

**KHANYA**

**Transformation of  
the Rural Sector to Serve  
the Needs of the Rural Poor**  
An example from Free State,  
South Africa

19 November 1998

**Free State Department of Agriculture**

**Khanya – managing rural change cc**

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## **TRANSFORMATION OF THE AGRICULTURE SECTOR TO SERVE THE NEEDS OF THE RURAL POOR – an example from the Free State, South Africa**

### **EXECUTIVE SUMMARY**

#### **Introduction**

- 1 This report documents an ambitious attempt at transformation of the agriculture and rural sector, in the Free State, South Africa. This was initiated by a new MEC for Agriculture, Cas Human, supported by DFID (then ODA) through the Rural Strategy Unit (RSU).
- 2 The report is based on research conducted in June and July 1998 including interviews with stakeholders in and outside the Department of Agriculture (DoA), workshops with departmental divisions, and a PLA exercise conducted in Parys/Tumahole.

#### **The transformation story**

- 3 The Free State is an area strong in farming and mining, with the latter in decline. It is a predominantly rural province with 1.7 million people living in the small rural towns and approximately one million people in the five main towns (Bloemfontein, Welkom, Sasolburg, Bethlehem, Kroonstad). The Free State is closely linked with Lesotho, and its agriculture is based on large scale commercial farming.

#### **Initial steps**

- 4 After the democratic elections, eleven organisations were combined to make a new (then) Department of Agriculture and Environmental Affairs, DAEA, and a parastatal, Agri-Eco. This however excluded responsibility for land reform, which was a national competence.
- 5 After the elections the Department had a Strategic Management Team headed by Peet du Toit. This was instrumental in supporting the MEC to initiate the change process. In seeking to institutionalise this strategic advice, the MEC sought assistance from DFID, which enabled the creation of the RSU, as a Section 21 company outside the DoA. Initial work in 1994 concentrated on bringing in stakeholders to get a vision for the future, deciding on a decentralised and rationalised structure integrating the different organisations, and initiating the filling of the senior posts.
- 6 The RSU started operation in January 1995, with senior DAEA posts filled in February 1995. During 1995 the MEC decided on a new set of programmes, called lead programmes, and initiated an outreach programme, whereby DAEA staff were exposed to their new clients, many of whom lived in townships. This work received an impetus in the second half of 1995, with the recruiting of Programme Managers, and development of a PRA/PLA<sup>1</sup> programme in the DAEA. The latter aimed to help staff to understand their clients better and help to develop a client oriented culture.

#### **Creating the building blocks – November 95 – December 96**

- 7 It proved to be very difficult to overcome administrative blockages to get the lead programmes moving. Faced with this the MEC decided to try and get control of the budget, initiating a major expenditure review by a DAEA/RSU team. This produced a

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<sup>1</sup> Participatory Rural Appraisal/Participatory Learning for Action

- revised budget in December 1995, which included releasing R20 million for projects, revising the budget structure, and proposals to rethink 20 sections of the department.
- 8 Meanwhile, Pilot Land Reform started operating in August 1995, with the DAEA having an agency agreement with Land Affairs (DLA) to run the Pilot. RSU in fact took the responsibility of managing this.
  - 9 The budget restructuring had major ramifications during 1996. Linked with it were several changes proposed for the structure: the creation of an Office of the Chief Director as the strategic apex of the organisation; separating off a section of Specialist Support Services to provide technical support to regions; increasing the number of field staff; decentralising administration, creation of a restructuring programme for sections to be modified. This eventually led to the adoption of a new structure in November 1996.
  - 10 One of the stumbling blocks during 1995 was the difficulty of management in being decisive, and the lack of a management team. A proposal was made for an Executive Policy Committee (EPC) in September 1995, but this did not materialise. In December 1995, the Chief Director (CD) went on extended sick leave, and instead of appointing an acting CD the MEC decided to establish the EPC. This operated for 7 months with no acting CD, until in August an acting CD was appointed. Both of these improved management, and gave the DAEA the capacity to take decisions.
  - 11 While this was happening a new business plan was emerging. In April 1996 10 World Bank consultants worked with 20 Free Staters on the Free State Mission for Rural Investment, to create a development plan for the Department. This plan was workshopped in July, and regional targets and a CREDO created for the department. These ingredients were put together to produce a Business Plan 1996-9 entitled 'From Entitlement to Self-Reliance', published in November 1996.
  - 12 The budget restructuring liberated funds for projects, which came to called the Community Projects Fund, designed for economically viable projects for groups of more than five people. During 1996 the mechanisms for the Fund were designed, and staff trained. This was to be the major vehicle for investment in the Business Plan.
  - 13 Meanwhile Agri-Eco was undergoing restructuring. A new Board was appointed in January 1996 and the accountants, KPMG, appointed to help restructure the company and provide interim management. New management was finally appointed in late 1996, although they did not last long. After a series of CEOs and acting CEOs, a stable appointment was finally made in May 1997. Agri-Eco was refocused on rural entrepreneurship development, especially 'beyond subsistence', with the DAEA focusing on groups and poorer people.

#### **Implementation through political challenge – December 1996 onwards**

- 14 1997 was supposed to be the year of implementation – the basic structures were in place, and work started on filling the new posts which would help delivery on the ground. Unfortunately there were to be two major elements which interfered with this: the auditor general, and a major and sustained political attack on the MEC.
- 15 Some corners had been cut in trying to speed up implementation during 1995. This was queried by the Auditor General, as did Treasury the accounts established by

- projects under the CPF. This resulted in a tremendous amount of management time going on sorting this out. At the same time there was a major bout of political infighting in the ANC in the Free State, . In July 1996 one result was that portfolios were split and Environmental Affairs removed from Agriculture, hence now the DoA not DAEA. Later the main protagonists, including the Premier, were taken out of the province. The MEC was closely identified with the Premier and his political opponents mounted an attack which started in December 1996 and has continued to now. This eventually focused on the organisations established by the MEC to assist with delivery, Agri-Eco, the RSU, and later the Rural Foundation. A Commission of Enquiry was established which found management errors in Agri-Eco but no corruption, and no problems in RSU or Rural Foundation. A Portfolio Committee dominated by political opponents then continued with its own investigation.
- 16 The MEC meanwhile was looking to stability for the RSU beyond its first contract, and he requested a continuation of support from DFID. A business plan was needed, and RSU then went through a rethinking process looking to possible viability beyond the DoA as only client. They started working more with Agri-Eco, and began some work with Northern Cape and Lesotho, on request from both parties.
- 17 Between the effect of the auditor general, diversion of MEC by political infighting, and RSU attention beginning to extend beyond the DoA, the follow-up to the business plan was lost and momentum slipped. In response to the greta political pressure he was under, the MEC eventually decided to close the RSU and Rural Foundation.
- 18 A new Chief Director finally joined the DoA in October 1997. He found the political fight in full stream, and tried to keep some distance from this. Once again the political fight had a major cost. Attention during this period then focused on getting the new EU support programme for the CPF underway, the CPF Support Programme of CPFSP. The DoA had obtained a commitment for R100 million from the EU to support the CPF but much organisation was still needed, also to unravel some of the blockages to the CPF.
- 3 Changes in the Rural Sector
- 19 The MEC took on a broad view of the enabling environment that would be required for people to be self-reliant. He established a set of programmes to make this happen. This approach was vindicated when in 1997 the Premier established a rural development cluster of departments and asked the MEC for Agriculture to lead on this.
- 20 The DoA's role changed from supporting white commercial farmers to supporting black people, many of whom were living in townships, and whose major problem was poverty.
- 21 Rural people need to know about the choices of projects and technology available, and be helped to understand and take forward those choices, through advice or training. A variety of public and private sector organisations can help, and it is important that the DoA helps these to take on these roles, in this way leveraging the impact of the DoA so it can reach many more people. The DoA currently has some 207 field staff, with others in Agri-Eco (28), Social

- Welfare (109), DLA (30). It is also critical that extension methodologies are looked at to maximise efficiency and effectiveness.
- 22 Agri-Eco has been restructured to be a focused organisation, concentrating on helping existing micro and small business to grow, and new start-ups. All the staff have been retrained, and a new decentralised structure established
- 23 Initial efforts in terms of access to land focused on land redistribution. Some 2721 households have benefited, and some 60 000 ha transferred. Much more effort is now going to tenure reform, where a much greater number of people can be affected.
- 24 One of the major problems for rural people is finance for investment and for production capital. The DoA created the CPF to help with investment, and to bring people off the poverty line onto a growth curve. There is still a major problem with production capital. The DoA has established a guarantee fund to help ensure that commercial lenders will provide risk capital to rural entrepreneurs. Some 180 people have received loans, although the programme has suffered from the fear of stakeholders that Agri-Eco may not survive the political threat and they may lose the guarantee.
- 25 The DoA has also worked to improve access to markets for rural people. It has linked up clients to guaranteed markets (eg Clark Cotton), helped them to do market research and planning, and helped to develop new industries (eg export apples).
- 26 Infrastructure is also needed, including productive infrastructure such as fences, dairies or irrigation systems. The CPF is used to fund this.
- 27 One of the great challenges for support institutions has been the organisational development task in working with groups. Rural people belong to many groups of different kinds, and wherever possible these institutions should be strengthened rather than creating new ones. However for some projects it will be necessary for new groups to form and a wide range of project promoters will be necessary to maximise impact.

#### **4 Results of transformation in the DoA**

##### *Situation and needs of the DoA's clients*

- 28 The DoA has defined its clients but not in a very sophisticated way. The fact that it includes farmworkers and those living in informal settlements differentiates it from more technologically oriented departments such as Kwazulu/Natal, which does not recognise these as clients. More work is needed however to define and understand clients better, eg by undertaking PLAs in each town.

##### *Impact on DoA's clients*

- 29 There is no baseline data for measuring impact on clients. Impacts can be inferred from the numbers of households supported by the department, which stands at about 65 000 as at September 1998<sup>2</sup>. Comments from workshops held

<sup>2</sup> Summary of service delivery audit September 1998

with DoA staff imply a fundamental shift and that there are impacts on clients lives, on wealth creation, on their perceptions of the DoA, on their organisation. There are important issues which the DoA needs to look at, such as which clients to target, for poverty alleviation or wealth creation.

#### *Impact on DoA culture*

30 The constituent parts of the DoA had very different organisational cultures. There does seem to have been a major influence towards a client-focused and more performance-oriented culture, although there is still a distance to go. Staff are now working in the townships, helping with poverty-focused programmes, unlike the past.

#### *Affirmative action*

31 In February 1995 there were only two managers from assistant director upwards who were black or female. There are now 19, 50% of these posts. In terms of overall composition of technical and administrative staff (excluding labourers, cleaners etc), 41% are black and 38% women. There are no comparative figures for February 1998. These figures imply considerable changes, but one cautionary note is that there is no training and development programme in place to ensure that affirmative action appointments are fast tracked and empowered.

#### *Impact on DoA capacities and systems*

32 Operational divisions (the regions) have greatly increased in capacity and autonomy and are making a significant impact. Specialist Support Services are floundering, losing staff, and desperately need a substantive head to take them forward. The OCD also needs strengthening and has just lost a lot of good staff, a matter of some concern.. There is also a problem with the CD and MEC perceived by staff as not communicating effectively. Overall communication and human resource management is seen as very poor and should be reinforced.

#### *Improved services/performance*

33 Client surveys carried out in 1997 indicated that existing clients are very satisfied with the services they are receiving. There is no evidence about the sustainability of these projects and this should be monitored.

#### *Increased efficiency*

34 Resources are now more focused on service delivery, with 57% on regions and projects (64% budgeted). About 40-50% of expenditure is on personnel, with 21% used for projects and 11% for contracting services (Agri-Eco, Rural Foundation etc), and working capital around 25%. There are considerably more projects being served by a personnel budget of only R57 million for 1998/9, compared to R77 million for 1996/7, implying productivity is greater. However, it still looks cost-effective to outsource some services.

#### *Changes in power relations*

35 The report has a significant theoretical analysis of decentralisation, as this is one of the management challenges facing the DoA currently. This points to different ways of coordinating organisations, and how these are applied in different types of decentralisation. Currently vertical decentralisation is used to

regions, and horizontal to work constellations such as the CPF task team, where they are delegated powers. A lack of understanding in the DoA about the different forms and their merits leads to competition between these, with regional directors feeling that decentralisation to experts or planners is not appropriate. This reflects the divisional form that the DoA has adopted.

36 However, in order to move forward, the DoA needs to recognise the need of staff to move to more responsible and responsive configurations such as a professional bureaucracy or adhocracy<sup>3</sup>, whereas the divisional form tends to depend on targets and a machine bureaucracy approach. There are significant tensions in the organisation at present derived from differing views about this that need to be aired and discussed.

37 Considerable efforts have been made to democratise the DoA in the sense of involving clients more. However this needs to be institutionalised in systems such as initial PLAs, community support groups, and the planning process.

## 5 Conclusions and recommendations

38 The Department and rural sector have made great strides in transforming themselves to address the needs of the rural poor. The Department is present in most communities, and staff are working with black clients in townships. Several areas have not moved forward significantly for a year and the DoA needs a new impetus to take forward once again the reform process. Key issues are:

### Recommendations

- R1 MEC and senior management developing clearer and common understanding of the future of the organisation, notably the form of decentralisation
- R2 Clarity on how the core process, extension, should operate
- R3 Getting a better understanding of clients, and retargeting services
- R4 Appointing a substantive head of Specialised Support Services
- R5 Looking at management style and human resource management, developing a more empowering style
- R6 Improving communication with staff and clients
- R7 Developing partners to share implementation
- R8 Systematic training of all staff in new skills
- R9 Clarifying extension roles of field staff (see also R2)
- R10 Developing technical packages to support extension
- R11 Decentralising administration from province (notably finance) and on to regions
- R12 Establishing a support capacity, eg through funds available to the DoA for consultancy, piloting and training. DFID should be approached for this.
- R13 An initial workshop to debate these findings with managers and the MEC and develop an implementation plan.

<sup>3</sup> using Mintzberg's definitions of organisation

## **TRANSFORMATION OF THE AGRICULTURE SECTOR TO SERVE THE NEEDS OF THE RURAL POOR – an example from the Free State, South Africa**

### **1 INTRODUCTION**

#### **1.1 Background**

This report documents a brave attempt at significant change of the agricultural sector which is taking place in the Free State Province, South Africa since 1994. In 1994, as part of the new democratic dispensation, South Africa created provincial governments, which had responsibility for many of the major service delivery functions such as health, education, and agriculture. In the Free State a white ANC farmer became MEC, who had a strong vision for a transformed Agriculture Department and sector. The MEC, Cas Human, set about this task with energy and enthusiasm, supported by his Strategic Management Team. Realising the need for long-term support for transformation, he was able to convince the then ODA (now DFID)<sup>4</sup> to support this strategic role. DFID provided support over three years to March 1998, for the establishment of this change unit, which was called the Rural Strategy Unit (RSU). It was set up as a Section 21 (non-government) company, working for, but not part of, the Department of Agriculture (DoA). It was established external to the DoA to allow it to operate in the broader rural sector, and to be free from the bureaucratic culture of the public service.

This report seeks to document the change process, and to explore how and why these changes occurred. It provides a picture of the changes in the sector as a whole and focuses in more detail on the DoA. The transformation in the DoA is evaluated and recommendations provided for how this should be taken forward.

#### **1.2 Methodology**

The report is based on the collective learnings of people throughout the sector. The main authors and researchers were Mncedisi Madolo from the Monitoring and Evaluation Unit within the Department of Agriculture<sup>5</sup>, and Ian Goldman who was a Management Advisor funded by the British Government as part of the package of support to the RSU<sup>6</sup>. Their methodology involved the following elements:

- interviews with key stakeholders in the sector and Department
- miniworkshops with the different regions of the Department to look at the major impacts of the regions, and factors contributing
- a five day Participatory Learning for Action (PLA) exercise conducted in one town in the Free State, Parys/Tumahole<sup>7</sup>
- the experience of the researchers as participants in the transformation process

Annex 1 has a list of people consulted and Annex 2 details of the miniworkshops. A full report has been produced on the Parys PLA exercise, and the executive summary is included in Annex 3. James Carnegie (ex-RSU) and Zimbini Mdlulwa were also involved in the PLA and are co-authors of that report.

<sup>4</sup> The British Government's department for international development

<sup>5</sup> Now with National African Farmers Union, tel 012 6633111, fax 012 6633184

<sup>6</sup> Now with Khanya – managing rural change, tel 082 550 8460, fax 051 430 8322, email goldman@internext.co.za

<sup>7</sup> Parys is the formerly white town, and Tumahole the black township adjacent to the town.

An additional source was an Evaluation of the Field Services of the Department, conducted in March 1997<sup>8</sup> by a team including DoA and RSU staff, the University of the Free State and which was led by an independent consultant. This included an extensive survey of 57 staff and 119 clients, and field visits to six DoA offices.

### ***1.3 Approach***

The change management literature contrasts incremental and transformational approaches to change. Organisational development (OD) approaches lean to the former, whereas by contrast Business Process Re-engineering tends to the latter. The MEC reflected the Government's impatience for change, striving for major impacts within a three year period. In this he used elements of both approaches. Another element that was looked at was the importance of democratic administration, one of the pillars of the Government's Reconstruction and Development Plan (RDP). This is sometimes referred to as a governance approach, and changes in power relations will be looked at in the final part of the report.

### ***1.4 Structure of the report***

Section two of the report gives a picture of the evolution of the changes in the Free State. Section three separates focal elements of the change process in the sector as a whole, and the results. Section four looks at the Department of Agriculture specifically, the main conduit for public sector investment and provider of support, to evaluate the transformation that has occurred. Section five summarises recommendations for the DoA in taking forward its transformation process. The report is written for a wide audience, so that people can learn from the major attempts at transformation in the Department, and thus includes a background to make it understandable to people outside South Africa.

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<sup>8</sup> Report on the Evaluation of Field Services of the Department of Agriculture. DoA

## 2 THE TRANSFORMATION STORY

### 2.1 *The historical background - political economy of the Free State*

The Free State was one of the two Afrikaner republics incorporated into the Union (later Republic) of South Africa in 1910. The Free State has always been a farming area, producing some 40% of some of the staple crops of South Africa. Mining is also important, originating with some diamond-bearing kimberlites in the south, though there are now largely exhausted. In the middle of the century gold was discovered in the Northern Free State, and new mining communities sprang up to serve this. However the gold deposits are now also declining, so that mining is becoming less important to the Free State economy, creating some serious problems of unemployment in the process.

Prior to the Land Act of 1913 there were many black farmers, some 500 000 of whom prospered, particularly after the Anglo-Boer War which ended in 1903. After the Land Act and then particularly during the Apartheid era they were systematically dispossessed, and ended up as workers on the Free State goldmines or as farmworkers, or relocated to the two bantustans which existed in the Free State. These included QwaQwa, which has a peri-urban population on the fringes of the Drakensberg (a Basotho reserve), and Thaba Nchu, between Lesotho and Bloemfontein, a Batswana bantustan which was an enclave of Bophutatswana, some 300km from the rest of the bantustan. Only in the two bantustans were there black farmers, with some people established as medium-scale farmers. In addition Apartheid planning created Botshabelo, a city of some 250 000 people with no economic base some 40km from Bloemfontein, which at one point was to be incorporated into QwaQwa some 300km away. In 1994, some 30-40% of the economically active were unemployed in the Free State, predominantly black, and in some areas this rises locally to 80%, especially in areas of labour migration such as QwaQwa.

So by 1994 some 11 000 white commercial farmers were the economic mainstay of rural areas. Apart from 5 larger towns (Bloemfontein, Bethlehem, Kroonstad, Sasolburg, Welkom) all other towns have 40% or more of their GDP based on agriculture<sup>9</sup>. These five towns account for approximately 1 million people, with the remaining 1.7 million people living in the small towns, bantustans or farmworkers. There are about 162 000 farmworker households, a major decline since 1990 when the Group Areas Act was abolished and black people could move freely, and there was a major influx to both small and large towns. All the towns have mushrooming informal settlements around them which have been formalised over the last few years.

