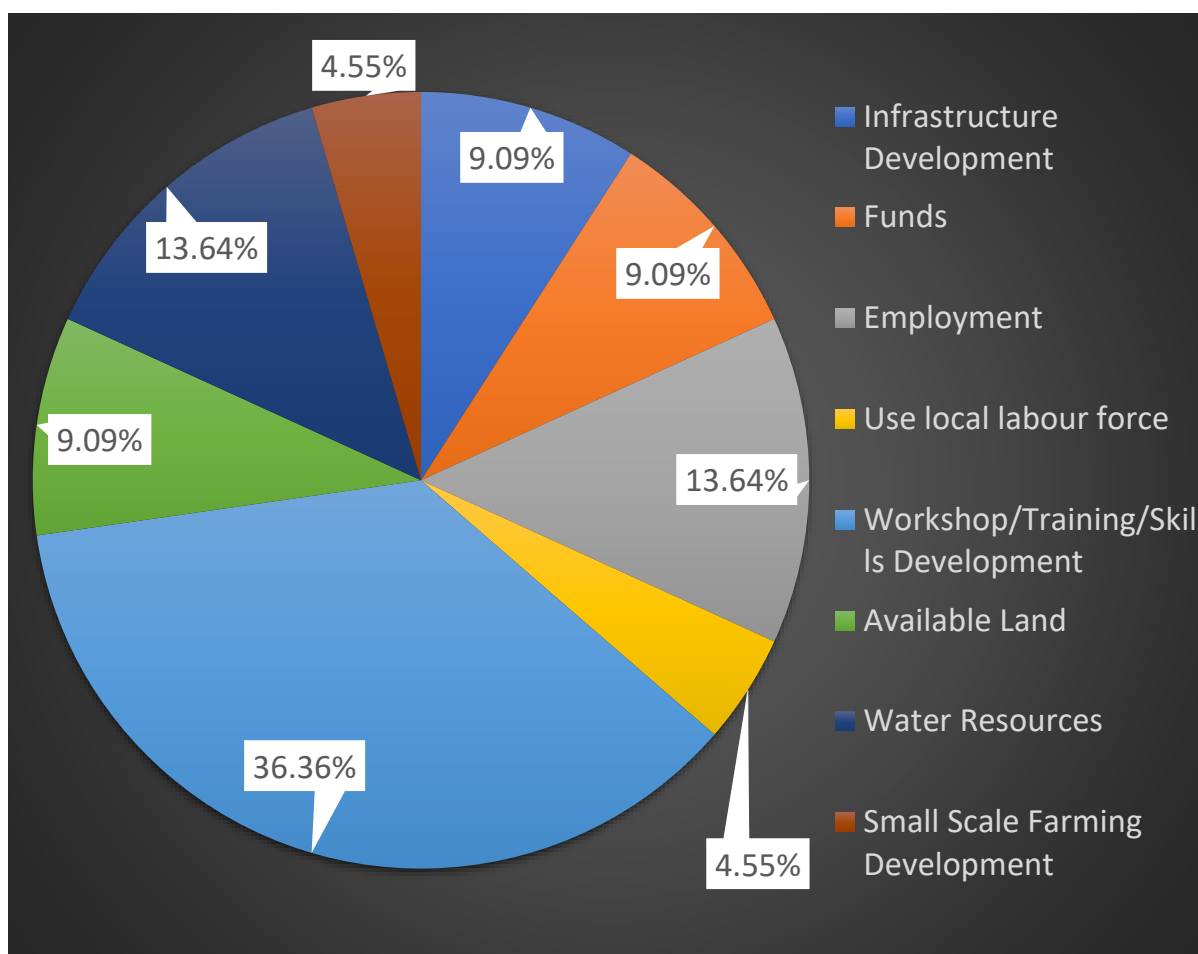


Figure 54: Most important agricultural need, according to stakeholders:

Respondents reported that skills training, followed by creating employment were the most important development needs in the agricultural sector.

2. What solution do you propose for the most important development need in the agricultural sector in your municipal area?

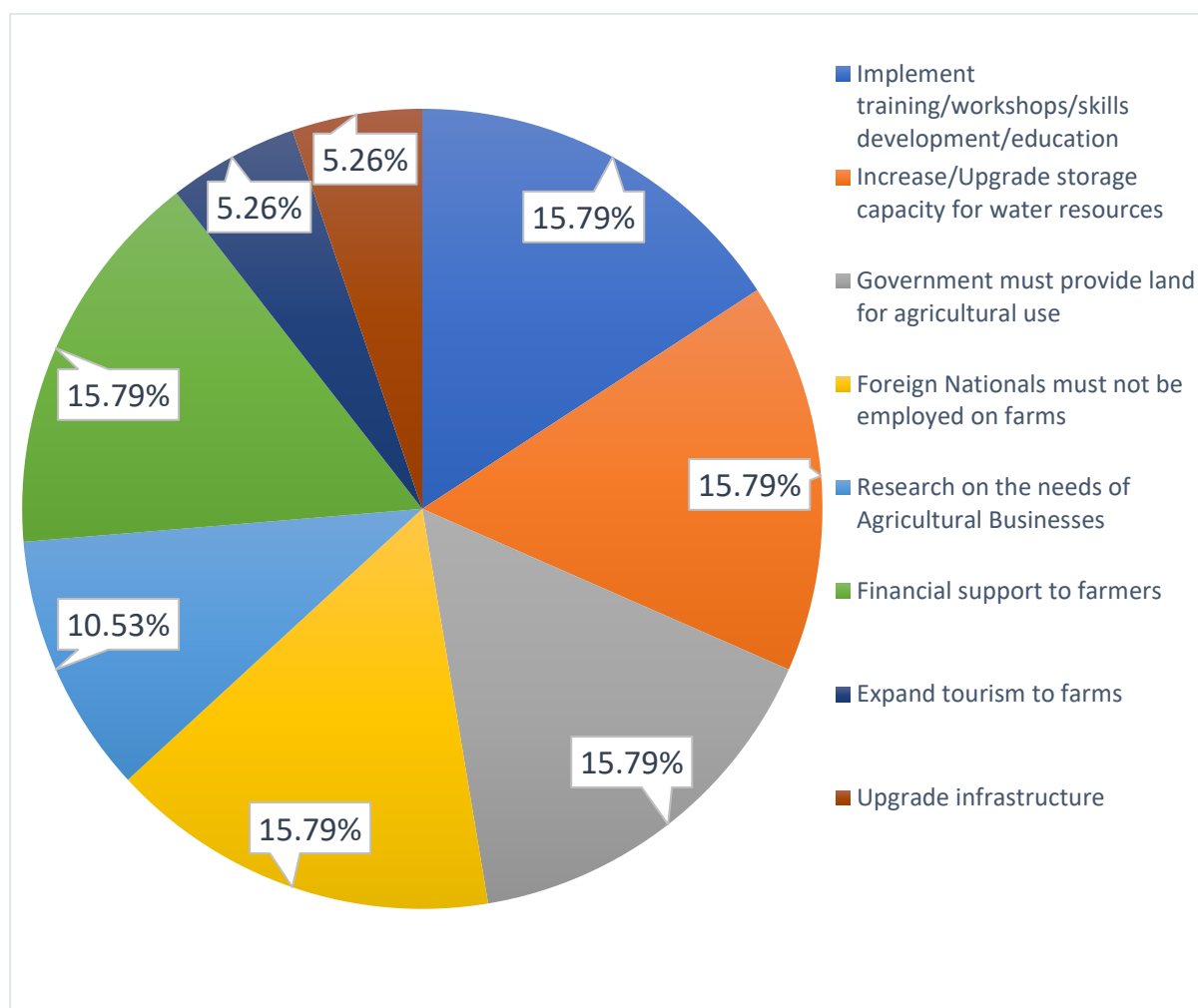


Figure 55: Proposed solutions for agricultural needs, according to stakeholders

Training, storage capacity for water resources, land, and the use of local labour were most frequently offered as solutions for the development needs of the agricultural sector.

In Summary:

- Rural development is largely hinged on the development of the agricultural sector.
- There are several programmes being rolled out in the Langeberg Local Municipality to support Rural Development.
- Land reform and supporting new entrants to the agricultural sector should continue to be prioritised.
- Natural resources are the area's greatest asset and should be conserved and protected.

15.5. Objectives:

- Support programmes for Rural Development in the area should be supported and embraced.
- Combatting substance abuse should enjoy high priority.
- Natural resources in the area should be conserved and protected.
- Water-efficient farming practices should be investigated and implemented. New technology in this regard can develop the area's knowledge industry and enhance agricultural cluster formation.

16. Tourism

The tourism industry has the potential to attract revenue and stimulate private- and public-sector investment in a region (NTSS, 2017). The tourism industry is people-oriented and very labour intensive, creating employment opportunities in a community. Tourism is a partnership between the public and private sectors, and is highly dependent on the co-operation of stakeholders. As tourism has grown steadily in the Cape Winelands District, tourism enterprises have increasingly generated job opportunities and revenue flow into the district. The tourism industry has therefore been identified as having an important role to play in attaining the region's goals for growth and job creation.

The White Paper on the Development and Promotion of Tourism (1996) defines tourism as “government led, private sector driven and community based.” The tourism sector is highly labour-intensive, supports SMME development and has the potential to attract foreign direct investment (NTSS, 2017). Tourism also has multiple linkages to other sectors.

Tourism supports LED in that it expands the local economy by attracting revenue from outside the local area. In addition, it stimulates capital investment and fosters job creation.

Tourism is a multi-faceted industry with various links to the manufacturing and retail sector. In order to effectively develop the sector, it is important to understand both the demand factors and the supply factors of the industry:

- Demand side: who are the people visiting the area and what are their needs and expectations?
- Supply side: what is the unique selling proposition (USP) of the area, and how can customer needs and expectations best be satisfied?

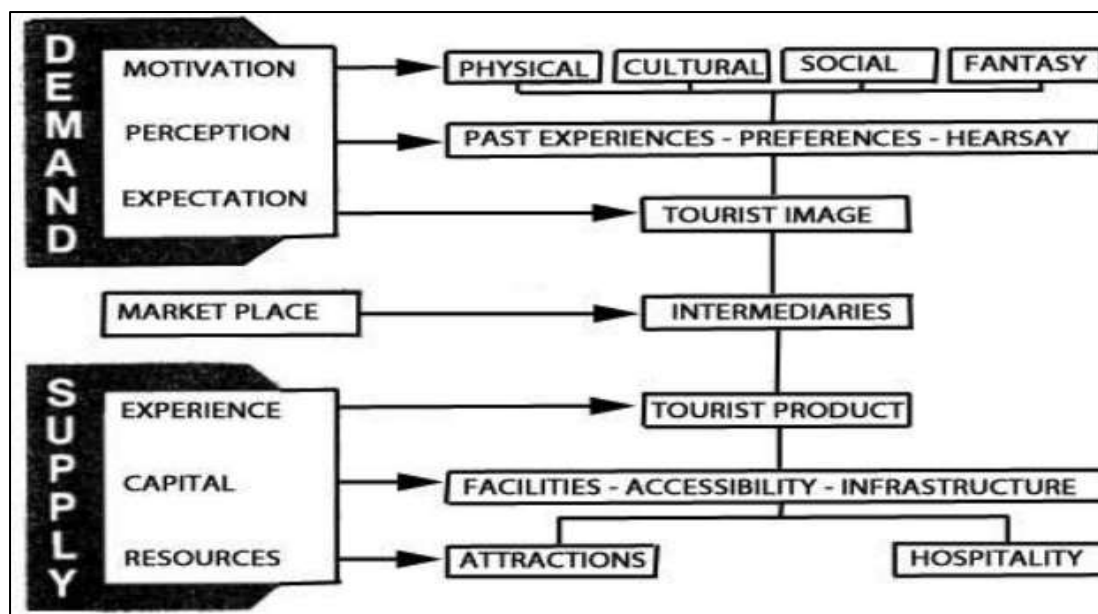


Figure 56: Supply and demand factors of tourism

(Source: Murphy, 1985)

Effective tourism management entails a three-tiered approach:

1. Attracting visitors to the area through an appropriate marketing strategy
2. Ensuring that visitors enjoy a positive experience in the area to facilitate repeat visits and build a reputation as a successful tourist destination.
3. Maximising benefits to the local area in terms of the community, the economy and the environment.

Thus, managing tourism entails getting tourists to visit the area and then ensuring that the visit is a pleasant experience for the visitors, i.e. that the destination delivers on all it promises to, whilst benefitting the local area.

A down-side of tourism is that it is often seasonal, and employment opportunities and revenue may therefore be concentrated in a few months of the year. In addition, rural tourism entrepreneurs are often challenged by difficulties in obtaining capital and effectively capturing business from their local tourism industry.

16.1. National and Provincial strategic imperatives

16.1.1. The national Tourism Sector Strategy

The National Tourism Sector Strategy (NTSS, 2017) was first drafted in 2011 and recently reviewed with the updated version published in 2017. The NTSS focuses on inclusive growth and links promoting tourism to broader development objectives. The NTSS identifies five (5) strategic pillars for developing the tourism sector, namely:

1. Effective Marketing
2. Facilitate Ease of Access
3. The Visitor Experience
4. Destination Management
5. Broad-based Benefits



Figure 57: Tourism sector strategy

16.1.2. National Rural Tourism Strategy

Due to the global trend of urbanisation, rural areas face the threat of decreased economic activity and the resulting decrease of job opportunities. However, urban lifestyle has given rise to an increased interest in rural tourism. Through developing rural tourism, the economic effects of urbanisation can be countered to some extent. In 2012, the National Department of Tourism (NDT) developed a Rural Tourism Strategy which envisions establishing a “developed rural tourism economy.” The focus for rural tourism development emphasises sustainability, responsible tourism and pro-poor tourism (NDT, 2012). The focus of rural tourism should therefore be on developing the rural communities, thus assisting in a balanced development of the area.

The national Rural Tourism Strategy identified three problem areas that hamper rural tourism development, five goals and objectives emanating from the challenges, and five strategic themes to address the problem areas:

Table 54: National Rural Tourism Strategy, Problem Areas, Goals and Objectives and Strategic Themes

Problem areas	Goals and objectives	Strategic themes
Inadequate resources and funding allocated to tourism in rural areas	Create a platform to share knowledge of best practice, development opportunities and challenges in rural areas for tourism development	Product Development, including but not limited to funding models and innovation schemes
Some tourist attractions and World Heritage Sites located in rural areas are not receiving the benefits stemming from the tourism industry	Facilitate the coordination of rural tourism development initiatives amongst relevant stakeholders	Tourism Marketing, including but not limited to visitation of less visited areas
	Create an enabling environment for rural tourism development to stimulate job creation	Tourism Skills and Development, including service standards
Limited involvement of local communities in tourism in rural areas	Identify and recommend strategic areas/ nodes for tourism development in rural areas within the sector	Tourism Support Infrastructure, including but not limited to roads and basic services
	Guide strategy development within key documentation generated for tourism development and management in South Africa	Tourism Research and Information, including tourism market intelligence

(Source: NDT, 2012)

16.1.3. Project Khulisa

On provincial level, Project Khulisa (DEDAT, 2015) identified three (3) key strategic intentions:

1. Boost awareness of the Western Cape in key markets
2. Improve accessibility to Cape Town and the regions
3. Boost the attractiveness of the region through competitive product offerings and compelling packaging

16.1.4. Synergy between strategies

The strategic pillars of the national Tourism Sector Strategy, strategic themes of the national Rural Tourism Strategy and the three (3) strategic intentions of Project Khulisa tie in with each other to create the following synergy:

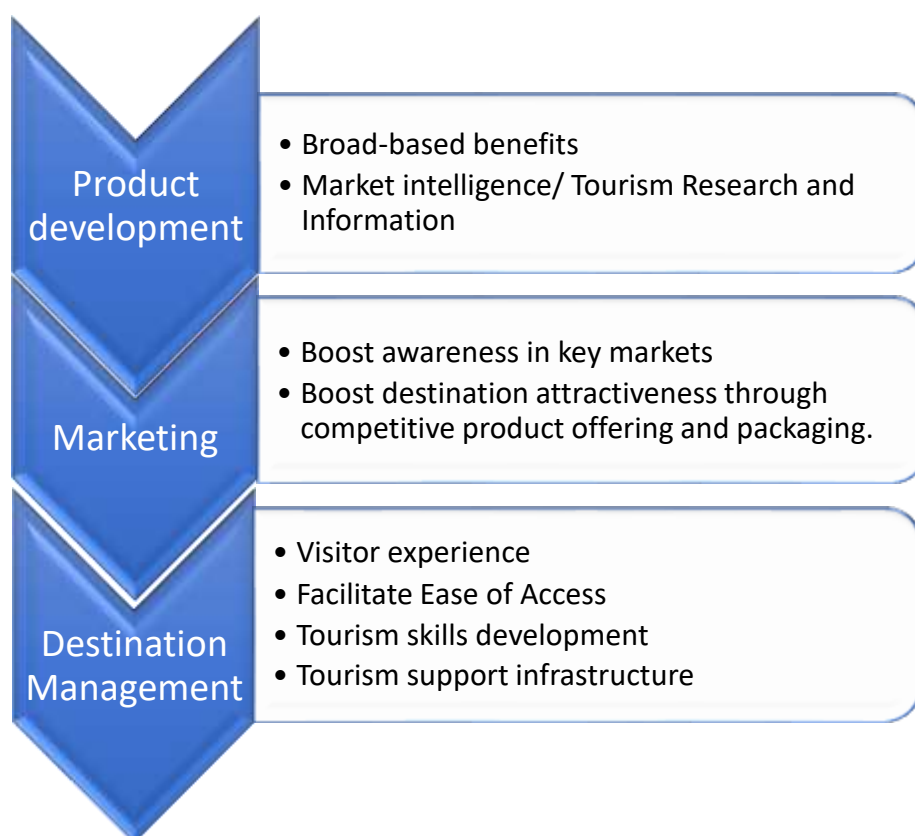


Figure 58: Synergy of Rural Tourism Strategy and Project Khulisa

16.2. Product development

The first step in developing a tourism plan is developing a suitable product that would be attractive to the market, whilst capitalising on the area's unique strengths and capabilities.

16.2.1. Market intelligence: Tourism research information

Developing tourism products that would attract visitors and meet their needs is imperative in an appropriate tourism strategy. The products offered to the market should be tailored to market preference and expectations. If the product offering does not appeal to the market, no amount of marketing will attract the desired results. There is no use in trying to push products onto people who do not want the products at all.

Therefore, the starting point of product development is market intelligence: knowing who the target market is and what their preferences are.

Effective marketing is dependent on four important factors:

- Knowing your target market
- Understanding the needs and preferences of the target market
- Capitalising on your USP (unique selling proposition)
- Effectively communicating how the area's USP meets customer needs in the most appropriate way (crafting a marketing message).

Product development is a process of creating synergy between the region's capabilities and market needs. Understanding your customers and knowing their preferences can provide guidance on how a product should be positioned to best meet their needs. This will in turn allow you to formulate a strategy to best communicate your most attractive selling proposition. In addition, the product offering should yield broad-based benefits.

16.2.2. Broad-based benefits: Sustainability, responsibility and pro-poor focus

Broad-based benefits of the tourism industry can be enhanced through skills development (training), job creation and infrastructure development (NRTS, 2012). Local communities can benefit from harnessing the tourism sector to showcase rural

life, arts, culture and heritage. Thus, providing tourists with an authentic experience that benefits local communities. Such initiatives could include agricultural tourism, cultural tourism, nature tourism, and adventure and eco-tourism.

Significant forward and backward linkages to other industries mean that the tourism sector contributes towards diversifying the economy, thereby limiting the region's dependence on traditional commodities.

Emerging tourism enterprises often find it challenging to access capital and to reach customers with sufficient income to afford their products. Creating a business environment conducive to the growth of emerging tourism businesses is essential to ensure their participation in the tourism economy (NTSS, 2017). Inclusive growth in the tourism sector can be enhanced through the empowerment of previously marginalised enterprises. Responsible and fair distribution of the economic benefits of the tourism industry enhances the authenticity of the destination offering. In addition, it builds the reputation of the area as a responsible and ethical destination.

16.2.3. Knowing the target market

It is important to know who the current market for tourism in the Langeberg area is. The market should be built on and expanded by gradually adding product offerings. Most importantly, the existing market should not be neglected. It is important to cater to the needs of established guests. Developing niche markets should be a complementary effort to existing tourism marketing efforts.

16.2.4. Visitor number trends in Langeberg

The number of visitors to Langeberg increased between 2014 and 2017, with the most dramatic increase occurring between 2015 and 2016. Visitors numbers between 2016 and 2017 remained stable.

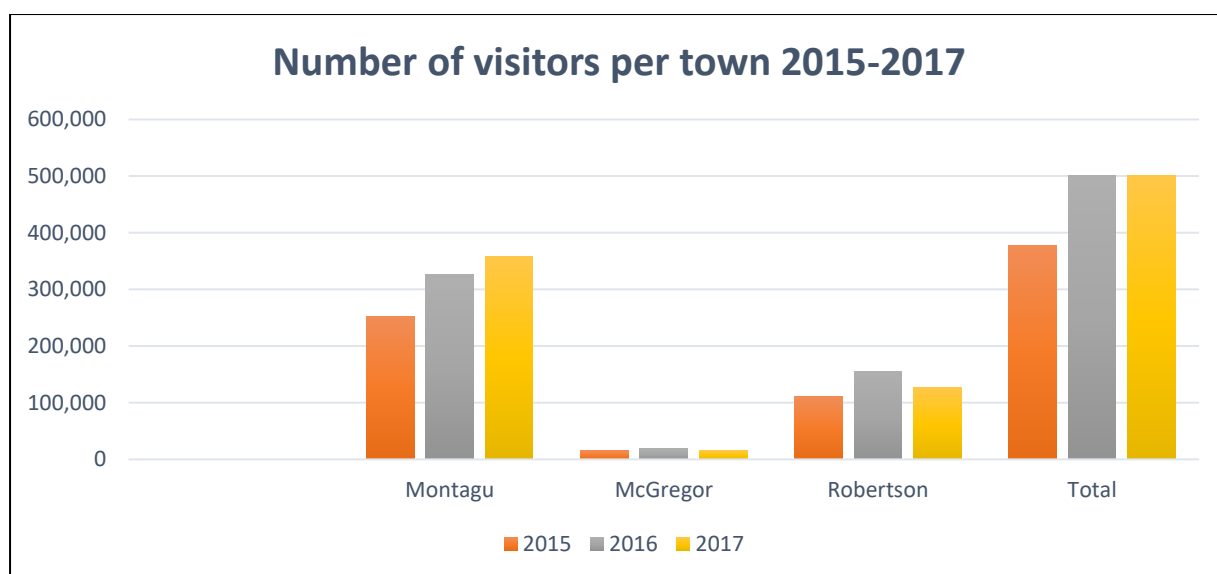


Figure 59: Number of visitors per town, 2015-2017

(Source: Langeberg Tourism, 2018)

Montagu (including Ashton) was the most popular destination in Langeberg. Montagu (including Ashton) attracted 69.2% of visitors. Robertson attracted 27.2% of visitors and McGregor 3.6% (Source: own calculations from data provided by Langeberg Tourism, 2018). Montagu was also the only of the three towns where visitor numbers increased between 2016 and 2017.

Visitor numbers are typically higher during holidays in the summer months, peaking during December/ January and dipping during the colder months.

16.2.5. Popular experiences in Langeberg (December 2017)

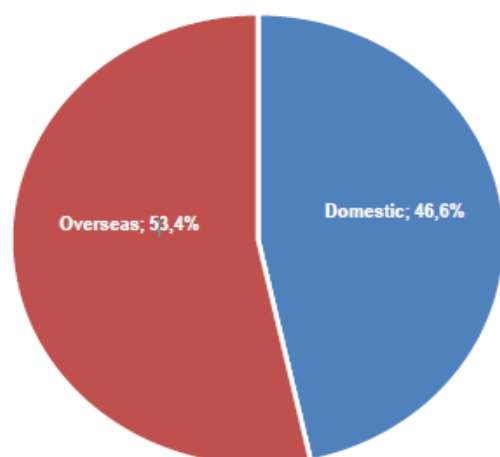
Table 55: Popular experiences in Langeberg

Montagu	Robertson	McGregor
Avalon Springs (day visitors)	Birds Paradise	Eseltjiesrus Donkey Sanctuary
Protea Tractor Trip	Viljoensdrift River Cruise	Eseltjiesrus Restaurant
Montagu Museum	Sky diving	Boesmanskloof Hiking Trail

(Source: Langeberg Tourism, 2018)

16.2.6. Visitor trends in the Cape Winelands

The international vs domestic visitor composition for the Cape Winelands area is as follows:



The split between domestic and overseas visitors to the Cape Winelands was almost even in 2017, with the majority of visitors to the Cape Winelands in 2017 being overseas visitors.

Figure 60: Overseas vs domestic visitors to Cape Winelands

(Source: WESGRO, 2017)

The top international markets for the Cape Winelands in 2017 were Germany, the UK and Netherlands. The top domestic markets were the Western Cape, Gauteng and KZN.



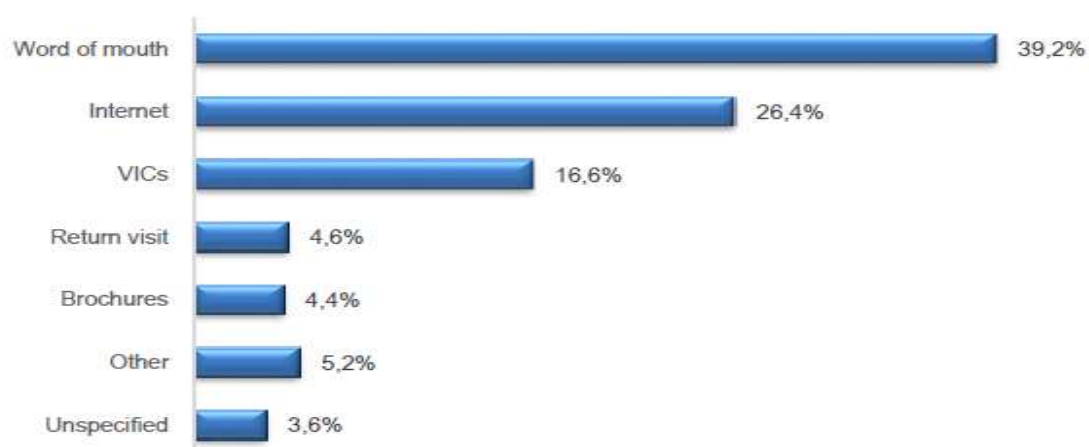
Figure 61: Top international and domestic markets to Cape Winelands

(Source: WESGRO, 2018)

The majority of domestic visitors to the Langeberg area hailed from Western Cape, Gauteng and KZN.

16.2.7. Source of tourist information

Word of mouth, internet searches and Visitor Information Centres (VICs) were the most utilised sources of information for tourists to the Cape Winelands in 2017.



Other: TV/Radio, books/magazines, travel/agent/tour operator, newspaper and social media.

Figure 62: Top information sources

(Source: WESGRO, 2017)

16.2.8. Group size

Visitors to the Cape Winelands mostly travelled as couples (in pairs) and used cars as mode of transport in 2017.

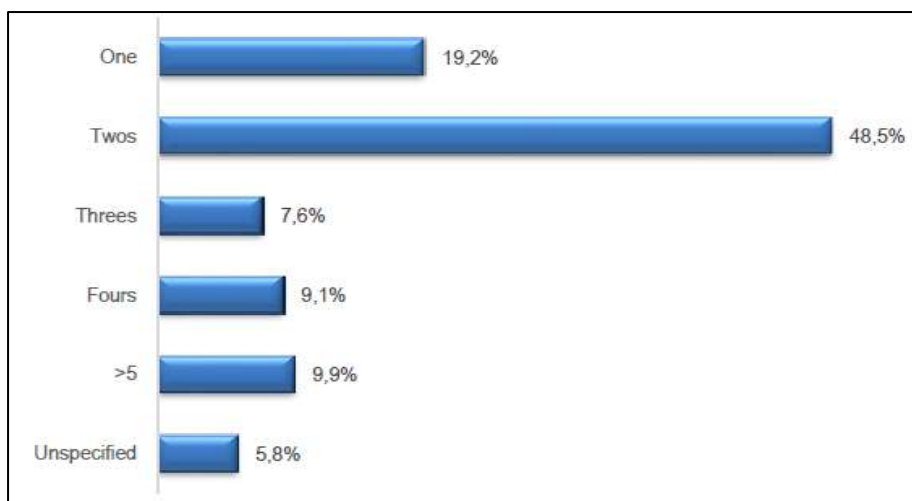


Figure 63: Visitor group size

(Source: WESGRO, 2017)

16.2.9. Age group

Most of the visitors to the Cape Winelands area were between 36 and 50-years-old, with more than 70% of visitors falling in the > 35-years-old bracket.

