# Regional Development in South Africa: From Apartheid Planning to the Reform Era

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*Regional development strategies have featured prominently in the planning of South Africa's space economy since the 1940s. Although such strategies have utilized internationally-accepted methods of economic assistance and support, they are unique because of the overlay of apartheid planning and related labor exploitation. This paper outlines evolving policies, practices and results of regional development in South Africa and places particular emphasis on the distinctive role accorded to it by apartheid ideology and, more specifically, the establishment of ethnically-distinct Homelands. Repeated failures with regional and apartheid policies caused the government to refine its strategies and attempt to co-opt private sector support in the 1980s. The renunciation of apartheid and the unsustainable nature of associated regional development strategies prompted a radical policy change in 1991. The implications and effects of this rationalization are discussed as are the potential strategies which the new African National Congress government might adopt.*

Regional development strategies have had a long and checkered history in South Africa. From small beginnings in the 1940s, government intervention increased to the level of becoming a major controlling force in the nation's space economy. By 1992 fully 30 percent of South Africa's manufacturing employment, some 400,000 jobs had been generated through industries assisted by state initiatives (South African Institute of Race Relations, 1993). Although state policies of regional development have relied heavily on Western experience and theory in their design and implementation, the overlay of apartheid ideology and Homeland creation on conventional practices has made South African policy unique and ensured its limited success. As part of the overall strategy of 'grand' or Homeland apartheid, the government created numerous ethnically distinguishable reserves or Homelands for South Africa's major African tribal groupings (see Figure 1). Although ultimately functioning as reservoirs of cheap labor (Pickles and Wood, 1992), they were accorded a nominal measure of autonomy, a process enhanced by the state's attempt to promote industrial development either within them or on their borders in so-called 'white' South Africa. In consequence, "in-

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dustrial decentralization (became) a cornerstone of the policy of 'separate development'" (Maasdorp in Driver and Platzky, 1992a, p. 2). Few of the industrial development points (initially known as growth points) which were created have proved to be economically sustainable. The current moves to 're-incorporate' the Homelands into South Africa have paralleled a significant rationalization of state regional development strategies and disinvestment by previously assisted industries. The resultant loss of jobs and general economic weaknesses have promoted the initiation of local development initiatives in certain communities. Although paralleling the transition from state-centered to local-centered initiatives experienced elsewhere (Stöhr, 1990; Glasson, 1992; Driver and Platzky, 1992b; Savage and Robins, 1991; Tomlinson, 1993), few tangible results have been attained to date.

Given the current political change in South Africa, it is apparent that economic planners affiliated to political parties which enjoy popular support are seeking ways to rectify the legacy of ideological and spatially enforced inequalities (Mboweni, 1992). This reality will, in all eventuality, ensure the continued application of regional development strategies in South Africa well into the next century. This particular study seeks to outline the ways in which the South African government sought to promote regional development in the peripheral areas of the country since the 1940s. Emphasis is placed on the modifications in policy through time and the results which have been achieved. Recent transformations in the policy of regional development are discussed, as are alternate strategies for the future.