Another important factor in the Free State is the proximity of Lesotho. The Basotho empire reached its peak in the mid-19<sup>th</sup> century with tribes escaping the Zulus, and covered the whole of the Free State. Wars with the British and Boers led to a great loss of territory, so that the current Lesotho is left only with the hilly and mountainous parts of the previous area. However the people share the same culture and links are very close, with migration of workers to the Free State goldmines, to farms, and many black people in the Free State have relatives in Lesotho. Lesotho's economy is completely entwined with that of South Africa<sup>10</sup> and particularly with the Free State.

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<sup>9</sup> MEC's budget speech, May 1997

<sup>10</sup> Both formal and informal, the latter notably drugs

The commercial agricultural sector while very developed, was very dependent on state subsidies, with marketing handled through large agricultural cooperatives on behalf of marketing boards. Government took responsibility for handling much of the risk elements, including providing concessionary finance through the Land Bank and Agricultural Credit Board, and covering drought, which is frequent in the Southern Free State. So the commercial sector was not market oriented, nor used to taking responsibility for risk management. The level of farming debt was very high, largely a result of unwise mechanisation.

## 2.2 *The institutional patchwork in 1994*

From the mid-1980s the government apparatus became more centralised, with the increasing power of the security council. Provincial governments became administrations, and the introduction of the tri-cameral parliament led to three administrations (House of Assembly for Whites, House of Representatives for coloureds, House of Delegates for Asians<sup>11</sup>) with blacks only represented in the bantustans. Table 1 shows the mix of government institutions which were finally incorporated into the new provincial Department of Agriculture and its family.

As part of the interim constitution, agriculture was made a provincial competence, and all these institutions were combined into one Department of Agriculture and Environmental Affairs, and one parastatal, Agri-Eco. Because of common issues of land and environmental management, in the Free State Agriculture and Environmental Affairs were combined into one portfolio, but this decision was to be reversed in 1996.

Land with its political ramifications was left as a national competence with a newly created Department of Land Affairs. This separation of Land Affairs and Agriculture has had major repercussions in the evolution of the sector.

**Table 2.1 Organisations incorporated into the Department of Agriculture and Environmental Affairs (DAEA) and associated parastatals**

Area	Organisation	Part of	Clients
Free State	High Veld Region	National Department of Agric	Whites
	Free State Region	“	“
	Economics Section	Economics Division of national Dept	
	Engineering Section	Engineering Division of national Dept	Whites
	Veterinary Section	Veterinary Division of national Dept	
Various	Agricultural services	House of Representatives	Coloureds
Free State	Nature Conservation	Provincial administration	Whites
QwaQwa	Department of Agriculture	QwaQwa Self-governing Territory	Blacks
	Highlands development	tourism development corporation of QwaQwa	
	AgriQwa	Agricultural Development Corporation of QwaQwa	Blacks
Thaba Nchu	AgriCor	Agricultural Development Corporation of Bophutswana	Blacks

Clearly amalgamating this range of organisations was going to cause problems, although not on the scale of Northern Province or North West Province where the numbers employed in the bantustan structures were much greater.

<sup>11</sup> In fact Asians were barred from spending more than 24 hours in the Free State, so did not settle, and the Free State lacks that entrepreneurial class

### 2.3 *Developing the approach*

#### Prior to the elections

The MEC drew on different sources to develop the approach he adopted. He himself had worked as an extension officer, as an agricultural consultant, and is a successful farmer. He had the benefit of advice from his brother, Professor Piet Human, a consultant and professor in management, also an ANC member, who had explored approaches to transformation in Africa prior to the 1994 elections.

Prior to the elections, the ANC had a Land Desk, headed by Derek Hanekom, later Minister of Land Affairs and then of Agriculture and Land Affairs. The ANC was supported by the Land and Agriculture Policy Centre (LAPC), which provided a lot of the thinking about transformation in the sector for the ANC, and indeed was instrumental in the establishment of the Rural Strategy Unit. The Director of the LAPC became one of the first members of the RSU Board. LAPC work was seminal for future changes, such as their study on the future role of agricultural development corporations established in the now defunct bantustans.

In addition prior to the elections, forums were held throughout the Free State as part of the canvassing process, where many of the ideas for initial actions were developed.

While this was happening the Free State region of the Department of Agriculture was going through turmoil, with several changes of Director, and a lack of leadership which was to have consequences later. Figure 2.3.1 shows a summary of the changes in the main institutions which should be used as a guide for the rest of this section.

#### April 1994-February 1995

##### Developing a vision for the sector and creating a rationalised structure for the DAEA

One of the first actions of all provincial departments was to establish Strategic Management Teams (SMTs) to shadow the existing management, and provide inputs for a new direction for the Departments. Initially these were intended to last six months, and in many cases members of these SMTs were then absorbed into senior levels of the Departments, often including the role of Head of Department (HOD). In the Department of Agriculture, the staff that joined the SMT included Dr Peet du Toit, an economist; Rick Dillon, an agronomist/pasture specialist and ex agricultural extension worker; Malerato Nkonyane, a political activist with good knowledge of QwaQwa; and at some point Challa Moahloli, who worked for AgriCor in Thaba-Nchu.

The MEC took office in June 1994, but at that stage the Department was still national. In this initial stage the MEC did not even sit with DAEA staff, who were based at Glen Agricultural College, 25 km from Bloemfontein, but operated from the centre of Bloemfontein. In this first phase the MEC and SMT concentrated on developing contacts right through the sector, and in July 1994 at Willem Pretorius 1, 400 farmers and community representatives came together to discuss the needs of clients and a preliminary strategy for the Free State. Subsequent workshops in the Free State looked at a Rural Advice Officer concept<sup>12</sup> and land reform<sup>13</sup>. All of these workshops involved a wide range of stakeholders and clients. During September work focused back on the DAEA with workshops with staff to look at possible problems/challenges, possible functional areas and then on a possible decentralised and

<sup>12</sup> at Sterkfontein, August 1994

<sup>13</sup> Willem Pretorius 2, September 1994

integrated structure of the new Department<sup>14</sup>. Figure 2.3.1 gives a picture of the evolution since 1994.

The first contact was made with ODA at a conference organised by LAPC at Ithala on “Issues and Options for Institutional Change for Agriculture, Land Reform and Rural Development” where the MEC broached the idea of a project to provide strategic input for a longer period. In September an ODA team visited the Free State to draft a project memorandum for the RSU.

Some of the first concepts that were developed during this stage were:

- strategy before structure, and local-level processes before larger-scale processes
- use of decentralised approaches to bring operational wings close to their clients, with sections integrated in a divisional structure of regions
- use of a wider sectoral approach, broadening the institutions involved in promoting development
- creation of a change team, with a mix of technical skills, diversity etc

At this time there was considerable pressure on the DAEA to have a new macrostructure for a rationalised structure that integrated the different administrations and organisations. This meant there was not time to wait for the strategy to be clearer, and in November 1994 the senior posts were advertised and filled in February 1995. That marked a turning point.

## **2.4 January to October 1995 – initial steps**

### Developing a new strategy – Lead programmes

Prior to the elections the MEC had held rural forums across the Free State. In January the MEC launched the Lead Programmes, a set of ten programmes which were intended to provide a new focus on the content of the work of the DAEA with its new clients. These are shown in Table 2.4.1, and in one way or another these themes have continued to be the main strategic thrusts in terms of content. These were announced in January 1995 although no programme was put in place to implement them.

### New staff in new structures

The RSU was established in January 1995, as a section 21 company, including Peet du Toit as Director, Rick Dillon, and Malerato Nkonyane, all from the SMT. The senior Departmental staff were appointed in February, including the new Head of Department (Chief Director), two regional directors and one acting regional director (there were only two director posts available to the Department). From this point the integrated DAEA structure began operating with the regional directors taking on more power.

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<sup>14</sup> Soetdoring 1

Figure 2.3.1

Problems around integration continued: notably with Nature Conservation, who resisted being incorporated into regions and losing their separate identity<sup>15</sup>; Veterinary, who asserted that as they had a major regulatory role they should stay centralised; and to a lesser extent, soil conservation. At Glen headquarters, there was amalgamation of engineering, economics with research, training into what was sometimes called the Glen Agricultural Development Institute.

Other developments during this period were the creation of Agri-Eco, with a new board of directors and work started on an environmental forum and consultative process for an environmental policy for the Free State. The latter revealed some major differences among the stakeholders, and the perceived pursuing of a particular agenda led to some bitterness which contributed to the later attacks on the DAEA by ex-nature conservation staff linked to outside lobby organisations.

**Table 2.4.1 Lead programmes as identified by the DoA**

<b>Name of Programme</b>	<b>Aim</b>	<b>Rationale behind</b>
small scale farmer settlement	Establish vegetable and livestock farmers	Establish small farmers using land reform, focusing on intensive enterprises where small amounts of land could be used
small scale dairy farming	Establish small scale dairy farmers	
commercial farmer settlement	Empower new farmers to access land	Help new entrants to get potential commercial farms
commercial agriculture support	Provide applicable information for commercial farmers	Provide some services to commercial farmers, with the focus on provision of information such as drought risk
natural resource utilisation (later became Community Management of the Environment)	Promote the direct benefits of conservation through creating employment and income opportunities	To try and move Nature Conservation from a protection approach to a conservation through development approach
environmental education		To move the focus of resource conservation from a legal and enforcement approach to a proactive educational approach, changing approaches for both Soil Conservation and Nature Conservation sections
culture of gardening	Provide seed packets and training to establish home gardens, green areas/ parks	To support even smallest scale initiatives for growing food and greening, raising awareness of the possibilities
farm productivity	Improve technical skills in the work place, with establishment of a coordinating body	To promote a win-win situation between farmworkers and commercial farmers, where farmers see the incentive in upskilling their workers, and paying them more, through improved productivity on the farm. In this way contribute to improved labour relations and addressing a thorny political problem, how to help farmworkers
rural advice (later animation) officers (RAOs)	Community development workers to be appointed to each town	Recognise that helping new clients means being responsive, helping people to organise themselves, and for the DAEA to find out what their clients need and want.
irrigation	To develop irrigation projects	Later dropped as this was a component of other programmes
special projects	To overcome problems in the identified lead programmes	Someone to problem solve and stop programmes getting bogged down
monitoring and evaluation		Ensuring that there was M&E going on, staff became more accountable, and building capacity to learn in the organisation

<sup>15</sup> One of the complaints of Nature Conservation was that they had no representative in senior management. In fact one Director post was offered to a Nature Conservationist, who turned it down, after which an extensionist acted in the third regional post.

### Getting the lead programmes operational

In June 1995, a Management Advisor was appointed to the RSU, strengthening the institutional reform component of the work. It was clear at this point that while a direction had been set (the lead programmes) only small steps had been taken to implement projects, mainly during an outreach programme run in April to introduce staff to their new clients. A major workshop was then run in July for 150 departmental staff across all sections, From Vision to Implementation, which was developed by the MEC and Management Advisor. This took the lead programmes as the basis and attempted to develop plans to implement the programmes. A major policy decision was taken at that point and announced at the workshop, which was that 80% of time and resources now had to be spent on the new clients<sup>16</sup>. This had a major impact, with a lot of resistance to it from many staff, as it drew a clear line in the sand about what they should be doing.

Just after this management met, and agreed to appoint Programme Managers to lead the programmes, and also Task Teams including external resource people and clients, to advise and support the programmes. It was decided to ask for volunteers as Programme Managers, and then to use psychometric tests to ensure that the best staff in the Department took on this role. A wide variety of people applied from across the DAEA, and people were selected in August 1998. In September each programme manager drew up a plan (including logframe with indicators) for the programme, which was then formally reviewed and appraised by a team in the Department/RSU. Task Teams included a wide variety of members including people from external organisations such as LAPC, Food Gardens Foundation; new black clients; commercial farmers and also RSU staff<sup>17</sup>. A coordination group was then set up to monitor progress, which was initially chaired by the Chief Director.

### Administrative systems block progress

What immediately became apparent was the difficulty of meshing these new programmes with the systems of the Department, and the lack of will to actually change these. Many problems emerged:

- the Programme Managers drew up budgets, but how were these to be financed? There was no will in the Administration to make the virements necessary or create appropriate codes
- the programmes did not fit in the structure, and so in a structure and rule-bound administration, programme managers were seen as upstarts, and were discouraged by many people, either through active hostility, or a policy of non-cooperation
- how to pay the travel costs of external resource people who were formally invited to form part of the Task Teams? There was a practical problem in the financial systems which were not geared up to pay costs of non-departmental people. However, there was little will to resolve this, partly due to the difficulty for the DAEA in seeing the need for external people (external experts, clients, farmers etc)
- the great difficulty for DAEA staff of conceiving of this project based approach
- resistance from the new Regional Directors, who the programmes were a way of consolidating power at Glen, and not leaving them with sole authority in their regions, during a period when they were trying to consolidate their power base. This tension in the role of the operational regions vis-à-vis the centre has persisted and will be explored in section 4.

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<sup>16</sup> Equivalent to the proportion of blacks in the Free State population

<sup>17</sup> While RSU was perceived as interfering in a wide variety of activities by the DAEA, this provided an opportunity to institutionalise their involvement in specific programmes.

- the difficulty DAEA staff experienced in taking forward something new, and in understanding how important these programmes could become in transforming the Department
- particular resistance from the Administration to sorting out problems for (sometimes young) black staff taking on new roles as Programme Managers

So the lead programmes were struggling to find their way forward and to find the institutional systems within which to operate at all. In practice what happened is that those that had access to existing departmental resources because they already led a section, moved forward by diverting resources. Those who did not have this possibility struggled, eg the Culture of Gardening programme<sup>18</sup>. What this illustrated was the inability of top management to take a decision to divert resources. This highlighted the difference between a MEC impatient to make real progress, and diffident management reluctant to take strong decisions. In fact there was no decision-making forum in the DAEA, with decisions seen to be coming from the MEC (and RSU). As a result a decision was made at this time that a management forum should be created and in September a departmental working group came up with a proposed Executive Policy Committee. However this was never implemented, illustrating the management vacuum.

#### Getting land reform moving – the Pilot starts

After the elections the Department of Land Affairs (DLA) decided to pilot approaches to land redistribution, and as there was no capacity in the DLA at that point, to outsource the work to agents in each province. In the Free State the Department of Agriculture became the agent, and it effectively subcontracted the work to the RSU. Rick Dillon took on this portfolio, having been involved in land reform over the period, and he took on the responsibility of providing the secretariat for the Steering Committee of the Pilot. The pilot started in August 1995. However, it proved extremely difficult to find mechanisms to appoint staff on a contract basis in the DAEA. Instead, staff were appointed to Agri-Eco, which then handled administration of the pilot staff. This enabled the pilot to get going fairly quickly, although made for complications later.

#### Starting on culture change

During April 1995 the MEC initiated an Outreach programme, asking all staff to spend a week in a township on a project. The purpose of this was to get the white staff used to meeting their new clients, not from the vantage point of a Casspir<sup>19</sup>, but now in a constructive relationship. This was the beginning of an attempt at culture change.

In 1994 a workshop had been held on the Rural Animation Officer (RAO) concept. In September 1995 as part of the RAO lead programme, a Participatory Rural Appraisal (PRA) Programme was started. This had 5 main objectives:

- 1 to introduce field staff, particularly the new RAOs, to the townships they needed to work in
- 2 to provide field staff with participatory tools, and tools for working with groups
- 3 to help with the culture change process, so that white staff had a better understanding of African and township situation and their own limitations
- 4 to give senior management experience of the reality of the clients

<sup>18</sup> This was only resolved when a positive head of section released some funds from his section for this programme. This head, Jeanne du Rand, went on to become acting Chief Director.

<sup>19</sup> Armoured transport vehicle used by the police

5 to build up a trainer cadre in participatory and PRA/PLA approaches

The PRA training was successful in the first, third and fourth of these objectives.. However, it did not succeed in really developing a training capacity in the DoA, despite attempts to create this capacity in Non-formal Training, and the DoA still remained very dependent on the RSU for these skills.

#### The RSU and Agri-Eco fully operational

The RSU came to full strength during this period, where Peet du Toit and Rick Dillon were joined by Malerato Nkonyane dealing with community politics and land reform; Ian Goldman, funded by DFID as a Management Advisor; Patrick Lekala and Challa Moahloli from Agri-Eco; James Carnegie to deal with social science/participatory extension approaches; Mathilda Roos moved from being a consultant working for RSU on environmental issues to becoming staff. These, with, provided the mainstay of RSU staff in the period to March 1998.

In the previous period, Peet and Rick had acted as the MEC's advisors, being involved in management decisions, somewhat to the consternation of the Department. The DAEA saw them as outsiders, and were dismayed by their power in advising and taking forward the wishes of the MEC. His agenda was seen as political, and not the work of the Department.

This interaction changed somewhat with new people coming to the RSU. Firstly the RSU's reach extended, eg into environmental matters with Mathilda working on the environmental policy. As mentioned before, the task teams for the lead programmes provided a mechanism for structuring RSU involvement and most of the staff became involved in one or other of the task teams, with Ian Goldman working with the overall programmes. The involvement of RSU staff worked well in some cases (such as the RAO programme) and less well in others.

Meanwhile, Agri-Eco was being restructured with the help of KPMG to bring a new focus to the former bantustan parastatal, to safeguard assets, and to slim down the organisation. A critical issue was getting control over the budget, and ensuring that assets did not walk as had happened in many other ex-bantustans. At the end of this period a new management team was appointed, with the withdrawal of KPMG. The new mandate of the organisation was entrepreneurship, with the focus on "beyond subsistence", with the DAEA focusing more on subsistence farmers.

#### Commission on restructuring

During this phase the MEC decided to appoint a Commission to look at restructuring, primarily composed of external stakeholders, but with some input from DAEA staff and the RSU. This Commission deliberated over a period of over a year, but in a parallel process, and its findings were never really incorporated into the mainstream process happening to the organisation, but it did provide an opportunity for outside stakeholders. The Commission finally reported in early 1996.

## 2.5 *Creating the building blocks November 95-December 96*

### Restructuring of the budget by a Planning and Budget Task Team (PBTT)

In October 1995 the MEC felt that implementation was still going far too slowly, and the problems in implementing the lead programmes illustrated that to really implement change, the budget had to be restructured and redirected. A decision was taken to bring in an external consultant from KPMG to look at the budgeting process. It was then decided that he should work with a departmental task team, which was created and given the mandate of undertaking a full expenditure review and coming up with a new 1996/7 budget which must include R20 million for projects. This required cuts elsewhere to release this money, and this in itself would force strategic choices to be made.

A team of five people were brought together to work with the consultant. This team included Jeanne du Rand (previously M&E Programme Manager), Theo Potgieter from Economics, Peter Van Heerden from extension, and Ian Goldman from the RSU. The team were given 6 weeks to complete the new budget, with a mandate from the MEC to look at the need for each section, whether the section's role could be done by the private sector, to check value for money and to release the R20 million for projects. The team worked full-time at this, visiting all sections of the Department, analysing each section's budget.

The team came up with a series of proposed changes of which the major ones were:

- restructuring the form of the budget so that it made sense in terms of divisions/business units – with new programmes for the regions (operational units), head office (including transfers to the RSU), and specialised support services (including lead programmes and transfers to Agri-Eco)
- creating a new Projects Fund at main programme level
- creating a Restructuring Programme, where all the sections which were to be phased out or rethought were located. This meant that the rest of the budget could immediately take a logical structure for the future

Twenty sections were earmarked for restructuring, including a QwaQwa Engineering Unit - scheduled for closure; the Agricultural College - to be rethought and linked to other tertiary institutions; Research – separate commodity sections to be broken down and recast as Farming Systems Research- Extension, with several research stations closed; the Glen Farm - to be rethought in combination with College and Research. Working capital was reduced and personnel expenditure reduced as a proportion of the total budget (see table 4.6.1).