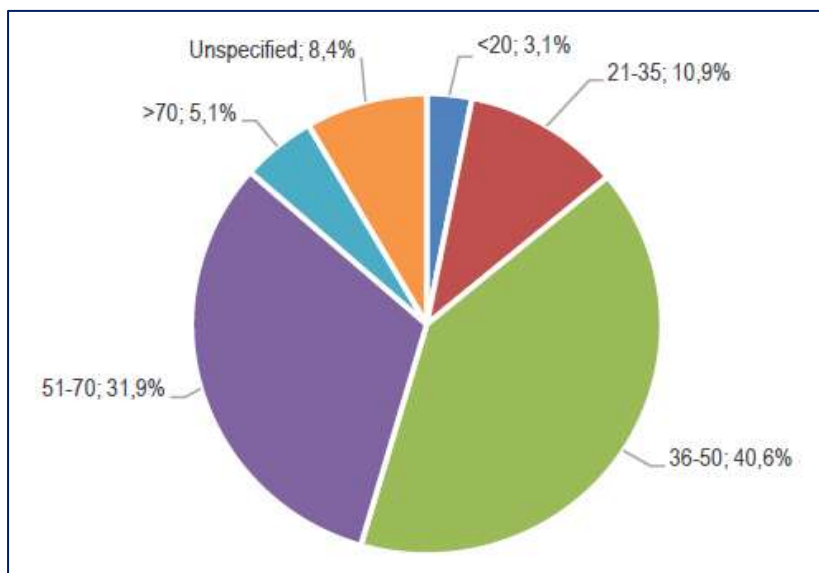


Figure 64: Age profile of visitors to the Cape Winelands

(Source: WESGRO, 2017)

Only about 10% of visitors comprised of youths younger than 36-years-old. There is therefore scope to develop the market in terms of the <36-years age bracket.

16.2.10. Duration of stay

Revenue is optimised through visitors staying longer and spending more. Visitors staying over in the Cape Winelands mostly stayed for only one night. The potential to extend the stay of visitors therefore exists. Day visitors could be enticed to stay over in the Cape Winelands. Notably, overseas visitors only stay mostly for one night, and adding additional experiences located within the Cape Winelands district to their itinerary would increase the benefit to the local community.

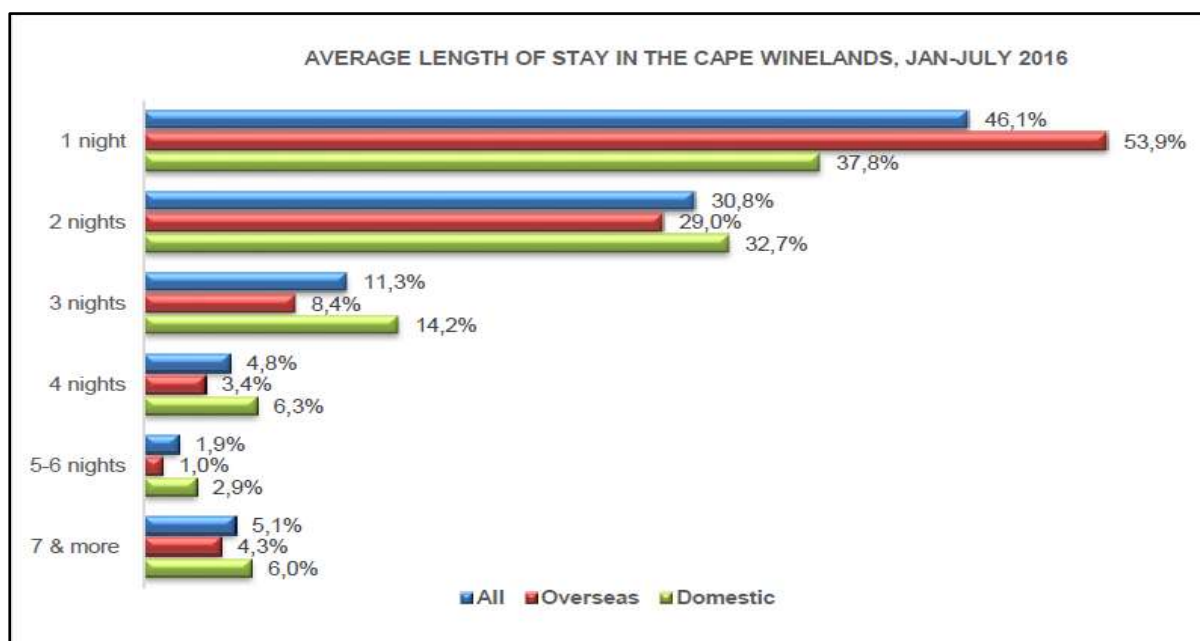


Figure 65: Duration of stay the Cape Winelands

(Source: WESGRO, 2016)

16.2.11. Accommodation type

Self-catering accommodation was most popular, especially with the domestic market. Although not very popular with the domestic market, overseas visitors also enjoyed staying at B&Bs when visiting the Cape Winelands.

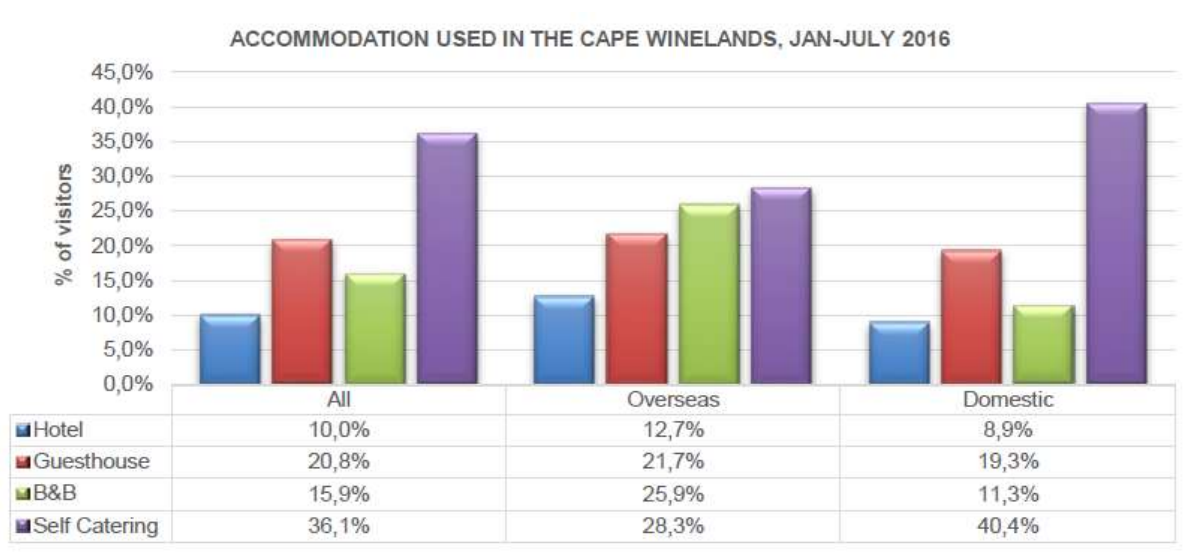


Figure 66: Accommodation type

(Source: WESGRO, 2016)

16.2.12. Average daily budget

The majority of visitors to the Cape Winelands region spent between R 1 001 and R 2 000 per day.

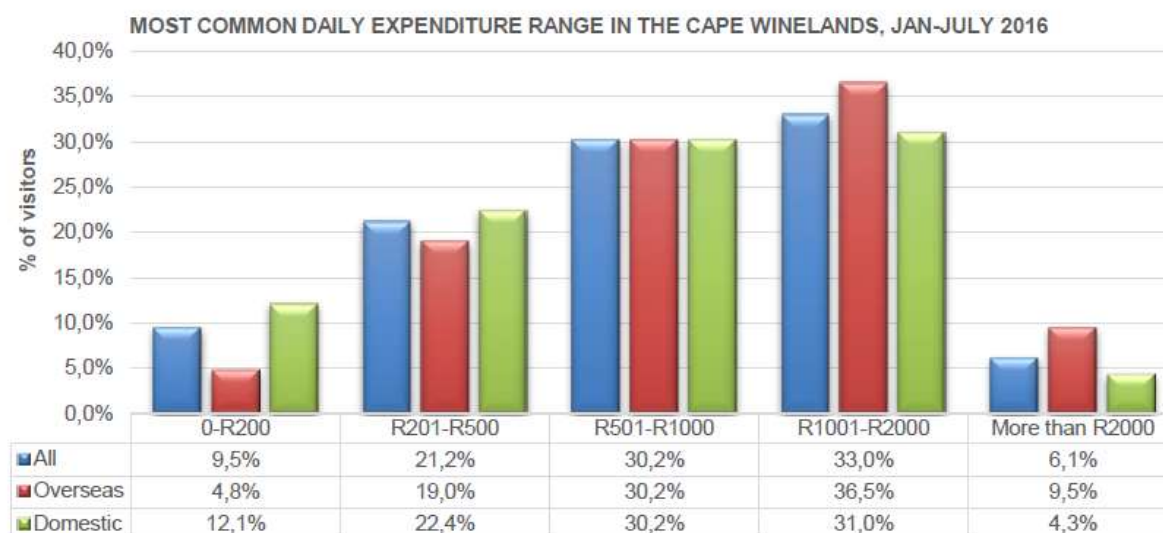


Figure 67: Daily spend per day Cape Winelands

(Source: WESGRO, 2016)

16.2.13. Preferred information source

Visitors to the Cape Winelands mostly obtained information from the following sources/platforms:

- Word of mouth
- Internet searches and websites
- Visitor information centres (VICs)
- Social media

The visitor profile and trends can be summarised as follows:

Table 56: Overview of Cape Winelands visitor trends and patterns

OVERVIEW OF REGIONAL TOWNS VISITOR TRENDS AND PATTERNS, JAN-JULY 2016				
TOURISM INDICATOR	Tulbagh	Ceres	Montagu	Stellenbosch
% Share overseas	38.4%	40.8%	57.9%	88.2%
% Share domestic	60.7%	58.8%	41.6%	11.2%
% Share of overnight visitors	75.0%	64.7%	84.9%	24.6%
% Share of day visitors	25.0%	35.3%	15.1%	75.4%
Top international markets	Germany (29.0%)	Germany (24.0%)	Germany (27.0%)	Germany (21.7%)
	United Kingdom (19.8%)	United Kingdom (20.1%)	United Kingdom (26.1%)	United Kingdom (17.4%)
	Netherlands (10.5%)	Netherlands (11.7%)	Netherlands (10.0%)	Netherlands (12.0%)
Top domestic markets	Western Cape (69.1%)	Western Cape (58.4%)	Western Cape (79.6%)	Western Cape (43.7%)
	Gauteng (17.6%)	Gauteng (21.1%)	Gauteng (9.7%)	Gauteng (25.4%)
	KZN (4.5%)	KZN (9.1%)	Eastern Cape (4.0%)	KZN (21.1%)
Main purpose of visit	Holiday/leisure (97.5%)	Holiday/leisure (98.7%)	Holiday/leisure (99.1%)	Holiday/leisure (99.7%)
	Honeymoon/wedding (2.1%)			
Most common travel group size	Pairs (65.5%)	Pairs (62.8%)	Pairs (66.3%)	Pairs (49.6%)
	Fours (11.2%)	Fours (13.6%)	Fours (10.9%)	Five & more (19.9%)
Most common length of stay	1 night (48.9%)	1 night (57.4%)	1 night (43.7%)	1 night (53.3%)
	2 nights (33.4%)	2 nights (20.9%)	2 nights (30.8%)	2 nights (26.9%)
Most common mode of transport	Rented car (56.0%)	Rented car (71.5%)	-	Rented car (82.3%)
	Own motor vehicle (40.2%)	Own motor vehicle (27.9%)		Tour bus (7.7%)
Top information sources	Internet/websites (41.8%)	-	-	-
	VICs (32.6%)			
Type of accommodation	Self-catering (34.4%)	-	Self-catering (50.7%)	-
	B&B (24.4%)			
Top three activities undertaken	Wine tasting (31.8%)	Snow (47.1%)	-	Wine tasting (96.4%)
	Scenic drives (26.7%)			
	Gourmet restaurants (11.6%)	Gourmet restaurants (20.6%)		

Note: Blank cells indicate that the sample was not big enough for a valid statistical interpretation.

(Source: WESGRO, 2016)

16.3. Langeberg's Unique Selling Proposition (USP)

The Langeberg area, surrounded by picturesque mountains, is home to the largest wine producing region in the Republic of South Africa. The area is also a renowned fruit producer (peaches, apricots, nectarines) with one of the largest canning factories and a railway situated in Ashton. The Breede River flows through Langeberg and is an important attraction for river rafting enthusiasts. Another important attraction is Montagu with its iconic hot water springs, where visitors can relax and enjoy the tranquil beauty of the surroundings. The area is also very popular as a wedding and honeymoon destination and offers a variety of venues to choose from.

The Langeberg local municipal district has the following unique selling points:

- The Breede River is ideal for water sport, such as river rafting and canoeing.
- Montague springs offer a relaxing break away from city stresses
- The area is an iconic wine producing region
- Olives and other fruit are produced in the area
- The area is endowed with natural beauty

16.4. Effective marketing

Marketing management is the process of identifying, anticipating and satisfying customer requirements profitably. The four P's of marketing, also known as the marketing mix concept, was developed to identify certain characteristics involved in marketing.

- **Product:** What products or services do customers need or want? How does your product fit into their needs or wants? Why would consumers choose your product over the alternatives available?
- **Place:** How does your product reach your customers? What is the best platform to reach potential clients and how should the product offering be communicated to them?

- Promotion: How should the product be promoted? In other words, how will the tourist destination be branded and positioned in the market, and what would be the best message to convey the attractiveness of the destination?
- Traditionally the fourth P refers to price, however, in the case of marketing a tourist destination, prices are determined by the individual (often privately owned) establishments in the region. Therefore, in the case of marketing a tourism destination, the third P should represent the People as the people have a significant impact on the customer experience. The people aspect of tourism promotion is dealt with under Destination Management below.

16.4.1. Product

Product development should be suited to customer needs and preferences as discussed above. Therefore, marketing starts with developing the right products.

Niche products have the potential to fill rural tourism's strategic gaps; however, it is important to be cognisant of the fact that infrastructural changes to cater for niche markets can be costly and ultimately have to be financed by each individual private sector tourism business. The expenses incurred in adapting to niche market needs have to be viable, i.e. the resulting increase in revenue must justify the expense and it is ultimately up to the discretion of the owners of each tourism enterprise to spend funds on attracting niche markets. In order to establish the destination in its entirety as catering for a niche market, a high-level of buy-in from all the individual enterprises is required.

16.4.2. Place: Communicating with the target market

In line with global trends, technology plays an increasingly important role in tourism. Technological advances have altered how travel services are procured and consumed (NTSS, 2017). Visitors are increasingly turning to the internet as a source of information and using travel blogs and travel advisory websites (NTSS, 2017). Tourists also communicate with other travellers on various online platforms. Due to the preferences of the current market, online marketing of the region is very important and

should enjoy priority. Service delivery of local Visitor Information Centres are also important, especially in enhancing the experience of visitors already in the area. Visitor information Centres (Tourism offices) should be positioned as knowledgeable and informed centres, and be easy to find through clear signage and directions.

The national Rural Tourism Strategy (2012) identifies a lack of communication material and infrastructure as a significant hindrance to the development of rural tourism in South Africa.

16.4.3. Promotion: branding and positioning

Communication efforts should be co-ordinated and coherent to promote the Cape Winelands district (of which Langeberg Local Municipality forms part) as a focused brand. This will entail agreement on a brand image and core message to be communicated by all stakeholders and across all platforms. When developing a brand for the tourist area, the unique features (USP) of the area and authentic characteristics should be key determinants. Langeberg should therefore position itself as part of a strong, recognisable brand (the Cape Winelands) offering its own unique, area specific products and experiences. The NTSS (2017) acknowledges that a coherent approach improves conversation rates about the destination and more effectively promotes a destination. Smaller rural tourism enterprises can benefit from prime tourism attractions in the area through strategically expanding tourism experiences to include more than just the regular tourism hot-spots in an area.

Promoting the district as a tourism brand should be more effective than marketing each municipal area in isolation, as it would multiply the selling proposition and enhance spill over effects.

16.5. Destination management

16.5.1. The visitor's experience

Destination management includes activities, relationships and practices that assist in organising the tourism system in an area. A collaborative approach between

stakeholders can optimise the destination's performance. Quality visitor experiences are pivotal in achieving customer satisfaction and enhancing repeat visits. Experiences that are authentic, distinctive and deliver unique stories have been identified as key by the National Tourism Sector Strategy (2017). Tourists experience a destination in its entirety, and it is essential that the whole value chain work together seamlessly (NTSS, 2017). All services combine to form an integrated product that should provide a positive experience.

The experience offered by the destination is greatly dependent on the capabilities of the local tourism businesses, but is largely influenced by the proper functioning of municipal services, the cleanliness of the area, and the safety and security of residents and visitors to the area.

The municipality's duty in this respect is to provide the backdrop against which local tourism can prosper through excellent service delivery.

16.5.2. Tourism skills training (The fourth P: People)

In addition to the actual product offered to tourists, the influence of the local community has a significant impact on promoting tourism. The contribution of the host community has a significant impact on the overall visitor experience (NRTS, 2012). The local community has the potential to provide an authentic experience to tourists showcasing traditions and the heritage unique to the area.

Tourism and hospitality organisations in the area should deliver a high-quality service to visitors through appropriate training (knowledge and service) and understanding the concept of hospitality.

In order to deliver the best possible experience to visitors, it is essential that people across the value chain possess the required skills to deliver excellent service.

The capacity of all persons working in tourism should be developed in order to build a skills-base that enhances the tourist's experience at all levels in the value chain. It is essential that emerging businesses and newcomers in the industry are sufficiently and appropriately equipped to contribute to the brand and the overall visitor experience.

Community-wide initiatives to create awareness regarding tourism and the importance of hospitable behaviour are essential.

16.5.3. Ease of access and tourism support infrastructure

Ease of access primarily refers to the ability of potential tourists to travel to and within a tourist destination (NTSS, 2017). Challenges with regards to access, both to and within a destination, detract from visitor rates even in the face of effective branding and marketing efforts.

The NTSS identifies the following aspects of tourism infrastructure to be developed, enhanced and maintained:

- World and national heritage sites
- Parks
- General facilities at important tourist sites
- Ensure safety, availability of information, cleanliness, functionality and attractiveness of the general area/ public spaces and facilities
- Infrastructure that supports emerging market preferences should be developed to meet the need of growing markets.

Access to telecommunications and connectivity (high speed Wi-Fi access) is an important component of the product package for tourists.

Clear and appropriate tourism signage is important to guide and enhance ease of travel within the destination.

Safety and security is vitally important as being victims of crime can be a deterrent for tourists to visit an area.

Tourism is primarily private sector driven, and infrastructure expenditure is therefore mostly at the discretion and account of the various privately-owned enterprises in the area. This means that niche strategies, such as positioning an area as a destination specifically accessible for persons with disabilities (mostly with wheelchairs) can be problematic as the individual enterprises may not all choose to adapt their facilities accordingly, negating the effect as a wheelchair-friendly destination. Niche markets

are by definition smaller, and any infrastructural adaptations have to be justified by a corresponding increase in revenue (volume of additional tourists attracted).

It is the responsibility of the municipality to ensure that basic services such as roads, transport and electricity promote tourism, and do not distract from the tourist experience.

Services most highly rated in the tourism sector include internet access (ICT infrastructure), roads and signage, and a high level of basic service delivery.

16.5.4. The role of local government in promoting tourism

The state's role is primarily to create an enabling environment for development of the tourism sector (NRTS, 2012). Local government is responsible for promoting and supporting local tourism products (NRTS, 2012). According to the White Paper on Development and Promotion of Tourism (DEAT, 1996), local government plays a critical role in providing leadership and the required planning to ensure that their local communities and businesses optimally benefit from tourism, whilst minimising any negative effects tourism might have. It further emphasises that just as the behaviour of local residents can enhance the experiences of visitors, thus promoting the area as a tourist destination, so too can bad behaviour spoil the experience of the area for visitors and discourage them from visiting again or recommending the area to others. In addition, tourism can either enrich or degrade the lives of local residents, depending on how it is managed (DEAT, 1996).

Emerging tourism market trends include:

- Increased interest in green, responsible, sustainable and ethical tourism. Factors such as environmental consciousness, sustainability, responsibility and ethics have become important motivators influencing tourists' decisions (NTSS, 2017). Sustainable tourism has increased in prominence, with over 85% of tourists reporting it to be a very important factor in tourism decisions (WESGRO, 2018). Organic farming and social equality ranked as the two top types of sustainable tourism experiences.

- Increased interest in unique and authentic experiences. Globally, there is an increase in demand for immersive travel and authentic, tailor-made tourism experiences (WESGRO, 2018). Research showed that luxury travel is increasing, including factors like tailor-made itineraries and unique experiences (WESGRO, 2018).
- Significant growth potential in wine tourism in the Western Cape, especially when paired with other activities that have regional appeal. Therefore, there is potential for Langeberg to capitalise on the growth of wine tourism and develop activities and experiences that can complement wine tourism.
- There has been an increase in the seasonality of domestic trips between 2015 and 2016 (NTTS, 207). Food and wine festivals in off-peak seasons have the potential to counter the effects of seasonality. In addition, food and wine festivals also offer the opportunity for lesser-known destinations to attract visitors (WESGRO, 2018).

16.6. Stakeholder feedback:

Stakeholders, tourism organisations and other role-players were engaged to obtain their inputs regarding the tourism sector in Langeberg. Their inputs were as follows:

1. What do you regard to be the most important need for development in the tourism sector in your municipal area?

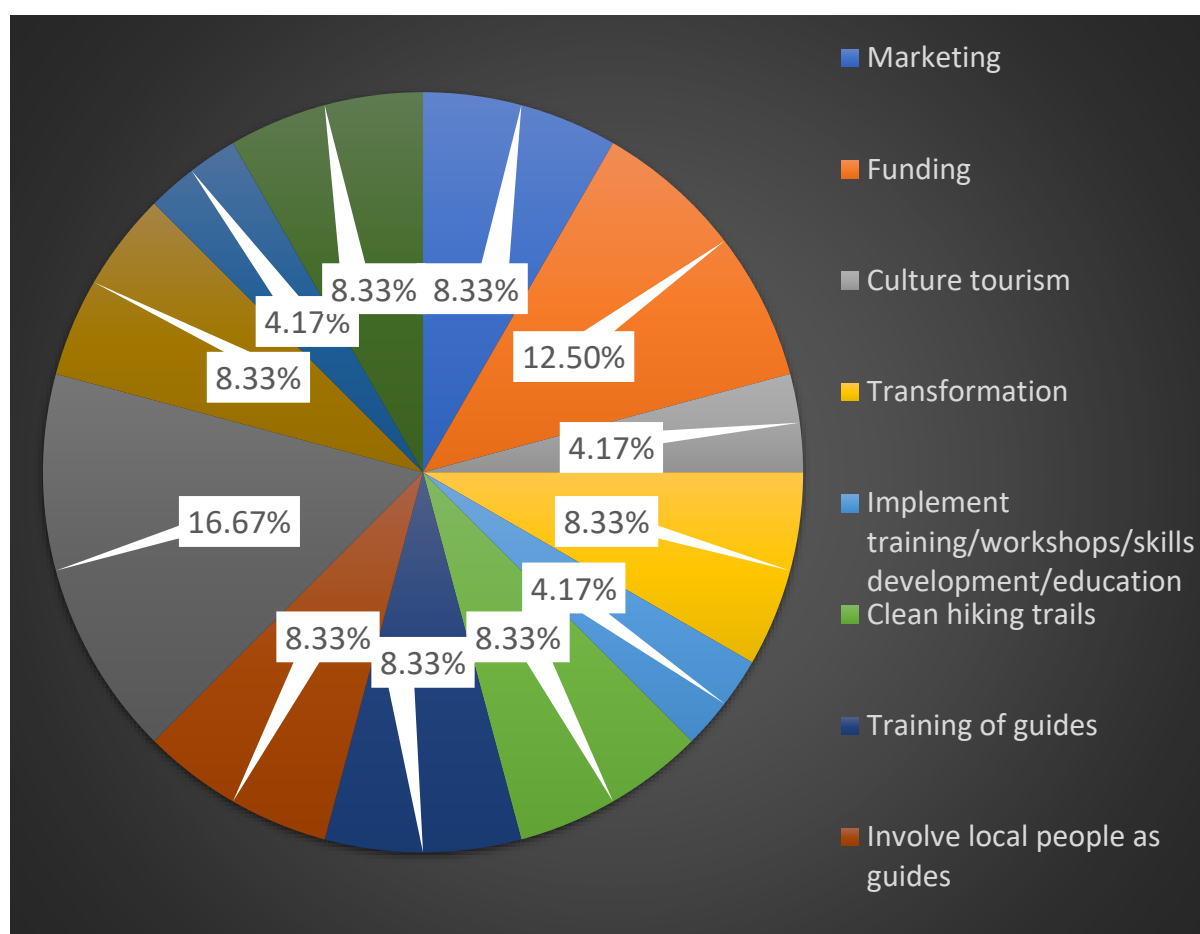


Figure 68: Most important development need for tourism, according to stakeholders

Stakeholders most frequently responded that Culture Tourism was the most important development need in the tourism sector in the Langeberg Local Municipal area. This is in line with market trends and the objective of improving inclusivity in the tourism sector. The second most frequent response was that funding was required for the tourism sector.

2. What solution do you propose for the most important development need in the tourism sector in your municipal area?

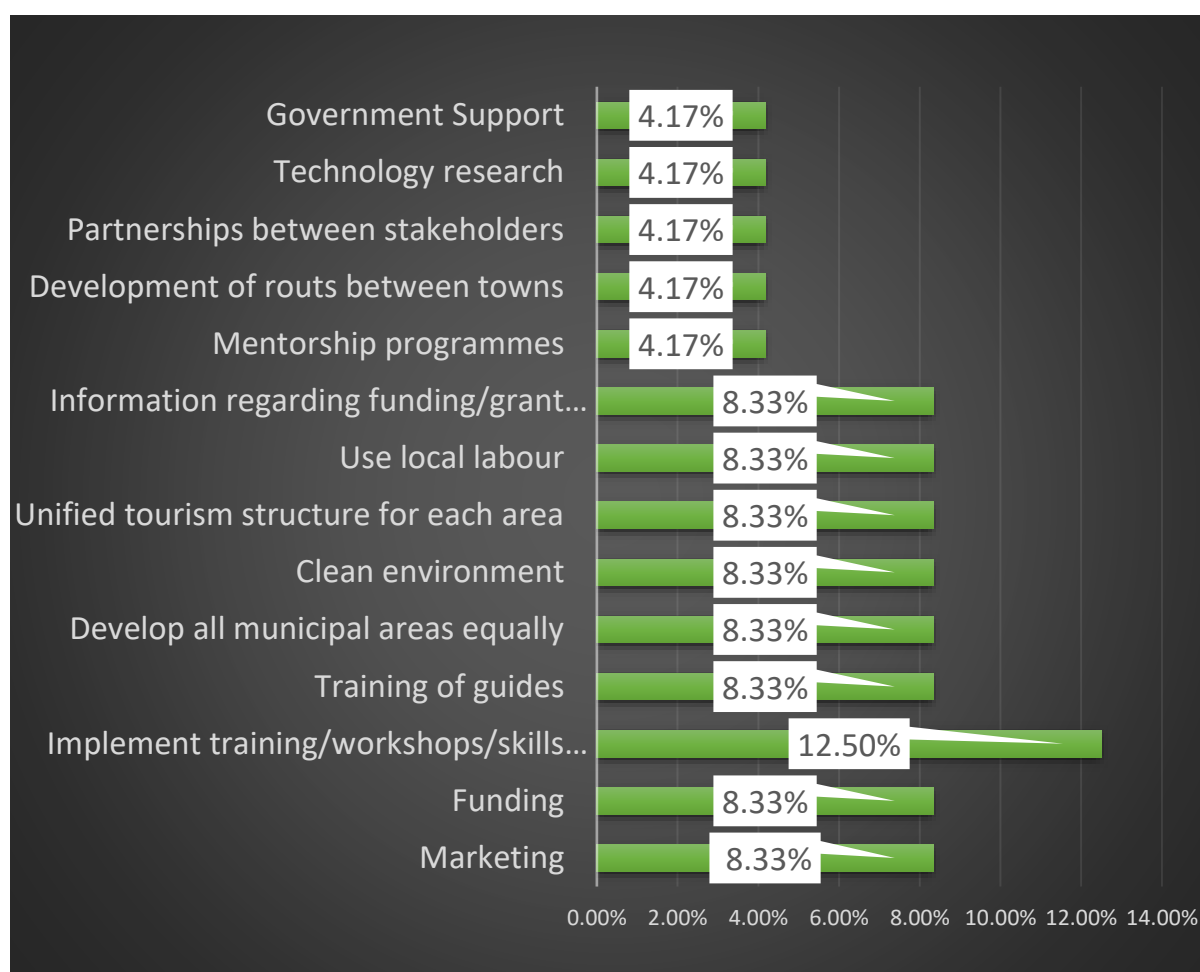


Figure 69: Solution to address tourism need, according to stakeholders

The most frequent response from stakeholders was that training should address the most important development needs in the tourism sector. This highlights the importance of skills development to grow the tourism sector in the Langeberg Local Municipal area.