## STATE INTERVENTION AND REGIONAL DEVELOPMENT IN SOUTH AFRICA, 1940–1994

### *i) Introduction*

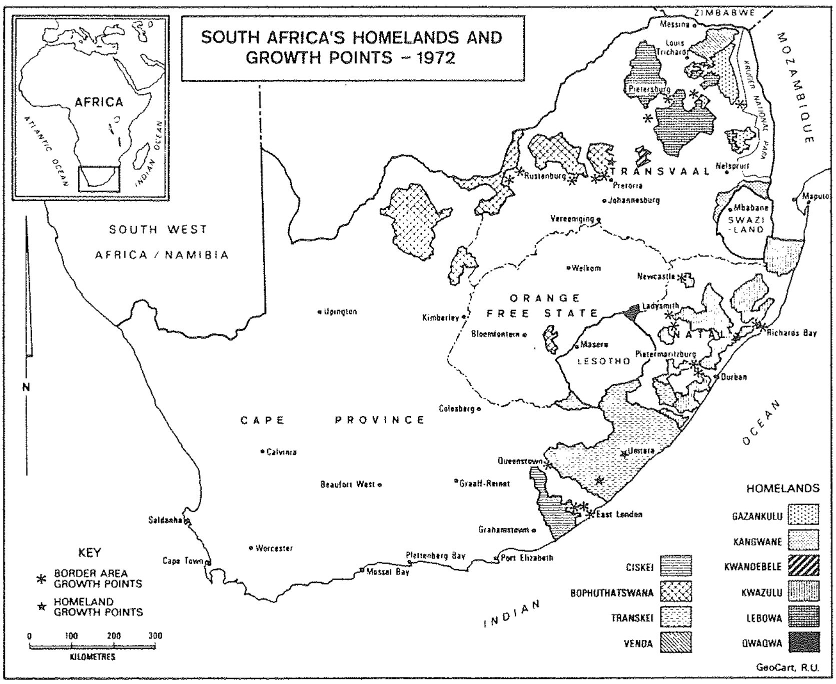
In South Africa, although internationally accepted planning strategies have been a key component of regional development, the actual focus has been on the development of racially exclusive Homelands. According to Rogerson and Pirie (1979, p. 339), the distinguishing feature of regional planning in South Africa is its "accordance with the political economy of apartheid". The result was the entrenchment of a manufacturing system based on what has become known as 'racial Fordism' which exploited the availability of cheap labor in the Homelands (Rogerson, 1991; Pickles and Wood, 1992). In addition, the history of regional planning in South Africa is replete with attempts to establish classical growth poles and propulsive industries based on notions derived from Perroux, Myrdal and Hirschman (Storper, 1991; Driver and Platzky, 1992b). As in Britain and France, there have also been strong disincentives to location in core regions (Healey and Ilbery, 1990). A gamut of incentives which have variously been described as having been the best in the world were instituted to attract industries to the peripheral areas (Rogerson, 1991; Driver and Platzky, 1992a).

### *ii) The Initiation of Regional Development and the Institution of Apartheid, 1940–1981*

Prior to 1960 a limited attempt was made to promote a more balanced spread of economic activity away from the four core metropolitan areas. State intervention in this period was partially prompted by the knowledge that these core areas have accounted for approximately 80 percent of the nation's industrial activity. In order to achieve these ideals the Industrial Development Corporation was established in 1940 to assist new industrial growth in peripheral areas (Rogerson, 1988). In 1947 the Council for the Development of Natural Resources was created to provide alternate, peripheral destinations for urban migrants (Driver and Platzky, 1992a). Few tangible results were achieved prior to the 1960s however. The catalyst initiating a more effective form of regional development came in 1955 with the publication of the Tomlinson report on the Homelands (Union Government, 1955). That report identified their fundamentally weak economic nature and, no doubt in support of the ultimate Verwoerdian ideal of 'independent' Homelands, advocated the broadening of their economic base through the establishment of industrial activity in or near them. The commission asserted that industry would absorb surplus labor, discourage migration to 'white' cities and permit the Homeland economies to become self-sustaining (Driver and Platzky, 1992a). Manufacturing industry was identified as the chief means to absorb the expanding African labor force (in Rogerson and Pirie, 1979) and despite later proclamations of the need for multi-sectoral development, manufacturing has remained the exclusive focus regardless of regional strengths and weaknesses. The 'Bantu Self-Government' Act of 1959 made provision for the accordance of a measure of autonomy to the Homelands. In 1960 Dr. Verwoerd (the Prime Minister) announced that, in order to achieve the twin objectives of Homeland development and restricting over-concentration in the core areas, a policy of encouraging industrial activity close to the Homelands would be pursued (Malan and Hattingh, 1975).