The final proposal was on the table in December 1995 and accepted by the MEC. The budget was finalised over the period to March 1996, and this set the form of the budget for subsequent years.

The Planning and Budget Task Team operated very effectively, and on completion of this task it was proposed to formalise it on the structure as a Planning and Budget Unit, responsible for developing the annual budget, carrying forward the restructuring, and developing a projects fund.

Putting sections into the Restructuring Budget caused a lot of angst amongst staff affected. It proved very difficult to actually deal with the restructuring, as no dedicated team worked with individual sections to resolve their future, and some managers found it difficult to take their sections forward. This meant that some sections languished with an unclear future for some

time, and staff became demoralised. In the event the capacity to visualise change was greater than the capacity to facilitate it.

#### A management crisis

During 1995 there was something of a management crisis with a strong MEC, strong RSU and a Chief Director (CD) that found it difficult to take the lead, an untried management team, and no management team meetings. The Chief Director was liked but not seen as a strong leader, the E Region Director seen as young and new, S Region did not have a substantive appointment, and the N Region Director unknown from QwaQwa. So the new management consisted of people not yet convinced of the new approach on the one hand and on the other not yet accepted by the DAEA as authoritative leaders. This meant that the MEC had to drive the DAEA and a very significant management input in fact came from an external organisation, the RSU, which also promoted resistance from within the DAEA. Many staff felt they were passengers in a vehicle going in a direction they did not understand, which also led to passive resistance. They yearned for the past where the director was a real director and they had limited political accountability (being part of a national department), rather than being implementors of a transformation process designed by the MEC (and a government that they did not vote for) with the assistance of the RSU.

During December 1995 the CD had a very serious illness, and in fact never returned to work. This crisis provided an opportunity to bring in a more team management system, and the Executive Policy Committee proposal was resuscitated. Rather than appoint an acting Chief Director the EPC was established and given overall power to make decisions in the Department, and chairmanship was rotated amongst the Directors, as was location of meetings. To serve the EPC a Secretariat was created, and a senior member of staff appointed as head of secretariat with support from the RSU Management Advisor. The EPC operated and continued operating until 1998. The EPC finally provided a way that the DAEA could actually make decisions, and provided a formal channel whereby the RSU and Agri-Eco could link with DAEA management. RSU could then provide much of its input in getting policies or proposals to the EPC, and then helping with subsequent implementation. This reduced to some extent the feeling of the DAEA that the RSU was making decisions for the DAEA (or acting for the MEC in making decisions). Subsequently when the lack of a Chief Director had continued for six months or so, it was decided to appoint an acting person while the recruitment process started. The person selected was Jeanne du Rand, who had emerged from head of engineering, M&E Programme Manager, chairing the PBTT, had demonstrated his enthusiasm for participatory approaches and his commitment to the transformation of the department. Jeanne was to act for 15 months through two rounds of recruitment.

#### Revising the structure

In tandem with the work on finalising the budget a new shape for the organisation began to emerge. This was based on increasing power to the operational arms, but also increasing the capacity of the strategic apex to develop strategy, coordinate and control the decentralised organisation. The regions already existed, but work now developed in several ways:

- looking at how the financial systems could be decentralised, streamlined and made more effective. A consultancy was funded to look at the financial systems and made some practical proposals as to how these could be taken forward. Unfortunately the proposed Deputy Director Financial Management was not appointed for two years, and so there was no capacity to take forward the recommendations.
- regional services were expanded, ie the sharp end, with the addition of RAOs; more extension staff; rural development staff to deal with land reform; the creation of

- flexible Development Expert posts, giving flexibility in how staff could be allocated<sup>20</sup>, and providing decentralised regional administrative staff<sup>21</sup>
- a concept for an Office of the Chief Director (OCD) was agreed, where “head office” would consist of the Chief Director himself, Planning and Budget Unit, Secretariat, strategic Financial Manager, strategic Human Resource Manager, and Communications
  - the OCD was formally separated from the rest of technical support services at Glen, which were brought together into Specialised Support Services section, based at Glen.
  - some specialised services, notably FSRE, was decentralised to three regions with a coordination unit at Glen
  - a new Non-formal Training Unit was created, to take forward some of the short course training, notably participatory, project management etc, and to experiment with different ways that training could be delivered.
  - certain elements were removed from the structure, eg QwaQwa Engineering

In September this work on the structure was linked to the need to produce a Rightsizing Management Plan, where the numbers of staff to be downsized, areas to be upsized, and were quantified and voluntary severance requests decided on. A small team chaired by the RSU rapidly drew this up, and this again highlighted an emerging lesson, the importance of using special purpose task teams, concentrating on specific projects and achieving quickly.

All these changes were then “frozen” with the approval of a new structure in October 1996. At this point the new posts could be advertised, and some 500 staff became “additional to the establishment”.

#### Developing a project approach

One of the change methodologies adopted by the MEC was to use a project management approach. The reason for this was for staff to focus on specific, measurable and concrete activities and outcomes, with specific clients in a specific place and time. In this way it was hoped to make sure there was an impact, and that staff would be accountable for their work.

In January 1996 an additional member joined the Planning and Budget Task Team (Dr Oene Los) specifically to manage the new R20 million projects fund, which was called the Community Projects Fund (see box 2.5.1). The funds became available in the new financial year from April 1996. However, the methodologies still had to be developed for using these funds and the Management Advisor worked with Dr Los to get the fund operational.

Meanwhile the Goree Institute<sup>22</sup> were advising the MEC on change, including the use of soft systems approaches including project management. The MEC decided to contract them to train the Department and in May 1996 they ran a two week training course in project management. However, in a separate process CPF systems were being developed and also in May 1996 a workshop was held which developed the main mechanisms for the CPF, followed by training of the department in using these mechanisms. There were differences in the two approaches which led to some confusion and the two approaches did not become reconciled

<sup>20</sup> One of the problems that was experienced was the very restrictive nature of the PAS system allocating staff gradings and qualifications. The Development Expert was a very flexible post, ranging up to Assistant Director level, which could be filled by people from a variety of disciplines

<sup>21</sup> Note there was strong resistance to this from central administration at Glen

<sup>22</sup> Which included the brother of the MEC, Piet Human, a very experienced consultant in organisational change and long-term ANC member

until late 1996, when elements of the two approaches were integrated in a common training manual.

### **Box 2.5.1     *The Community Projects Fund (CPF)***

*The Department set up this Fund to support economically viable projects, focusing on groups of more than five people, covering agriculture or rural entrepreneurship. Groups have to submit a business plan showing the project is viable, and an Implementation Plan detailing the bills of quantities for elements for which they were requiring DAEA support (the Project Implementation Plan or PIP)<sup>23</sup>. Originally projects less than R10 000 could be approved within regions, those larger requiring approval at Glen. This was later raised to R50 000. It was originally set up with community groups having their own bank accounts, or run through government systems, although later only the latter could be used (discussed later). The first project was funded in July 1996.*

In August 1996, the RSU/PBTT made contact with the European Union, to see whether there would be interest in support from the EU to supplement DAEA funds. Some two years later this was finally to emerge as the CPF Support Programme (CPFSP).

#### Developing the strategy into a business plan

During this year a series of activities culminated in the Department's Business Plan 1996-99 'From Entitlement to Self-Reliance'. The lead programmes struggled to develop, some managing better than others, but all struggling against suspicion from the regions, and very limited resources. The RAO lead programme was one of the most successful, as there was a group of people putting in considerable efforts, supported by resources from the RSU. In retrospect a whole team should have been assembled for each lead programme. Despite their difficulties, they did raise the awareness of these new project areas.

Meanwhile the MEC had decided that he would like consultants to draw up a development strategy, and Peet du Toit of the RSU negotiated with the World Bank, who were making their first steps into South Africa. He negotiated a major World Bank supported mission of around 10 consultants, who worked with about 20 Free Staters, from the DAEA, DLA and the private sector, for 3 weeks in April/May 1996. This produced a report entitled the Free State Mission on Rural Investment, which was an investment strategy for agriculture and rural entrepreneurship in the Free State. This major report emerged some six months later in final form, and had detailed programmes for all the lead programmes plus some additional areas. This therefore provided the detail for the strategy, along with economic analysis of these options. They also provide possible targets for a three year programme that would address 80 000 households.

In June a workshop was held at Sandveld, where the regions, management, specialised services, RSU and Agri-Eco came together to look at the project management approach, and to plan the targets and approaches the department would adopt. The project management methodologies were workshopped, targets developed from the Free State Mission were discussed, and the regions broke them down to draw up regional targets. There was one other key product from the workshop – a set of important themes which were later known as the CREDO, which set the approach to development for the DAEA (see box 2.2).

<sup>23</sup> This drew on the experience of successful funds in Zimbabwe and Zambia

After Sandveld the RSU worked with the Planning and Budget Unit to set about turning all these ingredients into a business plan. This attempted to put these together into an integrated whole, including a logframe with indicators. This business plan was finally printed in November 1996, and became the key defining document of the Department. However despite its ingredients coming from the work of many people, it was seen as produced by the PBTT and the RSU, management did not workshop it widely with staff until some six months later at the Philip Sanders workshop, and so it was not immediately really owned widely by the DAEA.

***Box 2.5.2 Summary of CREDO of the DAEA (see Business Plan)***

*The CREDO of the DAEA set forth 8 guiding principles for management:*

- *the use of a quantitative statement of objectives (80 000 households over three years)*
- *a focus on delivery*
- *implementation is an open-ended learning process*
- *DoA responds to the needs of its clients and is demand-driven*
- *Decentralisation to be as responsive as possible*
- *The use of the project management approach*
- *Use of a team approach to delivery*
- *The role of the department is to create an enabling environment as well as implement*

The situation in November 1996

So November was a significant point – the business plan was produced with clear targets, ways of operating, programmes. The new structure was in place and the recruitment process started. An Office of the Chief Director (OCD) was operating, with its Planning and Budget Unit (albeit in acting positions). The EPC was operating with an acting Chief Director. A Projects Fund was in place and operating. Many of the ingredients seemed to be in place for take-off. Already in the June, an independent team evaluating the RSU found that the progress which had been achieved was remarkable and a very inspiring example of transformation in the public sector.<sup>24</sup>

***2.6 Implementation through political challenge - December 1996 onwards***

Following up the business plan

The first things needed to be done from December 1996 were to carry through the agreements reached at the end of 1996. These included:

- Filling the posts on the new structure
- Getting regional administration effective and so speeding up implementation
- Solving some administrative stumbling blocks
- Dealing with restructuring
- Filling the chief director's post, so that a manager would be in post

Efforts were made from December to March 1997 to fill posts, and many posts in the regions were filled, but the Chief Director post was not filled and was readvertised. However, there proved to be a major problem in some of the senior posts in the OCD. It proved very difficult

<sup>24</sup> RSU Mid-Term Review, Robson and Martin (1996)

to get the quality of staff needed at the salaries and positions on offer, with the levels of position available to the Department. For example, the Deputy Director Financial Management post was in the end advertised 3 times before being filled. This meant that critical posts in taking forward transformation were not filled, leaving a very thin line at the top of the DoA driving transformation, and very dependent on the RSU still for energy, ideas and support. This is still largely the case, and the closure of the RSU in March 1998 for political reasons (see below) has left a capacity problem at the centre.

Progress was made on strengthening regional administration, and there is a much improved personnel, provisioning and finance capacity in the regions. However there are still administrative stumbling blocks which delay implementation. Some of these are show in Box 2.3. Other problems include the need for planned on the job-training; easier merit systems; theft problems in QwaQwa; lack of electricity at some offices.

<p><b>Box 2.3</b>      <i>Administrative stumbling blocks (in priority order, from Director, E region)</i></p> <ol style="list-style-type: none"> <li>1 <i>Tender procedures too long</i></li> <li>2 <i>Payment of accounts takes too long (and sometimes results in suppliers refusing to accept government orders)</i></li> <li>3 <i>Uncoordinated actions requested from OCD</i></li> <li>4 <i>Need to reduce further procedures and time to fill posts</i></li> <li>5 <i>Completing the restructuring process</i></li> </ol>
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Dealing with restructuring proved to be beyond the capacity of the Planning and Budget Unit, who were increasingly involved in mainstream running of the CPF, the budget and M&E. The sections due for restructuring continued to be a nuisance to management, notably in Eastern Region, where the whole group of 500 staff were idle. A full-time team was needed to do this, but was not assembled, unlike for Agri-Eco where the mobilising of such a team meant that restructuring was carried out much faster. In addition the National Framework Agreement meant that no public servants could be forcibly retrenched, and increasingly it has seemed that this will continue until after the 1999 elections. This means there is in fact no mechanism for retrenchment other than voluntary severance.

At the same time negotiations with the EU had progressed and in February an appraisal was undertaken of a support project for the CPF and two independent consultants worked with three Departmental and RSU staff over three weeks. This recommended a project be taken forward.

In February 1997 the MEC decided there should be a significant evaluation of the field services of the Department. A team of Departmental and University staff was assembled headed by an independent consultant with some methodological input from the RSU<sup>25</sup>. The CPFSP appraisal document and the evaluation report were then used as inputs at a major strategic workshop at Philip Sanders resort in April 1997<sup>26</sup>. This was a major workshop which came up with some important task areas to be taken forward: defining clients; strengthening project management; improving sustainability of projects; strengthening CPF; communications; sorting out recruitment of new field staff; M&E; getting a multidisciplinary task team going to address extension issues. This was the first major DoA event for a year, and brought a major focus on operationalising the business plan. In the event only some of the above steps were implemented:

<sup>25</sup> A Review of the Field Services of the Department of Agriculture, DoA, 1997

<sup>26</sup> See Report from the Philip Sanders Planning and Evaluation Workshop, 15-17 April 1997

- CPF – a task team was set up chaired by the Fund Manager, which did lead in improving systems and preparing for the new EU project, the CPF Support Programme (CPFSP)
- M&E – two M&E staff were appointed and a consultancy funded by the RSU to do an analysis of user requirements for an M&E system and outline design
- filling field posts – agreement was reached on how this would be done and regions were able to proceed with recruitment
- Multidisciplinary Team Task Team – this only really got going in September 1997, and then managed to come up with a programme for restructuring the regions to support field teams. James Carnegie from the RSU supported this group, but with the closing of the RSU a lot of momentum was lost

The other tasks were forgotten due to the diversion of management time as from the beginning of 1997, attention became diverted by the Auditor-General, and by political infighting in the ANC which affected the MEC and the RSU. This meant that the follow-up process by the DoA got lost.

#### The auditor-general

In their management letters of January 1997. The Auditor-General raised many queries about the Departments accounts. These focused on the following areas:

- Payments to Agri-Eco, eg for Pilot Land Reform, that different Treasury instructions were not being followed nor certifications of work undertaken provided
- Problems with a drought relief scheme and a labour scheme for farmworkers

There was at that time no senior financial person in the Department. This was very worrying for staff in the Department, especially the acting Chief Director, who while acting was bearing a very heavy load, and then having to deal with this as well. The RSU contracted a former Chief Director in Finance, Piet de Beer, to assist the Department to deal with this. The management letters arrived in January 1997 and were only finally resolved in 1998 and this resulted in a major diversion of management time and energy. The problem was not corruption but short cuts which had been taken to get things to happen, such as appointing Pilot Land Reform staff to Agri-Eco. However this also illustrated how government systems are not geared up for development activities, and the challenge in trying to get the government machinery responsive.

In another financial challenge, Treasury indicated that the system that was being used for the CPF of each community project having a bank account could not be accepted (despite people from Finance being present when the system was designed). This meant that project bank accounts had to be closed down, causing big problems with beneficiaries and in future all projects had to be handled with orders through the Departmental finance system. Treasury wanted to approve each individual project, and the Tender Board to approve communities as “agents” of government. This caused a major hiatus in the CPF, with a dramatic slowdown, and a crisis of confidence amongst staff and clients. Finally in mid 1998 these issues have finally been resolved, but at a major cost in terms of project implementation.

The impacts of these on the DoA were that:

- Everyone in the DoA became cautious and didn't want to use their discretion and so administration of Dept became bogged down. This is still going on, with people waiting for approval for approval from others
- Because of this conservatism, it meant that to get a different view accepted required having to fight for a different interpretation of the rules
- Other departments began to mistrust the DoA – eg Department of Finance questioning the funding of Agri-Eco and RSU but not a similar company which was the responsibility of Economic Affairs, Free State Development Corporation (FDC)
- Diversion of management time, with the Acting Chief Director spending perhaps half his time on these issues, leaving little time to follow up other issues.

There was a major loss in that these problems emerged very shortly after the business plan was produced, and meant that there was not mental space in management to take forward issues and to look at operationalising the business plan.

### The political challenge

Free State politics has been bedevilled by a major split in the ANC, between groups having their power base in the North and South Free State, and originating in competition for the post of Premier in 1994. The Northern Free State group was led by Ace Magashule, later MEC for Transport, and the Southern Free State by Terror Lekota, who was selected as Premier. The fight between these factions continued throughout the life of the new Parliament. Initially the Southern group was in the ascendancy, with Lekota as Premier. A major split occurred when Lekota accused Magashule of corruption, in his post as MEC for Economic Affairs and Tourism, associated with the establishment of a Section 21 company without authorisation. MEC Human was a very close associate of Lekota, and so closely identified with the Southern Free State camp.

Meanwhile MEC Human was under sustained attack from nature conservation who felt that the interests of nature conservation had been lost in the integrated and decentralised department. This was notably true of staff at the centre rather than those in the regions, and nature conservation (NC) staff lobbied through the opposition in Parliament, notably the Freedom Front. Agri-Eco was also undertaking ecotourism activities, and NC staff were particularly virulent against Agri-Eco, who they saw as taking part of the nature conservation budget. They were also virulent against the RSU, who they saw as agents of their integration, and also responsible for the failed attempt to develop an environmental policy. This was perhaps the beginning of the big stirrings against Agri-Eco and the RSU, and part of the white antagonism towards the MEC. Eventually this meant that in a Cabinet reshuffle in mid 1996, it was decided to move Economic Affairs to Finance, and link Environmental Affairs and Tourism, moving nature conservation out of the DAEA. The DAEA became the Department of Agriculture (DoA).

The fight between Magashule and Lekota became very severe in 1996, and national acted to defuse the situation by removing the key actors from the Province. Two key Magashule supporters were sent to national Parliament, two national MPs were brought to the Free State, Magashule was removed from the Free State Parliament, and Lekota was moved to the National Council of Provinces. Finally around January 1997 a new Premier was brought in from outside the Free State, Ivy Matsepe-Casaburri, with no local powerbase, and so not identified with either group.

As retaliation for their perceived loss, the Northern Free State group turned their guns on the Southern Free State MEC who was perhaps most vulnerable, Cas Human. Cas was making

waves in his work, and inevitably making some enemies. He was also white and hence vulnerable, and the right wing Free State press was extremely hostile to him as a perceived traitor. There was a sustained attack on the MEC from the local press from the second half of 1996 onwards. The DoA also had two companies, one of which was a section 21 company (the RSU) and so with Magashule having been challenged over his companies the attack moved to Human, focusing in particular on the two companies and their legitimacy. The MEC moved to try and defuse the questions and clear the air by having a Commission appointed. This was agreed by the Legislature in December 1996 and finally the new Premier agreed to have a Commission of Enquiry appointed in June 1997. Its mandate was to look at the affairs of the three companies of the DoA, including Agri-Eco, the RSU and the Rural Foundation<sup>27</sup>.