3. How do you think tourists' perception of the region can be enhanced?

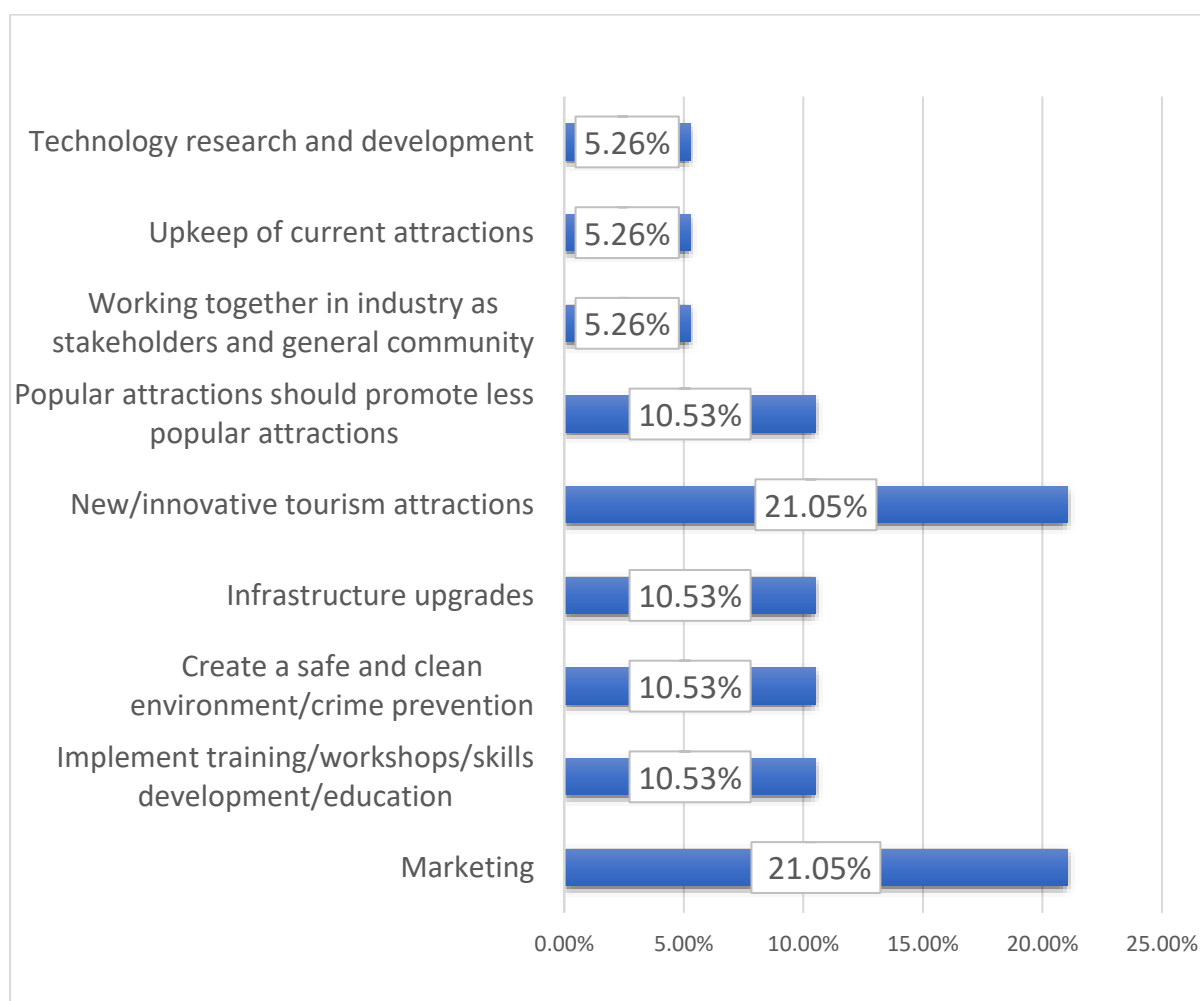


Figure 70: Enhancing tourists' perceptions, according to stakeholders

Respondents most frequently reported that Marketing and the development of new and innovative tourism attractions could enhance tourists' perception of the area.

4. What physical resources (facilities) do you think are needed to grow the tourism sector?

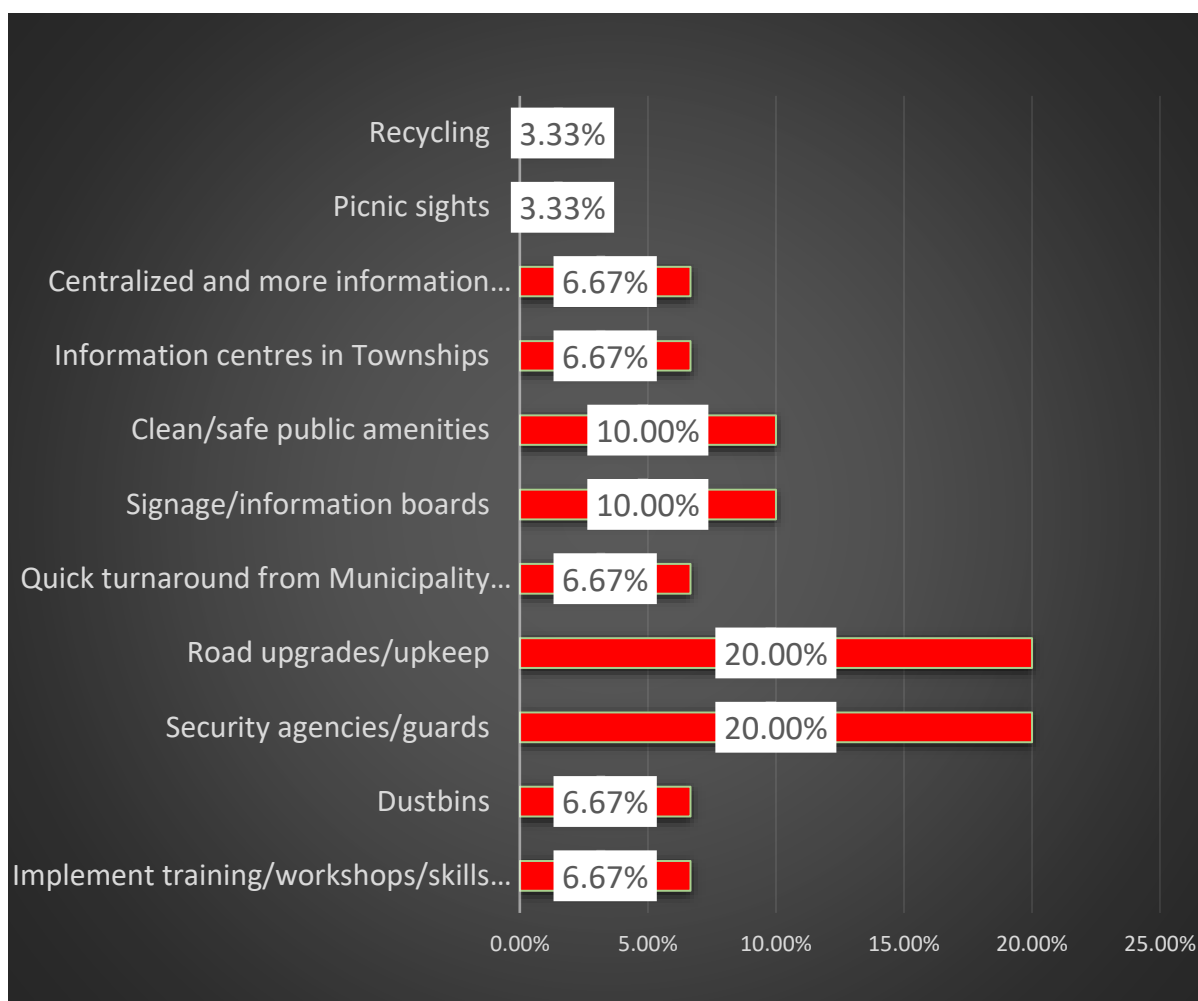


Figure 71: Physical resources to grow tourism, according to stakeholders

Road upgrades and security enhancements were the two most frequently reported needs (in terms of facilities) for growing the tourism sector. This ties in with the objectives of “ease of access” and destination management (a safe and clean environment).

5. What new products or services do you think are required in the tourism sector?

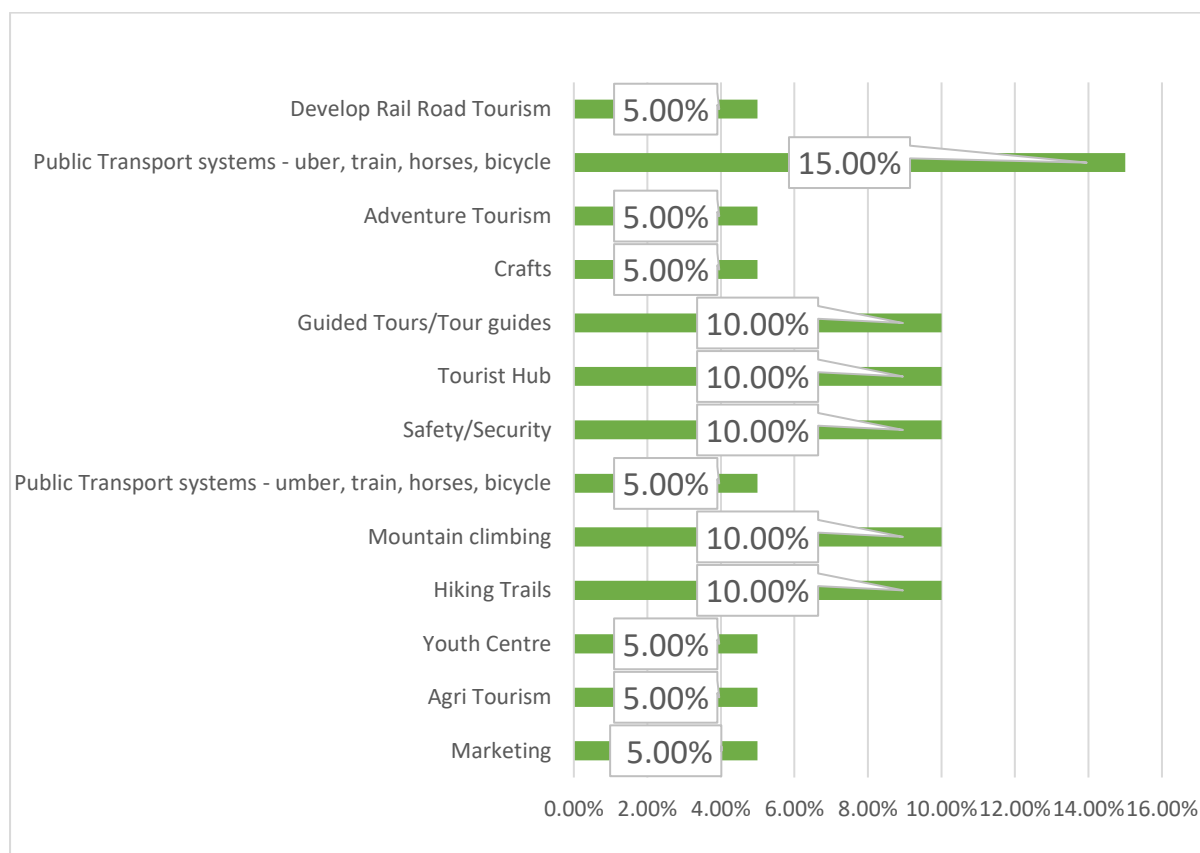


Figure 72: New products or services required for tourism, according to stakeholders

Public transport, followed by tour guides, a tourist hub, security, mountain climbing and hiking trails were highlighted by respondents as new products required in the tourism sector in Langeberg.

6. How do you think visitor numbers to the region can be increased?

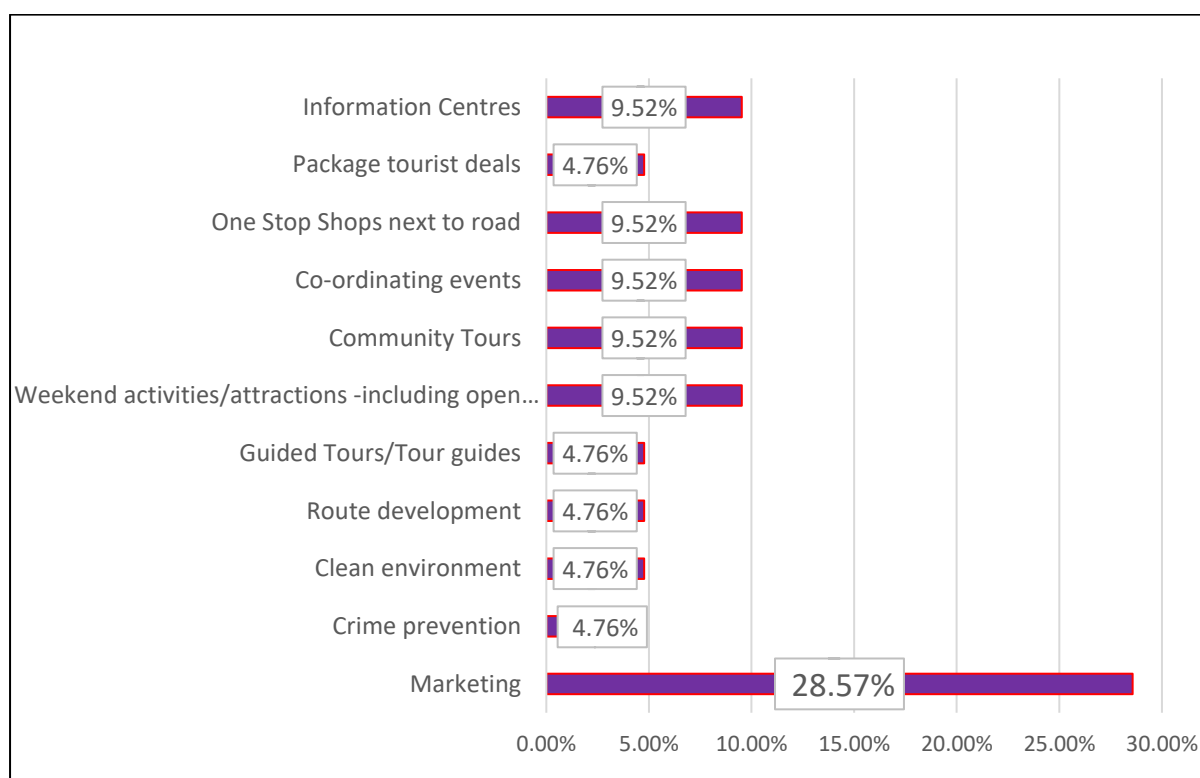


Figure 73: Methods to increase visitors, according to stakeholders

The most frequent response was that Marketing efforts could enhance visitor numbers to the Langeberg Local Municipal area. Respondents felt that events, weekend activities, information centres and a one-stop-shop (VIC) also had important roles to play in increasing visitor numbers.

7. How do you think can out-of-season tourism be promoted?

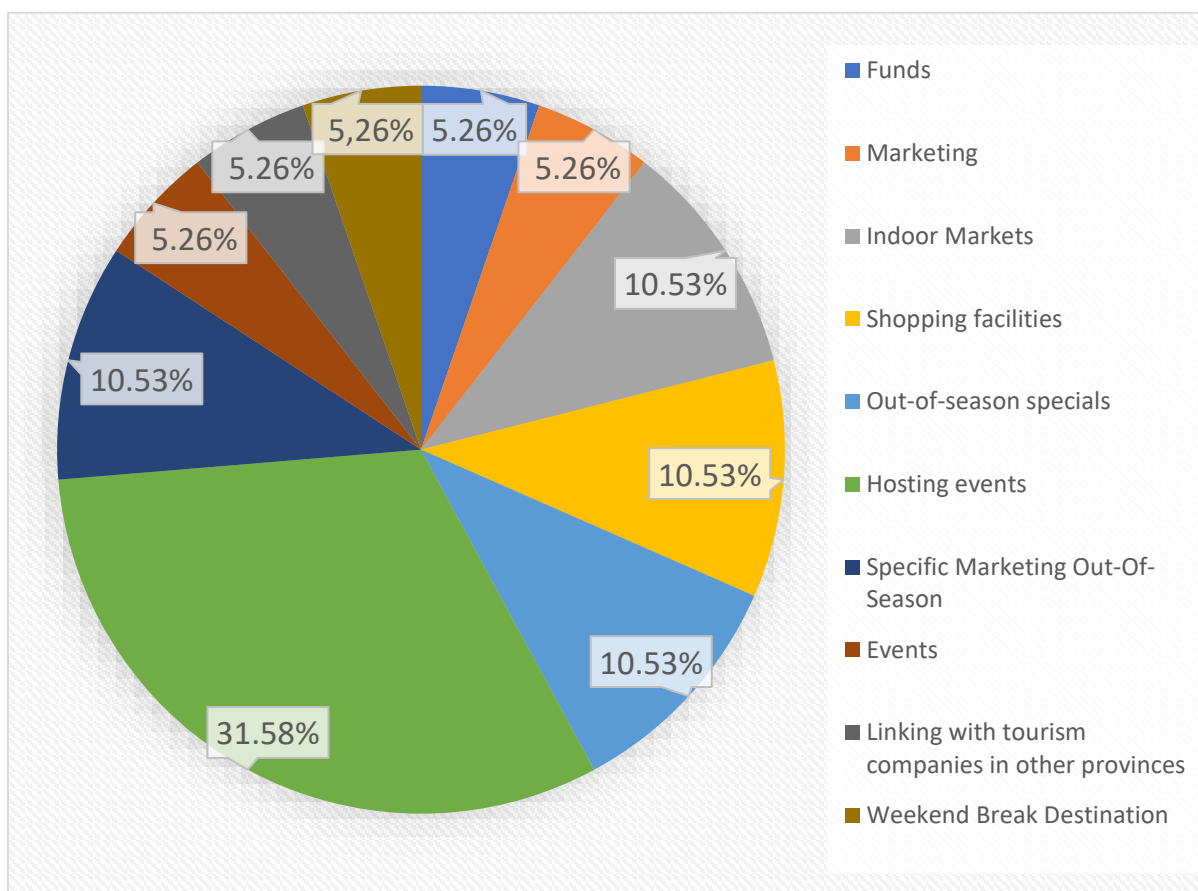


Figure 74: Promoting out-of-season tourism, according to stakeholders

Hosting events was the most frequent suggestion of how out-or-season tourism could be promoted.

In Summary:

- Domestic holiday trips declined between 2009 and 2015 due to economic constraints (NTSS, 2017). The opportunity therefore exists to capture a greater share of the market through more affordable product offerings.
- The majority of visitors to the Cape Winelands were from overseas countries such as Germany, the Netherlands and the UK/Scotland/Wales.
- The vast majority of domestic travellers were from the Western Cape

- Most visitors travelled as couples (pairs) and thus there is the potential to develop the market for family travel.
- Visitors are mostly between 36 and 70 years old. Potential to develop younger market
- The vast majority visit for leisure. Potential to develop corporate travel.
- Mostly day-trips or short stays (typically one or two nights). Potential to extend stay by expanding offering. Extending the stay of visitors through adding attractions to existing offerings.
- Managing seasonality should enhance all-year profitability and therefore job security in the sector.
- The NTSS underlines the importance of a coherent marketing message aimed at a specific target market.
- The Rural Tourism Strategy (2012) recognises the importance of collaboration in the funding and marketing of tourism initiatives.
- In order to establish a highly competitive tourism destination, collaboration between all stakeholders is essential.
- Challenges in travelling to and within a destination can negate marketing and branding efforts.
- There is increased focus on unique tourism experiences.
- Product development should be driven by market needs.

16.7. Key objectives:

- The tourism sector has to explore new and innovative ways to expand consumer options and experiences. New and innovative product offerings should be based on creative and unique experiences in the area.
- Tourism enterprises should increase their electronic footprint in order to expand their market reach.
- Green tourism options should be explored to meet the market need for more responsible, environmentally conscious, ethical and sustainable tourism.

- Developing a brand that is unique and speaks to the area's unique heritage of the region is essential.
- Increase market share and capitalise on previously unexplored markets through value-for-money (VFM) and affordable product offerings.
- Ensure ease of access in terms of travel to and within the region.
- Create a nurturing environment for emerging businesses in the tourism sector.
- Initiatives to enhance the attractiveness, safety and cleanliness of tourist infrastructure should be launched.
- Prevent incidents of crime against tourists through enhanced safety and security.
- Developing infrastructure that supports new and innovative travel experiences to serve the growing tourist market segments.
- Develop high speed Wi-Fi access at tourism hotspots.
- Clear and informative tourism signage to enhance ease of travel within the tourist destination.
- Ensuring the safety and security of tourists through tourism safety programs.
- Service delivery can be improved through skills training.
- Investigating options to include poor communities in tourism.
- Enhance market access for emerging tourism businesses.
- Provide a platform for emerging businesses to capture a larger share of the market and reach customers with sufficient income to procure their product offering.

16.8. Recommendations

- Less visited destinations should capitalise on the popularity of nearby tourist attractions. Marketing efforts should be focused on enticing tourists to include lesser known destinations in their travel itinerary for the region.
- When marketing an area, it would be beneficial to identify a flagship attraction in each town and build additional experiences and add-ons around the flagship.
- A coordinated and cohesive brand image should be developed for the tourism route in collaboration with all stakeholders.
 - A consistent marketing message would enhance brand recognition in the market.
 - All stakeholders in the tourism industry should work together to plan, execute, assess and constantly raise the profile of the tourism package offered by the destination.
 - A coherent and cohesive communication strategy for the tourist destination should be developed.
- Municipal tourism office to provide support in terms of communication material and infrastructure through printed brochures and informative Visitor Information Centres.
 - Promote and support local tourism products through assistance with online marketing using the local tourism website and offices as a platform for local tourism businesses to showcase their products.
 - The local tourism website can be used as a platform to showcase and promote emerging local tourism businesses.
 - Using the local tourism office as a platform for communicating with potential clients.
 - Promoting and supporting local tourism enterprises by showcasing them on the local tourism website.
 - Develop and distribute marketing material to promote the destination.
- Facilitate innovation to develop novel tourism products.

- Rolling out innovation and idea-generation workshops to facilitate the development of unique products to satisfy increasing market appetite for novel experiences.
- Product development should consider unique product offerings outside of traditional peak seasons.
- Explore options such as township tourism to enhance the inclusivity of the tourism sector in the area.
- Foster and maintain existing market base while expanding emerging markets such as the age group 18 to 34 years.
 - It is important to cater to the needs of established guests. Developing niche markets should be a complimentary effort to existing tourism marketing efforts.
 - Existing markets should be fostered and additional markets developed.
 - Explore ways to increase penetration into the business travel market.
 - Avenues should be explored to unlock the market of potential tourist, particularly those who do not travel due to financial constraints, through affordable options like out-off-season special offers.
- Explore support measures to foster growth among emerging tourism enterprises. Measures may include development and review of regulatory instruments.
 - Facilitate government aid and incentive schemes for emerging tourism enterprises, i.e. dti's Tourism Incentive Program and the Social Responsibility Program offered by the National Department of Tourism (NDT).
- Local destination sites should be enhanced through cleanliness, safety and security, aesthetics and improvements in terms of information sharing (NTSS, 2017).
 - Develop tourism safety programs to enhance the safety and security of tourists.

- Public transport from main centres and popular attractions should be explored and developed, recognising that transport is an important part of the tourism value chain.
- Facilitation of tourist travel (ease of access) through improved public and private transport.
- Enhance transport and infrastructure networks.
- Underutilised state-owned facilities can be developed as additional product offerings to tourists and create opportunities for emerging businesses through PPP agreements.
- Enhance visitor experience and address skills gaps through training programs aimed at specific and general tourism skills.
 - Enhance community involvement and buy-in through a “welcome to our town” campaign.
- Bandwidth and high-speed Wi-Fi access should be broadened and developed.
- Develop a tourism route that will combine the strengths and capabilities of the entire region to build a strong, recognisable brand.
 - Marketing efforts should be cohesive, and the Cape Winelands brand should be promoted to the mutual benefit of all areas and all stakeholders.
 - Promote the area as a “package” in the vein of Midlands Meander (“a good place”), Wild coast Jikeleza route (“take a drive and stay a while”) and “Cruise the Craggs.”
 - Develop products with regional appeal.
 - Each area should promote their USP to add to the total/ complete product offering.
 - Use the area’s unique characteristics, heritage and culture as a key marketing tool.
- Efforts should be made to address the seasonality of tourism to the region.
 - Counteract seasonality through food and wine festivals and offering special budget offers during off-peak seasons.

- Lesser-known destinations can be developed through special packages that are more affordable, and food and wine festivals.
- Focus on marketing the area online and via social media. Also focus on upgrading VICs.

A quick audit revealed the area also included the following tourist attractions (wine farms and most restaurants omitted for the sake of brevity):

Table 57: Cape Winelands Heritage Sites and Attractions

Langeberg Heritage Sites and Attractions			
MUNICIPALITY	TOWN	NAME/ATTRACTION	ACTIVITIES
LANGEBERG	ROBERTSON	Silwerstrand Golf Club	Golf
		Robertson Valley Wine Tasting Tour	Tour Vehicle
		Wine Cruise	Cruise
		Kolgans @Nerina	Cruise
		Viljoensdrift	Cruise
		Vrolijkheid Nature Reserve	Hiking
		Affie Plaas	Farm Stall
		Platform 62	Farm Stall
		Klein Parys	Farm Stall
		Robertson museum	History
		Arangieskop Hiking Trail	Hiking
		Fish Eagle Hiking Trail	Hiking
		La Mont	Hiking
		BoesmansKloof	Hiking
		Rafting R62	River Rafting
		Dine at Fraai Uitzicht 1798	History /dining
		Reuben's at the Robertson	Restaurant
		Explore Robertson by Bike	Cycling
		Klipdrift Distillery	Brandy Tasting
		Olive Garden Country Estate	Olive Tasting
		Marbrin Olive Farm	Olive Tasting
		Olyfberg	Olive Tasting

		Willowcreek Olive Farm	Olive Tasting
		Pat Busch 4x4 Trail	4x4
		Leopard Trail	4x4, Fishing, MTB
		Van Loveren	MTB
		Silwerstrand	Fishing
		Rivierzicht	Fishing
		Robertson Art Gallery	Art
		Robertson Farmers Market	Market
		Sheilam Cactus Garden & Nursery	Succulents Garden/Nursery
		Visit the Wellness Centre at Rosendal	Spa
		Levine Sante	Spa
		Old Mill Spa	Spa
		Robertson Small Hotel	Spa
		Owl's Rest	Olive & Lavender Farm
		Melozhori Private Game Reserve	Wild Life, Horse Riding
		Nerinas	Horse Riding
		Robertson Riding School	Horse Riding
		Cape American Motorcycle Tours	Motorcycle tours
		Skydive	Skydiving
		Stormsvlei Adventures	Adventure Variety
		Saggy Stone Brewery	Micro-Brewery
		Bourbon Street	Micro-Brewery
		Four Cousins	Micro-Brewery
	BONNIEVALE	Parmalat	Cheese Farm
		Mooivallei	Cheese Farm
		Sillerus Goat Farm	Cheese Farm
		La Montanara	Cheese Farm
		River Goose	Boat tour, fishing, water sport
		Farmer Redbeard	Beekeeping
	ASHTON	Dassieshoek Nature Reserve	Hiking
	MC GREGOR	Post Office Whiskey Bar	Whiskey Sharing
		The Art Route	Art
		Saturday Morning Market	Market

		Eseltjiesrus Donkey Sanctuary	Donkey Sanctuary
		Krans Nature Reserve	Hiking
		Vrolijkheid Nature Reserve	Hiking
		Rhebokskraal	Farm Tour, cooking courses
		Wahnfried	Movies/Theatre
		Temenos	Massage
		Mc Gregor Heritage Society Museum	Heritage

16.9. Conclusion:

The tourism sector has the potential to contribute to employment and socio-economic development. The primary task at hand is to grow the sector and enable the entry of new, previously excluded areas and enterprises into the market through sustained growth of the sector. Growing the tourism sector can be achieved through introducing new and unique tourism product offerings that cater to market preferences whilst fostering current attractions.

Conclusion

This section includes a brief conclusion to summarise the factors that drive economic development and the engines that can be used to achieve them.



17. Conclusion

Economic growth is a pre-requisite for economic development. Economic growth means increasing the total output, i.e. all goods and services produced in a region.

In order to attain economic growth, economic activity needs to increase, which is achieved through business retention and expansion, and attracting new investment. Business retention and expansion (BRE) is dependent firstly on the growth and expansion of existing businesses, and secondly the development and establishment of new businesses to increase the total output (production of goods and services).

A region's economy can therefore be grown by increasing the production levels of local businesses and the establishment of additional (new) businesses. To do this, the inputs required for businesses must be increased and businesses must operate at optimal production levels. Optimal production levels can be achieved through the necessary skills as well as creating an enabling environment for businesses to flourish.

The development of businesses, existing and new, is dependent on the capabilities of the entrepreneurs and the workers. The capabilities of the workers and the entrepreneurs are in turn dependent on their living conditions – in other words, the health, age, educational level and safety – of those workers and entrepreneurs. Thus, social development is a vital component. Social development is a necessity for economic growth to progress to economic development.

To further increase economic growth, it is desirable to attract new investment to the area. This entails an investment attraction programme (marketing the destination to private business) and ensuring that the local area reaps maximum benefits from national and provincial initiatives through grants and programmes.

A growing economy also enhances the chances of new businesses succeeding. The market for the goods and services produced by businesses can be enhanced by increasing the buying power of the local economy as well as exporting goods and services to other areas.