In direct consequence South Africa's first regional development policy, then known as the 'Industrial Decentralization Strategy', was launched. The strategy made provision for incentives to be granted to manufacturers setting up operation in 'white' towns on the borders of Homelands. As a result a series of 'border' towns were initially identified as 'Growth Points' (see Figure 1) in 1961. The designation of towns in the 1961–1981 period took place on the basis of identifying an average of 3 to 5 points around each Homeland designed to provide employment to that particular ethnic group. Although there was a certain degree of variation in the policies applied in the 1961–1981 period, the attempt to enforce Homeland apartheid remained the unifying policy goal. Owing to the limited success which had been achieved by 1967, the government strove to enhance the policy by curbing metropolitan growth. The Physical Planning and Utilization of Resources Act of 1967 placed restrictions on the zoning of metropolitan industrial land and the percentage of African laborers which metropolitan firms could employ such that labor intensive firms would be compelled to set up in the growth points (Driver and Platzky, 1992a). It has been shown that the 1967 Act actually inhibited economic growth through discouraging investment and encouraging greater levels of capital intensification in the cores (Dickman, 1991). From 1971 manufacturing firms in the proscribed core areas were only allowed to expand their labor force on a set racial ratio of two blacks to every one white (Rogerson and Pirie, 1979).

Figure 1: South Africa's homelands and growth points, 1972.




Source: Geocart R.U., 1993; Malan and Hattingh, 1975.

In 1968, low growth levels in the Homelands led the government to allow white owned industries to set up operations in selected Homeland growth points (see Figure 1). The result of the above policies was the identification of a large number of points, few of which had any realistic growth potential. This illustrates the degree to which the economy was subjugated to ideological ideals. The map of growth points (see Figure 1) clearly reflects the spatial and ethnic bias in their designation. In addition to the large number of points (24) which were established, manufacturers were also able to apply for *ad hoc* assistance in another 41 towns in or around the Homelands. The resultant dilution of investment potential was obvious. As part of the attempt by Verwoerd to apply apartheid at all levels of society, incentives were also available on an *ad hoc* basis to manufacturers setting up in 9 designated towns in which the predominant racial group were either so-called 'colored' or Asian people. Through the overlay of regional and 'separate development', the South African government was thus consciously seeking to develop racially exclusive enclaves within the country. These measures however paid little attention to prevailing economic and spatial strengths and weaknesses (Rogerson, 1988; Nel, 1993).

In the early 1970s, benefits available to establishing firms were extended in an attempt to ensure the strategy's success. A white paper released in 1969 (Republic of South Africa [RSA], 1969) declared that the government's objectives were:

1) To curb metropolitan growth.
2) To utilize all the nation's resources.
3) To prevent African migration to urban areas.
4) To provide for a balanced spread of industrial development.

Whilst point 4 might have been difficult to achieve given the spatial bias in the allocation of growth points, point 3 served to provide a limited employment alternative for the millions of African people for whom access to metropolitan areas had been denied.

Although modified at times the general incentives available from 1960 to 1981 included:

1) Factory space was provided on a rental basis and the government undertook to provide up to a maximum of 45 percent of the remaining capital requirements (except for housing).
2) Subsidized rental on leased buildings and land for 5 years.
3) Subsidized interest rates on loans incurred in establishing factories.
4) The provision of subsidized housing for 'white key personnel' in the Homelands and subsidized loans to purchase such housing in 'white' centers.
5) Cash grants to manufacturers decentralizing their plants from the PWV (Pretoria, Witwatersrand, Vereeniging metropolitan area).
6) Tax concessions could be granted in respect of wage and investment costs incurred for a period of 7 years.
7) An incentive amount equivalent to 25 percent of the total amount of tax and interest concessions was also granted.
8) Wage concessions were provided.

9) Transport and harbor rebates on the movement of manufactured goods from certain areas to markets areas was pegged at 15 percent of the total cost (RSA, 1969; 1972).

The provision of incentives was virtually automatic to new firms, expanding firms or those moving to the designated growth points. The absence of sub-sectoral targeting and the multiple points which were supported seldom led to the disseparate industries generating any significant local linkages, multipliers or agglomeration. Growth points came to consist of groups of small, unrelated industries drawn in by the incentives and the availability of cheap labor, yet relying on backward and forward linkages to distant metropoles.

