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Research Question
What process could be followed to ensure government’s role as catalyst for the geographical expansion of a wine producing area?

Methods
The principles of network development were applied on a case study to create a consortium of government departments focused on expanding the Breede Valley Wine producing area.

Results
By spending $1 million, a government network could unlock $157 million of investment which led to 9 100 jobs realizing government and private objectives in South Africa’s Wine Industry.

Abstract
Although governments usually promote themselves as catalytic agent for socio-economic development, the opposite is often true. In this paper an example of inaction, and the process of unlocking it, will be described. Although a wine case study within a South African context, the principles are of universal relevance.

1. BACKGROUND

The Mediterranean Climate of South Africa’s Western Cape Province makes it a perfect producer of wine. The 480 235 tons of wine South Africa exported in 2015 made it the 6th biggest global wine exporter (in value terms the $667 million of wine exported in 2015 made it 12th biggest exporter of wine, but this debate is for another day) (ITC, 2016). With 96,9% of South Africa’s 542 wine cellars and 95,3% of its 292 million vines (SAWIS, 2016), the Western Cape Province is at the core of South Africa’s Wine Industry.

The leader town in the Breede Valley, Worcester, is about 100 km inland from Cape Town. With 14,24% of South Africa’s vines (SAWIS, 2016), this valley is the 4th biggest wine production region in the country. Though ideally suitable for wine production, its Mediterranean climatic realities forces production to be totally dependent on irrigation. For this reason the Brandvlei Dam, just outside Worcester, is key to the Breede Valley’s Wine Industry.

With a storage capacity of 286 million m3, Brandvlei is the second biggest dam in the Western Cape Province (DWS, 2016) and 26 200 hectare (ha) of land is scheduled for irrigation from this dam (Figure 1). By far the biggest part (72%) of the area is planted to wine grapes. Other prominent crops are peaches (7%), apricots (3.8%), lucerne (alfalfa) (3.65%), plums (2.75%), olives (2.26%), naartjies (1.42%), table grapes (1.06%), oranges (0.57%) and a combination of other crops (4%) (Figure 2).

The interesting aspect about Brandvlei is that it is an off-channel dam (i.e. not built in a river) and its feeder canal can only fill it to 73% of capacity. By increasing the wall of the canal by 30 cm over a 4 km stretch, 33 million m3 of additional water can be stored – water sustainably available in the system (Shand, 2007) – at a cost of roughly...
$1 million. As the general irrigation water requirement in the area is 7 500 m3 water per ha, the additional water is enough to irrigate 4 400 ha. Depending on a range of variables, it is expected that this land will attract on and off farm investment of $157 million which will lead to 6 200 on-farm and 2 900 off-farm jobs. Furthermore, as current farmers in the area consider the value of access to water as 30% of the capital cost of new developments, this project could unlock the transfer of $60 million worth of land to previously disadvantaged persons; 56% of the land reform target of the municipalities concerned (Troskie, 2016).

Raising the wall of the Brandvlei inlet canal is clearly low hanging fruit in implementing the strategies developed in South Africa’s National Development Plan (NDP). Chapter 6 of the NDP suggests that the expansion of labour intensive, export orientated, irrigation farming will be the stimulus of rural economies and will avail 1 million jobs for the country’s (rural) unemployed. Further, 20% of white owned land must be transferred to previously disadvantaged people by 2030 (NPC, 2012). Yet, although this opportunity has been known since the construction of the dam’s wall in the 1970’s, no action was taken towards implementation. Brandvlei was even included as a project in South Africa’s National Infrastructure Plan (NIP) of 2009, but to no avail.

2. GOVERNMENT SYSTEM

Although inaction is a common problem around the world, in South Africa’s case the answer to this inaction starts at the country’s supreme law. Its Constitution (Act 108 of 1996) makes provision for government in the national, provincial and local sphere. In 2015 this translated into 1 national, 9 provincial, 8 metro, 44 district and 226 local governments in the country. Schedules 4 and 5 of the Constitution provide guidance on the distribution of functional areas between spheres of government. Each of these entities is a separate government which can take its own decisions on priorities, budget allocation, etc. To complicate matters even further, the Public Finance Management Act (1 of 1999) (PFMA) and the Municipal Finance Management Act (56 of 2003) (MFMA) regulates expenditure at national/provincial and local government level respectively. Each of these acts places the responsibility of good governance and responsible use of taxpayer’s money on the Accounting Officer of each organ of state.