The more people participate in the economy, the faster it can grow. Economic participation means that people earn an income which will enable them to buy more

of the goods and services, which in turn will increase the production. Creating employment is therefore key to economic growth, and creating employment is facilitated through growing businesses to employ the people and establishing new businesses for people to employ themselves. In order for people to be employable, they need to be equipped with the necessary skills.

Tourism is a useful tool, employed in areas with tourism appeal such as Cape Winelands, to fulfil the mandates of social development and local economic development (in terms of BRE and the establishment of new businesses). Furthermore, in order to attract investment to improve the living conditions and to attain economic growth (sustainably), it is important to foster and cherish the natural resources and to afford environmental protection to the area.

The following engines can be employed to drive economic growth and development:

Table 58: Engines to drive economic growth and development

Static engines of growth		
Putting idle resources to work	Allocative efficiency (produce what is needed/ wanted)	Comparative Advantage (selling what you are good at to others)
✓ Creating jobs for the unemployed ✓ Putting underutilised equipment and infrastructure to use (buildings, equipment and other assets can be used by NPOs/ NGOs or entrepreneurs) ✓ Developing unused land ✓ The Tourism app is also an example of a resource of where the use can be optimised	✓ Product development in the tourism sector (catering to market needs) ✓ Production of agricultural products for which there is demand	✓ “Selling” the natural environment to tourists ✓ Agricultural products ✓ Improve trade balance
Dynamic engines of growth		

Accumulation of human capital	Accumulation of physical capital	Technological advancement and innovation
✓ Skills development and training to enhance educational levels ✓ Improved health ✓ Improved living conditions ✓ Attracting skills to the CWDM	✓ Investment ✓ Infrastructure development ✓ Spatial development	✓ R&D of new technologies ✓ Attracting knowledge and innovation
Agglomerate Engines of growth (pooling resources)		
Economic clusters	Foreign investment	Regional integration
✓ Pooling economic and Locational advantages of the agricultural sector through development of agricultural clusters (Agri Parks) ✓ Identifying, sequencing and developing additional clusters.	✓ Attracting investment to the region	✓ Working together to grow and succeed ✓ Examples include the tourism sector working together to promote the district; NPOs/ NGOs and government stakeholders working together; co-operation between the district and local municipalities

17.1. Transformation

South Africa has legislation and policies in place to promote Black Economic Empowerment and transformation. At local government level, the municipality can support and promote transformation through various strategies, including implementing BEE in their procurement processes, ensuring that projects and programs reach and benefit previously disadvantaged businesses and individuals, and creating an environment that is conducive for economic growth.

The slow rate of economic transformation in South Africa is in part attributable to our poor economic performance over the past few years. Slow economic growth means less "space" in the economy to support the desired level of economic inclusion.

In economic downturns, existing players in the market fight to secure every bit of market share. New, less experienced businesses have the odds stacked against them from the start, regardless of their talent and effort.

Therefore, in a favourable economic climate, more businesses can easily be included in the market. The starting point is therefore to foster existing businesses to create employment, as not everyone wants to be an entrepreneur, and to offer incentives to existing businesses to support transformation. These strategies should be implemented while supporting the establishment of new businesses to create livelihoods and contribute towards economic growth.

Sector Plans

This section of the report includes the four sector plans for:

- Social Development
- Local Economic Development
- Attracting investment
- Tourism



18. Social Development Strategy for Langeberg Local Municipality:

18.1. Where we are now:

SWOT Analysis:

Table 59: SWOT Analysis for Langeberg Municipality

Strengths	Weaknesses
➤ Lowest HIV-infection rate and lowest percentage of AIDS-related deaths in the district ➤ 0% mother to child transmission rate recorded in 2015. ➤ Lowest child mortality rate in the district since 2013. ➤ The number of persons per health facility is lower in Langeberg than the average for the district. ➤ Decrease in poverty headcount as well as the intensity of poverty between 2011 and 2016. ➤ Poverty headcount and intensity lowest in the district. ➤ 94% of households use electricity for lighting. ➤ 94% of households have piped water inside the dwelling or the	➤ Highest matric dropout rate in the district. ➤ Highest learner-teacher ratio in the district. ➤ Significant portion of the population is inadequately educated.

yard.	
Opportunities	Threats
➤ Second fastest population growth rate in the district and faster than the district average or higher than the district population growth rate. ➤ Faster than the district average rate of growth in the number of households between 2013 and 2017. ➤ The area had a high proportion of young, working-age people in 2011 which is typical of an expansive growth profile. ➤ Increase in HDI, although still lower than provincial average. ➤ Marginally lower incidence of child malnutrition than the district average in 2015. ➤ Second-lowest unemployment rate in the district. ➤ 85% of residents live in brick structures, 6% of the population live in informal dwellings or shacks in the back yard. ➤ 89% of households have flush or chemical toilets and 8% none. ➤ Decrease in the number of indigent households.	➤ Dependency ratio higher than the average for the district and also highest in the district, although lower than national average. ➤ Lower than average immunisation rate in 2015. ➤ Langeberg recorded a higher delivery rate to women under 18 years than the district average for 2015. ➤ Higher proportion (56.9%) than the district average falls within the lower-income bracket. ➤ There was a sharp increase in the number of drug-related crimes in Langeberg between 2011 and 2015. ➤ The vulnerability of farmworkers.

18.2. Where we want to be:

Working towards increasing the quality of life for all residents in the Langeberg area.

18.3. How we get there:

Table 60: Implementation Plan Langeberg Social development Strategy

Vision:	
Establish a better life for all	
Mission:	
Ensure that the inhabitants of Langeberg are healthy, skilled, safe and productive	
Goals:	
➤ Reduction of FAS incidence ➤ Reduction of Domestic Violence incidents ➤ Address matric dropout rate ➤ Address social ills such as drug abuse and crime in the area	
Project 1:	Project 1 Benefits:
Provide support to NPO's and NGO's in order to maximize the impact of their in-depth experience and grass root level knowledge.	✓ The Specialist knowledge and extensive experience of existing organisations should be harnessed to optimally benefit the local population. Eliminate the duplication of programmes ✓ Allow for different stakeholders to collaborate on programmes ✓ Enhance communication between stakeholders and ensure that all stakeholders are informed of programmes and challenges ✓ Provide a contact point for

		Government Departments, who must be strongly encouraged to be members of this forum ✓ The forum can be used as a vehicle for communication, distributing funding, and sourcing service providers for specific social development initiatives
Programmes:		
Short term:	Medium term	Long term
➤ Establish a welfare forum comprising of NPO's, NGO's and stakeholders operating in the area to liaise with different stakeholders in the Social Development, Health and Education sphere ➤ Intelligence and sharing of information regarding needs and initiatives	➤ The Forum can be linked with provincial and national programmes and projects to ensure that the region reaps maximum benefits from broader projects. ➤ The forum can be used to channel funding to worthy project and the on-the-ground level knowledge of NPOs and NGOs would provide excellent backing.	➤ Improved co-operation between national, provincial and local government and organisations such as NPOs and NGOs. Strong relationships will enhance the impact of initiatives.
Project 2:		Project 2 Benefits:
Address Health issues, using the welfare forum as vehicle		✓ Better access to health care ✓ Better knowledge of health care
Programmes		

Short term:	Medium term	Long term
➤ Present health programmes at schools aimed at educating the youth regarding their health, especially teenage pregnancies. ➤ FAS prevention and infant care programme ➤ Embark on an immunisation awareness drive	➤ Identify and train facilitators to assist stakeholders in educating the community on their health. ➤ Facilitate assistance to disabled members of the community ➤ Roll out program aimed at educating girls and young women on teenage pregnancy and FAS.	➤ Liaise with Western Cape on Wellness (WOW) initiative
Project 3:		Project 3 Benefits:
Address low educational levels and skills gaps, using the welfare forum as vehicle		✓ Better skills levels equate to better quality of life and more productive community.
Programmes		
Short term:	Medium term:	Long term:
➤ Facilitate assistance to matric learners to improve pass-rates and prevent drop-outs. ➤ Facilitate the creation of a database compromising of facilitators, trainers and mentors for the	➤ Facilitate training workshops to address skills gaps in terms of technical- and life skills training. ➤ Facilitate the provision of career guidance and job readiness training. ➤ Facilitate a mentorship/ internship program that is	➤ Address the high drop-out rate of learners in schools. ➤ Initiate program to support grade 10-12 learners. The program should include assistance with school subjects (extra classes), life skills training and assistance

purposes of presenting workshops and training. ➤ Facilitate the establishment of a Junior Town Council for the youth.	ongoing with local businesses in the community.	with applications for bursaries/ scholarships
Project 4:		Project 4 Benefits:
Address social ills, using the welfare forum as vehicle		✓ Safer, healthier and more productive community ✓ Addressing social ills helps to strengthen the family unit. ✓ Decrease drug usage ✓ Decrease FAS incidents ✓ Decrease Teenage Pregnancies
Programmes		
Short term	Medium term	Long term
➤ Support and facilitate neighbourhood watches in all wards. ➤ Establish and communicate substance abuse programmes ➤ Actively address the availability of drugs in the area with the view of preventing drugs being smuggled into the area and sold to	➤ Brainstorm and implement programmes to address crime in the area. ➤ Roll out a program aimed at restoring the family unit.	➤ Facilitate the establishment of a Rehabilitation Centre

users.		
Project 5:		Project 5 Benefits:
Address non-financial dimensions of poverty (deprivation associated with multi-dimensional poverty) through providing basic services, such as electricity and water, to the poorest of the poor		✓ Relief from the deprivation effects of poverty
Programmes		
Short term	Medium term	Long term
➤ Maintain service delivery	➤ Ensure basic service delivery (water, sanitation and electricity) to the poorest families who do not yet have access to such services.	➤ Embark on a drive to improve living conditions for farm workers.
Role Players		
➤ Department of Social Development ➤ Non-profit organisations (NPOs) and non-governmental organisations (NGOs) ➤ Department of Education ➤ Department of Rural Development ➤ Department of Health ➤ SAPS ➤ VPUU ➤ CPF		
Stakeholders should meet quarterly (welfare forum) to discuss needs and focus areas for initiatives. Each stakeholder can explain what they can offer and the contribution they can make to the various initiatives. Institutions typically offer services (SAPS – policing; DSD – social services), but they also offer funding/ grants and special projects from time-to-time. The benefits and capabilities each stakeholder can offer, can be shared and discussed at		

Welfare Forum meetings to establish the best possible synergy for each program/ intervention.

Municipality's Role

- ✓ **The Municipality cannot, and should not, attempt to replace or duplicate the work done by NPOs and NGOs, but must rather aim to maximise the benefits of these private sector initiatives. The role of the Municipality should be one of support, facilitation and creating an enabling environment. Any funding the municipality has available for social development can be channelled to the Welfare Forum.**

Budget

The Municipality can provide financial assistance to NPOs in the form of grants and also by using them as service providers to roll out identified interventions. NPOs and NGOs can be invited to facilitate programmes on a bid basis. (CSI beneficiaries)

Non-financial assistance could be provided to NPOs and NGOs in the form of assistance with communication (using municipal platforms) and making available idle resources, such as premises and equipment, free of charge.

The welfare forum can be used as vehicle to implement other strategic projects targeted for the Langeberg area. Using the Welfare Forum (members) to implement strategic projects will yield dual benefits: it will ensure that projects are implemented to the benefit of the Municipality, and it will provide revenue for welfare organisations that will increase their capacity and enable them to do even more. Revenue paid to these organisations will therefore be re-invested in social development in the area. Examples of such strategic projects can include, but are not be limited to:

- **Animal control and running of the local pound can be delegated to local animal welfare organisations. Such organisations already have the skills and personnel to provide such services and can in turn benefit from the infrastructure and revenue earned from providing the service. Benefits will be multiplied by the organisation also delivering health and welfare services to the animals of poor families. Co-operative agreements are already successfully in place in other municipalities such as Overstrand and Matzikama.**
- **Recycling (contributing and supporting solid waste management) can be rolled**

out through the forum as an income generating activity for the poor and unemployed. The benefits to the municipality will include increased diversion rates to save landfill space and achieve targets set by legislation. The benefits to the community and the welfare forum would include revenue and creating employment. Such an agreement is already successfully implemented in the Overstrand Municipal area.

18.4. Social Development Implementation Plan Details

The key objective of LED is developing the people in a region with the view of establishing a better life for all. Ensuring that the inhabitants of an area are healthy, skilled, safe and productive enables economic development and thus enhances the quality of life of the local community. The mandate of the Municipality is to facilitate an enabling environment for social development to take place.

The Department of Social Development is primarily tasked with the responsibility of promoting social development in South Africa and the Department of Education is primarily responsible for developing education.

Non-profit organisations (NPOs) and non-governmental organisations (NGOs) provide dedicated and specialist assistance to local communities. These organisations address a host of social issues, ranging from early childhood development, healthcare, caring for the elderly, addressing social ills, animal welfare, education, skills development and substance abuse, to name a few. The specialist knowledge and extensive experience of such organisations should be harnessed to optimally benefit the local population.

Co-ordinating efforts and co-operation between all spheres of government and the various NPOs and NGOs can not only prevent duplication of programmes, but through concentrated efforts, significantly enhance the impact of interventions and programmes. The Municipality cannot, and should not, attempt to replace or duplicate the work done by NPOs and NGOs, but must rather aim to maximise the benefits of these private sector initiatives. The role of the Municipality should be one of support, facilitation and creating an enabling environment.

18.5. The Objectives of Social Development

1. Provide support to NPO's and NGO's in order to maximise the impact of their programmes and reap maximum benefits from their in-depth experience and grass roots level knowledge in order to:
 - Improve community health through focused efforts to address HIV/AIDS and malnutrition.
 - Improve educational levels through improving school attendance and pass rates and eradicating illiteracy.
 - Address social ills such as substance abuse and violence in the area.
2. Address non-financial dimensions of poverty (deprivation associated with multi-dimensional poverty) through assistance to the poorest of the poor.
3. Facilitate the implementation of income-generating activities to address financial dimensions of poverty.

Provide support to NPO's and NGO's in order to maximise the impact of their programmes and reap maximum benefits from their in-depth experience and grass roots level knowledge.

- Establish a welfare forum comprising of NPOs, NGOs and stakeholders operating in the area to liaise with different stakeholders in the Social Development, Health and Educational sphere.
 - A forum must be established where relevant stakeholders (such as NPOs) and government departments can engage regarding the issues at hand in order to:
 - Eliminate the duplication of programmes
 - Allow for different stakeholders to collaborate on programmes, providing the best possible skills set for targeted programmes
 - Enhance communication between stakeholders and ensure that all stakeholders are informed of programmes and challenges
 - Provide a contact point for government departments, who must be encouraged to be members of this forum

- The forum can be used as a vehicle for communication, distributing funding and sourcing service providers for specific social development initiatives
 - The forum can be linked with provincial and national programmes and projects to ensure that the region reaps maximum benefits from broader projects.
 - The forum can be used to channel funding to worthy projects and the on-the-ground level knowledge of NPOs and NGOs would provide excellent intelligence regarding needs and initiatives.
 - The municipality should facilitate the establishment and ensure that quarterly meetings take place and are attended by key role players such as SAPS and provincial and national departments (health, education, social development, cultural affairs and sport). The national and provincial departments often provide support programmes and funding to various initiatives.
 - The municipality can provide financial assistance to NPOs in the form of grants and also by using them as service providers to roll out identified interventions. NPOs and NGOs can be invited to facilitate programmes on a bid basis.
 - Non-financial assistance could be provided to NPOs and NGOs in the form of assistance with communication (using municipal platforms) and making available idle resources, such as premises and equipment, free of charge.
- * A database of NPOs and NGOs operational in the area is annexed to this report.

Address health issues, using the welfare forum as vehicle, to facilitate the following:

- Acquire or supply more mobile clinics and increase frequency of visits.
 - Liaise with stakeholders and departments to facilitate the availability of more mobile clinics together with an increased frequency of visits, which will make health services more accessible to the community. Deploying mobile clinics at schools will prevent the youth from missing school to obtain health services.
- Present health programmes at schools aimed at educating the youth regarding

their health, especially teenage pregnancies.

- Implement programmes to inform the youth on health risks, especially related to teenage pregnancies. Health programmes can be linked to substance abuse prevention programmes.
- Identify and train facilitators to assist stakeholders in educating the community on their health.
 - More facilitators should be identified and receive accredited training in the field of health, and thereby be empowered to give assistance to the different stakeholders in educating communities on their health as well as to assist current health workers.
- Liaise with Western Cape on Wellness (WOW) initiative.
 - WOW partners with people, organizations and communities who share a similar vision and are willing to help make a difference. WOW is a Healthy Lifestyles partnership initiative of the Western Cape Government. It aims to enable people to make healthy lifestyle choices through a life course. Partnering with this initiative will empower the community to make better choices to improve their quality of life.
- Facilitate assistance to disabled members of the community.
 - Establish skills-development needs and address these through skills training and workshops. Create a forum/ platform where disabled persons can engage with the role players in the private sector. Establish networking opportunities for jobseekers with potential employees.

Address low educational levels and skills gaps, using the welfare forum as vehicle, to facilitate the following:

- Facilitate training workshops.
 - The welfare forum will not only have in-depth understanding of the needs in an area, but frequently also possess the specialist skills to implement initiatives. Workshops should be held to improve the skills of the community. The need is for accredited training to be facilitated.
- Facilitate assistance to matric learners to improve pass-rates and prevent drop-outs

- An initiative (similar to “leave no one behind”/ “together we are better”) could be launched to assist matric pupils with extra classes in their various subjects. Former local students with higher qualifications can assist with the extra classes and fulfil a mentoring role. Identify local role models for the youth and highlight local achievements in municipal newsletters.
- Address the high drop-out rate of learners in schools.
 - Parents should be held accountable for failing to ensure their children attend school. Educate parents, the community and stakeholders on the Form 22 procedure of the Western Cape Government Department of Social Development. This can be done by holding various meetings with the community in conjunction with the SAPS. The implementation of this procedure will not only get the youth back in schools, but also serve as a deterrent to parents to ensure that their children attend school.
- Facilitate the provision of career guidance and job readiness training.
- Facilitate workshops for single mothers/ young parents with children at preschool level, to ensure that the mother develops parallel with the child in the Early Childhood Development program, and thereby to ensure that the parent will guide the children through the entire school process.
- Facilitate the creation of a database comprised of facilitators, trainers and mentors for the purposes of presenting workshops and training.
- Facilitate the establishment of a Junior Town Council for the youth.

Address social ills, using the welfare forum as vehicle, to facilitate the following:

- Establish and communicate substance abuse programmes.
 - Additional Drug Awareness campaigns and support programmes could be introduced.
 - FAS awareness Campaigns to be held.
 - The community should be informed of rehabilitation programmes in their area.
 - Help facilitate the attainment of a Rehabilitation Centre.
 - The municipality can facilitate communication between the NPO's and

the community through municipal newsletters to inform on available assistance in the area.

- The Alcohol Harms Reduction Game Changer can be rolled out in the community.
- Help Facilitate Rehab Programs in the community.

Actively address crime in the area.

- Stakeholder meetings with the SAPS, the Department of Justice, the Department of Social Development (who should be members of the welfare forum) as well as other relevant stakeholders could enhance the effectiveness and co-ordination of initiatives.
- Neighbourhood Watch organisations (VPUU) could assist in crime prevention and should have representation on the welfare forum and enjoy support from the Municipality.
- A “Walking Bus” initiative can be established, not only for children going to school, but also for the elderly and other community members to ensure safety when moving around in the community. This is where volunteers walk together from a designated point to another, to establish a safe and supervised route.

Address non-financial dimensions of poverty (deprivation associated with multi-dimensional poverty) through assistance to the poorest of the poor.

- Ensure basic service delivery (water, sanitation and electricity) to the poorest families who do not yet have access to such services.

Facilitate the implementation of income-generating activities to address financial dimensions of poverty

- Income-Generation Programs
 - Income-Generation Programmes must be established for Adults and Parents of the community. Silk-screening printing, weaving, linoleum

printing, fresco painting, collaging and beading are all income-generation programs that have been successful at the Philani Project in Khayelitsha.



Figure 75: Functioning of the Welfare Forum

18.6. Monitoring and Evaluation Framework

Monitoring and Evaluation Framework				
Objective		Outcome		Term
Improve educational levels		✓ Decrease drop-out rates		Medium
		✓ Increase matric pass rate		Long
Address crime levels		✓ Decrease level of sexual offences, since higher level of sexual offences than the province reported		Medium
		✓ Decrease in crime related incidents.		Medium
Improve health	community	✓ Reduction in HIV-infection rate and AIDS-related deaths		Long
		✓ Reduce maternal mortality		Medium

	✓ Reduce malnutrition in Medium children
Address poverty	✓ Reduction in poverty Long headcount
	✓ Reduction in intensity of Medium poverty

18.7. Action Plan: HIV/ Aids Health Programme

Project description
HIV/ AIDS Health Programme
Project objectives (i.e. what are the goals to be achieved?)
✓ Prevention of HIV transmission ✓ Reduce stigma attached with disease ✓ Training of Health Staff to support the community ✓ Educating and Equipping the community
Project outputs (direct result of the project i.e. for training it would be increased skills levels)
✓ Improved knowledge and practice of HIV/AIDS preventive measures ✓ Treatment, care and support services for people and families living with HIV/ AIDS ✓ Improved access to ARVs ✓ Increased number of community members reached by programmes ✓ Testing for HIV/AIDS ✓ Distribution of condoms
Project outcomes (result from outputs, i.e. for training it would be that people are more employable)
✓ Improve community health ✓ Improved knowledge of HIV/AIDS ✓ Increased usage of ARVs ✓ Increased number of community members tested ✓ Decrease in AIDS/ HIV infections ✓ Reduce stigma and discrimination
Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)
✓ Improved health of local residents leading to increased quality of life and economic development

Project inputs (what would be required, i.e. budget/ funds, human resources, facilities, infrastructure, equipment)

- Funding
- HIV Strategy
- Skilled health workers
- HIV/ AIDS awareness and educational material e.g. print media
- Premises for workshops
- Training material
- Municipal official to co-ordinate
- Administrative support to Welfare Forum

Project actions (a list of steps to be taken)

1. Task Welfare Forum to implement. Can be done on bid basis or budgeted grants & funding
2. Development of materials for communications using print media, and distribute through various channels
3. Conduct awareness-raising workshops for leaders
4. Outreach activities with community leaders, local government and NGO staff and peer educators in communication, peer education and prevention
5. Conduct condom promotion mass campaign (including distribution)
6. Youth Education and Prevention
7. Conduct Training of trainers on life-skills based HIV/ AIDS education
8. Establishment of support groups for people affected by HIV/ AIDS

Timing (i.e. short, medium or long term and how long should it take?)

Initiated over the short term and to be continued until there is a marked reduction in HIV infections and AIDS-related deaths

Communication (how will the project be communicated, i.e. direct engagement, post on Facebook, send out e-mail etc. and to whom)

The Welfare Forum can be used as a communication platform for all. Plan will be discussed with Welfare Forum at quarterly meeting

Municipal official responsible

Designated official to be appointed as representative on the Welfare forum and Social Development Official

Key performance indicators (i.e. how will the success of the project be measured, e.g. for training, the number of delegates who successfully completed the training and obtained certificates; the number of delegates trained who found employment)

- ✓ Reduction in the HIV infection numbers
- ✓ Reduction in AIDS-related deaths
- ✓ Number of people participating (reached) in programme

Role players

- Department of Social Development
- Non-profit organisations (NPOs) and non-governmental organisations (NGOs)
- Department of Education
- Department of Rural Development
- Department of Health
- SAPS

Departments and institutions have grants and initiatives that run every year. Available assistance should be discussed at quarterly Welfare Forum meetings to discuss how funding and initiatives can be accessed and incorporated to achieve maximum synergy.

Municipality's role

The role of the Municipality should be one of support, facilitation and creating an enabling environment. Municipality to provide support and leadership.

18.8. Action Plan: Substance Abuse Programme

Project description

Drug Awareness/ Prevention Programme

Project objectives (i.e. what are the goals to be achieved?)

- ✓ Prevention of drug-related crimes
- ✓ Prevention of drug usage
- ✓ Prevention of drug-related social illnesses
- ✓ Improve treatment/ rehabilitation of drug users

Project outputs (direct result of the project i.e. for training it would be increased skills levels)

- ✓ Rehabilitation programs and venues
- ✓ Counselling services
- ✓ Drug Awareness programmes and education at schools
- ✓ Training of caregivers/ mentors
- ✓ Support groups and networks
- ✓ Conduct substance use assessments (methods and tools)
- ✓ Roadblocks into town to decrease/ eliminate the supply of drugs

Project outcomes (result from outputs, i.e. for training it would be that people are more employable)

- ✓ Community will have better understanding of dependency and contributing factors
- ✓ Reduce crimes that are drug related
- ✓ Early intervention in the youth before they start using drugs
- ✓ Counselling and support to drug users

✓ Reduce drug dependency and usage
Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)
✓ Reduced drug usage and dependency ✓ Reduced drug-related crime
Project inputs (what would be required, i.e. budget/ funds, human resources, facilities, infrastructure, equipment)
➤ Funding ➤ Skilled mentors and advisors ➤ Venue for support groups/ meetings ➤ Drug usage and prevention and educational material ex. print media, pamphlets ➤ Rehabilitation centre
Project actions (a list of steps to be taken)
1. Task Welfare Forum to implement. Can be done on bid basis or budgeted grants & funding 2. Facilitate support groups/ meetings 3. Development of materials for communications using print media, and distribute through various channels 4. Conduct awareness-raising workshops for leaders 5. Outreach activities with community leaders, local government and NGO staff and peer educators in communication, peer education and prevention 6. Youth Education and Prevention 7. Conduct Training of trainers on life-skills
Timing (i.e. short, medium or long term and how long should it take?)
Initiated over the short term and to be continued until there is a marked reduction in drug dependency and usage as well as a reduction in drug-related crimes
Communication (how will the project be communicated, i.e. direct engagement, post on Facebook, send out e-mail etc. and to whom)
The Welfare Forum can be used as a communication platform for all. Therefrom, the stakeholders can engage further with the community.
Municipal official responsible
Designated official to be appointed as representative on the Welfare Forum and Social Development Official
Key performance indicators (i.e. how will the success of the project be measured, e.g. for training, the number of delegates who successfully completed the training and obtained certificates; the number of delegates trained who found employment)
✓ Reduction in the drug dependency numbers as well as the drug related crimes
Role players
➤ Department of Social Development

- Non-profit organisations (NPOs) and non-governmental organisations (NGOs)
- Department of Education
- Department of Rural Development
- Department of Health
- SAPS
- Religious sector
- Sport sector
- Families and Individuals

All role players must be engaged at quarterly Welfare Forum meetings to discuss what support and programs each institution is offering at that time. Role players can then coordinate resource to create maximum synergy.

Municipality's role

The role of the Municipality should be one of support, facilitation and creating an enabling environment. Municipality to provide support and leadership.

18.9. Action Plan: Stay in School Strategy

Action Plan: Stay in School Project

Project description
Drop-out Prevention programme and Education Programme
Project objectives (i.e. what are the goals to be achieved?)
✓ Decrease drop-out rate ✓ Increase matric pass rate ✓ Increase Enrolment rate
Project outputs (direct result of the project i.e. for training it would be increased skills levels)
✓ Elevating educational levels ✓ Increased employability ✓ Acquiring skills to study further
Project outcomes (result from outputs, i.e. for training it would be that people are more employable)
✓ Can enter the job market with a better chance of finding employment ✓ Be able to do homework in a safe and supervised environment ✓ Higher student performance
Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)

- ✓ Better skills levels equate to better quality of life and more productive community.

Project inputs (what would be required, i.e. budget/ funds, human resources, facilities, infrastructure, equipment)

- Research on why drop-out rates are high
- Mentors
- Funding
- Staff for after school supervision
- Premises to host after school care facilities
- Tables and chairs at after school care
- Sport programmes
- Administrative support to Welfare Forum

Project actions (a list of steps to be taken)

1. Find out what are the needs of the school and/ or the learners
2. Task Welfare Forum to implement. Different stakeholders must work together with the teachers of the schools
3. Community involvement – Taxis to provide transport options to youth, Walking Bus initiative to ensure safety, soup kitchens to provide lunch for youth
4. Facilitate assistance to matric learners to improve pass rates and prevent drop-outs.
5. Facilitate the creation of a database comprising of facilitators, trainers and mentors for the purposes of presenting workshops and training
6. Facilitate the provision of career guidance and job readiness training
7. Facilitate a mentorship/ internship program that is ongoing with local businesses in the community
8. Initiate program to support grade 10-12 learners. The program should include assistance with school subjects (extra classes), life skills training and assistance with applications for bursaries/ scholarships
9. Form 22 Procedure to be applied with assistance of all relevant stakeholders
10. Engage and partner with parents

Timing (i.e. short, medium or long term and how long should it take?)

Phased in over short, medium and long term. Short term: put in place mentoring and after school support. Long term: work with the students over the course of the year to enable students to pass with continued support. Programme should be up and running within one (1) year.