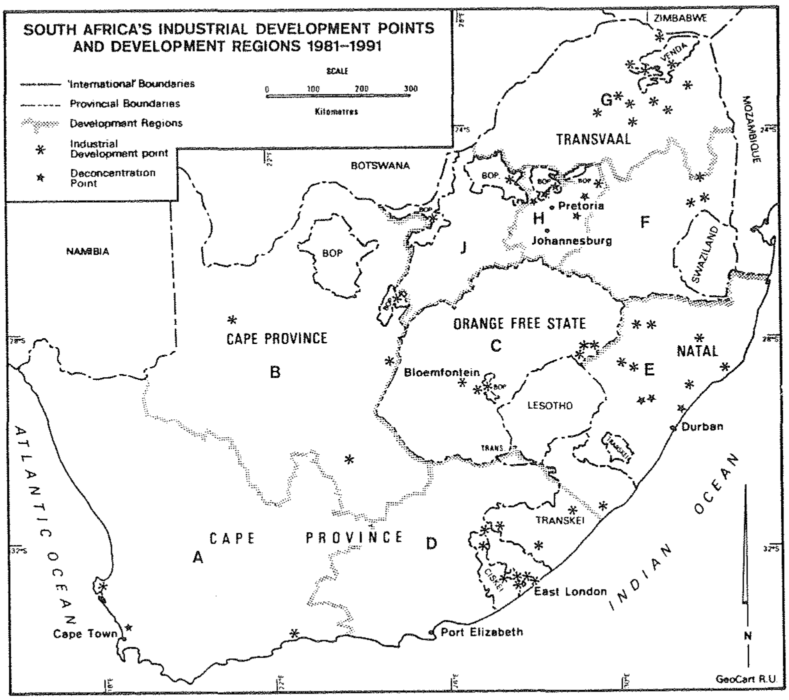
In criticism of the strategy Wellings and Black (1986) pointed out that the government's objectives really were, firstly to provide an economic base for the ethnically organized groupings in the society. Secondly to undermine urban protest by decentralizing growth to areas lacking formal minimum wages and trade unions. The last objective was to provide a base for a collaborative African middle class and to legitimize separate development initiatives.

### *iii) 1981–1991: Apartheid Planning and the Co-option of the Private Sector*

Despite the intensive attempt to enforce the decentralization policy it clearly had not lived up to expectations with the government declaring in 1982 that, "a new approach to the less developed areas is required" (RSA, 1982, p. 1).

In consequence, in 1981, the government replaced the Decentralization strategy with the 'Regional Industrial Development Strategy' (RSA, 1982). The new program formed part of a 'National Regional Development Plan' which sought integrated development throughout the country. In practice however the plan focused on the industrial sector. According to the government this strategy dropped the Homeland focus and sought a more equitable distribution of industrial activity in the recently identified development regions (see Figure 2). The division of the country into regions took no cognizance of existing Homeland borders and as such acknowledged that the country functioned as single economic unit (Driver and Platzky, 1992a). Regions were demarcated on the basis of homogeneity, the existence of clear cores in each region and strategic considerations. Each region was rated on a scale of developmental need and incentives were made available to establishing industrialists at declared 'Industrial (growth) Development Points' in each region according to its rating. Region D was deemed to be the least developed area in the country and was thus accorded the highest levels of incentives. The government attempted to involve the private sector in the strategy by appealing to its alleged free-market nature. In practice however, despite the superficial rationality of the strategy, the designation of the industrial development points reflected the continued attempt to develop the Homelands, albeit under the guise of the free-market. Of the 49 points which were designated fully 29 were in the Homelands (which occupied less than 15 percent of the nation's land surface) with most of the remaining 20 being located in close proximity to them. The reality that the highest levels of incentives were granted to Homeland development points illustrates the bias which prevailed. In fairness to the strategy several points were distant from the Homelands and an additional 10 'Deconcentration Points' were established on the fringes of metropoles (though frequently in Homelands) to absorb growth diverted from the core regions (after RSA, 1982).

Figure 2: South Africa's industrial development points and development regions: 1981–1991.




Source: RSA 1990.

The incentives available under the new scheme varied according to region and were higher when the development point lay within a Homeland. In the following list percentage variations indicate the different ratings which regions were accorded; the highest level reflects those available in the Ciskei and Transkei Homelands. The incentives were:

1) A rebate on the cost of railing manufactured products (40–60 percent).
2) A road transport rebate equivalent to the figure set for the rail rebate.
3) Subsidies on electricity to ensure cost parity with charges in the PWV area.