The Commission started its hearings in July 1997 and reported to EXCO in November 1997. There are major questions about how the Commission was appointed and carried out its work which has been contested by the MEC. Their report recognised some management problems in Agri-Eco, but was not able to identify corruption, and did not identify any problems with RSU or Rural Foundation. The recommendations were accepted by EXCO, despite apparent flaws<sup>28</sup>. It is not the business of this report to contest the accuracy of the report and subsequent Committee, but rather the impact these had on the Department and the sector. Following the report of the Commission, the Portfolio Committee on Safety and Security and Agriculture of the Legislature decided to continue the inquest, implying that the Commission had not gone far enough, and to hold its own hearings into the matter. The Committee started its work in January 1998 and hearings continued until April. The evidence presented in the final report of 7 May was weak, but the recommendations very strong, saying that the agreements between the DoA, RSU and Rural Foundation be terminated with immediate effect, Agri-Eco be wound up within 60 days, and “the conditions within the DoA cannot be allowed to prevail. The Legislature and the Cabinet will be failing in their constitutional duties to safeguard the public interest and money” Very strong words!

On the basis of this attack the MEC resigned in June 1998. In the event he was persuaded not to resign by the ANC Provincial Executive<sup>29</sup> but with a lack of clarity over whether the report of the Committee would therefore not be accepted.

So what was the impact of this:

- A new Chief Director was appointed in October 1997, arriving in the midst of the political fight. He was very sensitive to what was happening and wary of being caught in a fight not of his making, and avoided dealing with controversial issues eg the RSU, which he inherited and which now had political connotations. This meant that some decisions were not attended to.

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<sup>27</sup> The Rural Foundation was an NGO with a politically compromised history, but who had developed an expertise in working with farmworkers and commercial farmers, developing creches, schools, health posts, literacy programmes etc. Their political difficulties led to a refusal of the new government to support them and the company closed. In the Free State the remnants were the only people with expertise in working with farmworkers, and were contracted by the DoA to work on farm productivity. This was very successful, but political difficulties finally killed it.

<sup>28</sup> In submissions against the report counsel acting for RSU and Agri-Eco found many substantial flaws in the evidence and handling of that evidence.

<sup>29</sup> In the latest twist to the saga, in August 1998 Northern Free State ANC candidates won four of the five office bearers on the ANC's Provincial Executive Committee and so are now in an extremely strong position politically.

- Attitudes of the DoA towards Agri-Eco got more negative, so that for example there was not a very positive response by the DoA to Agri-Eco's new business plan 1998-2001
- A feeling in the DoA that the RSU would be closed down, and its power would go and this would remove the RSU as an alternative power base This reduced the impact of the RSU from October 1997, when for example they were no longer invited to attend EPC meetings, immediately reducing their impact on the DoA.

#### Land reform changes thrust

During this period land reform was changing direction. In 1996 the Pilot had quickly run up a lot of clients, but had great difficulty in completing these as viable projects with clients on the land. In addition the so-called Pilot, in fact had great difficulties in piloting different approaches, and just became an implementation vehicle in part of the Province<sup>30</sup>, which was not directly managed by DLA. In parallel DLA began operating in other parts of the province.

Relations with the DAEA were not good at HQ levels. DLA had a problem in that although the DAEA was supposedly the agent for the Pilot, in fact it was subcontracted to the RSU and the DAEA had little capacity to understand or manage what was happening. DLA then began to forge links with the regions, who were actively involved in promoting land reform projects, and at that level relations improved greatly.

In 1997 DLA put considerable efforts into planning for the Medium term Expenditure Framework (MTEF). Deconcentration of Land Affairs to provincial offices was clearly critical as there were considerable delays in Pretoria. This seemed possible at this time but did not happen. In doing this MTEF planning the DLA realised they were only going to reach 5-10% of their target population. With the support of an external consultant they revised their priorities to shift their focus more to tenure reform than redistribution and commonage<sup>31</sup>. They also moved more into action mode, took a much tougher line with Pretoria and decided to reduce their overheads in reporting, visitors, planning etc. By 1998, the focus was much clearer, with a target for tenure reform of 40-50 000 households. The changes in implementation are shown in table 3.4.1 in section 3, demonstrating that impact increased greatly in 1997.

Many of the schemes were problematic in that groups were being artificially formed to access funding<sup>32</sup>, and allow them to purchase a farm. This was recognised by both DLA and DoA (and RSU), and during 1997 they began to experiment on schemes based on individuals rather than the large groups of the initial programme. There are two initial pilots, the Diyatalawa Apple Project focusing on small scale commercial apple growing<sup>33</sup>, and an extensive livestock model at Weltevrede, both in QwaQwa. In both cases the land used is state land. The RSU project managed both of these, with Rick Dillon moving office to QwaQwa, and he established a small team to drive these projects.

<sup>30</sup> The Pilot was limited to part of the southern Free State, running from Bloemfontein to Brandfort to the North, and Westminster to the East, encompassing Botshabelo

<sup>31</sup> Increasing the land owned by municipalities who could then rent this out to community groups, in this way getting round the need for complex group formation processes before land was transferred.

<sup>32</sup> Some famous examples being Kutlwanong Farmers Trust, with over 200 members, where DoA, RSU and DLA invested considerable efforts to help this group succeed. They did manage to grow 800 hectares of good maize, but only with project management by SenWes Cooperative. The sustainability of this is very debateable, eg see forthcoming paper from IIED Gatekeeper Series, Carnegie et al (1998), 'The Rocky Road towards Sustainable Livelihoods: land reform in Free State, South Africa'

<sup>33</sup> The Free State Mission identified the possibility of 8 000 jobs being created from an export apple industry in the Eastern Free State

This change in RSU role to project management represented a change in approach of the MEC, who was now looking more for good “doers” than strategic thinkers or change facilitators. He saw a gap in the market for project management, and saw RSU as potentially having a role, with its flexible systems and “can-do” approach. These projects advanced rapidly, despite the funding package not being complete.

#### Agri-Eco – rethinking through adversity

The first restructuring of Agri-Eco had been associated with rationalisation, bringing together the different parastatals of the former bantustans, and creating one focused organisation. A series of problems with senior management appointments led to successive crises. Finally in May 1997 a new Chief Executive was appointed, Chris Mepha, who brought some stability to the organisation. In August the Board decided that it was important to clarify the approach and working of the organisation, and to develop a new business plan. Ian Goldman of the RSU was asked to facilitate this plan and worked with a team elected by staff of Agri-Eco. This team worked until November, meeting clients, meeting other service providers, undertaking market research, finally producing a business plan with some important differences from the previous orientation:

- shifting of the focus from helping new businesses to start to helping existing businesses to grow
- decentralising staff so that staff are working in 26 rural towns
- differentiating from the DoA and Free State Development Corporation (FDC)<sup>34</sup> by focusing on basic business advice to micro and small businesses in the whole of the rural Free State, excluding the large five towns. The reality is that DoA is focusing more on start-ups and groups, and the proposal was that FDC concentrate on all SMMEs in the large five towns and only medium and large enterprises in the rural areas
- retraining all staff, with those failing taking redundancy<sup>35</sup>
- developing some core value added services, such as Marketing, Access to Finance, farm industrialisation
- a change from a regional structure to a district structure based on 8 districts and smaller teams closer to the bottom
- the potential of creating 25 000 jobs over five years if the plan was fully implemented, a very significant impact in the Free State, for a total government investment of some R60 million

Implementation of this plan started immediately, with all staff retrained by May 1998. However there are some questions as to how far the new plan is being implemented apart from the decentralisation and retraining. The staff are very enthusiastic about the change, and the process contrasts somewhat with that undertaken by the (much larger) department. However Agri-Eco is still under fire, with the Portfolio Committee calling for Agri-Eco to be wound up.

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<sup>34</sup> A parastatal of the Department of Finance and Economic Affairs also focusing on business development, but less involved in direct business advice

<sup>35</sup> In fact all staff were given two chances to do the two week course, and there was considerable improvement by those who redid the course

### RSU looks to widen its clients in and beyond the Free State

In May 1997, senior DFID staff visited the Free State, and the MEC requested that support for the RSU be extended, as three years was clearly going to be insufficient for transformation. At this stage he was looking to a long term future for the RSU. DFID asked RSU to produce a business plan to support the application and the RSU started work on this in May 1997, completing in July. At this time too, other departments started contacting the RSU for assistance, notably Northern Cape and Lesotho. The RSU saw this as an opportunity to build a diversified client base which could lead to a more sustainable future, and with the permission of the MEC, started some limited assignments beyond the DoA or outside the Free State, but in all cases linked to Free State work, or of interest in applying Free State lessons. In addition a large part of the Management Advisor's time started going in to the new Agri-Eco business plan This led to a diminution of the intensive input the RSU had applied to the Free State DoA, at the same time as DoA management was being diverted by the requirements of the Auditor-General, and the MEC was under political attack.

The cumulative effect of these three was that pressure to carry on with transformation slackened, and 'the pot went off the boil'. An annual review of the RSU was conducted in November 1998<sup>36</sup>, which concluded that the promise which had been shown in the previous review had not been carried forward effectively, and that much of the momentum generated in 1996 had not been exploited effectively in 1997. Immediately prior to this review, in response to the political pressures the MEC decided to "sacrifice" the RSU and Rural Foundation, and to close both down. He was also unsure as to whether the support most needed in the future was for a reform-facilitation type of unit, or a project management unit, of which the RSU had both elements at that stage. So there was a situation of a loss of momentum, and a political decision to close one of the institutions that had proved critical in helping transformation to happen. The air whistled out of the balloon very quickly at that point, the influence of the RSU disappeared, and transformation slowed.

### New start with a new Chief Director

After a failed initial round of recruitment in early 1997, a new (black) Chief Director finally joined the Department in October 1997. Dr Mohlahlane was the first substantive person in post since December 1995, and the first black HoD, and came with a long background of work in Land Grant systems in the US. However he arrived in the midst of the political storm whose impacts have already been mentioned.

The CD inherited a department with strong plans, a dynamic but weakened MEC, and at that stage an RSU under political question but still operating. His challenge was to establish his control over a situation created by others, with other poles of power around him, and getting used to the South African situation once again. He moved the RSU out of the EPC, the policy-making organ of the Department. The EPC itself he questioned as a talking shop, and meetings have now stopped with instead a regular round of meetings in each region.

The new CD focused on developing accountability from the staff, by trying to get all staff and sections to produce an operational plan (or functional plan). This was supposed to force staff to meet their clients to identify needs, and then set up some targets based on these. His initial timetable was not met, but eventually these plans were produced and this is a good basis for sectional plans and accountability as part of a performance management system.

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<sup>36</sup> Rural Strategy Unit, Free State Province: Annual output to purpose review, December 1997

During this period the CPFSP finally became operational. There was pressure on the DoA to meet the conditionalities in the project. A coherent manual for the CPF was finally produced in November 1997, along with some technical packages for the different projects. The CPFSP was launched in Koffiefontein in November 1997, once the EU Commissioner had signed. It was to take a further 4 months to go through the approval process in Pretoria. The EU technical assistant finally arrived in June 1998, but the initial workplan has still not cleared EU bureaucracy nor funds received, some two years after initial negotiations started, and one year after the project was approved in Brussels. Meanwhile the DoA has advanced with resolving some of the problems blocking projects, and has obtained general Treasury approval for programmes to avoid approvals on individual projects, as well as advancing with the M&E component of the project.

This period saw a gradual haemorrhaging of staff from the department, notably from Glen, and a continued loss of confidence at Specialist Services, who had not had a head since being created in November 1996. The regional directors have remained strong, and have gradually built up an improved implementation record, but the weakness remains at the centre, with a major exodus in August 1998 in the Planning and Budget Unit, perhaps one of the units which has been the focus of most effort.

#### The current situation – August 1998

So the picture that emerges is of a major shift in focus of this public sector organisation to address primarily the needs of poverty for its new clients, with a very good direction set with its business plan, but the follow up has not been adequate. Major gains have been made, and the department has moved much farther forward than many other provincial departments of agriculture (or other sectoral departments) in fundamentally changing its operations to address the needs of new clients. However, the lack of a substantive Chief Director, diversion of management attention, and weakening caused by the political challenge have combined to result in a significant loss of momentum in 1997 and early 1998. The challenge for the future is how this momentum can be restored.

This section has shown how this complex change process developed. The next section summarises the current situation in the sector, while section four looks more closely at the achievements in the DoA.

### 3 CHANGES IN THE RURAL SECTOR

#### 3.1 *A MEC for Rural Economic Development - Addressing a broader role in supporting rural people*

The MEC has promoted a wider approach to rural development, looking at the enabling environment that would be required for people to be self-reliant and take forward their own opportunities. This is reflected in the inclusion since 1994 of a wide variety of stakeholders, the involvement in land reform and is reflected in the DoA's business plan, which includes Access to Finance, Access to Markets, rural entrepreneurship etc. The MEC also saw the necessity to give a provincial view in lobbying for national legislation to support this enabling role, and the RSU made inputs on the Marketing Act, for the Strauss Commission on Rural Finance, on land policy etc.

The MEC always foresaw the need for a responsive approach to rural people which would address their needs to create a better life, notably through improved livelihoods, which might include livelihood ventures outside agriculture. This was an enlightened view of proactively responding to rural needs, but encountered resistance from the DoA where most, but not all, saw their role as purely agricultural, and reactive, waiting for people with an agricultural interest to come forward.

An extension of the MEC's approach can be seen in 1997, when Executive Council (EXCO), equivalent to a provincial cabinet, decided that there was a need for more cross-sectoral integration, and a series of clusters were established. One of these was on rural development, and MEC Human was given the lead role. The MEC saw this as an opportunity to take forward ideas such as outsourcing services or the use of local government as a coordinating agency for rural development. The RSU was asked to organise a visit to Zimbabwe to look at work on developing the capacity of rural district councils, and then to facilitate a rural development summit, bringing together the cluster departments, with guest speakers from national level and from Zimbabwe. The group which helped to get this going then carried on to develop a rural development strategy for the province, which is underway at present.

One of the sources of difficulties between the MEC and his Department has been that the MEC had a wider vision while the department, particularly initially, tended only to see their narrow implementation, rather than enabling, role:

- as agriculturalists rather than rural developers
- as implementors rather than enablers

#### 3.2 *Changed role of DoA*

Previously the agriculture departments in the Province served 15 000 clients, which included white large commercial farmers and black smaller commercial farmers in Qwaqwa and Thaba Nchu. The Department now has some 300 000 client households, including historically disadvantaged and marginalised individuals, groups and communities. The strategy has been to re-orient services and resources towards these clients, providing access to land, capital, know-how and markets so that they can work the land, whether for subsistence or cash.

The strategy has been put into operation with firstly the restructuring of the budget to provide for community projects and secondly the regionalisation/decentralisation of services. A community projects fund was established, which is being expanded with about R100 million by the European Union. The role of the DoA has changed dramatically over this period. but

overall from a technology-led department, focusing on commercial farmers to a more people- and business-focused approach, working with black clients, mostly in townships. Another change has been for the Department to become more a project promoter, rather than the old formulation of "rendering extension", and more focused on outcomes. Section 4 talks about this in more detail.

### 3.3 Access to appropriate technology

Technology includes knowledge and understanding as well as the physical equipment. Helping clients to access technology and make choices which can improve their livelihoods, ie empowerment, is actually the core process of the DoA – whether through providing advice, facilitation or training. The DoA is not the only organisation providing this support and others include:

- Input suppliers, fertiliser companies, pesticide suppliers, coops
- NGOs such as Sedimosang, FSRUC, Rural Foundation
- DLA inasmuch as they help to develop a business plan
- Consultants
- Farmer to farmer support, where people learn from each other
- Commodity companies, such as Clark Cotton, who provide a package of support
- Training organisations, such as Boskop, the University, technical colleges or agricultural schools
- Other Departments including Social Welfare (poverty projects), Labour (training), Finance and Economic Affairs (support for businesses)
- Entrepreneurship development organisations such as FDC

It is important that this whole realm of support for rural people is strengthened, and the DoA and DLA should take responsibility the providing the funding for this support where the commercial benefits are not yet sure enough to attract commercial operators. This is where the DoA and DLA's enabling role is so important.

Table 3.3.1 shows the field staff available in the DoA which currently totals 207. This is a significant number of staff employed directly on client support, particularly if they all do that. Some disciplines, notably industrial technicians and vets are resistant to taking on an extension role in view of various acts which specify certain roles. What is clear is that need way outstrips supply, and so for example in the PLA at Parys it was clear that the industrial technicians were taking on an extension role, but vets/AHTs only to a limited extent.

**Table 3.3.1 Field staff of the Department of Agriculture as at August 1998<sup>37</sup>**

Category	Numbers of posts	Nos filled
Agricultural scientist	28	20
Agricultural technician	32	32
Rural Animation Officer	141	61
Veterinarian	12	6
Animal health technician	93	58
Industrial technician	44	30
<b>Total</b>	<b>350</b>	<b>207</b>

The DoA target of reaching 80 000 beneficiaries in 3 years works out at 26 666 per year. Based on 207 staff, this would require all members of staff to each establish 128 households

<sup>37</sup> Figures from 'CPFSP: status regarding posts for field staff', a report from the DoA dated 18 August 1998

per year in a viable project. This is probably unrealistic although definitely possible if all 350 posts were filled (76 per year), bearing in mind that the DoA works with groups of people. In developing the Agri-Eco business plan it was assumed that in working with individuals the staff may reach 50 per year. Agri-Eco has an additional 28 business advisors working with individual entrepreneurs. Social Welfare has 109 Community Development staff working on projects, who have 139 projects established so far<sup>38</sup>.

However the target becomes even more achievable if the DoA leverages its money, but maximises the use of external organisations to support projects. At the moment national departments have taken outsourcing very seriously, but the provinces are very wary of using external organisations, including the DoA. In contrast the (national) DLA is using outsourcing extensively, with a Facilitation Fund for project promoters, and the outsourcing of much other spending (provincial DLA only has around 30 staff). In order to have a major impact it is important that all these promoters are mobilised, and that there is more experimentation and monitoring of outsourcing.

The PLA undertaken for this research showed, however, that local offices are looking to mobilise a wide range of actors to support development. Table 3.3.2 overpage shows the list of services used internally and from external stakeholders in Parys/Tumahole. It is extremely positive that this is happening at this level, and use of external stakeholders should be explicitly encouraged, not only for free support as at present, but through outsourcing. An extension pilot that will take place will test out some ideas on outsourcing.

Another aspect is reflecting on the **methodologies** for extension, to be most effective and efficient. There has been very little work on this, apart from around the concept of RAOs and project management. More work is needed on this to be clear what methodologies to use for which types of clients, and for what type of project. Clearly what you need to do for an export apple project for 100 clients is different from showing 50 000 individual households how to grow spinach.

### **3.4 A new role in supporting rural entrepreneurship – Agri-Eco**

The constituent parastatals that made up Agri-Eco undertook a wide variety of activities:

- providing agricultural extension
- running businesses such as farms, museums and hotels
- providing credit
- doing marketing for people
- running wildlife parks

In the rationalisation the functions have been gradually whittled away. Ecotourism is being handed over to DEAT, and when this is done Agri-Eco will have one function, creating jobs/entrepreneurs through business advice and project development. As mentioned in section two, in the latest business plan this role has become more focused and staff are being decentralised throughout the province. It has been estimated that this could create 25 000 jobs over five years if fully funded. There are question-marks over Agri-Eco's future as the Legislature has approved the Portfolio Committee's report recommending the winding up of Agri-Eco.