Communication (how will the project be communicated, i.e. direct engagement, post on Facebook, send out e-mail etc. and to whom)

- ✓ Social media platforms such as WhatsApp groups and Facebook to communicate with the students
- ✓ Communication through the schools by way of letters to parents and announcements

✓ The Welfare Forum can be used as a communication platform for all. Plan will be discussed with Welfare Forum at quarterly meeting
Municipal official responsible
Designated official to be appointed as representative on the Welfare forum and Social Development Official
Key performance indicators (i.e. how will the success of the project be measured, e.g. for training, the number of delegates who successfully completed the training and obtained certificates; the number of delegates trained who found employment)
✓ Drop-out rate has decreased ✓ Higher matric pass rate ✓ Increased educational levels ✓ Decrease in youth being on the streets during school hours
Role players
➤ Department of Social Development ➤ Non-profit organisations (NPOs) and non-governmental organisations (NGOs) ➤ Department of Education ➤ Department of Rural Development ➤ Department of Health ➤ SAPS ➤ Parents ➤ Students DSD to provide specialist support to families and further support to youth at risk. Department of Education can assist with identifying learners to be included in the programme. SAPS to assist with form 22 procedure. Departments and institutions have grants and initiatives that run every year. Available assistance should be discussed at quarterly Welfare Forum meetings to discuss how funding and initiatives can be accessed and incorporated to achieve maximum synergy.
Municipality's role
The role of the Municipality should be one of support, facilitation and creating an enabling environment. Municipality to provide support and leadership.

18.10. Action Plan: Women's Health and Empowerment Programme

Project description
Woman's Health and Empowerment Programme
Project objectives (i.e. what are the goals to be achieved?)
✓ Reduce maternal mortality

- ✓ Reduce malnutrition in children
- ✓ Reduce teenage pregnancies
- ✓ Reduce FAS incidents
- ✓ Increase immunisation rate

Project outputs (direct result of the project i.e. for training it would be increased skills levels)

- ✓ Health workers are capacitated to provide effective and confidential information, assistance and support to women around various health-related issues, especially alcohol abuse
- ✓ Treatment, care and support to woman
- ✓ Increased number of woman being educated on health issues

Project outcomes (result from outputs, i.e. for training it would be that people are more employable)

- ✓ Decrease FAS incidence
- ✓ Decrease Teenage Pregnancies
- ✓ Decrease maternal mortality rate
- ✓ Reduce malnutrition in children
- ✓ Increase immunisation rate

Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)

- ✓ Better knowledge of healthcare regarding pregnant women, FAS and malnutrition in children as well as importance of immunisation in children

Project inputs (what would be required, i.e. budget/ funds, human resources, facilities, infrastructure, equipment)

- Health workers
- Funding
- Premises to facilitate workshops
- Mobile clinics
- Awareness and educational material ex. print media
- Training material
- Municipal official to co-ordinate
- Administrative support to Welfare Forum

Project actions (a list of steps to be taken)

1. Address Health issues, using the welfare forum as vehicle
2. Roll out program aimed at educating girls and young women on teenage pregnancy and FAS
3. FAS prevention and infant care programme
4. Health workshops can be linked to substance abuse programs like alcohol to inform mothers on FAS
5. Immunisation campaigns to be held

6. Teenage Pregnancy Workshops
7. Facilitate workshops for single mothers/ young parents with children at preschool level, to ensure that the mother develops parallel with the child in the Early Childhood Development program, and thereby to ensure that the parent will guide the children through the entire school process.
8. Establish and communicate substance abuse programmes
Timing (i.e. short, medium or long term and how long should it take?)
Initiated over the short term and to be continued until there is a marked reduction in child malnutrition, reported FAS incidents and maternal mortalities, and the immunisation rate is increased
Communication (how will the project be communicated, i.e. direct engagement, post on Facebook, send out e-mail etc. and to whom)
✓ Local clinics to communicate via posters to woman and mothers.
✓ The Welfare Forum can be used as a communication platform for all.
Municipal official responsible
Designated official to be appointed as representative on the Welfare forum and Social Development and Health Official
Key performance indicators (how will the success of the project be measured, e.g. for training, the number of delegates who successfully completed the training and obtained certificates; the number of delegates trained who found employment)
✓ Reduction in maternal mortality
✓ Reduction in FAS incidents
✓ Reduction in child malnutrition
✓ Increase in immunisation rate
Role players
➤ Department of Social Development ➤ Non-profit organisations (NPOs) and non-governmental organisations (NGOs) ➤ Department of Education ➤ Department of Rural Development ➤ Department of Health ➤ SAPS Departments and institutions have grants and initiatives that run every year. Available assistance should be discussed at quarterly Welfare Forum meetings to discuss how funding and initiatives can be accessed and incorporated to achieve maximum synergy.
Municipality's role
The role of the Municipality should be one of support, facilitation and creating an enabling environment. Municipality to provide support and leadership

18.11. Action Plan: Welfare Forum

Project description
Welfare Forum
Project objectives (i.e. what are the goals to be achieved?)
✓ Provide support to NPOs and NGOs to maximise the impact of their in-depth experience and grassroot-level knowledge.
Project outputs (direct result of the project i.e. for training it would be increased skills levels)
✓ The specialist knowledge and extensive experience of existing organisations to be harnessed to optimally benefit the local population
✓ Allow for different stakeholders to collaborate on programmes
✓ Enhance communication between stakeholders and ensure that all stakeholders are informed of programmes and challenges
✓ Provide a contact point for Government Departments, who must be strongly encouraged to be members of this forum
✓ The forum can be used as a vehicle for communication, distributing funding and sourcing service providers for specific social development initiatives
Project outcomes (result from outputs, i.e. for training it would be that people are more employable)
✓ Elimination of the duplication of programmes
✓ Different stakeholders will be able to collaborate on programmes, providing the best possible skills set for targeted programmes
✓ Enhancement of the communication between stakeholders and ensures that all stakeholders are informed of programmes and challenges
✓ Provision of a contact point for Government Departments, who must be encouraged to be members of this forum
✓ The forum will serve as a vehicle for communication, distributing funding and sourcing service providers for specific social development initiatives
Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)
✓ The forum will ensure that departments and different stakeholders will work together and communicate better. Skills that already exist will be better utilised
Project inputs (what would be required, i.e. budget/ funds, human resources, facilities, infrastructure, equipment)
➤ Non-financial assistance could be provided to NPOs and NGOs in the form of assistance with communication (using municipal platforms) and making available idle resources, such as premises and equipment, free of charge.

Project actions (a list of steps to be taken)

1. Establish a welfare forum comprising of NPOs, NGOs and stakeholders operating in the area to liaise with different stakeholders in the Social Development, Health and Educational sphere.
2. A forum must be established where relevant stakeholders (such as NPOs) and government departments can engage regarding the issues at hand.
3. Forum to channel funding to worthy projects and the on-the-ground level knowledge of NPOs and NGOs would provide excellent intelligence regarding needs and initiatives.
4. The municipality can provide financial assistance to NPOs in the form of grants and also by using them as service providers to roll out identified interventions. NPOs and NGOs can be invited to facilitate programmes on a bid basis.

Timing (i.e. short, medium or long term and how long should it take?)

Short term – Establish the Welfare Forum

Medium Term - vehicle to administer funds, aid, grants and to roll out projects

Long term - Programmes pertaining to social development can be rolled out and implemented by the welfare forum

Communication (how will the project be communicated, i.e. direct engagement, post on Facebook, send out e-mail etc. and to whom)

The Welfare Forum itself will be a communication platform. Meetings to be held from where the members of the forum will then be able to communicate the programs and decisions to various stakeholders

Municipal official responsible

Designated official to be appointed as representative on the Welfare forum and Social Development Official

Key performance indicators (how will the success of the project be measured, e.g. for training, the number of delegates who successfully completed the training and obtained certificates; the number of delegates trained who found employment)

- ✓ Number of Members at the Welfare Forum
- ✓ Attendance of the members at the Forum

Role players

- Department of Social Development
- Non-profit organisations (NPOs) and non-governmental organisations (NGOs)
- Department of Education
- Department of Rural Development
- Department of Health
- Religious Sector
- SAPS

Departments and institutions have grants and initiatives that run every year. Available assistance should be discussed at quarterly Welfare Forum meetings to discuss how funding and initiatives can be accesses and incorporated to achieve maximum synergy.

Municipality's role

The municipality should facilitate the establishment and ensure that quarterly meetings take place and are attended by key role players such as SAPS and provincial and national departments (health, education, social development, cultural affairs and sport). National and provincial departments often provide support programmes and funding to various initiatives.

18.12. Action Plan: Youth Development

Project description
Youth Development Programme
Project objectives (i.e. what are the goals to be achieved?)
✓ Economic participation of the youth (employment and entrepreneurship) ✓ Increased education and skills ✓ Combat violence, crime and substance abuse among youth ✓ Improved health in youth (and their families later in life) ✓ Participation of youth in their community
Project outputs (direct result of the project i.e. for training it would be increased skills levels)
✓ Decrease in social ills among youth ✓ Decrease in unemployment among youth
Project outcomes (result from outputs, i.e. for training it would be that people are more employable)
✓ Youth to contribute to future stable and supportive family environment ✓ Youth to succeed in school and further education ✓ Youth to choose healthy behaviours ✓ Youth to earn an income
Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)
✓ Increase youth involvement and active citizenship by building the capacity of youth organisations and leaders to become agents in their own development who make meaningful contributions to their communities. ✓ Medium to Long term increase in HDI (education/ skills; health and income)
Project inputs (what would be required, i.e. budget/funds, human resources, facilities, infrastructure, equipment)

- Funding for training programmes and initiatives
 - Skills facilitators, venues and catering
 - Premises for youth gatherings
- Funding for bursaries and study grants where possible
- Administrative support for coordinating and organising programmes and initiatives

Project actions (a list of steps to be taken)

9. Work preparation training
 - a. Compiling a CV and succeeding in a job interview
 - b. Work readiness (professional conduct, ethics in the workplace, communication skills)
 - c. Career planning and referrals for further training
10. Life skills training for youth to improve coping skills with everyday challenges.
11. Identify positive youth leaders and develop their abilities to be able to engage other vulnerable youth on topical issues.
12. Create platforms of engagement on issues that affect youth. The aim is to raise awareness on a range of issues including the dangers of substance abuse, HIV/ AIDS, Teenage Pregnancies and Gang involvement.
13. Awareness raising initiatives will include joint awareness raising campaigns, pamphlets on issues, Youth Day Campaigns.
14. Putting practical monitoring and evaluation mechanisms in place to ensure that programmes and interventions are relevant and that those doing youth work are held accountable.
15. Current program of the Municipality with Essen municipality in Belgium includes a Flemish programme on youth development.
16. Innovative IT development solutions to facilitate access.
17. Creating linkages between corporate entities and assessed youth with a view to possible permanent employment.

Timing (i.e. short, medium or long term and how long should it take?)

Short to Medium Term implementation and to be sustained over the Long Term

Communication (how will the project be communicated, i.e. direct engagement, post on Facebook, send out e-mail etc. and to whom)

The Welfare Forum can be used as a communication platform for all. Plan will be discussed with Welfare Forum at quarterly meeting. Directly invite participants through schools and further education institutions

Municipal official responsible

Designated official to be appointed as representative on the Welfare forum and Social Development Official, LED manager

Key performance indicators (i.e. how will the success of the project be measured, i.e. for training the number of delegates who successfully completed the training and obtained certificates; the number of delegates trained who found employment)

✓ Number of youths who participated in the programme ✓ Number of training programmes/ initiatives rolled out ✓ Number of youths participating in the programme who furthered their education or found employment/ created own employment
Role players
➤ Department of Social Development ➤ Non-profit organizations (NPOs) and non-governmental organizations (NGOs) ➤ Department of Education ➤ Department of Rural Development ➤ Department of Health ➤ Further Education institutions in the area ➤ Private businesses willing to take in mentees/ interns Departments and institutions have grants and initiatives that run every year. Available assistance should be discussed at quarterly Welfare Forum meetings to discuss how funding and initiatives can be accesses and incorporated to achieve maximum synergy.
Municipality's role
The role of the Municipality should be one of support, facilitation and leadership to initiate and source funding for the Youth Development Programme

19. Local Economic Development Strategy for Langeberg Local Municipality:

1.1. Where are we now:

Table 61: SWOT Analysis, LED for Langeberg Local Municipality

Strengths	Weaknesses
➤ Strongest GDP growth rate in the district between 2005 - 2016 ➤ Construction and Food sectors showing strong GVA growth ➤ Lowest unemployment rate in the district since 2011	➤ Seasonality of jobs in the agricultural sector ➤ Low skills level of workers in the area.
Opportunities	Threats
➤ Lower GDP per capita than the district average, and needs to grow at a higher rate to achieve NDP target by 2030 ➤ Improve Gini coefficient ➤ Rural nature of the area	➤ Dependence on the agricultural sector. ➤ GVA growth rate slowing down. ➤ Increase in unemployment between 2001 and 2015. ➤ High number of jobs in the agricultural sector at risk due to drought. ➤ Declining agricultural sector due to global trends and drought. ➤ Declining number of job opportunities for low-skilled workers.

19.1. Where we want to be:

Economic growth is a prerequisite for economic development. The paramount objective of LED is therefore to foster strong economic growth in order for social and economic development to take place. Strong economic growth also attracts investment, further enhancing economic growth and economic development. Achieving an annual regional economic growth rate in line with the NDP target of 5.4% p.a. should yield radical progress in terms of LED.

19.2. How we get there:

Economic growth can be achieved through fostering entrepreneurship. This will increase production which means increased GDP for the region.

Table 62: Implementation plan, Langeberg LED

Vision:		
Accelerated economic growth to facilitate economic- and social development in order to eradicate poverty and unemployment.		
Mission:		
To accelerate economic growth through: ➤ creating an enabling environment for the formal business sector to prosper ➤ facilitate the growth of SMMEs and formalisation of the informal sector ➤ stimulate new venture creation.		
Goals:		
➤ Grow and capacitate existing businesses ➤ Grow SMMEs and develop the informal sector (include in formal sector) ➤ Facilitate the establishment of new businesses		
Project 1:	Project 1 Benefits	
Create an enabling environment for existing businesses to grow and prosper	✓ Increased productivity and output from existing businesses. ✓ Employment creation ✓ Economic growth	
Programmes:		
Short term:	Medium term	Long term
➤ Meet with the chamber of commerce and other business associations quarterly to discuss private sector needs and synergies ➤ Link existing local businesses with broader provincial and national opportunities and programmes during quarterly meetings	➤ Establish a “buy local campaign” ➤ Use local service providers for municipal work ➤ Red-tape reduction to address regulations that restrict growth (i.e. by-laws on the sale of alcohol that have a detrimental impact on the tourism sector)	➤ Maintain high level of uninterrupted basic services and engage private sector to meet their needs and create synergy.

	➤ Facilitate skills development training tailored to the needs of the local job market.	
Project 2:		Project 2 Benefits
Develop and grow SMMEs and the informal sector		✓ Increased economic activity ✓ Provide livelihoods for entrepreneurs
Programmes		
Short term:	Medium term	Long term
➤ Roll out training programmes for entrepreneurs ➤ Facilitate access to business chamber through negotiating “first year free” initiative	➤ Facilitate internships ➤ Roll out training and mentorship programmes ➤ Formalise the informal sector through facilitating the necessary registrations as outlined in the implementation plan details below	➤ Facilitate market access through trading zones/hubs located in busy areas
Project 3:		Project 3 Benefits
Stimulate the establishment of new businesses		✓ Economic growth ✓ Innovation
Programmes		
Short term:	Medium term:	Long term:
➤ Roll out training programmes for new entrepreneurs	➤ Roll out new business and innovation program similar to “Dragons Den” to access seed funding	➤ Investigate development potential and use bids or PPPs to establish such initiatives
Role Players		
➤ Key partners: SEDA, DEDAT, CWDM, large private sector/corporations, DEADP, Dept. of Rural Development and Land Reform, IDC, dti The various role-players provide training, funding and other support to businesses. Programmes and initiatives offered by provincial departments vary according to their annual budgets and the Municipality may request initiatives for the following financial years. Officials of the municipality must engage role players to enquire about projects and programmes in order to ensure maximum synergy and to share information with locally based potential beneficiaries.		

Municipality's Role
➤ Facilitating links with other stakeholders and broader projects and programmes ➤ Infrastructure development (trading zones, upgrading of general facilities) ➤ Facilitation of sharing of information, facilitation of meetings ➤ Financial contribution to small businesses ➤ Faster local economic growth through contracting of services (suppliers) of local businesses
Budget
➤ Budget (financial) support ○ Funding for businesses ○ Training programmes for businesses ○ Incentive schemes for support of programmes ○ Development of infrastructure (trading zones, upgrading of facilities) ➤ Non-financial support in terms of making available underutilised facilities and equipment available to small businesses for free/ subsidised fee.

19.3. Implementation Plan details

The Langeberg Local Municipal area has shown relatively strong economic growth over the past decade. However, much stronger economic growth is required to significantly reduce unemployment and poverty and to attain national- and provincial targets and objectives.

In addition, the area's dependence on the agricultural sector, in the face of declining global trends and a devastating drought in the Western Cape Province, leaves the local economy vulnerable as the high percentage of low-skilled workers would find it difficult to adapt to a changing economic climate. Businesses create employment for local residents, provide families with livelihoods and ignite local economic development. In addition to creating employment and capital formation, a strong and diversified business sector can assist to mitigate the area's dependence on the agricultural sector.

For the economy to grow, businesses must produce increasing amounts of goods and services and/ or create additional businesses.

Economic growth is dependent on increased economic activity through:

- Fostering the growth of existing businesses
- Stimulating the establishment of new businesses
- Building a diversified economy to mitigate risk
- Attracting investment.

The focus of economic development should therefore be to create an enabling environment for the private sector to prosper, facilitate the growth and formalisation of the informal sector, and stimulate new venture creation.

Fostering the growth of existing businesses can be accomplished through:

- Red-tape reduction to address regulations that restrict growth (i.e. by-laws on the sale of alcohol that have a detrimental impact on the tourism sector)
- Facilitate the development and growth of the informal sector to be included in the formal sector
- Support SMMEs to grow and prosper
- Uninterrupted, high-level service delivery to the business sector in terms of basic services such as:
 - Reducing crime and therefore losses due to criminal behaviour
 - Lighting & marking of streets and pavements
 - Maintenance of the public environment
 - Manage existing and new public infrastructure for the future benefit of all the users of the area.
 - Support the promotion of the area as a safe and clean environment by promoting greening, energy efficiency and recycling.
 - Effective management of traffic flow and parking spaces
- Support diversification of the private sector by supporting and facilitating SMME development:
 - Facilitate formalisation of informal sector by empowering informal businesses to become part of the formal economy:
 - Registration on the Central Supplier Database (CSD)
 - Registration on the Western Cape Supplier Database (Ariba/Quadrem through provincial treasury)
 - Registration on the Municipality's Supplier Database

- Obtaining BEE/EME certificates (could be supported by the Western Cape Department of Economic Development and Tourism)
- Obtaining tax clearance certificates (could be facilitated by SARS)
- Supporting the growth of SMMEs in the district in order to create employment:
 - Facilitate training/mentoring programmes to build entrepreneurship skills
 - Linking businesses to funding and support initiatives provided by provincial and national government as well as the private sector
 - Fostering new venture creation by supporting the tourism, crafts and recycling industries.
- Facilitate improvement in skills levels through basic literacy training and other skills building initiatives.

The craft- and recycling industries have the potential to absorb some of the surplus low-skilled workers in the district and should be explored as avenues for job creation. The craft sector remains one of the few entry points into the economy for persons with low education and skills levels that are generally excluded from the formal economy, and the sector remains attractive, especially for rural women, because it has the potential to generate income. Rural craft businesses are often built upon traditional women's skills which can be adapted to generate income, without having to acquire a new skillset.

The role of waste entrepreneurs is highlighted against the backdrop of increased pressure on natural resources and challenges in managing rapidly growing volumes of waste. Recycling is also driven by legislation and sector-specific waste management plans. Within the current socio-economic climate, the informal and small business sectors play an important role in job creation. Recycling is labour-intensive and utilises unskilled labour.

Business Plans for the development of the Craft Sector and the Recycling Industry are annexed to this report.

19.4. Monitoring and Evaluation Framework

Monitoring and Evaluation Framework			
Objective	Outcome		Term
Enabling environment for local businesses	✓	Increased number of businesses registered on municipal supplier database	Medium
	✓	Increased number of local businesses benefitting from provincial and national programmes	Medium
	✓	Increase in membership numbers of local business chambers/ forums	Short
Developing the informal sector	✓	Increase in the number of businesses registered with SARS and complying with regulatory requirements	Short
	✓	Increase in the number of businesses registered on supplier databases (Municipal, Provincial and National)	Medium
	✓	Increase in the number of beneficiaries from training and mentorship programmes	Medium
Establishment of new businesses	✓	Number of beneficiaries of Entrepreneurial training programmes and mentorship programmes.	Short
	✓	Seed funding for new and innovative new businesses	Medium
	✓	PPPs with local businesses to develop infrastructure/ services/ facilities (for example tourist attractions)	Long

Economic growth affords new businesses the opportunity to enter the market and trade successfully. Economic growth is therefore also vital for economic transformation. Slow economic growth puts additional pressure on the market and increases competition among existing businesses. Diminished buying power from the market and fierce competition from competitors have a detrimental impact on economic transformation.

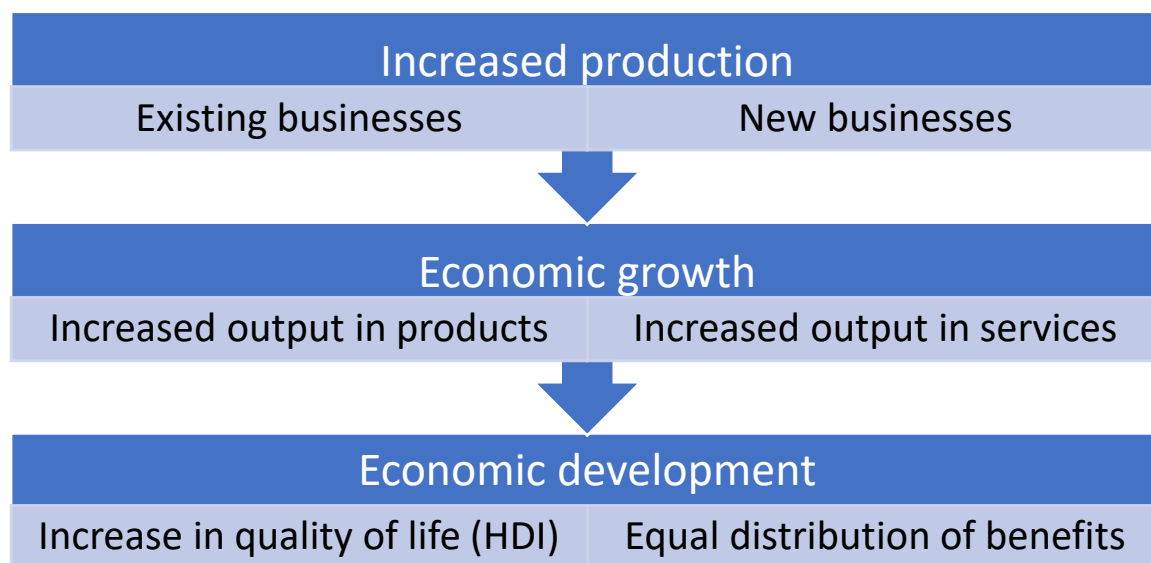


Figure 76: Production, Economic Growth and Economic Development

19.5. Action Plan: Recycling Project

Project description
Recycling
Project objectives (i.e. what are the goals to be achieved?)
✓ Improve litter abatement ✓ Create employment ✓ Save landfill space
Project outputs (direct result of the project i.e. for training it would be increased skills levels)
✓ Municipal savings on solid waste management and landfill space ✓ Municipality achieving diversion rate targets ✓ Create employment
Project outcomes (result from outputs, i.e. for training it would be that people are more employable)
✓ Cleaner environment

✓ Compliance to waste laws
✓ Improved employment rates
Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)
✓ Increase in quality of life for residents in terms of cleaner healthier environment and creating economic opportunities
Project inputs (what would be required, i.e. budget/ funds, human resources, facilities, infrastructure, equipment)
➤ Clear bags for separating waste at source (households) ➤ Transport to remove recyclable waste ➤ Unskilled labour to sort waste ➤ Forklift ➤ Baler to compress waste into bales ➤ Material Recover Facility (covered space for sorting and storage) ➤ Scale to weigh waste ➤ Conveyer/ sorting tables ➤ Safety gear for workers ➤ Recycling service provider to manage and oversee ➤ Buy-back centres where recyclables can be bought from collectors
Project actions (a list of steps to be taken)
1. Implement a dual bag system at all households and businesses to facilitate separation at source 2. Embark on a recycling awareness drive through municipal communication platforms 3. Ensure that infrastructure such as premises, transport, baler and forklift are in place 4. Appoint service provider to conduct recycling as per municipal procurement processes 5. Facilitate agreements between service provider and smaller recyclers/ waste collectors to ensure that materials are bought in at buy-back centres at competitive prices.
Timing (i.e. short, medium or long term and how long should it take?)
Implement dual bag and awareness campaign in the short term and continue over the long term. Establishment of infrastructure and appointment of service provider could happen within one (1) year.
Communication (how will the project be communicated, i.e. direct engagement, post on Facebook, send out e-mail etc. and to whom)
Service provider contracted on a bid basis
Awareness programs to be rolled out on all municipal communication platforms
Municipal official responsible
Waster Manager

Key performance indicators (how will the success of the project be measured, e.g. for training, the number of delegates who successfully completed the training and obtained certificates; the number of delegates trained who found employment)
✓ Number of jobs created
✓ Tonnes of recyclable materials diverted from the landfill
Role players
The community, Department of Environmental Affairs and Development Planning (offers support to Waste Entrepreneurs), local recyclers, schools and local businesses.
Municipality's role
The municipality should facilitate the process and provide infrastructure and compensation for the service provider.

19.5.1. Intervention: Waste Entrepreneur Support Programme

Identify, support and grow existing local recyclers, by providing specialist and administrative support, with the view of maximizing their economic and environmental impact.

Selection criteria can include: the business (SMME) must be trading and have been operational for the past three years, be located in the specific municipal area and have the potential to employ more local inhabitants.

Support can include: conducting a comprehensive business diagnostic of each business to identify development needs, compiling an action plan for each business, compiling a mentoring plan for each business, individual one-on-one mentoring sessions with each business owner to address the development needs identified during the diagnostic, compiling a prospectus to be used for marketing purposes for each business, and compiling a comprehensive business plan for each business.

19.5.2. Objective of the Waste Entrepreneur Support Programme:

Recycling enterprises play an important role in preserving the environment through litter abatement and diverting waste away from landfills. These enterprises also create employment and contribute to developing the local economy. Improving the capacity of waste enterprises should enhance business efficiency, thereby improving waste recovery rates and employment creation.

The objective of the Waste Entrepreneur Support Programme is **to accelerate the growth of the participating enterprises** by providing specialist and administrative support.

19.5.3. Importance of the waste sector:

The waste sector plays a significant role in achieving the objectives of a green economy. The waste sector, through the waste management hierarchy, advocates the maximisation of material re-use, recycling and recovering, while minimising waste disposal. The sector therefore provides a platform for **saving natural resources, saving energy, establishing new businesses and creating jobs, generating energy** from waste and organic waste, and composting to the agricultural sector.

19.5.4. Benefits of Recycling:

Some of the greatest challenges facing the South African economy are inequality, unemployment and poverty. The recycling industry is uniquely positioned to address these economic challenges through **creating employment and stimulating local economic development**. Barriers to entry into the industry are relatively low, which means that the industry also has the potential to **address inequality**, since it allows a point of entry into the economy for women, entrepreneurs based in rural areas and individuals with lower skills levels. Business operations such as collection, processing and redistribution of recyclables are usually done by workers with limited skills.

The **benefits of recycling** include: **job creation, litter abatement, reduction in the waste stream** itself, **reduction in pollution** and the **conservation of natural resources** and the **conservation of energy**, as well as the **reduction of costs in the manufacturing sector**.

Waste entrepreneurs play an important role in directing recyclable waste away from landfills and creating economic activity from what would otherwise be a burden on society.

19.5.5. Contribution to a green economy:

The costs linked to landfilling include:

- resources lost to the economy as well as the opportunity cost of losing out on the benefits of job creation and enterprise development
- the indirect multiplier effects of the macro-economy
- avoided financial cost and externalities associated with disposal, and
- the avoided financial cost and externalities associated with virgin material production.

Moving up the waste hierarchy through re-use, recycling and recovery contributes to the principles of a green economy in the following ways:

- Resources that would otherwise have been lost, are re-introduced into the economy,
- Recovery, re-use and recycling of material create economic opportunity and employment, thereby stimulating economic growth, and
- Removing waste from the environment reduces social and environmental costs.

Recycling forms the basis of a green economy and is the driver to create significant employment opportunities in the sector.

19.5.6. Contribution to Local Economic Development:

The South African government recognises the important role SMMEs play in economic growth, specifically their potential to drive innovation and job creation. The Ministry of Small Business Development was established in early 2014 to support this important segment of the economy. Most SMMEs in South Africa are owned by black persons and in 2015 it was estimated that SMMEs contribute 42% to GDP (BER, 2016).