4) A harbor rebate of 50 percent of harbor tariffs (only available for Region D firms using East London harbor).
5) A seven year employment incentive equivalent to between 80–95 percent of the workers salary (up to a maximum of R 110 per worker per month) (Note: US $ 1 = approx. R 3.6).
6) A 125 percent grant in respect of worker training undertaken.
7) A ten year rental and interest subsidy on factory and capital expenses (40–80 percent of market interest rates).
8) A housing subsidy as a percentage of prevailing market interest rates (40–60 percent).
9) A relocation allowance to factories moving from core areas to a development points (maximum of R 0.5 million in 1982).
10) Preferential selection for government tenders (RSA, 1982).

These high incentive levels helped to incorporate the Homeland areas into a periphery of the new international division of labor with mobile capital and labor intensive firms taking advantage of the concessions and the exploitable labor. Numerous third world multi-national corporations, particularly from Taiwan, were drawn to the Homelands with abuses occasionally being associated with their presence (Rogerson, 1986; Haines, 1989). The benefits to the host community of low wages, job insecurity and the absence of worker protection were naturally questionable. None the less, many private firms were drawn in, unfortunately in many areas they came for the incentives and have only had an artificial and limited impact on those regions (after Addelson, 1990). Their current disinvestment endorses the lack of permanent industrial culture and agglomeration which has been generated (after Pickles and Wood, 1992).

By 1986 fully 14 percent of the nation's industries, some 2,500 firms, were receiving state assistance (Wellings and Black, 1986). In 1992 it was announced that a total of 400,000 jobs, or 30 percent of South Africa's manufacturing employment had been created by the pre-1991 incentive policies (South African Institute of Race Relations, 1993). Superficially these results suggest that certain positive influences were flowing from the strategy. Growth was not uniform however, with the 29 least successful points all having had less than 1,000 jobs established in them. The cost was high and it has been estimated that if incentives and the cost of requisite infrastructural provision are considered each job in a growth point cost between R 60,000–R 100,000 to create, which was four times the cost in metropolitan areas (Wellings and Black, 1986; Development Bank of Southern Africa [DBSA], 1989). The financial burden on the country was excessive with total government expenses to maintain the policies in 1992 coming to nearly R 1 billion per annum (South African Institute of Race Relations, 1993). A true reflection of the tenuous nature of decentralized industries is shown by surveys which indicate that up to 79 percent of firms were drawn to the development points by the incentives and not by any inherent advantages (O'Neill, 1988). Links to the host economy have been limited with very little evidence of industrial agglomeration, self-sustaining growth or linkage occurring. One recent survey indicated that less than 30 percent of firm sales and purchases in Region D are to or from the host region (Nel and Temple, 1992) which hints at the poorly integrated and artificial industrial bases which were created. 50 percent of assisted firms in the country claim that profitable operation depends on the continued receipt of incentives and that they would probably cease operating in the event of their withdrawal (Addelson, 1990). To maintain jobs in the growth points cost the government the equivalent of R 1,671 per worker per annum in the late-1980s. When one considers that the average annual salary in many of the points was only R 1,300 the non-viability of such employment strategies becomes blatantly obvious (Holden, M., 1990).

### *iv) Post-Apartheid Regional Development and the Effects of the Rationalization of Previous Policies: 1991–the Present*

The high costs incurred and a wave of criticism from business and academic circles led the state to institute an independent investigative commission into regional development (DBSA, 1989). The commission, which reported in 1989, concluded that:

1) There were too many development points, which led to the dilution of investment and only limited agglomeration.
2) That many of the points were poorly located.
3) That the high costs incurred could not be justified on economic grounds.
4) Relative success had been at the expense of exceptionally generous incentives.
5) The incentives had been abused and rewarded inefficiency, and
6) Low multipliers and linkages had been established.

From a review of the criticisms and the lack of a permanent industrial base which has been established in most development points, it is apparent that in many points the policy has left behind what Ewers and Allesch (1990, p. 1) have observed elsewhere in the world, namely, artificial "cathedrals in the desert".