<sup>38</sup> Director of Social Welfare, personal communication

**Table 3.3.2 Support services received/needed by the MDT in Parys/Tumahole**

<b>Actual help received in 1998</b>	<b>Help needed</b>
<b>From region</b>	
Help with computers – on-going Annual budgeting Help from Communications Officer in establishing a Community Support Group Administrators doing admin training	Specialist advice as from Glen but regionally
<b>From Specialised Support Services</b>	
Rural Foundation – Jan/Feb management training for poultry group Glen engineering – planning and designs of projects, once a week, on-going Economics – training in project financial management/book-keeping	Training in projects  Funds for projects  Specialist advice in (in order of priority) Engineering; economics; Vegetable production; Piggeries; Poultry; Cattle farming; Dairying
<b>From the wider sector</b>	
Agri-Eco – help in doing business plans Land bank – loans ARC – provision of new/alternative structures for poultry/aquaculture CSIR – as above for food processing and aquaculture Commercial banks Chartered accountants – eg Sibongile Attorneys – on trust deeds etc Bank managers as individuals Private farmers – assistance to groups Private vets Senwes (former coop) for tractors Private business Boskop - training Land Affairs – assistance	Rural Foundation – training Agri-Eco – settlement of new farmers Boskop and others for training  Commercial banks – loans/training Land bank – financing

It should also be pointed out that DoA's extension is increasingly also moving towards business support rather than technical – helping groups to identify possible agricultural (and other) business opportunities, developing a business and project idea, seeing how that can be funded, and then providing aftercare.

### **3.5 Access to land**

Access to land has been seen as critical for political reasons due to the dispossession of blacks since the Land Act of 1913, which eventually resulted in 87% of agricultural land being in the hands of whites and the 13% of land for blacks mostly in the Bantustans. For rural people labour is often available, and by provision of land and capital, people should be able to work and create sustainable livelihoods.

Land reform has not been the responsibility of the DoA but of the provincial office of the Department of Land Affairs (DLA). However land falls under the MEC's portfolio. The DoA has been heavily involved in land reform, through the agency agreement with the DLA for the Pilot and most projects under the land reform programme in the Free State have been supported by the DoA eg: Kutlwanong Farmers Trust in Odendaalsrus; Oppermansgronde; Diyatalawa Apple project; Lefika Dairy project; Qwaqwa 114 farmers; Botshabelo 21 farms etc.

The approach in the province has focused on:

- originally redistribution to groups
- commonage
- tenure reform
- farm equity (where farmworkers get equity in a farm, often with the farmers having a stake)
- redistribution to individuals

Table 3.5.1 shows the record in land reform to date which show a speeding up of implementation, as DLA acquired more staff, and focused more on implementation. The Free State is one of the provinces with most success in land reform.

**Table 3.5.1 Progress with land reform in the Free State** (statistics from DLA)

Factor	1996	1997	1998	Total to date
Nos of projects in progress	17	22	71	110
Nos of projects with land transferred	7	14	47	68
Nos of households benefitting from transfers	378	964	1379	2721
Nos of people benefitting (households x 4.5)	1701	4338	6205	12244
Nos of commonages completed		1	3	4
Total ha transferred	2340	11316	45967	59623

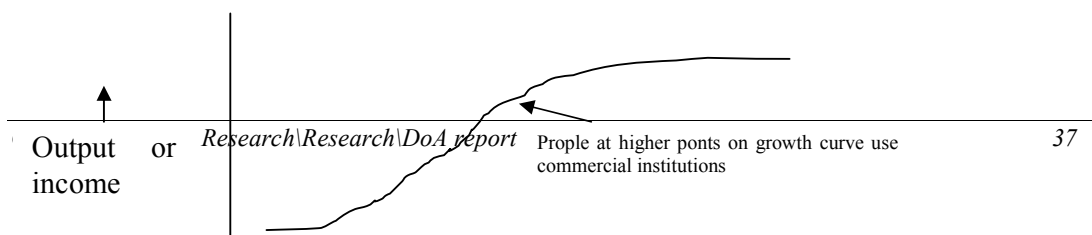
### 3.6 Access to finance

Access to capital is a key constraint for rural people in being able to increase their wellbeing. 75% of the rural population lives in poverty, and capital is required to help them to economic takeoff. However the Free State realises that this must not take away economic self-reliance, but must be capital that supports those willing to take the initiative for improved livelihoods. Figure 3.1 conceptualises the approach taken in the Free State, which shows the need for grants to bring people at the bottom from livelihood stagnation onto a growth curve. The Community Projects Fund was developed in order to address this need.

The Free State was part of the national debate on rural finance and made submissions to the Strauss Commission on Rural Finance, the Minister, and has had discussions with the Land Bank, World Bank and others on appropriate financing mechanisms.

In addition to the capital needs for infrastructure, people require access to production finance. Conventional commercial financiers are unwilling to address this risk, looking for levels of security which emerging farmers are not available to provide, as they often do not own land.

**Figure 3.1 Development pathway**





Therefore considerable efforts have been made by the DoA supported by the RSU on trying to develop mechanisms for microfinance. Initial efforts around the Free State Mission focused on trying to get the commercial banks and commercial farming coops to address this market. Savings from Agri-Eco restructuring were used to provide security for lending by these institutions, with deposit ranging from 50-100%. Later attention focused on non-traditional financing institutions such as Kings Finance, and then Get Ahead Foundation. The DoA were instrumental in getting Get Ahead to establish offices in the Free State. Table 3.6.1 summarises the efforts under the guarantee scheme to date.

**Table 3.6.1 Loans provided under the deposit scheme by different financing institutions as at 30 September 1998 (Agri-Eco)**

<b>Financier</b>	<b>No of beneficiaries</b>	<b>Total amounts loaned</b>	<b>Repayment rates</b>
Oos Vrystaat Koop	37	R260 154	46%
Senwes	14	R1 000 000	100% (one project)
Sentraal Oos Koop	87	R2 838 800	45%
Future Bank	5	R450 253	0%
FNB	20	R262 604	50%
Kings Finance	80	R87 501	19%
<b>Total</b>	<b>243</b>		

The uncertainty over the future of Agri-Eco means that institutions are now reluctant to continue, and so most of these are on hold for the moment. Despite these efforts, it has proved difficult to develop a mechanism that can have significant effects, and in a consultancy exercise in 1997 looking at how to deal with working capital, it was decided that the CPF could provide up to 20% of total costs for one off working capital contributions. If this were not done there was a risk of infrastructure sitting idle for no working capital. However the understanding was that groups would have to have an established savings scheme, and that once a microlender came on the scene, this would stop.

Potentially this is where the Land Bank may be able to play a major role, in its revised role serving the new farming sector and they are currently advertising a 15% mortgage scheme for loans under R250 000, about 10% below market rate. This may solve the problem.

### **3.7 Access to markets**

The DoA has as one of its programmes, Access to Markets. The Economic Section has pursued a programme on this topic and has conducted research into formal and informal markets. Marketing is obviously a critical issue for business plans, and efforts have been made to train groups in market research. Agri-Eco has created a special marketing service as part of its new business plan, and has worked to help create markets for bakeries, tuck shops etc.

The main market for small farmers is either informal markets, eg for milk, or formal markets such as coops for crop production. The informal market for milk is around R1.5/litre which is almost double the going price by the dairy companies, and sour milk is preferred. However, there are official restrictions on the sale of unpasteurised milk which deter this sale from being legalised and therefore limit the expansion potential. Similarly there are local markets for chickens and vegetables, two of the preferred ventures, but as soon as production becomes more than for the local market, competition with large producers causes problems.

There is a need to help create markets for small scale producers, and there have been a variety of responses:

- working with commodity organisations such as cotton in Southern Region, or dairies. that guarantee sales, as well as providing extension and credit
- encouraging production of crops such as paprika and garlic, where there are known external markets (Southern Region)
- developing an industry, where the market has a sure outlet, such as with apple production in the Eastern Free State to the packing factory owned by Sentraal Oos Cooperative
- helping to develop markets, eg negotiating with supermarkets to take outputs of poultry farms, as in N Region

There is an increased awareness amongst DoA staff of the need to look at the marketing aspect as a critical element of any business plan and all of the strategies above (and others) will need to be encouraged and promoted. Another important aspect is adding value to agricultural products, and once again Agri-Eco is responding to this by creating a specific Farm Industrialisation service to provide advice on this score. This must be an important aspect for the future.

### **3.8 Access to infrastructure**

One of the major deficiencies for the new clients of the Department if they are to develop enterprises is finance for production infrastructure. In general bulk infrastructure is good in the Free State, although not locally within townships, where it has been poor. This includes roads, electricity, health posts, water and sanitation, telecommunications, post offices, educational infrastructure, and these deficiencies are only now being rectified by the new government.

If productive enterprises are to be developed there is a financing problem which is discussed above. Many productive enterprises need buildings or equipment, such as chicken houses, dairies, irrigation infrastructure etc. This infrastructure may be individual or group, but if fully costed at commercial interest rates would be prohibitive for these small businesses. The CPF is therefore specifically meant to provide the funding for productive infrastructure, so that entrepreneurs can rather use their money for production capital, and for the 20% community contribution required by the fund.

The Fund has had many problems, mainly due to inappropriate government systems at Treasury and Tender Board, but is making a significant contribution to productive infrastructure. The CPFSP means that an additional R90 million will be provided from the EU towards infrastructure, which should make a major difference to the lives of many households in the Free State.

### **3.9 Building social capital - involving civil society**

Many of the new clients are part of groups such as youth groups, womens groups, burial societies, church groups etc. In a PLA exercise done in Ladybrand some 45 groups were identified that were involved in projects of one sort or another. However there have only been three NGOs operating in rural development in the Province, namely Sedimosang, Rural Foundation (now closed) and Free State Rural Committee<sup>39</sup> (plus of course the RSU itself). One of the challenges for the DoA, DLA, Social Welfare and other organisations dealing with rural poverty has been that they have had to help establish groups to start projects, putting a tremendous strain on the departments' capacities in group development. In many cases this reflects the sectoral focus, and organisations do not necessarily know the range of groups operating in the community and how they can be strengthened, but often seek to get projects for their sectoral interest, which then needs a special purpose group.

In either case, helping groups of people people to take control of their lives is an important element of the work of these support agencies. For this reason the DoA created a new category of staff, Rural Animation Officers (RAOs), who were to be posted into all communities to help them organise themselves, identify needs and develop projects. A total of 61 are currently in post.

Many other groups have become involved in income generation activities to further other aims. For example the Kopanang Consortium, a consortium of over 200 early childhood development CBOs/NGOs in the Free State, has had extensive training to develop business plans for the CPF, to generate income to pay playgroup leaders and move away from dependence on donor funding. Training and support in producing business plans was provided by Mathilda Roos of the RSU<sup>40</sup> and some 32 plans have been produced so far.

In order to maximise development impact it is vital that a wider range of promoters are encouraged. This is part of the wider enabling role envisaged by the MEC for the DoA, although it has not really manifested to date. However one of the main outputs for the new EU-supported CPFSP is the development of partnerships, and so there will be more emphasis on this in the future than in the past.

## **4 RESULTS OF TRANSFORMATION IN THE DEPARTMENT OF AGRICULTURE**

Section 2 has given a historical overview of the changes in the sector, including the DoA. Section 3 summarised the situation for the sector. This section looks specifically at the DoA, and draws directly on the research work undertaken to look at impacts.

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<sup>39</sup> Affiliated to the National Land Committee

<sup>40</sup> Now continuing in her work with Green Zebra Development Initiatives

#### 4.1 *Situation and needs of the DoA's clients*

The Department has not undertaken any sophisticated situational analysis of its clients. The original lead programmes were based on experience and contact with the clients (essentially pre-election) and workshops with stakeholders in 1994. In 1995 PRAs were conducted in about 14 towns, partly as a culture change exercise, and this provided local staff with some knowledge of the area. However these were not systematically written up and analysed. This work did provide a basic set of client categories which were developed in the Business Plan.

It is interesting that the Free State identified different clients to other provinces. Thus in Kwazulu/Natal farmworkers and peri-urban people are not considered clients of the Department but only people currently farming. This indicates that the Free State has taken a more proactive poverty and development orientation, and less of a sectoral and technological approach.

Recently for the functional plan of the department some needs analysis has been done<sup>41</sup>, and the PLA conducted in Tumahole for this exercise provides a model of how these could be conducted and written up and some methodology for this should be developed. Note the PLA did a livelihoods analysis which included looking at clients' strengths and resources, ie it was not just a shopping list of needs. The PLA focused on one major client category, peri-urban, and disaggregated this. This disaggregation revealed major differences within this category, with livestock owners and the employed much wealthier than the unemployed, youth, or unmarried women with children. The aged and employed were groups that were not surveyed in the limited time available.

The evaluation of field services surveyed some 119 existing clients of the DoA, who identified a wide variety of need for support from the Department, including financial assistance (15%), training of farm workers (10%), technical advice (5%), marketing advice (5%) with other (58%).

Clearly it is important that a more sophisticated understanding is obtained of the different clients, perhaps using wider PLAs to obtain rapid information, supplemented with a longer term process developing a baseline, perhaps in conjunction with Central Statistical Service.

#### 4.2 *Impact on DoA's clients*

There is no systematic data such as a baseline either across the province or on individual projects to assess impacts. Therefore impact on clients can be deduced from the following:

- X reports on numbers of projects and beneficiaries (which assumes they are having an impact)
- X PLA
- X The evaluation of field services

The Department's Business Plan indicates a target of 80 000 households involved in food production by April 1999. To date some        households have been supported by the Department, representing    % of the target for April 1999. A total of    projects have been supported to date, listed in Table 4.1 by type.

<sup>41</sup> Note in E Region in particular, some very detailed information has been collected. It would be worth looking at how this could be analysed and written up, eg by the University.

**Table 4.2 Nos of projects supported by the DoA by project type as at September 1998**

Project type	Target no of households in Business Plan 96-99	Number of beneficiaries 96-Sept 98	Degree of achievement over 2 ½ years
Home gardens	50 000	27 460	55%
Market gardens	2 700	7 598	281%
Livestock	12 000	9 671	81%
Commonage development plan	6 080	2 149	35%
Entrepreneurship development	5 000	2 898	58%
New small farmers	2 660	3 547	99%
Farm workers equity	2 850	17	
Productivity of farm workers through education	18699	13 699	73%
Horticulture export	150	92	61%
Total	100139	67 131	67%

Additional impacts listed by the regions<sup>42</sup> are:

- DoA has responded to clients' need for land, access to finance and provision of technical guidance. Clients are now more technically aware eg livestock farming is value based and they are more aware about how to improve their livestock.
- clients and stakeholders are more aware of the DoA, it is seen as more available/accessible and in many areas DoA is the only department communities are aware of
- emergent commercial and peri-urban farmers are now serviced by sections such as veterinary, that previously only serviced large scale farmers and there is continued prevention of communicable diseases on large commercial farms, and at borders
- through farm equity schemes the DoA is now working with commercial farmers and farmworkers
- some wealth has been created
- clients have been made aware of the opportunities in agriculture for food and business
- there is an improved self-image of women farmers who the DoA did not serve previously, and over 50% of clients are women
- a number of people have been trained in financial management, procurement and record keeping
- there are new skills in clients who can now run projects, have now an improved ability to manage their own affairs and this has helped with their self-esteem, eg at Oppermans Gronde
- clients are now organised into interest groups and product owners (e.g. cattle owners plus forums of livestock owners established in N Region), with support structures for development such as community support groups, and project implementation committees,
- clients have a real sense of ownership of the development process

Despite the frustrations that field staff and clients experience, there is a feeling that there have been significant impacts, and this has been supported by people outside the department, where

<sup>42</sup> From miniworkshops

for example in organising tours for EXCO, the Department's projects are the most visible. The PLA in Tumahole also confirmed a picture of the DoA as being active and involved with its new clients. The evaluation of field services conducted in 1997 indicated that 80% of clients surveyed felt that the projects were successful and 98% felt the DoA support had been valuable.

However in the PLA in Tumahole it was found that the DoA was focusing more on wealth creation rather than reducing poverty, and perhaps working with the better off poor, rather than the poorest. The PLA exposed the problem for the unemployed (see box 4.2). In the light of this extreme poverty, a major effort must also be focused on increasing food intake, and the balance between poverty alleviation and wealth creation discussed at policy level. The projects that were in progress seemed likely to have an impact on people's livelihoods, with some, such as the land reform project of Sibongile Trust, already doing so in terms of wages which were double those of farmworkers.

**Box 4.2 Major problems of inadequate food intake for the unemployed in Tumahole**

*In the PLA the team had a discussion with six unemployed people. Of the six, two had had no food the day before; two had had bread once; and two had had pap once, in one case alone, in the other with fat. Some people are going for three days without eating. It was reported that children often had no food before school, and went to beg in Parys to get some food after school. It should be a major priority to ensure that food intake increases, and this should be a priority for a poverty alleviation strategy. This points to the importance of backyard gardens and fowls to supplement food intake at the most basic level.*

The PLA also exposed the problem that the potential demand is many times current capacity to supply, and creative thinking has to come up with ways of delivering more impact for the same amount of money, involving outsourcing, different extension methodologies etc.

### 4.3 Impact on DoA culture

Organisational culture is a product of a variety of influences, traditions within the organisation and wider society. Relevant dimensions include the scope for individual versus collective action, attitudes towards authority, age, risk, and the nature of obligations to the institution and the individual.

At rationalisation the DoA (then DAEA) was brought together from a variety of organisations with very different cultures. Some of these were:

- regions of national department – Afrikaner, conservative, male, technocratic, bureaucratic, many stayed many years in one post, risk aversion. Many whites experience of blacks was in the army or as servants.
- bantustan administrations – predominantly black though white at high levels, very bureaucratic, risk aversion, low work ethic
- bantustan Development Corporations - many black technical staff though white at high levels, high salaries, more “can-do”, not accountable
- Nature Conservation – both genders, white senior staff, conservative with strong environmental autocratic streak, paramilitary training for many field staff
- RSU – mixed races and genders, progressive, “can-do”, risk-taking sometimes cavalier

- New black staff entering: older entrants often from quite autocratic traditions, young dynamic and flexible but with little experience

Clearly this mix was likely to cause many difficulties in trying to create a new transformational and performance oriented culture. A major change was required to get staff to work in townships, and the outreach and PRA training has been successful at getting staff into the townships. The regions in their comments on attitudes (see Appendix 2) indicate that they feel that attitudes are now generally positive although to some extent this may be a case of “I am positive so long as you don’t ask me to do something different”.

**Box 4.3**      **PLA training**

*The PLA set out to expose staff to working in a participative way with their new clients, and helping them to become comfortable with operating in a township. An example of the impact of this training is one extension officer, who at the end of the PLA training thanked the facilitator, saying that before the training he was frightened that if he went into the township he would be lynched.*

The key document which sets out what the culture of the DoA aims to be is the CREDO from the business plan. Table 4.3 sets out the achievements against the elements of the CREDO. Overall there has been some significant change in the adoption of these elements, although there is still a lot farther to go, notably in participatory team approaches, and in outsourcing.

#### **4.4**      ***Affirmative action***

One important element of transformation is demographic, overcoming the Apartheid legacy and moving towards a situation where the workforce reflects the demographics of society. There are no figures available for the composition after first rationalisation in February 1995, but there were very few blacks and women in technical positions except in QwaQwa and Thaba Nchu, although there were in administrative positions. The current situation is shown in table 4.4.1 below, where blacks, coloureds and Asians are included as blacks. Table 4.4.2 shows the position for management levels at assistant director and above, where there was only one woman and one black manager in February 1995 and now 19 or 50% of posts filled have black or women managers.

Overall the picture has improved dramatically, but the picture is not even with the Office of the Chief Director, Southern Region and Veterinary significantly lower. At a managerial level, most managers in N Region are black (4 out of 5). In the South and the Vets all managerial posts are filled by white males but there are many vacancies which provides an opportunity to rectify this.