SMMEs operating in the waste sector range from very small waste picking micro-enterprises to larger buy-back operators. SMMEs in the waste sector engage in a range of activities including collecting, sorting and processing waste. The prices paid for recyclable material vary greatly, depending on volume, relationship between

supplier and buyer, geographic region, market prices and whether recyclables are cleaned and/ or baled. Prices also vary between different materials.

Challenges pertaining to access to finance, red tape, crime, access to markets and lacking infrastructure are especially prevalent among SMMEs in the recycling industry. However, these SMMEs are uniquely positioned to overcome challenges posed by skills shortages as the labour intensity of the industry forces them to employ a high number of unskilled workers.

A recycling intervention which will enable separation of waste at source, and diversion of waste streams to material recovery and buy back facilities, will create further opportunities for economic development and sustainable recycling practices.

19.5.7. The role of the Municipality

Municipalities are faced with a number of waste management challenges, including increasing volumes of waste generated, escalating costs of management, decreasing landfill airspace, land availability for new landfills and increasingly stringent legislative requirements to adopt the waste management hierarchy based on the NEMWA.

The National Waste Management Strategy (NWMS) sets goals for municipalities to meet in terms of waste management that include: promoting waste minimisation, re-use, recycling and recovery, and ensuring the effective and efficient service delivery of waste services, whilst ensuring sound budgeting and financial management for waste services.

Municipalities' mandate to deliver waste management services implies that municipalities are responsible for **delivering** an effective **service** without necessarily assuming the role of a waste management or recycling business. This creates opportunities for the private sector to become involved.

Municipalities **should**, however, **create an enabling environment** for private contractors, and specifically SMMEs, to formalise relationships with local government and become involved in larger projects. Waste management should not be regarded as an opportunity for municipalities to generate income, but as an obligation to deliver

a service to the community. This service can be delivered in **collaboration** with competent recyclers.

The delivered service should maximise efficiency and minimise costs and environmental impacts with the ultimate aim of improving the quality of life for community members. Any **collaboration** with local recycling service providers will **stimulate local economic development, create local employment opportunities** and contribute towards **diverting waste** from landfills.

Municipalities that forge relationships with local recyclers can contribute to mitigating the constraints experienced by waste entrepreneurs, especially with regards to access to volumes of recyclables, transportation and infrastructure (premises and equipment). The implementation of a dual-bag system for the collection of waste, which entails separation at source, and the delivery of these recyclables to a facility that is secure and suitably equipped for recycling, will enable local recyclers to deliver an effective service whilst ensuring sustainability of the business.

19.5.8. Mutual Benefits for Municipality and Recyclers:

The Waste Entrepreneur Support Programme should be beneficial to all stakeholders, especially local government as stewards of the environment and local economic development.

Access to larger volumes of waste will lead to increased volumes for recyclers and lower volumes of waste for Municipalities to dispose of, litter abatement, and a cleaner and healthier environment with better quality of life for all.

Leveraging existing municipal infrastructure, and appointing local recyclers to operate transfer stations, will improve efficiency for recyclers. This will lead to a higher diversion rate for Municipalities, higher profitability for recyclers, and cost-saving through investing in lower-tech waste treatment for Municipalities.

Improved access to markets will lower transport cost for the Municipality and the recycler, as transport cost is partially transferred to end-user buyers. The development

of processing plants will create markets and stimulate employment and local economic development.

19.5.9. Potential synergies between Municipalities and Recyclers:

Table 63: Potential synergies between municipalities and recyclers

Potential Synergy	Practical implementation
Recyclers' need for increased volumes of waste can be offset by the need of municipalities to reduce the volume of waste at landfills (increase the volume of diverted waste).	- Implement separation at source in all areas - Collaboration between recyclers and municipalities to divert waste away from landfills through the implementation of a dual-bag system and facilitating access to waste for recyclers. Municipalities must supply households with clear bags and drive recycling awareness - Municipalities have a crucial role to play in changing the perception and attitudes of local officials and the general public towards the recycling industry. The efficient recovery of large volumes of high-quality recyclables is dependent on active citizen involvement
Legal obligation of municipalities to render waste management services offset by recyclers' need for a suitable premises and equipment	Municipalities can leverage infrastructural resources by appointing recyclers to operate transfers stations/ equipped premises adjacent to transfer

	stations. Recyclers can benefit from the infrastructure municipalities are required to have in place and municipalities can leverage the resources and benefit from the specialist skills and activities of the recyclers. - Investing in improved transfer stations and equipment is less capital intensive than high-technology alternative waste treatment plants and also saves municipalities transport costs. If an appointed recycler can have access to infrastructural resources, it would greatly enhance their capacity. - Contracts for the collection and removal of recyclables should be separated from contracts to operate transfer stations on behalf of the municipality. Service providers who are paid to transport materials do not have such a strong incentive as local recycler to increase the volume of material diverted away from landfills
High transport cost of waste to landfills for municipalities can be reduced through higher diversion rates. Higher diversion rates will enhance volume for	Increased diversion rates will translate to savings on transport (to landfills) for the municipality and enable recyclers to amass

recyclers, in turn enabling them to reduce their transport cost.	adequate volume to justify transport expenses.
Recyclers' need to have access to markets and the municipalities' Local Economic Development objectives can be aligned.	• Facilitating agreements between appointed municipal service providers and local recyclers to supply recyclables directly to service providers at competitive prices • Facilitating the development of processing capabilities in line with Operation Phakisa

19.6. Action Plan: Local crafter support programme

Project description
Arts and crafts project
Project objectives (i.e. what are the goals to be achieved?)
✓ Create employment ✓ Skills development ✓ Provide opportunities for rural women
Project outputs (direct result of the project i.e. for training it would be increased skills levels)
✓ Increased quality of life for crafters ✓ SMME development ✓ Income generating activity
Project outcomes (result from outputs, i.e. for training it would be that people are more employable)
✓ Increased employment rate ✓ Economic growth
Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)
✓ Sustainable economic opportunities and livelihoods for local communities through expanding business opportunities for small, medium and micro enterprises (SMMEs)
Project inputs (what would be required, i.e. budget/ funds, human resources, facilities, infrastructure, equipment)

➤ Funding to undertake profiling of the local craft sector ➤ Funding for training ➤ Funding for marketing assistance ➤ Trading space for local crafters ➤ Human resources to co-ordinate the project; representation in each town ➤ Facility where crafters can work and have access to equipment and also showcase their products
Project actions (a list of steps to be taken)
1. Identify all crafters and artists in the area through consultation with the LED officers, tourism officials and craft organisations in each area, invitations to participate in the programme in local newspapers and broadcast on local radio stations, internet search and consulting with organisers of local markets 2. Establish crafters organisation for the area with representation in each town 3. Conduct needs analysis and skills audit of crafters 4. Provide technical (crafting/ artistic/ design) skills training 5. Provide business skills training (costing & pricing, marketing, etc.) 6. Assist with access to markets through providing/ facilitating space for crafters to showcase their products (establishment of crafting hubs) 7. Assist with marketing craft products through linking crafters with markets and festivals, and promoting products on municipal platforms
Timing (i.e. short, medium or long term, and how long should it take?)
Implementation within one year (short term) and project to run over long term (>5 years)
Communication (how will the project be communicated, i.e. direct engagement, post on Facebook, send out e-mail etc. and to whom)
Contact all crafters and artists in the area through consultation with the LED officers, tourism officials and craft organisations in each area; invitations to participate in the programme in local newspapers and broadcast on local radio stations; internet search and consulting with organisers of local markets.
Municipal official responsible
Tourism office
Key performance indicators (i.e. how will the success of the project be measured, e.g. for training, the number of delegates who successfully completed the training and obtained certificates; the number of delegates trained who found employment)
✓ Number of crafters participating in project (benefitting from project) ✓ Number of crafters able to successfully grow their businesses over two to five years
Role players
Municipality, DCAS, dti, DEDAT, SEDA, local crafters and craft organisations

DCAS run projects to support the arts and culture and should be engaged for funding and training opportunities. The craft sector was identified as a priority by the dti and craft enterprises can be eligible for certain dti programmes. DEDAT provides enterprise development support and SEDA also provides support to small businesses.

Municipality's role

The assistance and support offered by departments and institutions vary year-on-year, and the Municipality's role would be to play a facilitative and coordinating role to link local crafters with broader support programmes. The municipality can also provide seed funding or non-financial support in terms of facilities and trading space.

19.6.1. Crafter support programme

The craft sector has the potential to contribute to economic growth and to have a positive impact on the local economy, particularly on rural economies through the development of small businesses and by stimulating innovation and design skills. Poverty alleviation is one of the intended benefits from the development of the craft sector. In addition, it provides non-financial benefits such as new skills and social networks, identity and respect, self-reliance, and a more dignified way of earning a living instead of some other alternatives available to low-skilled people.

The craft sector has the potential to contribute to economic growth and to have a positive impact on the local economy, particularly on rural economies, through the development of small businesses and by stimulating innovation and design skills. However, the sector faces significant competition from imported and mass-produced goods, as well as challenges regarding production and quality standards compliance.

The craft sector remains one of the few entry points into the economy for persons with low education and skills levels who are generally excluded from the formal economy, and the sector remains attractive, especially for rural women, because it has the potential to generate income. Rural craft businesses are often built upon traditional women's skills which can be adapted to generate income, without having to acquire a whole new skill set.

The crafts sector is composed of small and micro-businesses, with work often conducted in studios and workshops (Rogerson, 2010). The "economies of scale" that drive international competition in many goods markets are rarely a factor in the crafts

sector, although there are crafts communities and collectives that sometimes band together for sales and marketing purposes (dti, 2012).

The small scale of studios and diversity of media in the crafts sector also means that it is more difficult to create and sustain business or industry associations in the sector (Joffe & Newton, 2008). The crafts community is diffuse and loosely organised, partly because it is possible for an individual to design and produce a product or range of products. A profile of crafts workplaces, like a profile of crafters, is hampered by statistical and definitional problems.

Production in this sector is often small scale, with hand processing being the main contributor to the end product (Shackleton et al, 2008). Production is classified in terms of material (textile, clay, glass, etc.), product type (homeware, giftware, etc.), technique (beading, weaving, etc.) and design style (traditional, contemporary etc.).

Upstream and downstream industries which impact on the sector include (dti, 2012):

- The agricultural sector
- The mining sector
- Tourism
- Heritage
- Interior design
- Retail.

However, the sector faces significant competition from imported goods, and is challenged by production and quality standards compliance (Rogerson, 2010).

This potential of the craft industry to contribute to economic growth and provide a number of people with employment and livelihoods, can be unlocked by developing the craft sector in a coordinated and collaborative manner. Individual crafters need to combine their efforts to promote and grow the industry. A craft sector development initiative, that can develop crafters and build trading opportunities within local and international markets, could contribute to economic growth in the area. Such an initiative should focus on developing and promoting the craft sector to elevate the value of handmade products.

Support should be centered around three core areas of support:

1. product support (training and assistance with developing technical, creative and artistic skills to enhance product quality);
2. business support (help crafters to obtain equipment and raw materials at competitive prices); and
3. market support (coordinated effort to secure access to markets at high-traffic locations).

Therefore, a collaborative sector development initiative can co-ordinate training interventions, sourcing of raw material and equipment, and marketing and sales efforts to promote craft products. Existing support services supplied by a number of different government departments and structures can be coordinated by this proposed sector development initiative. Interfacing mechanisms that will enable craft producers and marketers to find and explore public sector resources, and receive the assistance needed to grow their businesses, should be established.

Effective marketing will lead to increased demand and in turn will yield higher returns and income levels. Access to markets is crucial to the viability of the craft sector as a whole. Markets must be identified and developed through market research, and product development must be designed to satisfy market demand.

The development of the craft sector cannot be undertaken in isolation, but must be closely aligned with any tourism development initiatives. A formal nexus between the development of tourism and tourist destinations and the promotion of craft products must be established.

Experiences elsewhere noted in the literature have proven that with the correct and well-managed product development intervention, business skills training and targeted marketing, crafters in rural areas can develop, sustain and grow profitable businesses.

19.7. Action Plan: Business Retention and Expansion Project

Project description
Project to retain and expand existing businesses
Project objectives (i.e. what are the goals to be achieved?)
✓ Accelerated economic growth ✓ Employment creation ✓ Infrastructure investment ✓ Innovation and technological advancement
Project outputs (direct result of the project i.e. for training it would be increased skills levels)
✓ Increased production levels of existing businesses ✓ New businesses producing additional outputs
Project outcomes (result from outputs, i.e. for training it would be that people are more employable)
✓ Increased GDP ✓ Employment creation ✓ Investment in infrastructure and innovation
Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)
✓ Improved quality of life for community members through increased income levels and job opportunities
Project inputs (what would be required, i.e. budget/ funds, human resources, facilities, infrastructure, equipment)
➤ Budget for training programmes ➤ Appointment of service provider to conduct training ➤ Co-operation from local business organisations/ forums/ chambers ➤ Administrative support to link local businesses with broader initiatives ➤ Budget provision for attending trade shows
Project actions (a list of steps to be taken)
1. Facilitate membership to local business organisations/ forums/ chambers for as many local businesses as possible through a “first year free” initiative. This will assist to provide a single point of contact and channel for communication with the business sector 2. Investigate business support and expansion projects offered by Provincial and National government and link local businesses with opportunities 3. Meet with business organisations to discuss synergies between local businesses and local government and how needs can be mutually satisfied 4. Roll out training and mentorship programmes to develop local businesses 5. Facilitate the attendance of trade shows for local businesses

Timing (i.e. short, medium or long term and how long should it take?)
Initiated over the short term, but co-operation to be maintained over the long term
Communication (how will the project be communicated, i.e. direct engagement, post on Facebook, send out e-mail etc. and to whom)
✓ Communicate with local businesses via e-mail and telephone, also local newspapers and municipal communication platforms ✓ Communication can be channelled through local business organisations once their membership is inclusive and representative of all areas and types of businesses ✓ Role players should be contacted via e-mail and meetings set up to discuss various support mechanisms offered
Municipal official responsible
LED Manager
Key performance indicators (how will the success of the project be measured, e.g. for training, the number of delegates who successfully completed the training and obtained certificates; the number of delegates trained who found employment)
✓ Number of businesses that benefitted from training and broader initiatives ✓ Economic growth (measured in GDP)
Role players
Municipality, DEDAT, dti, SEDA, Department of Small Enterprises
Municipality's role
The municipality should play a facilitative role to ensure that local businesses benefit from broader initiatives. The municipality must also adopt a pro-business attitude and within reason try to accommodate and cooperate with local businesses.

20. Inward Investment Attraction Strategy for Langeberg Local Municipality:

Increasing investment in the Langeberg Local Municipal area should entail a two-pronged approach:

1. Retention and Expansion of existing businesses in the area
2. Attracting new investment in the area

20.1. Business Retention and Expansion

Business Retention and Expansion entails providing support to businesses to facilitate growth of local enterprises. The focus should be on tourism enterprises and fostering entrepreneurship. This is known as “Grow your Own,” and enhances investment attraction initiatives.

Details regarding fostering new venture creation and developing entrepreneurship are discussed in the LED and Business Environment sections of this report.

20.2. Attracting New Investment

New investment can be attracted by rolling out a district marketing initiative, supported by an effective Marketing Plan. The initiative should preferably be a coordinated effort under the leadership of the District Municipality to ensure that efforts by Local Municipalities are complimentary and not counter-productive for the region.

20.3. Marketing plan for attracting investment to Langeberg Local Municipality

Marketing is defined as identifying, anticipating and satisfying customer needs profitably. In the case of attracting investment, “profitably” denotes the advantages gained from the contribution to the local economy derived from inward investment.

Thus, identifying and anticipating the needs of potential investors is crucial to the success of the marketing effort.

The most appropriate tools to market Langeberg as an investment destination are dependent on the target market (audience) and the message being conveyed to that targeted market or the business sector decision-makers. The tools to market the area must therefore be appropriate and convey the appropriate message to communicate the advantages of investing in Langeberg to those decision-makers in a way that appeals to them (addresses their specific needs).

An important component of any marketing effort is gathering detailed information and gaining an in-depth understanding of customer needs and preferences, a process referred to as inbound marketing. Inbound marketing supersedes outbound marketing in the form of advertising, because it lays the foundation for sound and effective marketing communication.

The needs and desires of the target market should shape the core message and key elements of the marketing effort. A thorough understanding of the drivers behind the decision to invest or not will lead to a well-crafted, powerful marketing message.

Only if there is close consultation with the target market to engage them and establish exact needs and desires, will it be possible to successfully meet their needs and build a sustainable long-term economic hub.

It is self-evident that industrial investment has far-reaching financial and practical implications, and therefore it is not a decision that will be taken lightly. The cost-benefit analysis will be different for each potential investor, and therefore the factors which either make or break a deal will vary for each potential investor.

For the reasons outlined above, it is recommended that potential investors be identified and approached individually, and the benefits or incentives that could appeal to them be discussed and negotiated on a case-by-case basis.

Marketing tools

- *In-depth understanding of customer needs and preferences*
- *Promote advantages and assets, and address deterrents and obstacles*
- *Promotional material that delivers a powerful marketing message in a way that appeals to the target market*
- *Direct, personal engagement of the target market*
- *Tailored solutions and incentives for each investor*

Business is about maximising profit, in other words, keeping costs at a minimum whilst generating the largest possible revenue. Therefore, business decisions are based on the bottom line and a cost-benefit analysis. It is therefore of utmost importance to maximise the benefit of doing business in the Langeberg Local Municipal area, in order to keep costs low. Developers also consider ease-of-doing-business and the market demand for the final development when considering destinations.

Developing the Langeberg area's competitive profile will depend on leveraging existing strengths, building on the area's existing assets and seeking out high-impact opportunities in identified sectors.

The investment destination, should be marketed in terms of:

1. *Key pull factors and competitive assets identified for the area*
2. *Business and investment incentives applicable to the area and targeted industries*

20.4. Ease of doing business and red-tape reduction

Establishing a “One Stop Shop” to deal with potential investors is a popular option for many investment destinations. A “One Stop Shop” is an investment service that aims to facilitate seamless investment and reduce red-tape and inefficiencies for potential investors. Such a “One Stop Shop” to promote and facilitate investment and the establishment of new businesses, could be set up in the Cape Winelands District/ Langeberg Local Municipal area. The objective of the One Stop Shop will be to offer a single point of contact for potential investors to manage all their queries/ requests. For example, building plans for a new development will be submitted to the One Stop Shop from where it will be managed and fast tracked if appropriate.

A key component of the one-stop-shop service is the creation of a post for a dedicated investment facilitation professional. The investment facilitator’s main responsibility would be to provide a single contact for investors wishing to do business in the Langeberg Local Municipal area. The skills of such an investment professional can be leveraged to engage potential investors on a one-on-one basis.

20.5. Engaging the target market

Once the target market has been identified, the practical steps of listing the targets and approaching them can begin. The following steps can be taken:

- Define the qualifying criteria applicable to the target market
- Identify all possible investors that fit the criteria and compile a list of businesses that fit the target market
- This initial list of targeted investors can then be further narrowed by identifying businesses that more closely aligned to the strategic industries planned for the area
- The next step would be a roll-out of an Above the Line marketing drive in the form of awareness campaigns or a call for expression of interest
- After this process of elimination and targeting of the most suitable and favourable market, the businesses can be approached.

Place where the target market should receive promotional information:

- *A targeted marketing campaign*
- *Mostly below the line marketing, tailored to the specific investment*
- *Promotion should firstly be aimed at large scale manufacturing and thereafter to the renewable market with a specific aim of attracting renewable energy manufacturers*

Potential investors can be reached through a two-pronged approach:

1. Create awareness and stimulate interest through the above the line marketing process
2. Approach targeted and interested businesses directly and engage them on an individual level. For example, business leaders or developers can be contacted directly. Another option would be to put opportunities out on tender and invite targeted entities to participate in the tender.

20.6. Above the line communication and Below the line communication

There are two main marketing strategies: above the line communication and below the line communication. There is also the possibility of extending the reach of these strategies by combining the two.

Firstly, above the line marketing refers to promotional messages that are broadcasted and published through mass media to a wider audience. The main objective of above the line marketing is to inform customers about the product offering, raise awareness and build brand positioning.

Below the line marketing is more niche-focused and provides the opportunity to tailor the marketing message in a more personal manner to appeal to a specific customer or group of customers. Below the line marketing is utilised where customer

requirements vary, such as where customers are enticed by different “tipping point” factors. In this form of marketing, the target market has to be clearly defined.

Above the line marketing is usually more expensive than below the line marketing. Below the line marketing has the added advantage of personal engagement where valuable information can be gathered from the market.

Above-the-line	Below-the-line
Focuses on reaching a wider audience, often to enhance brand image, for example, through the mass media.	Focuses on a more targeted audience with a more direct emphasis on making sales, for example, through specific events or merchandising.

Figure 77: Above the line and below the line marketing

Thirdly, as an extension of the above categories, through the line marketing is when a combination of below the line and above the line marketing techniques is employed.

The ideal promotional campaign for attracting investment to the Langeberg Municipal area will be a through the line marketing drive, with more emphasis placed on below the line marketing.

Above the line marketing will fulfil the following objectives:

- Inform the public and wider business community about the advantages and incentives of investing in the Langeberg Municipal area.
- Create awareness of the initiative and assets offered by Langeberg Local Municipality to prepare the target market for more focused below the line marketing
- Call for expressions of interest can be done through above the line channels
- Above the line marketing material and the marketing message should build the brand of Langeberg Local Municipality and position it in the market as an investment destination.

Above the line marketing tools:

- *Promotional messages should include the following aspects:*
 - *Highlight the advantages and assets of the area*
 - *Provide brief information about incentives, focusing more on the fact that incentives are offered than on the details of all the incentives*
 - *Create awareness about the drive to stimulate investment development and economic growth in the area*
 - *Communicate the brand and positioning of the area*
 - *Call on those who are interested to formally express their interest*
- *The promotional message can be delivered through the following channels:*
 - *Advertising in trade journals*
 - *Articles and advertisements in business publications*
 - *News articles in respected news publications and media*

Below the line promotional activities should aim to achieve the following:

- Make a strong case for the assets and advantages of the Langeberg area which specifically cater to the target's industry and needs
- Provide comprehensive information about the applicable incentives in order for potential investors to conduct a cost-benefit analysis
- Engage potential investors to ascertain their specific needs and to establish the factors that will have the most influence in their decision-making processes
- Ensure personal contact with potential investors to negotiate and tailor the product offering in order to maximise benefits for all stakeholders

Below the line marketing tools:

- Promotional portfolio sent to the target market
- Business events where the target market can be addressed directly
- Presentations to the target market
- Meeting with the decision-makers of individual businesses
- Delegation to visit international investors and to present the business case for investing in the Langeberg Local Municipal area to them. This delegation can also invite international investors for promotional visits to highlight the advantages of doing business in the Langeberg Local Municipal area.

20.7. Branding of Langeberg Local Municipality

Branding is the activity of promoting a product's unique identity and creating and disseminating a focused public idea of a particular product. Branding therefore refers to the "image" of the product.

Building a brand includes the following:

- Visual aspects, such as the logo, marketing material, advertisements, and the tag line
- The core message of the marketing drive
- How the brand is presented and even how ambassadors of the brand conduct themselves.

It is essential that all the aspects of branding are aligned and applied consistently.

The first step in building a brand is to define the value proposition, which refers to the unique value that the product offers. Key aspects such as where the most benefit can be delivered are linked to the core need or desire that the product addresses.

Langeberg's value proposition therefore lies in the most important benefits the area offers to investors.

The core benefit that businesses are looking for is increased profits. The key aspects identified is an enabling environment characterised by ease of doing business and:

- ✓ Infrastructure
- ✓ Availability of property and land
- ✓ Availability of labour
- ✓ Access to information
- ✓ Red tape reduction

Branding the Langeberg area should therefore focus on conveying the key message of an enabling business environment - an efficient and innovative place that is business-friendly /investment friendly. Developers would also require assurance that there is a market for the final development product.

Branding the area as an Investment Destination

- *Branding is the image that is created for a product through promotional activities.*
- *The brand is influenced by the core messages, core benefits and visual aspects.*
- *Branding has to be consistent in order to build a recognisable brand.*
- *The benefits offered to potential investors should be promoted.*

20.8. Recommended phased roll-out of the Marketing Plan

Marketing the Langeberg Local Municipal area necessitates a phased approach that primarily attracts high impact investors and secondarily fosters the establishment of new and supporting industries in order to create a sustainable local economy.

The overall marketing strategy and action plan should focus on short term, medium term and long-term initiatives and interventions. The approach should be systematic and incremental.

Before the destination can be marketed to potential investors, the facilitation vehicle (“One Stop Shop”) and investment drawing cards (land, incentives and infrastructure) should be in place

The first phase of the marketing plan will be to draw existing, larger businesses and high-impact investors to Langeberg to anchor the industrial development and create as many job opportunities as possible for existing local residents. For example, a housing development will help to create the market need for a shopping mall development.

The second phase will be to foster the establishment of new businesses in the Langeberg area. In this respect, the one-stop shop incentive should prove to be especially valuable. The reasons why the first priority is to draw larger, established investors to the market are:

- Big business brings bigger factories, which leads to more job opportunities over a shorter period of time
- Established businesses are less risky than new businesses, and therefore the exposure to the risk of job losses is lessened
- Bigger industry can act as anchors and provide opportunities for supporting businesses in the industry
- Existing infrastructure and resource can be fully leveraged and utilised.

New and existing businesses should grow into a stable and secure industrial community that will be sustainable over the long term.

Before the destination can be marketed to potential investors, the facilitation vehicle (“One Stop Shop”) and investment drawing cards (land, incentives and infrastructure) should be in place. This preliminary phase of the initiative can take one to two years before the actual marketing can be rolled out as follows:

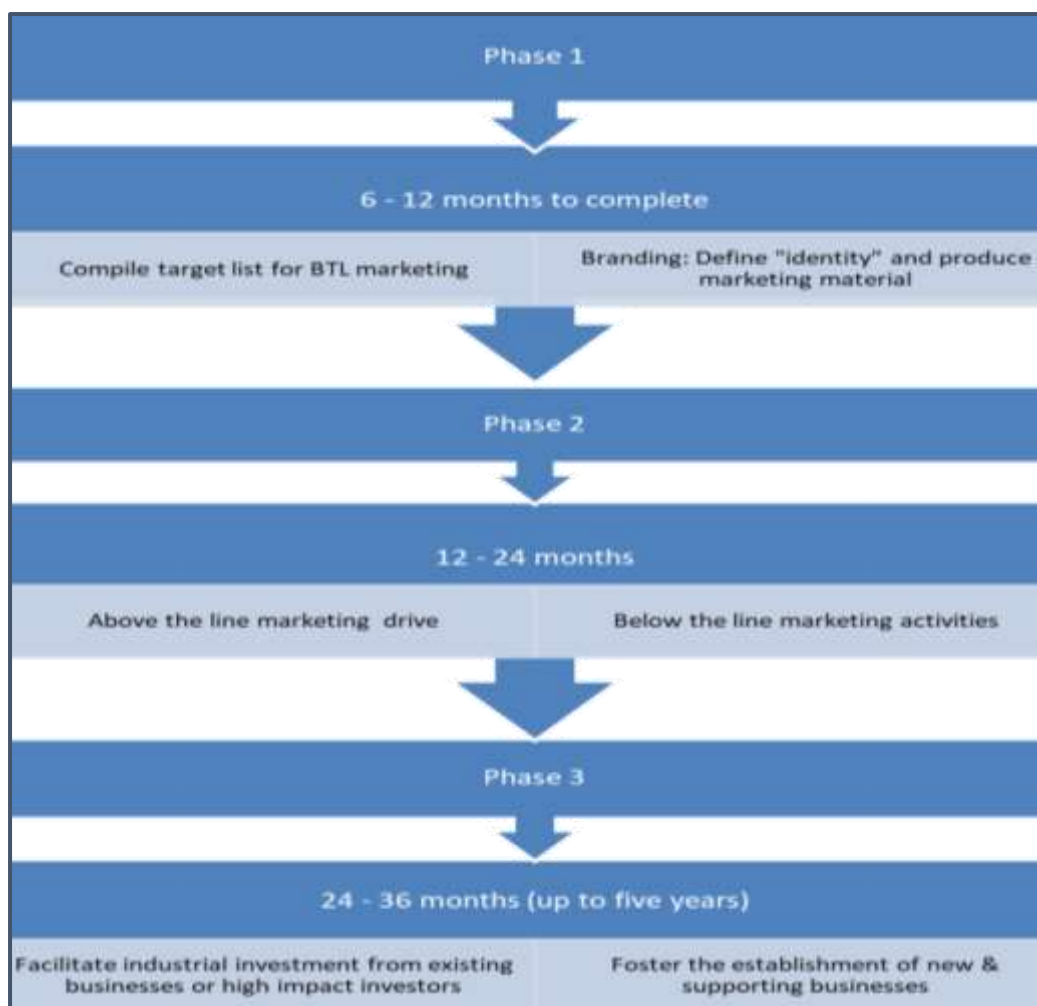


Figure 78: Proposed implementation process

20.9. Implementation Plan:

Vision:

To establish the Langeberg Local Municipal area as an investment destination of choice for businesses and developers.

Mission:

- To effectively market the area and attract investment to stimulate the strong economic growth, to create employment and eradicate poverty.

Goals:

- Attract investment to the area to create infrastructure and stimulate economic growth.