As a direct consequence the government once again revised its strategy, launching the 'New Regional Industrial Development Programme' (R.I.D.P.) in 1991. The policy change paralleled similar rationalizations of regional policy which occurred elsewhere in the world, most notably in the United Kingdom as a result of 'Thatcheristic' cuts in that nation's development policies (Savage and Robins, 1990). Problems with top-down, imposed strategies around the world, and in South Africa, have led to a re-evaluation of regional planning (Simon, 1990) and have witnessed a swing to market oriented and responsive approaches

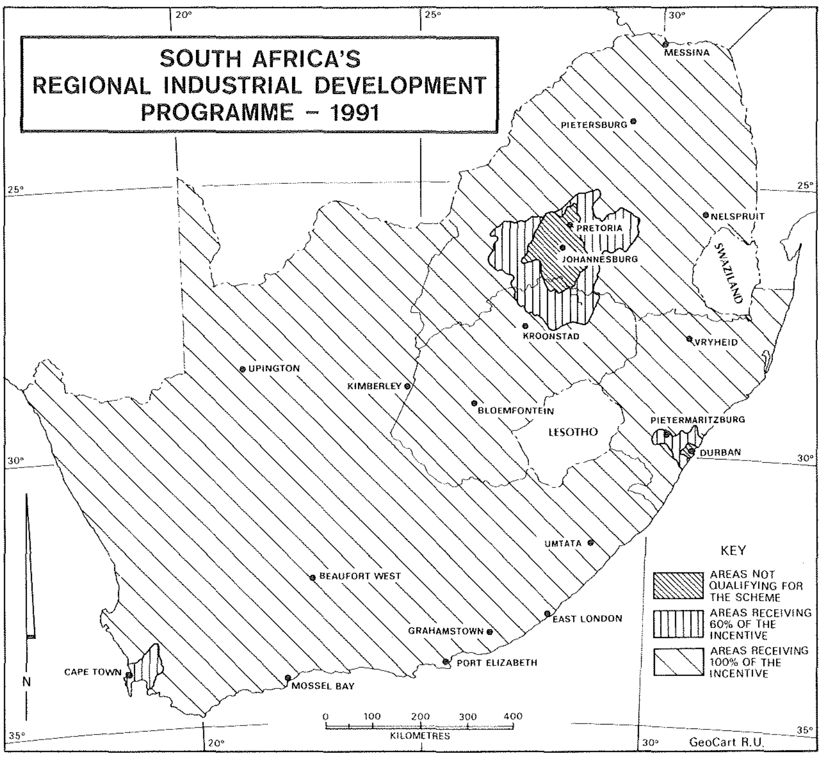
(Glasson, 1992). In an attempt to parallel this resurgence of neo-classical thinking and win the support of the private sector, the South African government has opted for a far less deterministic approach than was previously followed.

Whilst purporting to strive for multi-sectoral development, the new strategy is once again biased in favor of manufacturing (DBSA, 1991b), with mere lip-service being paid to broader considerations. The 1991 R.I.D.P. strategy adopts principles which are regarded by economists as economically sound, namely the provision of tax related incentives which are determined by the profitability of the firm concerned (Holden, P., 1990; Black and Roux, 1991). The strategy provides for a two-year establishment grant to new firms (maximum of R 15 million) and there-after an additional grant for three years should the firm prove to be successful. The value of the incentive is calculated on an individual basis, not exceeding 25 percent of the profit of the firm before tax (DBSA, 1991b; Driver and Platzky, 1992a; RSA, 1993). In terms of spatial application, the new approach marks a radical departure from past strategies, in that the incentives are available anywhere in the country with certain exceptions prevailing in the country's three primary metropolitan areas (see Figure 3). In 1993 this strategy was supplemented with the 'Small Regional Industrial Development Programme' (S.R.I.D.P.) which provides for the same levels of finance to be available on a simplified basis to small firms (defined as having assets less than R 2.5 million). Such firms were seen as having previously lacked the capacity to motivate for state assistance (RSA, 1993).