**Table 4.3 CREDO and achievements against these cultural aims**

<b>Element of CREDO</b>	<b>Achievement</b>	<b>Issues to be addressed</b>
The use of a quantitative statement of objectives (80 000 households over three years)	Done – targets in place through regions but not in SSS or OCD	Develop proper plans for SSS and OCD
A focus on delivery	Emphasis on regions has brought on more delivery orientation. Pace could still be faster. Outsourcing as method of delivery being avoided	Continue Ensure that performance appraisal <u>is</u> based on performance, not qualifications or other criteria.
Implementation is an open-ended learning process	Considerable amount of learning by doing occurred, although command and control mentality co-exists	Need to maintain a learning culture with delivery. Too strong target orientation means that risks are not taken, learning situations avoided and are unlikely to lead to empowerment
DoA responds to the needs of its clients and is demand-driven	Projects are meant to be demand-driven and are increasingly that way. However clients are still not well enough understood and programmes not sufficiently tailored. Attitudes of staff have become much more positive towards new clients, but some staff are still negative and influence others <sup>43</sup>	Need to develop much clearer client profile through PLAs in all towns, and baselines  Staff that are still very negative should be encouraged to leave or put in position where they cannot influence others.
Decentralisation, to be as responsive as possible	Decentralised to regions but coordination across regions poor. Ltd decentralisation to MDTs. MDTs operating	Decentralise further functions to regions such as recruitment. Strengthen coordination and cross-departmental task groups. Strengthen feedback (monitoring) mechanisms Decentralise as much as possible to MDTs
The use of the project management approach	Widely used in terms of CPF projects. Not really internalised for other internal DoA activities, although used by RSU	Strengthen ability to use PM approach, and use of short-life project teams etc
Use of a team approach to delivery	Operating at MDT and regional level but not really at OCD/SSS. Wider systems not geared up for teams	Do widespread team-building training linked to development of team objectives and performance management system
Role of DoA to create an enabling environment	Recognised in CPFSP but DoA has been resistant to external organisations, such as Rural Foundation, RSU and Agri-Eco let alone those outside DoA. DoA absorbed Rural Foundation rather than encouraging outsourcing. Evidence that some MDTs using wide network of support agencies (eg see Table 3.2)	Consider outsourcing as a top priority to increase scope for delivery, including use of commercial farmer mentors, local government, NGOs, trainers etc. Set target of outsourcing 10% of work of each section within two years.

<sup>43</sup> This was one of the points made in the regional mini-workshops

**Table 4.4.1 Affirmative action status of DoA technical, administrative and managerial staff**<sup>44</sup>

Section	Nos of staff excluding labourers, cleaners, drivers etc							
	Posts	Vacancies	Black men	Black women	% black	White men	White women	% women
Management	42	10	8	9	53%	5	10	59%
SSS	180	52	35	16	40%	49	28	34%
N Region	86	34	26	5	60%	10	11	31%
E Region	131	53	22	21	55%	17	18	50%
S Region	103	40	11	7	29%	25	20	43%
Vet	240	153	17	4	24%	47	19	26%
Total	782	342	119	62	41%	153	106	38%

There has clearly been great progress in this regard, but it has not been accompanied by a training and development programme to support inexperienced staff. This should be a feature of any HRD system, but especially where capable but inexperienced people are being fast tracked, to ensure they maximise the opportunity.

**Table 4.4.2 Affirmative action status of DoA managerial staff**

Section	Management posts at assistant director or above							
	Posts	Vacancies	Black men	Black women	% black	White men	White women	% women
OCD	14	2	3	2	42%	3	4	50%
SSS	13	3	3	0	30%	6	1	10%
N Region	7	2	3	1	80%	1	0	20%
E Region	7	2	1	0	20%	3	1	20%
S Region	7	4	0	0	0%	3	0	0%
Vet	6	3	0	0	0%	3	0	0%
Total	54	16	10	3	34%	19	6	24%

#### 4.5 Impact on DoA capacities and systems

Table 4.5.1 shows the systems which have emerged through the change process, their performance and impact, plus issues to consider for the future. What this illustrates is that there was a profound change process with ramifications throughout the DoA – truly transformational in the concept of Large Scale Organisational Change. Table 4.5.2 summarises the changes in capacities. In addition the tables in Appendix 2 show the results of the perceptions of staff as to the factors which have helped or hindered impacts on clients. These have been organised by theme, covering communication, human resource management,

<sup>44</sup> Analysed from status report on affirmative action, DoA

attitudes, planning, management, projects etc. This also highlights the differences in perception across the three regions and specialist services.

As can be seen there are still major limitations on capacities in the DoA. One of the reasons for this is that the HoD post is only at Chief Director level. This means that appointments of senior advisors can only be at Assistant or Deputy Director level. There is a major salary jump to Director level, and to recruit senior advisors of the calibre required, these packages are needed.

RSU provided additional capacity, notably in planning, problem-solving, and management support, and these functions have now been lost. Any successor project that might be supported should seek to provide funding so the Department can buy in these skills as and when needed to build capacity in their staff. However in order for further support to be sustainable it is important that senior staff are appointed.

There is somewhat of a crisis at present, with a large number of staff leaving, and whereas in earlier phases these were those unsympathetic to transformation, this is not the case now, and many are some of the best staff of the Department, both black and white. This probably reflects a high level of dissatisfaction with people management in the Department which must be addressed if the DoA is not to lose the impact it has gained. There are pockets where management is stronger, eg in the regions, where this is not so, which is reflected in the responses from the regions in Appendix 2.

Overall the picture would seem to be:

- operational divisions (regions) have increased capacity and autonomy and are making a significant impact, although this needs to be increased markedly
- Specialist Support Services are foundering and desperately need a substantive head, and cooperation from the regions
- There is a need to strengthen the strategic, coordination and control function whose responsibility rests with the OCD, but which must have collective ownership
- there have been a number of systems developed which represent major changes in the organisation. However many of these are still weak, and current staff losses are likely to negate their impact
- there is a leadership problem with the MEC and CD perceived not to be communicating effectively, and a desire for stronger leadership from the CD
- there is a perception of very poor communication and human resource management. If these are not worked on there will not be good performance from staff and the present exodus will continue

**Table 4.5.1 Systems that evolved in the DoA and their impact**

<b>Issue</b>	<b>System that evolved</b>	<b>Performance of system</b>	<b>Impact of system</b>	<b>Issues for future</b>
Decision-making and management	Role of MEC/Chief Director	MEC played strong leadership role in beginning. Later role weakened with political challenge, and later with new Chief Director. Communication perceived to be poor between CD and MEC and CD to be indecisive. Perception of ad-hoc crisis management.	Role of MEC critical for driving transformation. Problem in terms of admin-political link which is weak	Critical that communication between MEC and CD improved and CD takes on stronger leadership role with bureaucracy
	Executive Policy Committee (EPC)	Met regularly until arrival of new CD. Too focused on admin detail and not enough on strategic issues. Widened decision-making beyond few top managers and involved RSU and Agri-Eco. Some decisions not followed up.	Provided focus for decision-making. Meant DoA could operate without acting CD for 8 months. Provided mechanism for linking RSU and Agri-Eco to DoA.	Strengthen management team. Make more strategic
	Office of Chief Director	Provided considerable support to CD despite difficulty in filling posts at required level. Not taken wider view of enabling role of DoA, but narrow implementation role	Strengthened capacity of CD in decentralised system Resistance to enabling role, including funding Rural Foundation, RSU and Agri-Eco	Fill posts. Work on improving strategic role, coordination mechanisms (such as CPF Task Team) and M&E/control OCD to take on wider "Ministry" role, where it's role seen to advance and fund whole sector
	Decentralisation of structures	Greatly improved decision-making capacity within operational regions but led to coordination problems with centre	Significant positive impact on implementation, but varies according to managers capacity	Provide management support to regions (see section 4.7)
	Specialist support services	Lacked head from Feb 95. Component sections not integrated and working on own. Hostility from regions, and lack of vision of support role meant that capacity underutilised	Very little – some support in some places	Appoint head of SSS. Agree process whereby support provided to regions.
	Regional management teams	Met regularly and helped regional management	Helped to integrate different sections in one region	Work on improving effectiveness
	MDTs <sup>45</sup> monthly/weekly meetings <sup>46</sup>	Varies. Where working provides mechanism for communication and sharing of responsibility. Monthly too infrequent and weekly needed	Helped to create local team, and to ensure that all are involved in extension	Work on improving effectiveness. Should be priority in next phase
	Heads of section, Glen	Not known	Providing some coordination for Specialist Services (SSS) in absence of divisional manager. Confuses OCD and SSS as both present	Separate SSS from OCD. Appoint full-time manager of SSS. Work on developing management

<sup>45</sup> Multidisciplinary teams – the local team of field staff<sup>46</sup> Varies between regions and wards

<b>Issue</b>	<b>System that evolved</b>	<b>Performance of system</b>	<b>Impact of system</b>	<b>Issues for future</b>
Planning	Business Plan	Good summary of programme. Perception that targets are unrealistic .	Strong impact in providing a focal point for work of department. Not accepted by some staff and poorly communicated.	Still need to communicate existing plan to field staff. For next plan, planning process to be better thought through
Communication and control	Planning and Budget Task Team, later Unit	Very effective in initial short task as Task Team. Problem when functions divided that lost team approach. Strategic planning function never really operated since first rebudgeting exercise, and remained with RSU	Profound effect, initially in budget, later as providing real planning function in OCD.	Fill posts Develop team approach and strategic function, especially when Deputy Director post filled
	M&E officers	Established but some confusion on role. Consultancy not helpful in clarifying and no Deputy Director to help direct	Major focus in CPFSP	
Implementation	M&E in region (N)	Not known	Little except from an additional high calibre person	
	Communication section in OCD	Understaffed and weak although improved latterly. Communication perceived as very major problem in DoA by all sections.	Demoralisation as staff feel they are unaware of what is happening and subject to whim.	
	CPF	Much slower than hoped, primarily due to limitations of government systems. However does mean capacity to actually assist clients with funds. CPF Task Team meant that there was a group taking forward CPF which was owned across DoA, and not dependent on RSU. This was sustained with exit of RSU.	Some impact. Numbers of projects have been funded and operating, but difficulties of CPF finance mean many projects have been supported from other sources and CPF budget considerably underspent	Major input through CPFSP to simplify procedures and smooth government systems. If this fails consider taking CPF outside government as in N Cape.
	Non-formal training	Short courses run and capacity to develop and commission training established. Participatory elements not really taken on board	People trained	Increase capacity by further developing capacity to outsource and commission training
	Lead programmes	Some performed, but difficulties in liberating budget initially, and hostility of regional directors made very difficult. Eventually closed.	Did advance focus on these programmes but did not develop packages/manuals they were supposed to.	
	Creation of RAO cadre	Have provided additional capacity and improved contact with new clients. However forced use of internal staff meant that best candidates not chosen and calibre not good enough.	Improved contact with new clients and recognition of need for soft skills as well as technical.	Strengthen social skills training, and if possible recruit locally
	Creation of FSRE unit	One set of packages produced	Very little impact on extension	Needs major development for serious inputs to extension on packages
	Use of participatory approaches	PLAs/PRAs carried out and to some extent use of such approaches internalised. However did not become part of major systems, eg planning	Good impact in terms of culture change and developing familiarity with clients.	Exploit in evaluation, planning for functional plans and new business plan.

Issue	System that evolved	Performance of system	Impact of system	Issues for future
HRM	Decentralised admin Improved interview system	Has greatly improved personnel admin at regions. However functions decentralised from province not regionalised Much improved where used and seen by province as example for rest of province. Used to varying degree	Helped operational autonomy of regions More transparent and professional recruitment for some posts	Decentralise functions at Glen further leaving strategic role at Glen Consider whether to apply throughout DoA
	Decentralised personnel cadre to DoA from province	Greatly speeded up recruitment. Main limitation now CD and MEC for signatures	Speeded up recruitment.	Decentralise further
	Use of flexible Dev Expert posts	Meant that managers can have flexibility in appointing people and in qualifications/expertise	Useful flexibility for managers	Consider using for ward staff so can choose from range of disciplines
	Affirmative action	Affirmative action appointments made and half management now black or women, but very variable across DoA. No systematic training and development programme	Considerable change at senior levels but some AA appointees not helped and left to flounder	Establish training and development programme for AA appointments
Finance	Person given responsibility for budget	Worked very well and provided considerable support for HoD. However after initial team approach, became focused on one person, and lost strategic focus to budgeting.	Good control of budget. Initially strong strategic direction but later lost.	
	Estab. of regional finance/stores capacity	Made admin a lot faster but currently the restrictions on working capital has meant battling to get stocks and supplies.	Admin a lot faster	Decentralise further from province
	New budget structure relates to business units	Working well and relates to real business units	Easier to track budget	Consider amalgamating section budgets at MDT level
	Creation of Financial Manager post and Dept Accountant in OCD	Too early to tell, but now departmental accountant working closely to finalise accounts from within DoA rather than at province		

Table 4.5.2 Evolution of critical capacities in DoA

Issue	Capacity December 1994	Capacity July 1998	Issues for future
Decision-making	Decision-making split between range of organisations. Leadership crisis in old Free State Region	Originally decision-making by MEC. EPC improved decision-making capacity and made it a management team issue. Currently decision-making in hands of CD and political crisis reducing effectiveness.	Decentralise decision-making as far as possible so decisions made at lowest possible level – so strengthen MDTs (see 4.7)
Planning	Very limited capacity Planning focused on activities not outcomes and impacts	Improved capacity in Planning and Budget Unit but strategic planning capacity not established. Project planning capacity improved throughout the DoA	Consider appointment of someone in Planning and Budget Unit specifically for strategic planning. D/Director Planning to be appointed and take forward team approach. Planning cycle to be developed incorporating use of participatory techniques for planning. All sections to have functional plans linking to overall business plan.
Communication	Communication effective with press, not internally	Communication improved internally and with clients but still very weak. Staff not confident with DoA business plan.	Communication strategy to be developed. Major resources to be allocated for communication. Email to be provided to all offices as absolute priority
M&E	Limited	Some capacity at centre but still very weak Regions monitoring field staff, eg E region checking minutes of MDT meetings	CPFSP to take forward – need to ensure participatory M&E and M&E culture advocated as per original concept and not just command and control system
Implementation	No capacity to implement for new clients in old regions of national Dept. Some capacity in Agricor/Agriqwa.	Implementing for small scale clients in townships throughout province. Knowledge of technologies for small farmers weak, as are group development and business planning skills. Overall capacity not sufficient for major impact.	Develop partners and mechanisms for outsourcing Staff training in business planning, group development Develop standard schemes for individuals with decision-making at ward level.
HRM	Purely administrative with all powers at province	Personnel functions handled by DoA. No real HRD function operating, and little training of managers in HRM Perceived by staff to be a major problem in the DoA leading to considerable dissatisfaction and people leaving.	Use mentor to develop and support HRD programme for Department. D/Director to be supported on Masters course Team-building training, diversity training to be introduced in all sections and linked to performance management system
Finance	Handled by province	More functions handled at Glen – still major capacity limitations but recent appointments may solve this	Streamline systems referring to KPMG report of May 1996 Decentralise functions to regions where possible Get departmental inspectors operating



#### **4.6 Improved services/performance**

We have so far seen changes in impacts on clients and in organisational culture. The services that the DoA is providing are new and were not provided before 1995. Therefore one cannot compare now and then. Some answers that we have are:

- services are being provided to over 30 000 households who never received such services before
- over 98% of clients surveyed in 1997 indicated that they were satisfied with the services they received, with 80% saying that DoA supported projects were successful
- 60% indicated that the expertise provided by the DoA is available and adequate
- 70% said they had not experienced communication problems with DoA staff

However this survey did not take account of potential clients, who were not contacted. The PLA in Tumahole demonstrated that the need was still way beyond the capacity to supply, and that whole categories of potential clients may be missed. This is something that needs to be addressed if the DoA is to make a major impact.

There is no evidence yet as to the sustainability or otherwise of projects, and no systematic evaluations have been undertaken, except for an evaluation of the community kraals in 1998. There needs to be systematic evaluation of the programmes and constituent projects to find out whether they are delivering the benefits anticipated in the Free State Mission and Business Plan, and whether there are any unanticipated side effects. These should be done as part of the build up to the revision of the Business Plan.

Table 4.6.1 shows the budgets and spending of the department over the last four years. One indicator that was used earlier in this section was the number of projects and numbers of beneficiaries. Table 4.6.1 shows also the spending on projects, which is perhaps the key service the DoA is now providing. Spending on projects has increased from R0.86 million in 1995/6 to R6.6 million last year, although this was much less than what was actually budgeted. This year the budget is actually R26 million (including EU contribution). However this is a difficult indicator by itself, as one large project of R3 million can greatly increase spend. From a qualitative perspective it is obvious that the department is involved in far more projects than previously, and indeed stakeholders interviewed felt that the DoA was involved in more than many other Departments.

#### **4.7 Increased efficiency**

There has not been any systematic look at the efficiency of the DoA's work, except that a cost comparison was made in the evaluation of the Rural Foundation<sup>47</sup>.

There are a few ways this can be looked at:

- is there any evidence of an overall shift of resources in favour of service delivery
- is there evidence of increased output per unit of input

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<sup>47</sup> Report on the Evaluation of the Farm Productivity Programme, DoA , 1997

Table 4.7.1

### Change in resource allocation

Table 4.6.1 shows budgeted and actual spending by the Department over the last four years. It is rather difficult to make year on year comparisons because from 1995/6 to the following year the major restructuring led to some differences in the way funding was allocated. However they have been allocated to more or less match the new programmes from the next year.

In addition the restructuring figures distort the picture, as initially sections such as research and training were included under restructuring, but subsequently these were included back under support services. It is perhaps easiest to make comparisons between 1995/6 and 1997/8, where the percentages exclude restructuring. These figures show that there was a rise from 38% spent on delivery to 57% (64% budgeted), with a big drop in management and a slight drop in support services. In N Cape comparative figures are 50% budgeted for delivery.

Unfortunately at this stage the statistics available from the DoA are very poor, which point to the need for an effective M&E system and it is difficult to do retrospective analysis.

In terms of spending on projects and working capital rather than personnel, the picture is shown in Table 4.7.1 below.

**Table 4.7.1 Breakdown of DoA spending by line item**

Item	Actual percent			Estimated 1998/9 <sup>48</sup>
	1995/6	1996/7	1997/8	
Personnel	45%	62.4	41.2%	48%
Professional services	6%	4.1%	21.3% (CPFSP, CPF, RSU)	21% <sup>49</sup> (CPF, CPFSP inc EU)
Transfers	32%	13% (Agri-Eco)	11.0% (Rural Foundation and Agri-Eco)	7% (incs Agri-Eco and R2m in CPFSP)
Other working capital	17%	20.5%	26.5%	24%

Professional services and transfers give a picture of amounts paid for projects or outsourced work. The figures for 1995/6 are misleading due to the large amount paid in transfers related to rationalisation. Overall there is a declining amount spent on personnel and more on work related activities, although this year a forced cut-back of R6.5 million from the province has cut back discretionary expenditure (working capital) as opposed to non-discretionary (commitments to match EU funding, Agri-Eco and personnel) and the percentage on personnel has risen.

### Productivity

There is no evidence on the productivity element of the equation. However what can be said is that the amount spent on personnel has declined from R77.2 million in 1996/7 to a budgeted R57.1 million for 1998/9, and there are definitely more projects active now than previously.

<sup>48</sup> Total assumed to include R14 million from EU

<sup>49</sup> Assumes total includes R14 million from EU under Professional services

This would imply that productivity has increased. The MEC has pursued this proactively in trying to reduce the cost of the public service.

#### Comparative costs with alternative providers

The only figures available are calculations made for the evaluation of the Farm Productivity programme. This indicated that for one manager and ten field workers working for an NGO, the cost would be R1 420 600, and if this were to be done in the department, the cost would be R1 823 855. This does not take account of any productivity differences, which actually are likely to favour the NGO option, as has been demonstrated since the Rural Foundation were absorbed where the impact seems to have reduced<sup>50</sup>. The implication is that it would be cost effective to outsource some activities.