Project 1:		Project 1 Benefits	
Ensure that key drawing cards are in place		✓ Position the area as a suitable and desirable investment destination	
Programmes:			
Short term:	Medium term		Long term
Maintain basic service delivery and infrastructure to enhance the attractiveness of the area.	Identify key factors that influence investment decisions, and build local capabilities		Review and ensure that the required infrastructure is in place.
Project 2:		Project 2 Benefits	
Establish a “One Stop Shop” type service delivery vehicle		✓ Provides one point of contact for potential investors ✓ Facilitates ease-of-doing-business	
Programmes			
Short term:	Medium term		Long term
Engage stakeholders and potential partners	Develop and gain approval for incentives Identify ways to reduce red-tape and facilitate ease-of-doing-business		
Project 3:		Project 3 Benefits	
Research, develop and implement marketing plan		✓ A well-researched and designed marketing plan will yield optimal results ✓ Effective execution of the plan should maximise investment	
Programmes			
Short term:	Medium term:		Long term:

Research market needs and investment best-practice Develop an appropriate marketing plan	Roll out and implement the marketing plan	
Role Players		
➤ Wesgro, dti, District Municipality, DEDAT, DRDLR, DEADP, other Provincial and National Departments and private sector businesses The dti offers certain incentives and Wesgro can assist with marketing while DPWT can assist with certain infrastructure requirements. DEDAT offers an Investment Readiness Programme which might result in businesses receiving the required boost to invest in infrastructure for the first time. DEADP can assist with fast-tracking certain applications if appropriate. The specific function of each role player will be dependent on the type of investment planned and the needs of the specific investor. The investment incentives offered will also play a role.		
Municipality's Role		
➤ The municipality's role is to promote and facilitate inward investment in the area, play a leadership role in marketing the area, and promote ease-of-doing business.		
Budget		
➤ The budget will include provision for: ○ Maintenance and enhancements to the area to meet market preferences ○ The establishment of a "one stop shop" type service ○ Research, develop and roll out a marketing plan ○ Development of promotional and advertising material ○ Travel expenses to visit potential investors and invite potential investors to the area ○ Funds to be allocated to new venture creation ○ Budgetary provision for incentives		

20.10. Monitoring and Evaluation Framework

Monitoring and Evaluation Framework		
Objective	Outcome	Term
Promote the area as a choice investment destination	✓ Research and develop marketing plan	Short
	✓ Roll out and implement marketing plan	Medium
Facilitate red-tape reduction and ease-of-doing-business	✓ Set up “one stop shop” type service	Medium
	✓ Appoint dedicated investment support and facilitation unit/official	Medium

20.11. Action Plan: Attracting New Industrial Investment

Project description
Attracting new industrial /commercial investment
Project objectives (i.e. what are the goals to be achieved?)
✓ Increase capital investment
✓ Accelerate economic growth
Project outputs (direct result of the project i.e. for training it would be increased skills levels)
✓ Establishment of new factories and businesses in the area to create jobs
Project outcomes (result from outputs, i.e. for training it would be that people are more employable)
✓ Increased job opportunities
✓ Increased per capita income
Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)
✓ Accelerated economic growth resulting in economic development

Project inputs (what would be required, i.e. budget/funds, human resources, facilities, infrastructure, equipment)

- Human resources for investment desk (at least one individual with industrial investment knowledge and experience)
- Administrative support and office infrastructure for investment desk/ One-stop-shop
- Funding for Marketing Plan (branding, marketing message and marketing material)
- Funding for promotional activities
- Budgetary provision for incentives and services to new industrial developments
- Maintenance and enhancements to the area to meet market preferences

Project actions (a list of steps to be taken)

1. Establish investment desk/ one-stop-shop
2. Maintenance and enhancements to the area to meet market preferences
3. Create stakeholder charters to define roles of various stakeholders and sign MOUs with key role players
4. Create brand identity and identify investment destination advantages for marketing plan
5. Engage role-players such as dti and Wesgro and create applicable incentives
6. Produce marketing material and formulate marketing message
7. Compile target list for marketing efforts
8. Engage target market in BLT and ATL marketing efforts
9. Manage investor relationships and requirements through one-stop-shop

Timing (i.e. short-, medium- or long term and how long should it take?)

Phased in over the medium to long term

Communication (how will the project be communicated, i.e. direct engagement, post of Facebook, send out e-mail etc. and to whom)

Direct engagement

Municipal official responsible

Municipal Manager & Director: Finance

Key performance indicators (i.e. how will the success of the project be measured, e.g. for training, the number of delegates who successfully completed the training and obtained certificates; the number of delegates trained who found employment)

- ✓ The number of new industrial investments in the area

Role players

Wesgro, dti, Local and District Municipalities, DEDAT, DRDLR, DEADP, other Provincial and National Departments and private sector businesses

Municipality's role

The municipality's role is to promote and facilitate inward investment in the area and play a leadership role in marketing the area, as well as promoting ease-of-doing business through the establishment of an investment desk/ one-stop-shop.

20.12. Action Plan: “Grow Your Own” investment Plan

Project description
Stimulating and fostering new venture creation in the area, i.e. “Grow Your Own” industrial/commercial investment.
Project objectives (i.e. what are the goals to be achieved?)
✓ Establish and grow new local businesses
Project outputs (direct result of the project i.e. for training it would be increased skills levels)
✓ Employment creation
✓ Increased capital investment in equipment, ICT, knowledge and Innovation
✓ Increased GDP
Project outcomes (result from outputs, i.e. for training it would be that people are more employable)
✓ New businesses
✓ Increased knowledge and innovation
Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)
✓ Economic growth through capital investment
Project inputs (what would be required, i.e. budget /funds, human resources, facilities, infrastructure, equipment)
➤ Budget for training ➤ Budget for engaging and linking broader initiatives ➤ Budget for Innovation Action Plan ➤ Non-financial administrative support to local businesses ➤ Investment desk/ One-stop-shop to serve as point of contact for local businesses and provide support where possible.
Project actions (a list of steps to be taken)
1. Ensure all businesses and entrepreneurs are included in private sector representative bodies, i.e. business organisations/ business chambers through “first year free” agreement. 2. Enrol budding entrepreneurs in Innovation programme (LED and Tourism Action Plan) to access seed funding 3. Link local businesses to project to visit trade shows (Wesgro) 4. Enable the growth and development of the informal sector through facilitating applicable registrations 5. Roll out training programmes for entrepreneurial skills (business management), social media marketing, and technical skills training as required. 6. Meet with business chambers/ organisations to discuss the needs of local businesses and how prosperity of local business can be enhanced through cooperation and working together.

7. Improve working relationship between local government and private sector on an ongoing basis and adopt “pro-business” attitude.
Timing (i.e. short, medium or long term and how long should it take?)
Roll out to be initiated in the short term. The entire project will run over the medium to long term.
Communication (how will the project be communicated, i.e. direct engagement, post on Facebook, send out e-mail etc. and to whom)
✓ E-mails, Facebook, direct engagement and invitations to all entrepreneurs and business organisations/ business chambers
Municipal official responsible
LED Manager
Key performance indicators (i.e. how will the success of the project be measured, e.g. for training, the number of delegates who successfully completed the training and obtained certificates; the number of delegates trained who found employment)
✓ Number of new businesses that benefitted from the project
✓ New businesses trading and growing after two years
✓ Number of employment opportunities created after two years
Role players
SEFA, SEDA, Wesgro, dti, DEDAT, DRDLR, DEADP, Department of Small Enterprises and private sector businesses organisations/ chambers
Local businesses to be informed about and linked to schemes and assistance offered by Provincial- and National government and other institutions.
Municipality's role
LED Manager to engage all role players and collect information regarding all available incentives, funding, training and support programmes. LED Manager to engage role-players and link local businesses to broader initiatives.

20.13. Action Plan: One-Stop-Shop

Project description
One stop Shop (Investment Desk) Action Plan
Project objectives (i.e. what are the goals to be achieved?)
✓ To establish a single point of contact to attract, manage and co-ordinate investment in order to quicken and simplify the process of investing in the area. Also, to advocate policy improvements by raising governmental awareness of investor problems and overly-complex regulations.

Project outputs (direct result of the project i.e. for training it would be increased skills levels)

- ✓ One point of contact to provide professional and informed support to investors in terms of:
 - Point of contact for all potential investors (handle enquiries via e-mail, telephone or consultation).
 - Unblock hurdles through facilitation of processes (expediting process and exemptions where appropriate and applicable).
- ✓ Engage and communicates with investors to market the area as investment destination.
- ✓ Providing information on registration, legal framework and investment climate.
- ✓ Providing services to speed up the granting of necessary permits and licenses in a centralised and comprehensive manner.
- ✓ Specific assistance with registration procedures.
- ✓ Ongoing support of the investment, for example: advice, matchmaking, assisting during negotiations, supporting finance and recruitment, etc.
- ✓ Facilitating and mediating in case of conflicts.

Project outcomes (result from outputs, i.e. for training it would be that people are more employable)

- ✓ Increased capital investment levels
- ✓ Improved infrastructure
- ✓ Increase in employment rate

Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)

- ✓ Accelerated economic growth supports economic development, i.e. a better life for all

Project inputs (what would be required, i.e. budget/funds, human resources, facilities, infrastructure, equipment)

- Office space and equipment for One Stop Shop/ Investment desk team
- Office to be suitable to accommodate and welcome walk-ins
- Facilities and support to register with relevant bodies
- Qualified, skilled and knowledgeable manager with decision-making authority
- Website for marketing the area to investors
- Budgetary provision for marketing material and initiatives
- Budgetary provision for engaging potential investors (travelling and accommodation)
- Strong internal links within the Municipality and other relevant departments.

Project actions (a list of steps to be taken)

18. Recruit and employ investment manager
19. Get investment office ready to be operational (equipment, furniture etc)
20. Compile stakeholder charters to identify all potential role-players and map synergies with the investment initiative.
21. Engage role player and sign MOU for future co-operation

22. Set up investment website and contact numbers/ e-mail addresses
23. Offer all-under-one-roof service to investors
24. Establish clear, high-level communication channels between One Stop Shop and other stakeholders
25. Develop an appropriate Marketing Plan
26. Manage all investor communication and engagement
27. Work with investors on a case-by-case basis to remove blockages and provide tailored assistance.
Timing (i.e. short, medium or long term and how long should it take?)
Medium to Long term
Communication (how will the project be communicated, i.e. direct engagement, post on Facebook, send out e-mail etc. and to whom)
✓ The project will be communicated to the market via a carefully developed marketing plan
Municipal official responsible
Municipal Manager, Director of Finance and appointed Investment Manager
Key performance indicators (i.e. how will the success of the project be measured, i.e. for training the number of delegates who successfully completed the training and obtained certificates; the number of delegates trained who found employment)
✓ Number of enquiries handled by the OSS
✓ Number of actual investments facilitated by the OSS
✓ Number of blockages (to investment) removed by the OSS
Role players
✓ The dti is a key role player ✓ Invest SA ✓ Wesgro ✓ Department of Economic Development ✓ DEADP ✓ Department of Public Works and Transport After stakeholder charters have been compiled, role-players should be engaged on a one-on-one basis to negotiate tailored agreements.
Municipality's role
The municipality will take responsibility for the OSS and play a coordinating and facilitating role to put in place agreements between stakeholders.

20.14. Western Cape Government Investment Facilitation Standard Operating Procedure (IFSOP)

Source: DEDAT

The Red-Tape Reduction team in the Western Cape Department of Economic Development and Tourism identified that one of the most frustrating experiences for businesses who would like to invest in municipal opportunities is the red-tape linked to these investments.

To address the challenge, the Red-Tape Reduction team developed an Investment Facilitation Standard Operating Procedure (IFSOP), to manage investment opportunities. The Theewaterskloof Municipality in the Overberg was identified as the pilot site for the project.

The main purpose of the IFSOP is to create uniform investment promotion, facilitation processes, and procedures in the municipality to attract new investors and retain existing ones. At the same time the IFSOP must satisfy the legal and legislative objectives, as well as the governance objectives of economy, efficiency and fairness.

20.14.1. IFSOP Objectives

The main objectives of the IFSOP are to:

- Provide clarity about the relevant legal and legislative framework in relation to investment opportunities
- Assist in the streamlined management and finalising of investment applications
- Enable the correct identification and classification of investment opportunities
- Provide a SCM system and process that will ensure clarity and consistency
- Provide an investment opportunity recording process, that will ensure transparency
- Provide further guidelines and procedures (the 'how')
- Make officials aware of the treatment and/ or management of investment opportunities
- Instil best practice

- Strengthen the control environment
- Establish a single point of access for the management of investment opportunities
- Assist management to appropriately act on investment opportunities
- Strengthen the ability to manage investment opportunities
- Create a central capacity to manage investment opportunities.

20.14.2. The IFSOP process

The IFSOP process will commence with an application, either from an external private person or from the municipality executing the investment strategy. The application will be lodged with the investment administrator, who will forward it to the investment unit.

Thereafter, a consultation process ensues, following which the application will be forwarded to the council (or responsible functionary) who will make the final resolution. The approved investment proposal will be administered by the investment administrator and managed by the designated municipal contract manager. In the event of a person being aggrieved by the final resolution, a formal appeal may be lodged with the investment appeal authority.

Graphically, the IFSOP governance process can be depicted as follows:

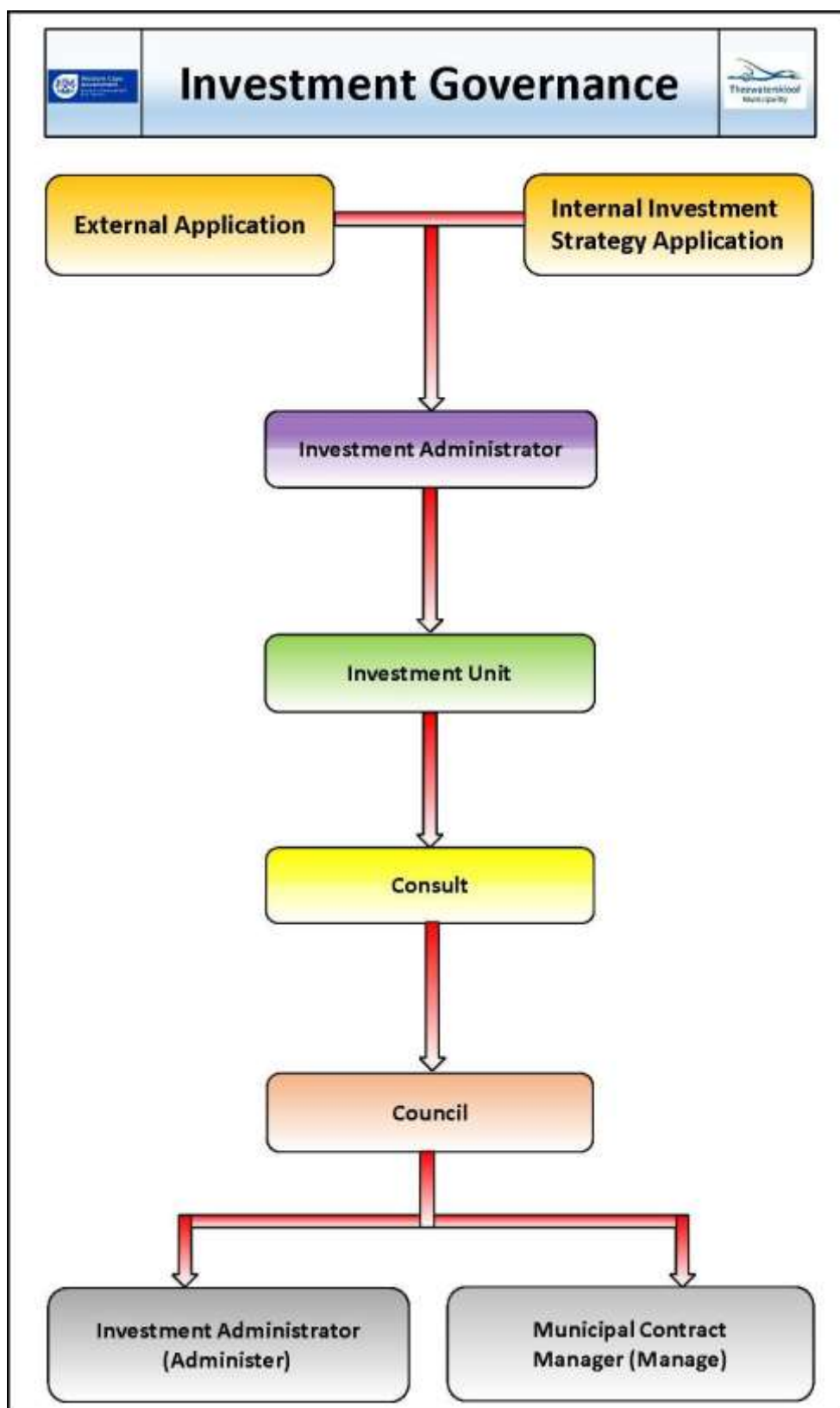


Figure 79: IFSOP governance process

The main IFSOP processes can graphically be depicted as follows:

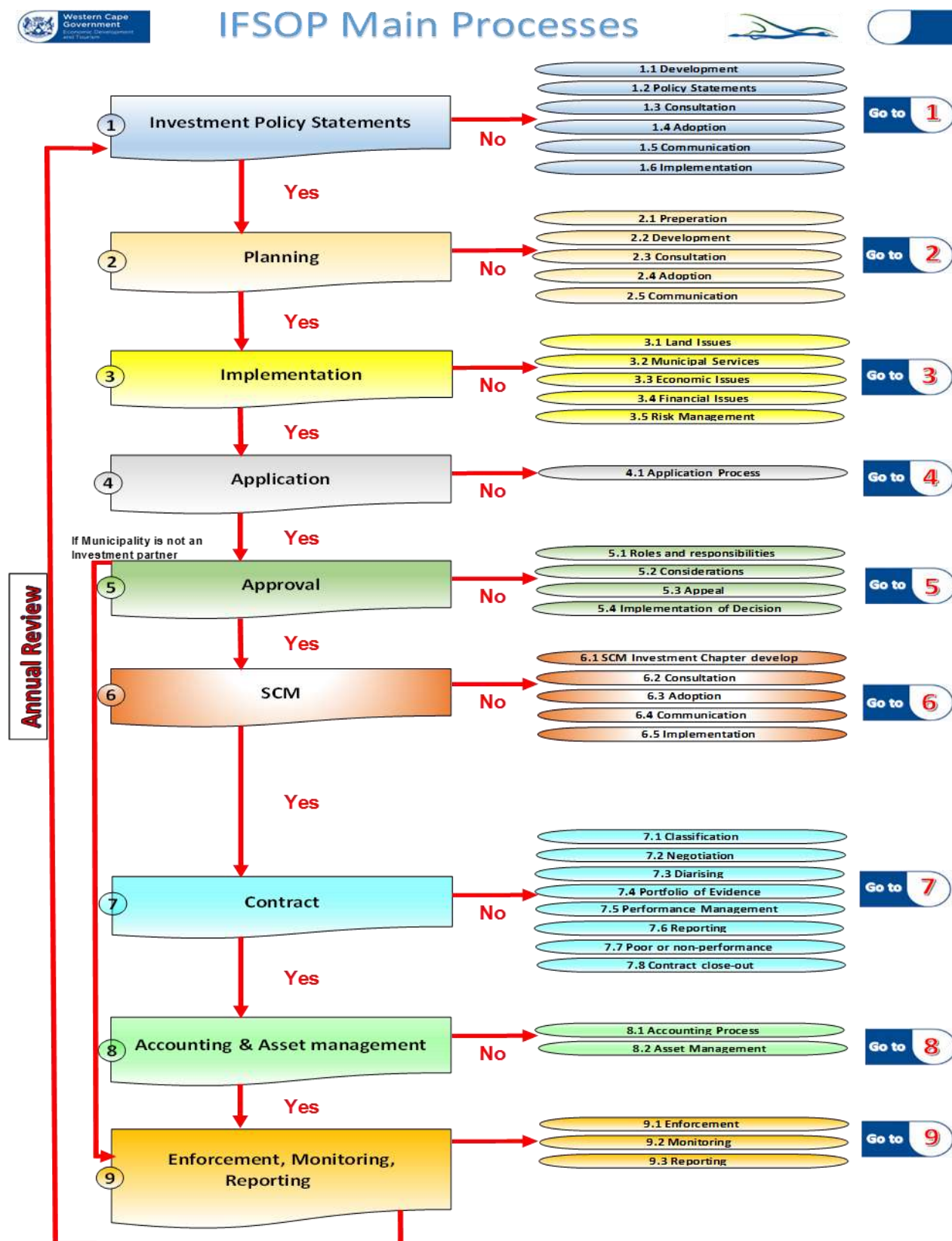


Figure 80: The main IFSOP processes

20.14.3. IFSOP investment facilitation policy

Prior to adopting the IFSOP, it is necessary for the relevant municipal council to adopt the following investment facilitation policy statements:

1. Investment opportunities will be guided by one set of policy statements incorporated in the municipal IDP, supported by an Investment Facilitation SOP (IFSOP), which provides guidelines for the following IFSOP primary processes:
 - a. Investment strategic planning
 - b. Implementation of investment strategy
 - c. Application for investment opportunities
 - d. Approval of investment applications
 - e. Supply chain management (SCM) processes relevant to investment opportunities
 - f. Contract management of approved investment applications
 - g. Accounting and asset management of approved investment applications
 - h. Enforcement, monitoring and reporting of approved investment applications or opportunities
2. The policy statements and IFSOP will apply to all municipal officials - as well as private persons - wishing to submit an investment application to the municipal area, for projects:
 - a. Exceeding the value of R10 m, or
 - b. Exceeding the period of 3 years, or
 - c. Complex developments requiring cross cutting municipal operations.
3. The establishment of a Municipal Development Fund (MDF), which will comprise a ring-fenced municipal account, as per section 12 of the MFMA, and will be financed from:
 - a. Development charges
 - b. Investment donations
 - c. Sponsorships
 - d. Grant funding
 - e. Municipal funding
 - d. Investment incentives will be considered for each investment proposal.

4. A SCM Chapter must be developed to align SCM activities with investment opportunities – from both an acquisition and disposal perspective – providing for mechanisms such as:
 - a. Competitive bidding
 - b. MSA s78 process
 - c. Direct negotiation
 - d. Unsolicited bid
 - e. Public-private partnerships
 - f. Auctions
 - g. Long term acquisitions
 - h. Expropriation
 - i. Donations
 - j. Exchange
 - k. Leasing-out
 - l. Demolition
 - m. Decommissioning
 - n. Transfers.
5. The following governance structures will institutionalise investment facilitation in the municipality:
 - a. An identified and appointed investment administrator (existing position)
 - b. Investment unit, currently being called the development support team
 - c. Appeal authority, consisting of the MAYCO

The documentation and further information can be solicited from:

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21. Tourism Development Strategy for Langeberg Local Municipality:

21.1. Where are we now:

SWOT Analysis:

Table 64: SWOT Analysis of Langeberg Tourism

Strengths	Weaknesses
➤ Established wine route ➤ Situated on the popular Route 62 ➤ Beautiful and tranquil natural environment ➤ Close proximity to Cape Town ➤ Good infrastructure	➤ No unified approach to tourism ➤ Slow transformation in the tourism sector ➤ Emerging tourism enterprises have difficulty reaching customers with sufficient income to afford their products. ➤
Opportunities	Threats
➤ Product development to cater to market preferences ➤ Promote transformation and economic inclusion in the tourism sector ➤ Increase visitor numbers ➤ Extend visitor stays ➤ Enhance visibility and offering at VICs ➤ Ensure presence on social media ➤ Proud ambassador for Langeberg campaign.	➤ Economic climate in country ➤ Drought

21.2. Where we want to be:

To position Langeberg as a destination of choice for local and international tourists.

21.3. How we get there:

21.3.1. Implementation Plan:

Table 65: Implementation plan for Langeberg Tourism Strategy

Vision:		
To establish Langeberg as a well-known and sought-after tourism destination		
Mission:		
To promote Langeberg as a tourism destination and increase visitor numbers through effective marketing, destination management and innovative product offerings.		
Goals:		
➤ Increase visitor numbers ➤ Increase average spend per visitor ➤ Extend visitor stays ➤ Expand product offering		
Project 1:	Project 1 Benefits	
Development of new and unique tourism products	✓ Can be linked to LED objective of new enterprise development ✓ Attract additional visitors ✓ Increase revenue by extended stays and increased spend ✓ Promote the popularity of the area	
Programmes:		
Short term:	Medium term	Long term
➤ Innovation programme to foster new and unique idea generation. ➤ Seed funding for best innovative tourism product ideas.	➤ Continuously evaluate market needs and preferences to adapt accordingly. ➤ Develop township tourism products	➤ Identify underutilised land, facilities and areas and investigate potential to develop as tourism attractions.
Project 2:	Project 2 Benefits	
Skills development in the Tourism sector	✓ Enhancement of visitor experience ✓ Supports objectives of destination management and LED objectives	
Programmes		
Short term:	Medium term	Long term
➤ Ambassador training for petrol attendants and shop assistants	➤ Hospitality skills training	➤ Entrepreneurship and business training

Project 3:		Project 3 Benefits	
Build a unified and strong tourism brand for the area		✓ Increased brand recognition ✓ Combined efforts to yield higher impact results	
Programmes			
Short term:		Medium term:	
➤ Combine the strengths and capabilities of the individual towns to build a distinctive brand that can be promoted to the mutual benefit of all towns and stakeholders in the area. ➤ Local Tourism Associations need to collaborate and develop an integrated marketing strategy that includes different product offerings and marketing material.		➤ Collaborate on marketing the area online and via social media. The marketing message should be coherent and aimed at a specific target market. ➤ Ensure that previously excluded tourism destinations are included in marketing initiatives	
		Long term:	
		➤ Develop and offer events that will build the brand into a recognisable brand	
Project 4:		Project 4 Benefits	
Create a town that people want to visit		✓ Increase visitor numbers ✓ Increased revenue from tourism sector to create employment and stimulate LED	
Programmes			
Short term		Medium term	
➤ Maintain and beautify public spaces ➤ Ensure cleanliness of public spaces		➤ Improve signage for tourism attractions ➤ Expand service offering at VICs (including marketing material) ➤ Address crime and social ills that affect tourists	
		Long term	
		➤ Upgrade public transport infrastructure (roads and parking). ➤ Increase public transport options	
Role Players			
➤ DEDAT, DT, SEDA, Wesgro, Tourism bodies and private establishments			

The various stakeholders/ departments offer a variety of support mechanisms, ranging from marketing support to training and funding. It is important that the Municipality engage role-players to gather information about the support initiatives available and discuss how the area can gain optimal benefit from synergies.

Municipality's Role

It is the responsibility of the Municipality to ensure that basic services such as roads, cleanliness and electricity promote tourism and do not detract from the tourism experience. The Municipality plays a critical role in providing leadership and the required planning to ensure that the local community and businesses optimally benefit from tourism whilst minimising any negative effect that tourism might have.

Budget

Budget requirements include:

- Funds for training initiatives
- Funds for marketing and promotion
- Funds for beautification and maintenance of local area
- Seed funding for new businesses

21.3.2. Implementation Plan details

The tourism industry in the Langeberg region has an important role to play in attaining the region's goals for growth and job creation. Having the potential to attract revenue and stimulate private and public sector investment in the region, the tourism industry is people-orientated and very labour intensive, creating employment opportunities in the community.

Tourism supports LED in that it expands the local economy by attracting revenue from outside the local area as well as stimulating capital investment and fostering job creation. The industry also supports SMME development and has the potential to attract foreign direct investment.

The National Tourism Sector Strategy (NTSS, 2017) identifies five (5) strategic pillars for developing the tourism sector, namely:

- Effective marketing
- Facilitating ease of access
- The visitor experience
- Destination management

- Broad-based benefits

The following strategic interventions will address some or all of these strategic pillars and should contribute to the development of the tourism sector, with the corresponding benefits for all in the community:

- *Develop a strong, recognizable and cohesive brand for the region.* Combine the strengths and capabilities of the individual towns to build a distinctive brand that can be promoted to the mutual benefit of all towns and stakeholders in the area.
- *Agree on an integrated marketing strategy.* Local Tourism Associations need to collaborate and develop an integrated marketing strategy that includes different product offerings and marketing material. Collaborate on marketing the area online and via social media. The marketing message should be coherent and aimed at a specific target market.
- *Diversify the product offering.* Include eco-tourism (Karoo National Desert Botanical Garden), sport tourism, and township tourism in the variety mix offered to tourists, and link opportunities and networks together into a comprehensive package. Develop an outdoor guide for all activities in the region.
- *Develop the existing heritage route.* Clearly visible informative signage outside key buildings detailing the history and significance of each building/ occurrence will contribute towards increasing the visitor footprint.
- *Gather reliable tourism statistics.* Local Tourism Associations and individual stakeholders need to collaborate to obtain statistical data needed for more effective tourism planning, implementation and development.
- *Create an enabling environment for emerging tourism businesses.* Confirm and address regulatory restrictions for emerging tourism enterprises.
- *Promote rail tourism.* Utilise existing infrastructure available to promote more frequent trips to Langeberg.
- *Develop affordable domestic product offerings.* Create more accessible (cheaper) tourism offerings for the Langeberg area to attract domestic visitors.
- *Develop marketing material for the Art Route.* Design and develop an Art Route brochure for the Langeberg region.