Although no discernible results are available from the S.R.I.D.P. yet, preliminary results of the R.I.D.P. launched in 1991 reveal interesting trends. Between 1991 and March 1993, 496 firms had been assisted under the R.I.D.P. It is significant to note that the predominant trend is for firms to be capital intensive and not of the hoped for labor intensive type. Metropolitan areas and secondary cities attracted 60 percent of new investment, whilst small (non-Homeland) towns attracted 28 percent and the Homelands a mere 12 percent (Wilsenach and Ligthelm, 1993). Under the new 'free market' package investment is clearly focusing on those areas which have the advantage of agglomeration, urban services, labor pools and reliable transport systems. The areas previously targeted for assistance, namely the Homelands and peripheral areas are clearly not achieving the same level of investment which previously prevailed.

The adoption of an aspatial approach would thus appear to be limiting the future growth prospects of the Homeland and peripheral regions and encouraging growth, more rationally, in the secondary cities and on the fringes of the metropoles (anon., 1992; Pickles and Woods, 1992). This reality endorses the conclusions of Pickles (1991) who sees the new policy as a triumph for the interests of metropolitan capital. They had felt discriminated against by previous policies and had motivated through various development agencies for policies which would ultimately better serve their interests. Whilst encouraging growth in the most economically rational areas has a greater chance of success, the new approach does not however offer realistic growth options for the millions of destitute people who reside in the Homelands. They are the victims of discrimination and apartheid based resettlement to such areas. The loss of jobs in the Homeland areas, the severe weakening of their artificial economic base through policy changes and resultant urbanward migration of destitute people which will result are a serious cause for concern. This situation will aggravate the already high levels of unemployment, destitution and homelessness which prevail in all of the country's urban areas (Nel and Temple, 1992; Driver and Platzky, 1992a). As it is formal sector unemployment in certain rural areas is climbing to in excess of 80 percent of the potential work force (DBSA, 1991a).

Figure 3: South Africa's regional industrial development programme, 1991.




Source: DBSA, 1991b.

The parallel phasing out of previously available incentives from 1993 is clearly affecting employment levels in numerous former development points. Employment has fallen by up to 50 percent since 1990 in certain of these towns (Ntshinga and Daphne, 1992; Transkei Development Corporations, 1993). In the well known development point of Dimbaza, between 1991 and 1993, the number of resident firms fell from 105 to 54 and the number of manufacturing jobs from 15,000 to 7,456 (Ciskei Peoples Development Bank, pers. com., 8 September 1993; Nel, 1993). The social and economic havoc induced by such a devastating blow to the local economy is compounded by the effective absence of a social support system and the non-existence of any other alternate form of formal employment or re-training. The potentiai loss of jobs in development points throughout the country as a result of policy rationalization is estimated by a leading banking organization to be in the order of 40 percent of jobs created (in Todes, 1993). Such a loss could amount to nearly one-eighth of the total number of manufacturing jobs in the country (after South African Institute of Race Relations, 1993). Whilst the prevailing political instability and the severe economic recession which prevails have contributed to this state of affairs, the withdrawal of what was vitally necessary assistance to numerous firms (despite their frequent artificiality) is wreaking its toll.

The new government will have to address the serious unemployment crisis in the peripheral areas as a matter of urgency. There is clearly a need to search for alternative forms of employment creation in such areas. Strategies which promote endogenous potential are an urgent necessity as is the need for true 'multi-sectoral' development. Whilst the new R.I.D.P. is clearly an economically rational approach through its granting of assistance only to viable firms, a key question which needs to be asked is whether such an approach is appropriate in South Africa at present. Given the legacy of enforced spatial and racial inequality in South Africa, a case might well be argued for some form of spatial selectivity in the targeting of assistance to areas which have suffered the greatest degrees of discrimination and retarded development.

## FUTURE REGIONAL DEVELOPMENT CONSIDERATIONS

Given the change in national level government in South Africa, it is inevitable that the new government will seek to address many of the wrongs of the past. It is therefore instructive to examine ANC thinking on the topic to see if a new approach is in the offing.