#### **4.8 Change in power relations and coordination mechanisms**

One of the key elements of the RDP is deepening democracy and overcoming the legacy of the totalitarian nature of the Apartheid state. One element of this is deepening democracy throughout the state, within organisations and in their dealings with citizens. The White Paper “Batho Pele”, on Transforming Public Service Delivery has this as a key theme.

There are several issues that can be considered here:

- has there been a change in the classical bureaucratic pyramid, notably for decision-making?
- so have systems of formal and informal authority changed, with some form of decentralisation, evident?
- how has this related to performance?
- have clients been empowered in the process so they become active partners (citizens), and not just passive receivers (customers)? Has the public service become in some way accountable?

#### Decentralisation

Some theoretical base is included in this section, as one of the problems facing the organisation at present revolves around decentralisation, which is part of the first issue above. The researchers were specifically asked by management to look at the challenges which have arisen from the decentralisation. Power has been deconcentrated to 3 operating divisions which includes the operating core of the organisation (regions). There is then a functional division for technical support (SSS), with coordination carried out by a strategic apex (OCD) which includes planners advising management (analysts in the technostructure).

The first element that needs to be understood is the concept of coordination mechanisms in organisations, which involve communication and control elements and hold the organisation together.

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<sup>50</sup> The Free State Agricultural Union commented in the interview that since the Rural Foundation was absorbed in April 1998 they have seen little impact of the farm productivity programme.

**Box 4.8.1 Mintzberg's model - Coordination in fives**

*Mintzberg suggests that there are five coordinating mechanisms which seem to explain the fundamental ways in which organisations coordinate their work: mutual adjustment, direct supervision, standardisation of work processes, standardisation of work outputs, and standardisation of worker skills. These are the basic elements of structure or the glue which holds organisations together.*

- **mutual adjustment** – coordination by informal communication (as in a small advertising agency, or within team of equals)
- **direct supervision** – one person takes responsibility for the work of others, issuing instructions and monitoring actions (as in a farm or small building contractor)
- **work processes are standardised** when the contents of the work are specified/programmed (as in production line)
- **outputs are standardised** when the results of the work – for example dimensions are specified (as in having output targets)
- **skills (and knowledge) are standardised** when the kind of training required to perform the work is specified (as with doctors or architects)

*These fall into a rough order, and as an organisations work becomes more complicated, the tendency is to move from one to the other, ultimately returning to mutual adjustment for extreme complexity as with high tech industries.*

In the past the DoA provided relatively known technical advice to a relatively homogenous client group (eg what fertiliser should I apply on a large maize farm). They have now moved to a much more complex situation, where the clients have changed and are little known (and the diversity little understood), the technology needed is not known (both in terms of product and in terms of what will be a viable business), and the client situation and political environment is evolving quickly,

There is a tendency for organisations in a stable and simple environment to adopt centralised structures, and conversely in a complex and dynamic environment to adopt decentralised and organic structures. The current situation would therefore favour the latter, but there is a counter tendency, whereby the greater the external control of the organisation, or the pressure for results, the more centralised it tends to become.

The reality of the DoA is a radically changed and complex environment, coupled with considerable pressure from the MEC, and the people, for rapid delivery. What this has led to is a range of overlapping tendencies, leading to much angst amongst staff and management, which this model helps to unravel.

Some examples of these different coordination mechanisms operating in the DoA are:

**Mutual adjustment** Operation within certain teams, eg the Planning and Budget Unit, local MDTs, within RSU teams, where by rubbing shoulders people get to know what is happening, and there is a lot of informal communication

- Direct supervision** Hierarchical supervision of staff, such as Vets of animal health technicians, on farms. The farming background of many DoA staff means that there is a tendency to use this more autocratic approach.
- Standardised work processes** Standardised procedures for finance or recruitment, the classical approach used in bureaucracies and the old SA public administration. The result is not critical, but following the correct process is.
- Standardised outputs** The target approach, each town should have one community kraal, five poultry projects etc, regions have clear targets, and you then provide information on how targets are being achieved.
- Standardised skills and training** The approach advocated to ensure that all staff have been trained in PRA, business planning, group development etc, so they are able to be responsive to clients

It is important to realise that different attitudes to management underly these approaches, and while typically all of these will be present in an organisation, an inappropriate mix or poorly understood mix results in great tensions, as people who want to be dealt with through one of these mechanisms, are in fact coordinated by another. One tension that has become clear in the research is where people want to have discretion in how they operate as professionals (eg standardised skills) but bare in fact managed through targets (standardised outputs) or direct supervision and feel very constrained. This is a major problem at present. The issue is whether people have the right skills at present to be able to be given more discretion? The research suggests they do not yet have sufficient skills, and if this approach were to be adopted, they would need considerable further training. It is perhaps the absence of confidence in these skills or commitment, plus the pressure for increased performance, that has contributed to the MEC opting for standardised outputs (targets) and to try and drive staff (direct supervision). This needs to be properly explored by management with the MEC.

A second theoretical issue is decentralisation, which can mean many things, but represents how power and coordination mechanisms actually operate in the organisation. Mintzberg looks at decentralisation and suggests there are five common types that emerge (see box 4.8.2)

#### **Box 4.8.2 Mintzberg's models of decentralisation**

*There are three uses of the term decentralisation, within organisations:*

- **vertical decentralisation** – where there is dispersal of formal power down the chain of line authority, through delegation
- **horizontal decentralisation** – where decision processes are controlled by non-line managers, not necessarily by ultimate authorisation, which may still rely on line managers, but by influencing decisions on what can be done, what should be done and what is intended to be done. Power can go to **analysts** who develop standardised processes, or to **experts** who do not merely advise but actively participate in making decisions. As expertise becomes increasingly important for decision-making, the distinction between formal authority to choose and expertise becomes increasingly artificial, and they join forces in task forces and standing committees to share power. At the extreme the operating core (field staff) become the experts, which means that power rests at the operating core as professionals.
- **dispersed** – as opposed to concentrated, eg in a satellite library

*Two other important elements are:*

- **selective decentralisation** – where power over different decisions rests in different places within the organisation, eg in different project teams
- **parallel decentralisation** – the dispersal of power for many kinds of decision to the same place (as in divisional forms)

How can we see the reality of what has happened and interpret it in this model? We can see various examples of different forms of decentralisation in the DoA, and different understandings of what is or should be happening have led to considerable tensions between managers, and between managers and the MEC. Table 4.8.1 provides some examples.

**Table 4.8.1 Examples of different forms of decentralisation in the DoA**

<b>Work constellation</b>	<b>Type of decentralisation</b>	<b>Issues arising</b>
Regions	Divisional form – parallel and vertical decentralisation	Decision-making concentrated with middle managers at regional level
Planning and Budget Unit	Selective horizontal decentralisation to analysts	Analysts given power through ability to standardise budgets etc
Lead programmes	Selective horizontal decentralisation to experts	Programme managers as experts supposed to come up with good technical answers, but only given specific power over one area
RSU	Horizontal decentralisation to analysts/experts	Analysts given power by their ability to inform decisions and set up standard systems
CPF Task Team (PPAC)	Selective horizontal decentralisation to experts	Group of experts given delegated power to take decisions
EPC	Horizontal decentralisation	Line managers and analysts/experts look at issues together
MDTs	Potentially vertical and horizontal decentralisation	If field staff treated as experts who are delegated power by virtue of knowledge as well as through vertical chain. Occurring in Parys covered by PLA, partly by default.
MDT Task Team	Selective horizontal decentralisation to experts	Group of experts brought together to look at specific topic area. However degree of authority unclear and so effectiveness of decentralisation.

Some of the problems have occurred because staff do not understand the different forms of decentralisation. There is an assumption that the only form of decentralisation is that which has occurred to the regions (vertical), and then tensions from the regions when there is also decentralisation to other work constellations. One of the regions raised this specifically in that some managers with a lower rank than regional director, are given delegated authority over certain decisions, such as recruitment, or on the CPF. The reality of an organisation undergoing the changes of the DoA is that a variety of types are needed.

Mintzberg summarises five main types of organisation which are shown in table 4.8.2.

The major element of the structure at present is the divisionalised form. In fact the divisionalised form (as in regions) can in fact just have machine bureaucracies at lower levels, with decentralisation only to the regional headquarters, but not below. It can be a very centralised form, with power shifted just one level down. Many of the tensions in the DoA are inherent in the divisional form. Some issues of this form, again drawn from Mintzberg, which should strike some chords with the DoA are:

**Table 4.8.2 Different organisational configurations**

Structural configuration	Situational factors	Prime coord mech	Key part of organisation	Type of decentralisation
Simple structure (as in a farm)	Young, small; unsophist tech system; simple, dynamic env; possible extreme hostility or power needs of top manager; not fashionable	Direct supervision	Strategic apex	Vertical and horizontal centralisation
Machine bureaucracy (eg administrative bureaucracy)	Old; large; regulating non-automated technical system; simple, stable env; external control; not fashionable	Standardisation of work processes	Technostructure	Ltd horizontal decentralisation
Professional bureaucracy (eg doctors, universities)	Complex, stable environment; nonregulating, non-sophist technical system; fashionable	Standardisation of skills	Operating core	Vert/horiz decentralisation
Divisionalised form (as in DoA regions)	Diversified markets, old, large, power needs of middle managers, fashionable.	Standardisation of outputs	Middle managers	Ltd vertical decentralisation
Adhocracy (as in RSU)	Complex, dynamic env; young (esp operating adhocracy); sophisticated and often automated technical system (in the admin adhocracy); fashionable	Mutual adjustment	Support staff	Selective decent.

- communication between HQ and divisions is largely circumscribed and formal. Too much detailed knowledge at HQ can invite meddling in the decisions of the division
- divisionalisation is based on market diversity – based on products or services, clients and areas. If services tend to be identical, (eg standard packages) there is a tendency to centralise a lot of decision-making at HQ
- for top managers the divisional form is the most effective structure to increase the power of his organisation since other units can easily be added (eg Rural Foundation staff)
- it is a strategically responsive form, as divisions can fine tune their bureaucratic machines while the HQ concentrates on strategic issues, but there is a danger that if the managers are run on short-term performance they do not innovate
- one of the fundamental design parameters of the divisionalised form is the use of primarily quantitative targets, driving out goals that cannot be measured such as social goals of which empowerment is one<sup>51</sup>

Therefore this debate on decentralisation comes together in a picture of what sort of organisation the DoA wishes to become. The current focus on the divisional form has enabled regions to be effective but meant that other forms of decentralisation, eg to task teams, or lead programmes, have had to run the gauntlet of opposition from the regions. Lines of authority have been seen to be challenged. Instead of promoting diversity and outsourcing, the regions have desired to grow through acquisition, and become mini-empires, taking on additional functions such as Rural Foundation and being hostile to support roles from SSS.

The current situation should not continue. The DoA has different choices:

<sup>51</sup> Note Mintzberg also argues that the application of private sector models to the public service causes big problems, notably about measurement. Things that are easy to measure tend to be in the private sector, and what one is trying to develop in the public sector is an ethos of service, which does not easily fit with target driven approaches.

- carry on as is with the divisional form, but with many of the antagonisms which are inherent in the system. If this continues, management styles should still be looked at, to ensure that what is emerging will help performance and delivery
- adapt the divisional form, to a professional bureaucracy below the region, with individual staff operating as experts in individual towns, highly trained and operating as town extensionists. They may or may not operate in teams. This would be appropriate with standard packages which staff are trained to deliver, but with some limit to the repertoire.
- adapt the divisional form, with MDTs operating as adhocracies<sup>52</sup>, with staff highly trained, but considerable flexibility in roles, and asked to innovate and be locally responsive. This would be particularly appropriate where staff were asked to focus strongly on empowerment, and projects were not standard but highly customised to clients.
- Consider at the same time other forms of decentralisation, eg outsourcing, use of a variety of constellations such as task teams bringing together experts and managers. This should be considered in all possibilities.

The tensions should now be faced and debated openly. They are being experienced across the organisation, as it attempts to deal with the difficult and complex tasks it has set itself, and is manifesting in a considerable loss of morale outside the empowered divisions. This is resulting in a loss of staff, now including committed staff who should have a bright future in the organisation.

#### Involvement of clients

The second element of democratic administration, is improved accountability. Batho Pele (DPSA, 1997) includes elements on service standards, information, openness and transparency, redress, value for money, and consultation – that citizens should be consulted about the level and quality of services they receive, and where possible, should be given a choice about the services they are offered.

There have been efforts to involve clients. These include:

- Involvement in stakeholder workshops in 1994, and in other workshops held by the DoA (eg Philip Sanders strategic workshop in 1997)
- Involvement in the Board of the RSU, which was comprised of stakeholders
- Involvement in the Commission on Restructuring in 1995/6.
- PRA/PLA work to get staff involved with clients
- Involvement of clients in Task Teams overseeing lead programmes
- Survey of clients as part of the evaluation of field services in 1997
- Consultation with clients in developing the functional plan in 1997/8
- Informing clients about DoA services through newspaper supplements
- Involvement in the Rural Development Summit in 1997
- Initiation of community support groups in N Region, in 1997/8, and agricultural development committee in Petrusberg in S Region
- Involvement of client representatives in the Steering Committee of the CPFSP

<sup>52</sup> Note Professor Piet Human who has had a considerable influence on the Free State transformation process, uses the term revocracies.

So there have been numerous times that clients have been involved, and serious attempts to include them and encourage their contribution. However it has not been systematised as part of a regular process, eg PRAs in all towns, regular satisfaction surveys, or formation of agricultural committees in all towns to direct the work. There are initiatives which look promising eg the community support groups in N Region, which should be followed up. There are also possibilities of having regular client consultation as part of the planning cycle. However for this type of effort to be meaningful, clients need to be empowered to play a full role. The experience with the RSU Board was that it took over a year for clients to really understand and feel able to play their part.

## 5 Conclusions and recommendations

Overall this is a story of considerable transformation in a public sector department, to make it focus on the needs of its new clients, and rural poverty in particular. Section 2 has shown how this evolved over the years, the ambitious nature of the changes, and how things became bogged down when the political leadership and management were distracted, and the change agent (RSU) put less effort into the DoA. There have been significant achievements in the transformation of the institution, and the PLA work undertaken for this study shows how the department is now really addressing these new needs, and operating in a very different way to pre-1995. However for the full potential to be realised, there are a number of issues that need to be addressed.

In this section we aim to bring together some of the recommendations, with a possible process for taking them forward.

The main issues that need to be addressed are:

- R1 Developing a common understanding of the issues and way forward within senior management and the MEC – in particular this needs to focus on the type of organisation and type (s) of decentralisation desired.
- R2 Linked with this is a common understanding of the core process of the organisation - how the field staff should operate – in a target oriented fashion, in a professional or adhocracy type of operation, and what type of extension methodologies
- R3 This needs to be based on a better understanding of the clients, through PLA work and baselines
- R4 The specialised support services are going through unnecessary angst – it is essential that a head is appointed so they can be managed and a positive direction set that is line with the first issue. Then all sections need section plans which accord with the overall business plan and set their direction and performance indicators.
- R5 The confusion about the type of organisation also leads to a confusion in management style, between an autocratic target driven style, and a learning, responsive approach. For sustainability of the changes in the DoA, the style needs to shift to the latter so that staff are brought in and committed to the department. This does not mean that they should not be accountable for performance. Support is needed for human resource development, to bring these approaches together and to bring more team approaches to the organisation.
- R6 Communication inside the organisation and to clients has been extremely poor. This is how the organisation ‘markets’ itself to clients and brings staff along with changes. Some of the problems experienced can be attributed to poor communication and the organisation needs to invest heavily in this area, developing a communication strategy that is owned through the organisation and at least doubling the budget for

- dissemination and consultation. It is essential that by whatever mechanism, even sub-optimal, that email reaches all offices as quickly as possible.
- R7 Problems with project implementation will be addressed through the CPFSP and the DoA is addressing these. A major linked issue is developing partners to use to share the implementation load. Managers need to realise that if they achieve twice as much because work is outsourced that they will get the credit. Performance indicators and rewards should reflect this. It may be necessary to find funds for piloting, eg from DFID.
- R8 In whatever mode the DoA decides to operate (professional/adhocracy etc), there is now a lot of learning about the skills that are needed to be effective in the new situation. It is now time to systematise this training and ensure that all staff get trained in project management, participatory methodologies, business planning, marketing, operating in teams, as well as certain common technical areas such as vegetables and poultry.
- R9 There seems to be evidence that field staff are all taking on an extension role. This needs to be clarified in relation to the roles identified in recommendation 1, and the mode of operation of local MDTs. Training should support this, and as the need for standard PAS descriptions goes, generic extension posts created, eg by using development expert positions that allow for flexibility in technical discipline.
- R10 There is a major gap in the lack of technical packages to support extension. Some basic packages have been produced but far more is likely to be needed if the DoA is to really add value.
- R11 Further administrative functions should be decentralised to regions and below, with MDTs being given as much operational autonomy as possible, and only strategic functions remaining at Glen. Further decentralisation of finance functions from the province should be sought
- R12 The DOA still needs extensive support to carry through the ambitious programme it has set itself. In view of the closure of the RSU, that vehicle is no longer available. However resources should be sought to enable the DoA to contract in the support it requires, including facilitation, advice, planning etc. In addition funds should be provided for piloting (eg of outsourcing) and training, including matching contributions to students for long-term training where this is block release. There is a possibility of funds being available for this and if the DoA does not take advantage of this opportunity it is likely to really struggle to carry off the programme and achieve the potential of its aims.
- R13 In order to decide how to take this forward it is suggested that the DoA has an initial workshop with senior managers to discuss these findings, address some of the first issues about developing a common understanding, and plan a process to address these main issues and the less important ones identified in the text.