- *Incorporate all stakeholders in the Local Tourism Associations.* The waiver of affiliation fees for the first year will enable emerging tourism operations to share in the benefits of membership of the LTA's and improve sustainability of emerging businesses.

These strategic interventions should contribute towards **effective tourism management** in the region by ensuring that visitors are attracted to the area through an appropriate marketing strategy, visitors enjoy a positive experience in the area to facilitate repeat visits, and the region builds a reputation as a successful tourist destination as well as maximising benefits to the local area in terms of the community, the economy and the environment.

21.4. Monitoring and Evaluation

Monitoring and Evaluation Framework

Objective	Outcome	Term
Development of new and innovative products	✓ New tourism products offered	Medium and Long
	✓ Increased visitor numbers & extended stay	Medium to Long
Skills development	✓ Ambassador training for shop assistants and petrol pump attendants	Medium
	✓ Delegates attending hospitality training programmes	Medium to Long
	✓ Entrepreneurship programme for tourism entrepreneurs	Medium
Building a strong and unified brand	✓ Meeting with all tourism stakeholders to discuss	Short
	✓ Develop marketing plan for tourism route	Medium
	✓ Stakeholders to collaborate to implement marketing plan and build the brand (including marketing material)	Long

Create a destination that people want to visit	✓	Maintain uninterrupted basic service delivery (cleaning and maintenance)	Short
	✓	Additional signage to be put up	Medium
	✓	Expand service offering (arts & crafts exhibition) at VIC	Medium

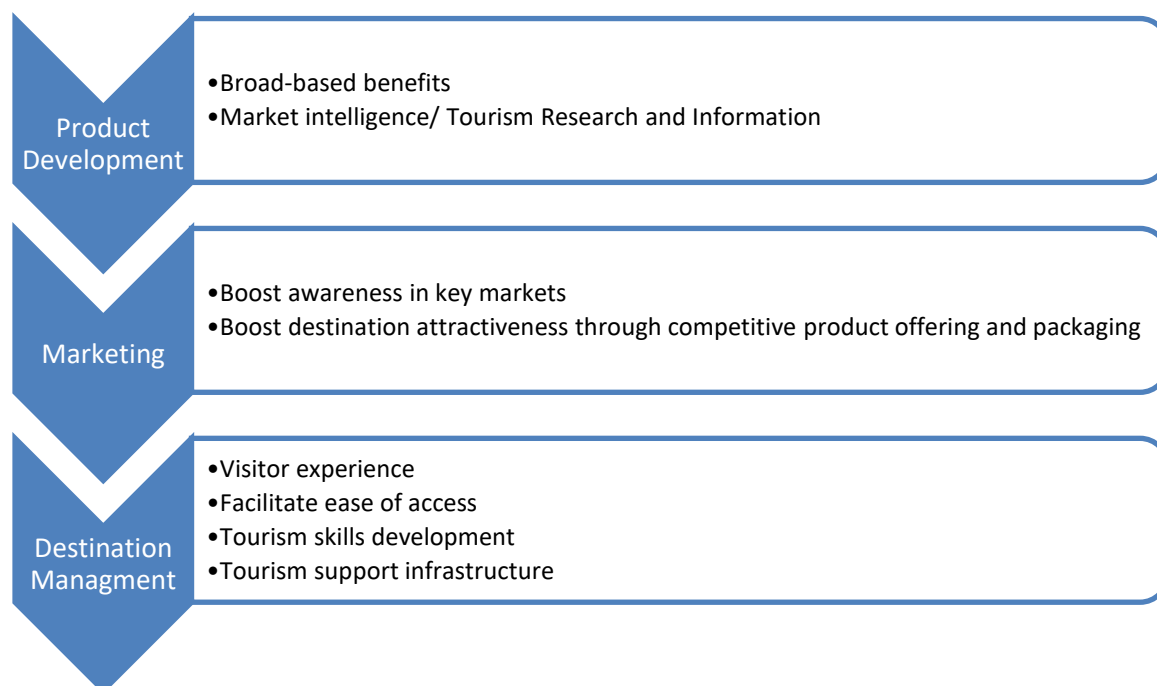


Figure 81: Tourism Strategy, visual representation

21.5. Action Plan: Innovation Project

Project description
Project to stimulate innovation to develop new and unique products for the Tourism sector as well as other sectors (i.e. agriculture, ICT etc.)
Project objectives (i.e. what are the goals to be achieved?)
✓ To generate new, innovative, unique business concepts and bring them to fruition.
Project outputs (direct result of the project i.e. for training it would be increased skills levels)
✓ Investment in innovation
✓ New product development

Project outcomes (result from outputs, i.e. for training it would be that people are more employable)

- ✓ Generate new and innovative ideas that could be implemented as profitable business ventures.

Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)

- ✓ A vibrant, innovative and sustainable economy that is characterised by growth, employment and increasing equity.

Project inputs (what would be required, i.e. budget/ funds, human resources, facilities, infrastructure, equipment)

- Venues to conduct workshops and pitch sessions
- Budget provision for marketing the project
- Panellists/ potential investors to act as “Dragons”
- Seed funding to award to winners
- Innovation (creative thinking) expert to conduct idea generation workshops

Project actions (a list of steps to be taken)

1. Source Innovation (creative thinking) expert to conduct idea generation workshops
2. Find and book suitable venues to conduct workshops and training sessions
3. Market the project (create awareness) to attract maximum participation from existing and budding entrepreneurs
4. Identify and engage panellists/ investors to act as “Dragons”
5. Register participants for workshops and pitch sessions
6. Develop score cards for pitching sessions. Scoring of business ideas has to be standardised to eliminate bias and to ensure comparable results at the end of the project
7. Host idea generation workshops
8. Host pitch sessions and score ideas
9. Factors to consider when awarding seed funding to winners:
 - a. The originality of either the product or business model, where businesses either offer a new product to the market or propose a new and original way to offer an existing product to the market
 - b. The proposed business's potential to generate profit and create employment. Cases where the entrepreneurs already had experience in the industry, or where they were already successfully generating an income from the business idea, were given preference
 - c. High impact opportunities where assistance can yield a relatively large impact on the business. We recommend funding businesses where a small investment will be sufficient to make the business fully operational, to generate an income and to create employment
10. Award seed funding/ third party payments to winners

Timing (i.e. short-, medium- or long term and how long should it take?)
Planning and implementation 1 year. Can be implemented in the short to medium term
Communication (how will the project be communicated, i.e. direct engagement, post on Facebook, send out e-mail etc. and to whom)
✓ E-mail invitations ✓ Expanding the number of connections through a Facebook page ✓ Invitations to local educational institutions to create awareness among students and alumni ✓ Posting the event on community notices ✓ Local radio stations and newspapers ✓ Business organisations/ chambers
Municipal official responsible
LED Manager
Key performance indicators (i.e. how will the success of the project be measured, e.g. for training, the number of delegates who successfully completed the training and obtained certificates; the number of delegates trained who found employment)
✓ Number of new businesses that benefitted from the project
Role players
Municipality; DEDAT (possibly investment readiness programme or any project running at the time); Private investors interested in investing; Seed funding organisations
Municipality's role
Facilitate and coordinate the project, provide venues, assist with marketing, appoint service provider and possibly contribute to seed funding.

The Innovation project is aimed at generating new and original business ideas and developing winning ideas into viable business opportunities. The programme comprises of Innovation Workshops, to stimulate creativity and innovation, and Pitch Sessions where delegates can pitch their ideas to a panel with the view of securing funding and assistance for their business venture.

The first part of the project comprises of idea generation workshops aimed at generating original ideas and refining ideas into business opportunities. The workshops are training sessions aimed at generating innovative, new ideas and to prepare the participants for the pitching sessions.

The second part of the project involves the Pitch Sessions, where participants can test their ideas through audience and panel responses. In addition, the best ideas will be eligible to receive seed funding.

The outcome of the project is the formation of new businesses that bring innovative and original products to the market. Such businesses have the potential to contribute to employment, economic growth and knowledge capital.

21.6. Action Plan Tourism Development Program

Project description
Tourism Development Program
Project objectives (i.e. what are the goals to be achieved?)
✓ Promote transformation in the tourism sector ✓ Enhance skills levels in the tourism sector ✓ Increase tourism numbers ✓ Develop new and innovative tourism products
Project outputs (direct result of the project i.e. for training it would be increased skills levels)
✓ Enhanced visitor experience ✓ Increased tourist numbers ✓ Increased average spend ✓ Include all areas in tourism route
Project outcomes (result from outputs, i.e. for training it would be that people are more employable)
✓ Creating a sought-after tourism destination that includes all areas within the Cape Winelands District. ✓ Grow and transform the tourism sector to create opportunities for young people and previously excluded tourism organisations through growing and promoting the tourism sector. ✓ Developing and expanding a coordinated and cohesive brand image in collaboration with all stakeholders. ✓ Inclusion of local communities as equal role-players within the district ✓ Capitalisation on the popularity of specific well-known tourist attractions to entice visitors to lesser-known offerings ✓ Promotion of transformation in the tourism industry ✓ Enhancement of visitor experience and addressing skills gaps through training programmes aimed at specific and general tourism skills ✓ Support measures to foster growth among emerging tourism enterprises ✓ Fostering and maintaining the existing markets while expanding emerging markets ✓ Enhancing the seasonality of tourism to the region
Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)

✓ Increase visitor numbers and develop tourism businesses and products to the benefit of all participants in all towns in the area.
Project inputs (what would be required, i.e. budget/ funds, human resources, facilities, infrastructure, equipment)
➤ Tourism personnel to facilitate process ➤ Administrative infrastructure (tourism office) ➤ Budgetary provision for marketing campaign ➤ Budgetary provision for marketing material ➤ Budgetary provision for training programs
Project actions (a list of steps to be taken)
1. Call on all tourism organisations in all local communities to participate in the program to ensure maximum inclusion 2. Facilitate LTA membership to include all tourism businesses (waive membership fee for the first year) 3. Roll out skills training programs: a. Culinary training b. Events management c. Customer care training d. Introduction to wine training e. First Aid training f. Computer training g. Social Media Marketing training 4. Facilitate stakeholder meeting to develop a cohesive brand image that reflects the unique features and offering of the area. 5. Stakeholders to collaborate to develop appropriate marketing message 6. Develop appropriate marketing material aligned with brand image and product offerings. 7. Roll out marketing message through selected communication channels 8. Increase electronic footprint of new tourism businesses by adding them to existing promotional communication channels 9. Implement program to build ambassadorship of the area to create pride in the locality and contribute to the hospitality of the district (can be linked to DEDAT's J2SE initiative) 10. Promote and increase usage of the tourism app 11. Promote sport tourism's programme winter campaign: attract visitors during off-peak season 12. Hosting members of the media and tour operators to create awareness of the area 13. Facilitate the establishment / enhancement of VICs
Timing (i.e. short, medium or long term and how long should it take?)
Short term initiation, to run over long term.

Communication (how will the project be communicated, i.e. direct engagement, post on Facebook, send out e-mail etc. and to whom)
E-mails and engagement with local tourism organisations; once LTAs are fully representative, they can be used as communication channels.
Municipal official responsible
Tourism Officials
Key performance indicators (i.e. how will the success of the project be measured, e.g. for training, the number of delegates who successfully completed the training and obtained certificates; the number of delegates trained who found employment)
✓ Increased number of tourism attractions that offer new and unique products and experiences ✓ Number of participants in training programmes ✓ Increased number of experiences and destinations included in tourism route
Role players
LTAs, DEDAT, Department of Tourism, Wesgro, SEFA, SEDA, dti SEDA, SEFA and dti offer funding, vouchers, assistance and grants. Municipality to arrange for representatives of the institutions to present assistance on offer to them at workshops. Liaise with DEDAT, which is currently running a Service Excellence Programme in Overberg and Swartland, to roll out same project in CWDM
Municipality's role
The state's role is primarily to create an enabling environment for development of the tourism sector (NRTS, 2012). Local government is responsible for promoting and supporting local tourism products (NRTS, 2012). According to the White Paper on Development and Promotion of Tourism (DEAT, 1996), local government plays a critical role in providing leadership and the required planning to ensure that their local communities and businesses optimally benefit from tourism whilst minimising any negative effects tourism might have.

21.7. Action Plan: Township Tourism Development

Project description
Township Tourism Plan
Project objectives (i.e. what are the goals to be achieved?)
✓ Promote transformation in the tourism sector ✓ Add authentic and original products to the tourism route ✓ Develop new and innovative tourism products
Project outputs (direct result of the project i.e. for training it would be increased skills levels)

✓ Increased visitor experience ✓ Increased product offering for tourists ✓ Increased Tourism skills levels ✓ Create employment opportunities
Project outcomes (result from outputs, i.e. for training it would be that people are more employable)
✓ Creating a tourism destination that includes all areas within the Cape Winelands District. ✓ Grow and transform the tourism sector to create opportunities for young people and previously excluded tourism organisations through growing and promoting the tourism sector. ✓ Inclusion of local communities as equal role-players within the district ✓ Increase the number of black-owned tourism businesses ✓ Enhancement of visitor experience and address skills gaps through training programmes aimed at specific as well as general tourism skills. ✓ Growing emerging tourism businesses ✓ Fostering and maintaining the existing markets while expanding emerging markets
Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)
✓ Enhance broad-based benefits of tourism ✓ Include original and authentic tourist experiences to the tourism route ✓ Promote economic inclusion
Project inputs (what would be required, i.e. budget/ funds, human resources, facilities, infrastructure, equipment)
➤ Infrastructure upgrades to utilise places with unused tourism potential ➤ Budgetary provision and space for the establishment of a “shopping plaza”/ place to sell township products and promote township experiences. ➤ Skilled Trainers for tourist operators ➤ Business Mentors ➤ Budgetary provision for seed funding ➤ Marketing
Project actions (a list of steps to be taken)
1. Skills training for Tour guides in Townships 2. Skills training for owners and operators of tourism attractions in townships 3. Identify Natural Features in township to promote 4. Identify Cultural Heritage Features to promote 5. Facilitate access to seed funding for identified tourist products and experiences 6. Identify Support services which are products that the tourist would require to enable a comfortable and a safe stay as well as to experience local food, drink and township life 7. Identify and establish small “shopping plaza” for local products from the Township

8. Township Tourism service providers to be made aware of applications for SMME assistance that the different stakeholders provide by joining the forum and by education and support.
Timing (i.e. short, medium or long term and how long should it take?)
Short to medium term implementation.
Communication (how will the project be communicated, i.e. direct engagement, post on Facebook, send out e-mail etc. and to whom)
Social Media Marketing, Tourism Office, Billboards, Signage
Municipal official responsible
Tourism Office, LED Manager
Key performance indicators (i.e. how will the success of the project be measured, i.e. for training the number of delegates who successfully completed the training and obtained certificates; the number of delegates trained who found employment)
✓ Number of township tour guides/ establishment operators trained ✓ Number of tourism businesses established in townships ✓ Increase in number of Visitors to the Township experiences
Role players
LTAs, DEDAT, Department of Tourism, Seed funding organisations, Township community, SEFA, SEDA, dti
The various departments should be engaged to enquire about the support services on offer to tourism enterprises. Such support may include training, mentoring, funding and/ or grants.
Municipality's role
The municipality should facilitate development in the tourism sector through coordination and leadership and provide support and infrastructure where possible. Emerging tourism organisations should receive skills training and be linked to support initiatives.

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Annexure A: Database of Top Companies

TOWN	COMPANY	ADDRESS	TYPE OF INDUSTRY
ROBERTSON	Absa	20 Paul Kruger St, Robertson, 6705 Tel:023 626 8020	Banking
ROBERTSON	Afrimat	Keurkloof, Posbus 500, Robertson, 6705 Tel:023 626 3861	Construction
ROBERTSON	Agrimark	Adderleystraat, Robertson, 6705 Tel:023 626 1900	Agricultural
ROBERTSON	Amathunzi Private Game Reserve	Agterkliphoogte Road, Robertson, 6705 Tel:023 626 1802	Tourism
ROBERTSON	AH Marais Seuns (Pty)Ltd	79 Church St, Robertson, 6705 Tel:023 626 3071	Construction
ROBERTSON	Atlantic Oil	Tel 081 488 0553	Gas/Oil
ROBERTSON	BSC Chemicals	3 Volt St,Robertson Tel: 023-6262873	Chemical
ROBERTSON	Blinkwater Veevoer Verspreiders	47 Barry Str,Robertson Tel:023-6261290	Agricultural
ROBERTSON	Boere Data Robertson BK	1 Nassau Cres, Robertson, 6705 Tel:023 626 3894	Agricultural
ROBERTSON	Boland Motors	10 Lang St, Robertson, 6705 Tel:023 626 6871	Vehicle Sales/services
ROBERTSON	Bon Cap Wedding Venue & Guest Farm	Route 60, Eilandia, Robertson, 6705 Tel: 023 626 2073	Function hire/accomodation
ROBERTSON	Bon Courage Landgoed	R317, Robertson, 6705 Tel:023 626 4178	Wine Farm
BONNIEVALE	Bonnievale Wynkelder	R317, Bonnievale, 6730 Tel: 023 616 2795	Wine Farm
ROBERTSON	Breeriver Chemicals	Adderley St,Robertson Tel:023 626 1172	Chemical

ROBERTSON	Breeriver Irrigation	2 Constitution St, Robertson, 6705 Tel:023 626 3151	Irrigation
ROBERTSON	Britos Meat Centre (Pty)Ltd	27 Hoop St, Robertson, Cape Town, 6705 Tel:023 626 2655	Food Ind
ROBERTSON	Build It	1 Industria Street, Robertson, 6705 Tel:023 626 3809	Construction
MONTAGU	Cape Dried Fruit Packers	102 Bath St, Montagu, 6720 Tel:023 614 2682	Food Processing
ROBERTSON	Cape Lime	Langvlei, Robertson, 6705 Tel:023 626 3190	Agricultural
ROBERTSON	Capespan SA (Pty)Ltd	12 Paul Kruger Str, Robertson Tel:0236264045	Agricultural
ROBERTSON	Child Welfare (Badisa)	Paul Kruger Street, Robertson, 6705 Tel:023 626 4931	Charity
ROBERTSON	Clairvaux Cellar	Worcester Way, Robertson, 6705 Tel:023 626-3842	Wine Farm
ROBERTSON	Clicks Stores (Pty)Ltd	C/O Provincial Road & Paul Kruger Street, Robertson, 6705 Tel:023 626 5621	Retail
ASHTON	Coca Cola	Stasieweg, Ashton Tel: 023 615 1420	Manufacturing
ROBERTSON	Cruises for Africa	17 White St, Robertson, 6705 Tel:023 626 5841	Tourism
ROBERTSON	Epic Fruit Exporters	37 Adderley Str,Robertson Tel:0 23 626 4338	Export
ROBERTSON	First National Bank	Piet Retief St, Robertson, 6705 Tel:023 626 3039	Banking
ROBERTSON	Foschini Ltd	Mutual Building, Church Street, Robertson, 6705 Tel:023-626 3251	Retail

ROBERTSON	Fraai Uitzicht 1798 (Pty)Ltd	Klaas Voogds East, On R60 between Robertson & Montagu Tel: 023 626 6156	Heritage/Tourism
ROBERTSON	Gelderbloms Supa Quick	Cnr Kerk & Long St, Robertson, 6705 Tel:023 626 2812	Vehicle Sales/services
ROBERTSON	Graham Beck Wines	Robertson, Scenic Cape Route 60 Tel:023 626 1214	Wine Farm
ROBERTSON	Graham &Rhona Beck Skills Centre	R60, Riverside/Goree Rd, Robertson, 6705 Tel:023 626 1833	Education
ROBERTSON	Highlands Stud Farm	PO BOX 88, Robertson,6705 Tel:023 626 2331	Farm
ROBERTSON	Hi Q	Voortrekker Ave, Robertson, 6705 Tel:023 626 1345	Vehicle Sales/services
ROBERTSON	JA Immelman Electric (Pty)Ltd	Adderley St, Robertson, 6705 Tel: 023 626 6910	Construction
ROBERTSON	JSM Swanepoel Drilling	Johan De Jong Drive, Robertson Tel:023 6261948	Drilling
ROBERTSON	Kaap Agri	2D Voortrekker Ave, Robertson, 6705 Tel: 023 626 1900	Agricultural
ROBERTSON	KFC	Voortrekker Road, Corner Paul Kruger, Robertson, 6705 Tel: 023 626 2008	Food Ind
ROBERTSON	KWV (SA)	2D Voortrekker Ave, Robertson, 6705 Tel:023 626 3067	Wine Farm
ROBERTSON	Langeberg Associated Wineries	Mc Gregor Road, Robertson Tel: 023 626 2212	Wine Ind
ASHTON	Langeberg Ashton Foods	41 Main Rd, Ashton, 6715 Tel:023 615 8200	Food Ind

MONTAGU	Locarno Sundried Fruit	13 Du Toit St, Bergsig, Montagu, 6720 Tel:023 614 3782	Food Processing
MC GREGOR	Mc Gregor Country House B&B	Voortrekker Road, McGregor, 6708 Tel:023- 6251954	Tourism
MC GREGOR	Mc Gregor Wines	On route to McGregor from Robertson Tel:0236251741	Wine Ind
ROBERTSON	Midas	Van Reenen St, Robertson, 6705 Tel: 023 626 1027	Vehicle Sales/services
ROBERTSON	Milady's	Shop 3, Paul Kruger Street, Robertson St, Robertson, 6705 Tel:023 626 6589	Retail
MONTAGU	Montagu Country Hotel	27 Bath St, Bergsig, Montagu, 6720 Tel:023 614 3125	Tourism
MONTAGU	Montagu Dried Fruit and Nuts	15 Kohler St, Bergsig, Montagu, 6720 Tel:023 614 1360	Food Processing
MONTAGU	Montagu Springs Resort	Uitvlucht Street, 6720 Montagu Tel:023 614 1050	Tourism
ROBERTSON	MR Price	868, Kerk St, Robertson, 6705 Tel:080 021 2535	Retail
ROBERTSON	MTN	17 Piet Retief St, Robertson, 6705 Tel:083 869 1451	Cellular Supplier
ROBERTSON	Nedbank	47 Van Reenen St, Robertson, 6705 Tel:023 626 7020	Banking
BONNIEVALE	Pioneer Foods	Farm Werda Bonnievale Tel:023 6162140	Food Ind
ROBERTSON	PPECB	12 Paul Kruger St, Robertson, 6705 Tel:023 626 3834	Agricultural

ROBERTSON	PSG	16 Paul Kruger St, Robertson, 6705 Tel: 023 626 2667	Investment
ROBERTSON	Pick & Pay	33 Church St, Robertson, 6705 Tel:023 626 3037	Retail
ROBERTSON	PWC	3 Church Str, Robertson 6705 Tel:(023) 626-7300	Accounting/Auditing
ROBERTSON	Robertson co-op Winery	1 Konstitusie St, Robertson Tel: 023 626 3059	Wine Farm
ROBERTSON	Robertson Hospital	6 Van Oudtshoorn St, Robertson, 6705 Tel:023 626 8500	Medical
ROBERTSON	Rooiberg Winery	Scenic Cape Route 62, South Africa Tel:023 626 1663	Wine Farm
ROBERTSON	Rosendal Winery & Wellness	Klaas Voogds West, Robertson, 6707 Tel: 023 626 1570	Wine Farm
ROBERTSON	Russels	26 Reitz St, Robertson, 6705 Tel: 023 626 4710	Retail
ROBERTSON	Saggy Stone Brewery	Amandalia Farm, Agtervinkrivier, Robertson, 6705 Tel:083 453 3526	Brewery
ROBERTSON	Sheet street	Kerk St, Robertson, 6705 Tel:023 626 6184	Retail
ROBERTSON	Shell	52 Voortrekker Ave, Robertson, 6705 Tel:023 626 3407	Gas/Fuel
ROBERTSON	Shoprite	Cnr Piet Retief and, Van Reenen St, Robertson, 6705 Tel:023 626 7060	Retail
ASHTON	SPCA Winelands	Tel: 023 615 2241	Charity
ROBERTSON	Spur (Rapid River)	Voortrekker Ave & Paul Kruger St, Robertson, 6705 Tel:023 626 6349	Food Ind
ROBERTSON	Standard Bank	45 Church Street, Robertson, Langeberg, 6705 Tel: 0860 123 000	Banking

ROBERTSON	Steers	52 Voortrekker Ave, Robertson, 6705 Tel:023 626 3408	Food Ind
ROBERTSON	Tops Robertson	14, Piet Retief St, Robertson, 6705 Tel:023 626 1552	Retail
ROBERTSON	Total Sports	Voortrekker Str, On Route 62, Shop 2, Robertson, Western Cape, 6705 Tel:023 626 4143	Retail
ROBERTSON	Toyota Robertson	11 Piet Retief St, Robertson, 6705 Tel:023 626 3090	Vehicle Sales/services
ROBERTSON	Wimpy	Shop 3, Robertson Shopping Centre, Voortrekker Ave, Robertson, 6705 Tel:023 626 6262	Food Ind

Annexure B: List of ICT Companies

MUNICIPALITY	TOWN	ICT COMPANY
LANGEBERG	ROBERTSON	Technisoft: 66 Bary St, Robertson Tel:023 626 6622
		Deo-Data Computer Services: :19 Church St 023 626 2364
		Tom's Computers: 18 Reitz St, Robertson Tel:023 626 2308
		MTN Store-083 869 1451 17 Piet Retief St, Robertson, 6705
		Cell C Power Station- 061 979 6207 c/o Voortrekker Ave & Piet Retief St, Shop 4, Route 62 Shopping Centre, Robertson, 6705
		Logika Computers: 51 Barry St, Robertson Tel:023 626 1321
		Vodacom Chatz Shop 12, R62 Mall, Voortrekker Ave, Robertson, 6705 Tel: 023 626 4110
	BONNIEVALE	Gerritsen Technology Solutions 94 Main Rd, Bonnievale 6730 Tel:023 004 0251
		RV Tech 98 Main Rd, Bonnievale, 6730 Tel: 023 616 3563
	MONTAGU	V&V Computers 69 Bath St, Bergsig, Montagu, 6720 Tel: 023 614 3931
		Overberg Rekenaars Beperk 58 Bath St, Bergsig, Montagu, 6720 Tel:023 614 3578
	MC GREGOR	Mighty IT: The Old McGregor Hotel, 34 Voortrekker St., McGregor Tel: 023 004 0753

Annexure C: List of NPOs and NGOs

TOWN	NPO/NGO	ADDRESS
Robertson	Doulos Trust	Vincent Andries vincentandries5@gmail.com
Robertson	Mother Tongue Project	Marlene Hamilton marlene@mothertongue.co.za
Robertson	Santa Robertson Tak	19 Paddy Street, Robertson, 6705, Mr J Kastoor, Tel: 023-6261698, Fax
Robertson	Robertson Society for the Prevention of Cruelty to Animals	9 Elm Avenue, Robertson, 6705, Fanie Smuts, Tel: (023) 626-3649, Fax: (023) 626-5102
Robertson	Kindersorg SA	ksarobertson@gmail.com
Robertson	The Dharma Centre Association	26 White Str, Robertson, 6705, R J Downey, Tel: 023 626 3515, Fax: 023 626 3515
Robertson	Robertson Community College	Robertson Mall, Robertson, 6705, M E Richter, Tel: 823999530, Fax: 236264121
Robertson	LSAAG	PO Box 5519, Tygervalley, 7536, Tel: 021-9758359 stacey@lsaag.co.za
Robertson	Vrolike Vinkies Bewaarskool	Wesley Street, Robertson, 6705, R Ferus, Tel: 023 626 3766,

Robertson	Kammakoo Community Project	Graham Beck Wines, Robertson, 6705, Susan Fouche, Tel: 023-6263943, Fax: 023 626 3943
Bonnievale	Bonnievale Community Development Association	Goedgedacht Farm Angora, Bonnievale, 6730, Patricia Nerina Dreyer, Tel: 023 6163263
Bonnievale	Happy Valley, Bonnievale Dienssentrum vir Bejaardes	Newcross Street, Happy Valley, Bonnievale, 6730, Mr R H J Theunissen, Tel: 023-6162496, Fax: 023-6162084
Bonnievale	Valleys and Mountains Project	Petro McCloud bonnievalekids@gmail.com
Ashton	Winelands SPCA	Ashton, 6715 Tel:023-6152321/2241
Ashton	Bram Care Centre	Maqolo Avenue, Zolani, Ashton, 6715, C J H Mevwenbroek, Tel: 236261635, Fax: 236261635
Mc Gregor	The McGregor Society for the Prevention of Cruelty to Animals	c/o Mrs Werdmuller von Elgg Darling Street Erf 905, McGregor, 6708, Ms. Patricia Jean Lesley Werdmuller Von, Tel: 023-6251867, Fax: 023-6251867
Mc Gregor	People Openly Nurturing Divine	Stone House, Darling Street, McGregor, 6708, RJ Verrall

	Opportunity Children's Village Trust	
Montagu	Montagu & Ashton Branch of the Society for Prevention of Cruelty to Animals	24 Long St, Montagu, 6720, W H Skog, Tel: 023 641 2530
Montagu	The Montagu Nature Garden Association	Van Riebeeck Street, Montagu, 6720, G J English, Tel:0236142165
Montagu	Montagu Rural Women's Association	Buitekant Street No5, Montagu, 6720, DC Winegaart, Tel: 023-6143259