Although regional development does feature in the thinking of the ANC, the strategies required to achieve its implementation are unfortunately ill-defined at this juncture. At the 1990 'Harare Workshop' ANC and COSATU (Congress of South African Trade Unions) economists expressed the desirability of promoting "industrial policies aimed at transforming imbalances between blacks and whites, between urban and rural areas and between regions" (Riordan, 1990, p. 63). In the ANC's (1994) recently released 'Reconstruction and Development Programme' document a call is made to address the geographical distortions of apartheid, to prevent severe job loss in former growth points and to make provision for decentralized industry. Although calls have been made in that document and the 1992 ANC document on regions (ANC, 1992) for balanced industrial development between regions, no defined regional development strategy has yet been detailed (Daphne, pers. com., 1993; Platzky, pers. com., 1993). According to an ANC spokesman (Mboweni, 1993), a regional development strategy must not replicate the homelands development policy and would aim "at the creation or development of industrial districts on the basis of collective efficiency (involving co-operation between firms and the state) rather than incentives of cheap labor" (p. 206). The strategy proposed appears to be based on what has been tried so frequently and with limited success internationally namely, "the promotion of many urban-centered growth poles" (Mboweni, 1992, p. 206). It is unclear at this juncture whether significant reliance on the transfer of funds from core to periphery regions will be sanctioned. Despite this assertion it seems to be ANC policy to reduce regional welfare differentials with particular emphasis on the Homeland situation (Tomlinson, 1993). In addition Mr. Nelson Mandela, has announced that an ANC government would grant tax incentives to firms in the country's underdeveloped areas (*Daily Dispatch*, 8/11/1993). The reality of enhanced and not necessarily beneficial dependence, in the long term, on the central exchequer could well eventuate.

If various political parties and the authorities wish to achieve regional development they need to take serious cognizance of successful international experience. A radical rethink by politicians and planners in South Africa on the desirability and achievability of regional development might well be necessary. A key issue in the next few years will be the need to balance political expediency, patronage and attempts to address the wrongs of the past with market reality and budget constraints.

Other issues relevant to future regional development policies in South Africa include the on-going debate over the appropriateness of allowing the establishment of export processing zones in South Africa (Nel, 1994b). An additional area of interest which parallels policy developments elsewhere in the world relates to the diminished importance of centrally based regional development strategies and the rise to prominence of local or endogenous development strategies (Stöhr, 1990; Ferguson, 1992 Glasson, 1992). The desperate plight facing many localities after years of recession, sanctions, drought, mounting unemployment and retrenchment has induced the emergence of numerous local development initiatives (Nel, 1994a). In various communities sincere efforts firstly at political reconciliation and secondly at the identification of viable community based development programs are being made. After years of apartheid and central state dominance, initiatives are still in their incipient phase. Indications are, however, that local initiatives will become an important policy and development issue in South Africa in the future (Nel, 1994a).

## CONCLUSION

An examination of the experience of regional development in South Africa endorses the previously mentioned conclusion that the distinguishing feature of regional planning in South Africa is its "accordance with the political economy of apartheid" (Rogerson and Pirie, 1979, p. 339). If anything, the policies applied in most of the country virtually take on the characteristics of an 'anti-model'. The subservience of all else to the political ideals of apartheid has created unsustainable development points in most of the peripheral areas and Homelands. Many uneconomic firms received excessive assistance and have generally been unable to encourage economic linkages in the host economy. Many are now disinvesting at great expense to the true victims of 'grand' apartheid, namely the residents of the impoverished Homelands. The loss of jobs, the prevailing recession and South Africa's deep-seated political intolerance and violence have created a daunting legacy for the new government.

Quite clearly, there will be very real pressure on the new government to devise workable and sustainable development strategies for the most destitute areas. Although there will be severe economic constraints there is an urgent need for "a future state ... to play an active role in ensuring the development of South Africa's most neglected peripheral areas" (Ntshinga and Daphne, 1992, p. 9). There will be a need to transfer resources to poor areas, but appropriate, locally based strategies also need to be encouraged in conjunction with state involvement. The encouragement of local development initiatives through some form of top-down facilitation might well prove to be the most appropriate and logical growth option for the country. The plight of many areas is desperate and it is apparent that some form of regional development strategy will need to be implemented for a considerable period of time in the future South Africa.

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