**Annex 1 People consulted**

Debbie Newton	Regional Director, Land Affairs
Mojalefa Ralakhetho	Chief Director, Development Planning, Office of the Premier
Theo Potgieter	General Manager, Standard Bank
Sam Chaka	Regional representative, NAFU
Lulu de Jaeger	Free State Agricultural Union
Koos Botha	“
Pieter Moller	“
Frikkie Swanepoel	Agronomist, Senwes, Kroonstad
Ben Brink	Economist, Senwes, Kroonstad
Frans Joubert	Senwes, Parys
Eugene Marais	Town Planner, Parys TLC
Smiley Smith	Bank manager, Volskas, Parys
Vernon Smit	General Manager Services, SOK
Shelby Selepe	CEO, eastern Free State District Council
Johan Neethling	Farmer, member of RSU Board, FSAU Council
Sam Makhashule	Councillor, Parys TLC

**DoA**

Cas Human	MEC for Agriculture
Dr Phil Mohlahlane	Chief Director
Jeanne du Rand	Previous acting Chief Director
Jacques Olivier	Regional Director, Eastern Free State, DoA
Theo Potgieter	Chief Development Expert, Budget, OCD
Lieb Venter	Chief Development Expert, Rural Finance, OCD
Hennie Coetzee	Extension Officer, Parys
Schalk Burger	Senior Industrial technician, Parys
Theuns Botha	Industrial Technician, Parys
Mahadi Radebe	Home Economist, Parys

Management team, Eastern Free State  
 Management team, Southern Free State  
 Management team, Northern Free State

**Client groups met**

Sizabantu Farmers Project	Tumahole
Tshwaranang Farmers Association	Tumahole
Zenzeleni Farmers Association	Tumahole
Sibongile Trust	Koppies
Unmarried women	
Youth	
Community group	Tumahole
Hennie Viljoen	Farmer, Vice-chair of district farmers union

**Annex 2 Results of mini-workshops**

**Finance**

N region		S region		E region		SSS	
+	-	+	-	+	-	+	-
approval of CPF funding for other projects	access to finance - CPF conditions delay in disbursement of CPF	CPF launch	money shortage	More funds for projects	Smaller state expenditure	CPF funds	limited finance budget
	Delay in CPF approval	working capital for officials	lack of funds for project	Funds available	Delay in tender procedures	capacities	procedures/treasury approval complicated
	Time lag + delays between projects identification and first disbursement	provincialization	-lack of funds (working capital) -CPF not yes in 100%?	Adequate budget in most components	Lack of funds for conservation		limited funds
			die tyd wat verloop om fonds te bekom vir projekte veral grond, maak mense negatief en ongelowig		Red tape in the disbursement of CPF		equipping material
			verwag finansieele bystand met alles wat hulle raak		Obtaining eqpt, vehicles, staff takes too long		
			die beperking van 5 mense of meer per projek, maak sommige projekte onekenmies en dus onuitvoerbaar		Budget limitations		
			mechanisms to obtain funding from CPF were non-existent		Slow moving of funds hampers project impl.		
			money shortage help/assistance to the clients		Lack of funds to appoint staff and finalise structures hinders impl.		
			mense het nie finansies om by te dra tot dit wat hulle verlang nie. sommige wil ook nie bydra nie				
			collapse of CPF (1997)				

**Clients**

N region		S region		E Region		SSS	
+	-	+	-	+	-	+	-
training of clients		Agricultural background of new clients	illiteracy of many new clients	Working according to client needs	Larger number of clients	needs analysis through outreach programme	ambitious/intolerant clients
organisation of clients groups		Visibility to the community	dit is nie altyd moontlik om almal te help met wat hulle will doen nie veral op klein plekke vanwee markte om hul projek ekonomies te maak	Clients are very poor and make use of any support	Stop of flow of technology	consultation with clients	lack of client knowledge (farmer)
operational structures among the clients		clients have belief in the Dept	emphasis should be on people development & not establishing projects	Knowledge hunger of clients	Greater expectations from clients		
clients give positive response to services		people realised that they can get help from the DoA	geleenthede op klein plekke is win en daar is baie werklos. dus slegs n paar mense kan gehelp word op a plek	Client-needs driven approach	Lack of resources – land/water		
			beloftes wat aan gemeenskappe gemaak word. (deur bev LUR)	Breaking suspicion of new clients who were opposed to all gov efforts, by attitude change of former white staff	Lack of capacity to address all of the needs of clients		

**Communication**

N Region		S Region		E region		SSS	
+five	-five	+	-	+	-	+	-
clear communication on guidelines	communication from Glen to regions not satisfactory, also from regions to ward levels particularly admin issues		language barrier	Improved communication amongst staff and clients	Communication between CD & MEC not good – mixed messages	Easier access to information systems : email, internet	lack of communication
	lack of communication between regions and province/Glen		lack of communication	Shortened routes of communication from region to clients	Lack of business knowledge amongst staff for projects		
	bad communication		There are still things that are not transparent to me about the DoA				
			vloei ban inligting swak kommunikasie big communication problem with RSU communication between CD & MEC is nonexistent or questionable				

**Human Resource Management**

N Region		S region		E region		SSS	
+	-	+	-	+	-	+	-
continuous training of staff and farmers on organisational and technical matters	lack of understanding of extension by staff	Manpower	Improved staff technical know how	Vacancies not filled	capacities	exploitation of staff	staff not fully resource
	lack of retraining of ext staff (technical & attitude)	Development of staff (appointment)	Training of officers	Shortage of trained staff leading to high workloads	capable staff	“less” important staff are sometimes ignored	personnel not motivated/frustration
	delay by personnel section (Glen) this affect delivery (appointments, entitlements)	Loopbaan onskerheid, beampite	Forced transfers put admin in E Region	Loss of experienced staff	positive people	lack of skilled and capable human resource	some skilled/qualified personnel left DoA
	decentralisation of HR service to Glen processing of activities too slow even after 5 months	Uncertainty within personnel caused by -non permanency in leadership -future in DoA -affirmative action -lack of communication	Opening of 5 new extension offices	Very limited training from Province	human resources skills/capable	structural problems, duplication in regions (functions not clarified)	skilled personnel of dept agric not properly utilised in transformation process/results - sit back of skilled personnel
		Admin (bv kantore botsh)	Appointment of RAOs in towns	Skills lacking for high technology projects		structure insufficient	departments overlap (home garden)
		tekort aan personeel				limited staff	managers acting too long in posts
		administrasie veral vanaf Glen				complicated admin process	dwindling expertise
		admin deadlock				posts abolished	uncertainty from staff
						uncertainty amongst staff	



**Planning**

N region		S Region		E region		SSS	
+	clear plans for the Director of DoA. this impacts positively on all staff and clients	-	slow start of the implementation of M and E system	+	Clear business plan that was written up and communicated	+	drawing up of FSRE strategic plan (showing us the way forward)
	proper planning		no overall planning for the whole of the dept including vets, extension etc.		Setting of simple but clear targets		everything is crisis management and adhoc
	systems approach and linkages				Proper work plan		staff not convinced by Free State Mission/ need for follow up
					RSU – good thinkers, available for planning		extension policy not developed
					RSU led to quicker implementation		lack of operational strategic plan
					RSU wrote up policies well		

**Management**

N Region		S region		E Region		SSS	
+	-	+	-	+	-	+	-
establishment of work teams in every subsector	inadequate management support by the head office of DoA	deliberate contact with new clients	emphasis on support staff for extension	Finalising main programmes of delivery	Union involvement hampers project and man't implementation	RSU helped manage transf. process.	confusion amongst staff RSU/pushing direct instruction
system: MDT's	decisions by Deputy Director and Assistant Directors at Glen are effected (rather than regional staff) eg over appointments	the PRA/RAAKs approach not only the technique but the basic principles	too much pressure for results unrealistic targets	Implementing a decentralised system	Frequent changes in policy/budget	New clients on board. Not successful w/o RSU	use of non-SA consultants
accountability of all staff-reporting (regular)	Regional approval of projects not as much power as PPAC, which is only constituted by assistant director	RSU helped motivate the process	pressure to not accept the fact that development is a slow but sure process	Services nearer to the people	MEC too involved in management which leads to unplanned crisis man't.	Decentralise flat structure	government bureaucracy
clear, qualified targets with time frames		research on people on redundancy for over 2 years some people still on this list	not regarding existing knowledge from old dispensation	Quick and hard forced transformation	Decent' on that is thrown around, eg FSRE, hampers implement'n	Decentralisation	lack of management
Good supervision		lead programmes stopped so +/- 33 projects hanging in the air lost 8 of 11 programme managers	affirmative action	Decentralisation (repeated)	RSU lack of consultation	need for change	could have decentralised lower level staff
		bringing of the old department and dreaming of a new thing from day one	decentralisation just a word no real delegation	Objective management	EPC resolutions not implemented	RSU more innovative	leadership gap/delay CD appointment
		new CD should be given a chance to play a stronger role	losing services & experience through bad/ no management at the process of change	Provincialisation meant closer to people	Red tape	Transformation process	no feed back from management
		top bestuur kan nie besluit neem nei	RSU having hidden agenda	MDT approach	RSU supports top-down approach by MEC		transforming the DoA bottom up e.g CD appointment
		3 streke fundisioneer apart en nie eenvormis nie	lack of definitive policy people in the dark for a long time				Glen have no coherent management for support services
			unworkable structures				limited access to management
							limited input into decision making (RSU)
							current structure and implementation and evaluation

**Projects**

N region	S Region		E Region		SSS	
	+	-	+	-	+	-
successful projects				Format for business plans for land reform not clear	applicable sustainable systems	
procedure management approach+ MDT concept					group development approach	
appointments of RAO's in some areas has improved						
creative solution to problem situation, new challenges, new skills acquired, committed staff						

**Other**

		Politics		Other stakeholders			Other Resources		Policies		
		N Region	E Region	N Region	E Region	N Region	N Region	S Region	S Region		
+	-	Incorporation of homelands Change in policy to new clients	MEC promises to clients that cannot be met (budget/staff shortages)	+	Other stakeholders take part in projects	-	access to land for farming and commonage development and management systems and structures	+	appointment of the c.d. functional plan	-	given dept beliefs
		insufficient political commitment to the ground level programmes is welfare pressure of political goals vs achievable extension goals	Group dynamics in townships – jealousy between groups	+	other stakeholders e.g IDT trust more responsive than DoA	-	TLC's not supportive	+	availability of resources: vehicle	-	Inadequate technical support of regions by support services at HQ
		Clients	lack of coordinated development planning and implementation sectors	+	Working with officials of other departments	-	Too many role players hinders progress, eg DOW, DLA, TLCs, Agri-Eco, esp land reform	+	technical support	-	new policies regarding matters -equal opportunities for all
			no clear linkage between agric-eco and DoA at field level								

**Annex 3 Executive summary of report on PLA in Parys/Tumahole****REPORT ON OPERATIONS OF THE AGRICULTURAL SECTOR IN PARYS/TUMAHOLE****EXECUTIVE SUMMARY****Introduction**

- 1 This report is the result of a five day Participatory Learning for Action (PLA) exercise conducted in Parys, Northern Free State S Africa, in July 1998. The intention was to use a detailed case study to understand the operations of the agricultural sector, in particular the Department of Agriculture (DoA), and how these are addressing the needs of their new clients. The objective was to understand the situation in the area, operation of different stakeholders, and how the DoA=s local team is operating and could be strengthened.
- 2 A participatory approach was used to maximise local learning, and help to ensure that there could be direct action resulting from the learnings. The team used a *sustainable rural livelihoods* framework to look at the full range of people living in the community, their assets, vulnerabilities, outcomes and potential livelihood strategies. The team focused on the former black township of Tumahole, while the DoA=s ward team also has responsibility for the adjacent towns of Vredefort and Koppies and their adjacent rural areas.

**The community of Parys/Tumahole**

- 3 The total population of Parys/Tumahole is 73000, of which 61000 are in Tumahole, 840 in the former coloured township of Schonkenville, and 11000 in the former white town of Parys. Tumahole has a very young population, whereas Parys has a high proportion of retired people. The economy is quite diversified, with agriculture providing 14% of gross geographic product. There are great income disparities between Parys and Tumahole, and the latter has an official unemployment rate of 30%.

**Different client groups in Tumahole**

- 4 At a community meeting in Tumahole, the following different socio-economic groups were identified within the peri-urban clients in Tumahole: unmarried women with children; youth (with a subcategory, scholars without resources); unemployed; livestock owners; aged; employed - they did not wish to break down this category to differentiate, eg owners of businesses from those employed, or those employed by government, with those in factories.

In addition to these categories within Tumahole, the following categories can be identified around the township: farmworkers; land reform clients; commercial farmers; Schonkenville residents, who may have significant differentiation, or may fit into other groups. The clients that the research team worked with are described below.

- 5 *Livestock owners* - this is the main category the department is working with at present through two farmers associations and one land reform group. They are a relatively well-off group, mainly middle-aged, with a high proportion having vehicles, proper houses, of course livestock (around 4-6 cattle on average), and around half employed

- with the remainder mostly pensioners. They have access to commonage land. There are few women in the formal groups of livestock owners. Their main vulnerability is from threats to their cattle from fires, theft and degrading veld. Their priority outcomes were greater education and cattle. The Department is helping them to access additional grazing and infrastructure for livestock, and in the future this use could be intensified.
- 6 *Unemployed* - this is a very large group, comprising somewhere up to half the population<sup>53</sup>. They have very few resources, 90% living in shacks (makhukhus/zozos), with no livestock, no vehicles, but many have skills as ex-farmworkers, or trades, especially older people. **There is a major problem of inadequate food intake, which should be a major priority for the DoA** <sup>54</sup> The Department has one project where they are assisting this group to access land on the commonage. However for widespread impact there needs to be much greater emphasis on backyard and individual gardens, chicken coops, pig sties etc, where many households could be assisted, eg through a provincial scheme.
  - 7 *Unmarried women with children* - these are mostly 18-35 years old, with one to five children, with minimal resources, usually living in shacks with no land around, and no livestock. Their nutritional level is very poor, but being younger have a higher level of schooling. The DoA is not working with them at present, and the Department could assist them with access to external resources, projects on commonage or private land, or small industries.
  - 8 *Youth* - people define youths as those aged 14-34. Most are well schooled with many having matric, but few have had opportunities for further training, apart from at a local agricultural school. HIV is a big problem and many are eating very poorly. They have limited access to resources of land, livestock, equipment, through their parents, with whom they are usually living. Where they have had children out of marriage, they are usually living with their partner and children in shacks. They are keen to be involved in activities for income generation, food and to learn skills, and contacts were established during the PLA with DoA staff and hopefully some projects will result.
  - 9 The team met one group of people involved in land redistribution using private land, one commercial farmer, no farmworkers, and did not meet with a representative group of the aged per se (although many met in other groups were pensioners). **The local multidisciplinary team (MDT) of the DoA should undertake similar PLA work to ascertain the assets, vulnerabilities and priorities of these groups to see how best the DoA could assist them.**

#### Activities of the agricultural sector in the town

- 10 A very wide range of groups is involved in supporting the agricultural projects in the town, partly through the initiative of the local MDT. This is an excellent example of

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<sup>53</sup>The official statistics indicate 30% unemployment but during the research a councillor indicated that the figures were nearer 80%.

<sup>54</sup>A group of 6 were asked what they eaten the previous day. 2 had not eaten at all, 2 had eaten bread once, 2 had had pap alone once.

- local autonomy generating local involvement, and is a major factor in the success of some of the projects (eg Sibongile Trust, a land reform project).
- 11 Some of the projects being supported in the town which were visited by the team include:
- Zenzeleni Farmers Association, livestock owners with cattle kraals on commonage land
  - Tshwaranang Farmers Association, livestock owners who will have access to land and infrastructure on new commonage land being purchased
  - Sizabantu Farming Project, a group of unemployed who will be growing vegetables and crops on an area of the new commonage
  - planning for the purchase of a large extension to the commonage
  - Sibongile Trust (actually in Koppies), an example of a very good land reform project with a dairy farm and broilers
- 12 In addition many individuals are undertaking agricultural activities of their own initiative, and the team visited two vegetable growers, someone with household fowls, and someone with pigs. None had had support from the DoA, and all could be used as demonstration farmers, and could be receiving support, eg with marketing advice, through CPF schemes for individuals etc.

#### **The way the DoA works with clients**

- 13 The research team conducted a workshop with the local MDT, interviewed stakeholders, clients and had one-on-one interviews with DoA staff. There are some very positive findings, plus some areas for learning:
- 14 It is very encouraging to find that members of the MDT are all involved in extension work, regardless of job description (with an exception the limited role played by animal health technicians (AHTs) who seem to be controlled from Kroonstad), and all to a greater or lesser extent, in the township.
- 15 The projects all seem to be appropriate, although there has been some degree of pressure on some groups, notably Sizabantu, to go for a land reform project on the commonage rather than a private farm. On the whole current clients are positive about the support the Department is providing although many potential clients (eg youth, unmarried women) do not know of the DoA.
- 16 There are excellent examples of the intensive support required to make land redistribution projects effective, eg Sibongile Trust, which would seem to be one of the best examples in the Free State, and where the MDT and local stakeholders have taken responsibility to support the group in solving crises, and in on-going weekly support. However to provide this widely would be very intensive and so methods such as mentoring by local established farmers could be looked into, if funds can be made available.
- 17 Staff estimated that they are spending about 40% of their time doing work for the wider DoA rather than local projects, a great loss in local client contact time, and they recognised the need to spend more time networking with stakeholders to build their enabling (rather than implementing) role.

- 18 There are questions as to whether the team would be spread among the towns in the ward to have better local contact, and perhaps for the offices to be located in the township
- 19 Overall there is real progress in attending to a new clientele. However, the team recognise that their knowledge of these clients is very limited, even amongst black staff, and so some decisions have been taken with inadequate knowledge of the client group, eg a focus on wealth creation (working with existing livestock farmers) when the biggest problem is poverty alleviation, for unemployed, unmarried women and youth. It would appear that far more focus needs to put on these groups, and schemes sought to make projects small and rapid so they can have a wide impact.
- 20 The staff identified a need to develop technical skills in book-keeping, financial management, vegetable production, business plan writing for the CPF, and group development.

#### **Internal operation of MDT**

- 21 MDT members, especially new ones, are not very clear on the business plan of the DoA, but are better aware of their own plans, which are displayed on the wall. Further workshopping of the DoA=s objectives is needed, perhaps at regional level.
- 22 Members are clear on the operation of their MDT, with each having specific responsibilities for which they are accountable to the team. In general the team seems to operate well, although there is room to improve communication and trust. At the moment the team meets monthly but weekly meetings have been agreed and should improve communication.
- 23 Most members are happy with their contributions to the team, although the cleaner feels that she is not adequately dealt with, reflecting perhaps status issues. Racial issues were not raised although there is a division of labour on racial lines, with the black home economist leading on work in Tumahole, which should perhaps be resisted. MDTs have not had any team-building training and this would be likely to improve the communication and trust in the group.

#### **Support for the MDT from the DoA and wider sector**

- 24 It is very encouraging to see the widespread involvement of the sector in supporting projects, which the MDT has very actively encouraged, including actors outside the area such as CSIR, ARC.
- 25 There is little support provided by the DoA for them to operate as a team. and the structures and processes of the DoA need to reflect this. They receive little support from Kroonstad, which has few technical specialists, but Specialist Services at Glen have provided support in design and planning of projects (Engineering) and finance training (Economics). They also have a major problem in not receiving funds for projects. More support is desired in engineering, economics, vegetable production, piggeries, poultry, cattle farming and dairying, in that order. One way of reducing this demand is to standardise where possible, eg the individual backyard garden on the Marog Galore model in the S Region.

#### **Themes emerging**

- 26 The overall impression is that the DoA is really addressing the needs of its new clients, and the Parys team is committed to that end. There is evidence of some good projects, but they are mainly addressing a wealthier group, the current livestock farmers, and the MDT staff have a limited understanding of their potential clients. In view of the evidence of the severe food shortage faced by the unemployed amongst others, a priority needs to be given to basic food production, through a simple and effective scheme which can impact widely. **It is suggested that a scheme for individuals is drawn up for vegetable production<sup>55</sup>, poultry, perhaps pigs, which involves small amounts of money (eg R500 per investment) which can be approved by Tender Board as a scheme and applied throughout the province, and administered locally by extension staff.**
- 27 The detailed picture emerging of Tumahole needs completing, notably to get a similar detailed understanding of farmworkers and the elderly, and perhaps other client groups.. **Similar exercises should be done in all Wards** as the basis of the needs analysis for the functional plan, and could well be done in collaboration with other Departments. The approach used here has emphasised sustainable livelihoods and not just agriculture. **A standard methodology and manual should be drawn up** using this approach to make it easy for MDTs to implement PLA in their localities, and reports produced across the province.
- 28 The MDT is operating as a team, but could be strengthened by **team-building training**, which should seek to clarify their way of working, improve trust and communication.
- 29 In order to expand the delivery capacity ways must be sought to reduce the demands which interfere with time spent on local extension. Animal health technicians are not playing a full role in extension, and this also limits capacity . The opening up of the DoA to the use of outside stakeholders should be further developed, and pilots established for **mentoring systems** which can greatly develop the capacity of the staff to enable as well as deliver development. A pilot funding system should be started, eg using donor funds.
- 30 There are major problems in accessing CPF funds throughout the system, which needs to be investigated and responsibility taken by the Department for solving them..
- 31 It would be useful to do a similar study in each of the other regions to compare the approaches being used, develop a clearer understanding of where the Department is going and share learning across the Department. This could perhaps be funded from the M&E budget of the Department.

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<sup>55</sup> A very effective scheme is running in S Region called Marog Galore which could provide the vegetable one, combined with the one day training run by E Region under their seed packet scheme

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