The result is “institutionalised silos” (Figure 3). The various spheres of government is accountable towards its own electorate and, even within each government, financial prescripts ensure that no accounting officer would relax control over the finances of the particular organ of state.

This range of mandates implies that, in the case of the Brandvlei Project, fifteen organs of state have a development or regulatory mandate impacting on this project. These organs are:

a) National: Department of Water and Sanitation; Department of Agriculture, Forestry and Fisheries; Department of Rural Development and Land Reform; Department of Trade and Industry; Department of Environmental Affairs; National Agricultural Marketing Council.

b) Provincial: Department of Agriculture; Department of Economic Development and Tourism; Department of Environmental Affairs and Development Planning; Cape Nature.

c) Local: Winelands District Municipality; Breede Valley Municipality; Langeberg Municipality.


For this project to be implemented, the accounting officer of each entity need to take certain decisions and the activities between the entities must be coordinated.

3. FROM INACTION TO ACTION

The development of networks, also as applicable to governments, has been extensively researched; from local to international sphere. Gstöhl (2007) is of the opinion that actors should take note of the different power and resource constellations in various government networks. These policy networks spread and the role of informal core groups should not be underestimated. The importance of collective legitimation is also stressed as well as the importance of power relationships for governance. Van Rijnsoever et al (2014) build on the legitimisation theme and is of the opinion that both individual actors and the group should have credibility and legitimacy. Furthermore, dynamism exists between the outcome of the effort, the credibility and the legitimacy of the individuals and group. Detomasi (2007) further argues that networks build on the individual strengths of its members to create standards
of behaviour. Kumar et al (2007) adds the importance of negotiating processes and that the capability of each partner should be recognised. Rama et al (2009) reminds us that each entity has limited resources and its participation should allow each to formulate, articulate and convey opinion. To this end the opportunity should be created for discussions. Pepper and Sense (2014) argues that mechanistic models of systems improvement are inadequate and that continuous innovation of human and social systems is important. Khan (2010) is of the opinion that synergy can be created across the public sector by formally gathering individuals from different organisations for a clearly defined and mutually valued goal.

These principles were applied whilst developing a network relevant to the implementation of the Brandvlei Dam Development Project. More specifically:

a) Legitimising leadership: The Western Cape Department of Agriculture’s (WCDoA) role as project leader was to be properly legitimised. As the Province is governed by a different political party from the national government and the project was already included in the NIP, legitimisation had to take place on two fronts. First, on 4 August 2015 the Provincial Cabinet approved the project as part of its rural development strategy and the second step was to be mandated on 1 September 2015 as coordinator by the relevant national authorities.

b) Constituting the team: Team members need to be able to commit their respective organs of state. To this end the Accounting Officer of the WCDoA wrote a formal request to her counterparts to request them to nominate and mandate an official to represent him/her on the committee.

c) Common objective: During the inauguration meeting (24 November 2015) a common objective and goal for the project was agreed upon.

d) Balancing individual competencies and inclusiveness: A very fine balance had to be created between allowing for the very specific competencies of various departments and individuals on the one hand and allowing an open and democratic process on the other.

e) Following an iterative and learning process: It is important to note that the process is never completed but remains dynamic. New issues must be accommodated and new members included as time goes by.

4. CONCLUSION

The Brandvlei Dam is the second biggest dam in the Western Cape Province and is at the core South Africa’s Wine Industry. Due to the way the dam was constructed, a relatively modest investment could lead to a significant step towards achieving the objectives of government as well as individuals in the Industry. However, instead of being a catalyst, lack of coordination between various organs of state prevented this project from being implemented. This paper describes how the principles of networks were used to unblock development.

REFERENCES

WCDOA (2016) Cape Farm Mapper. http://gis.elsenburg.com/apps/cfm/, Western Cape Department of Agriculture, Elsenburg, South Africa
Figure 1: Main crops in the area irrigated from the Brandvlei Dam
Source: WCDOA (2016)
Figure 2: Crops irrigated from the Brandvlei Dam (2013).
Source: WCDOA (2016)

Figure 3: Graphic representation of government’s system of service delivery.
Source: Troskie (2013)