2019

CAPE WINELANDS REGIONAL SOCIO-ECONOMIC DEVELOPMENT STRATEGY

CAPE WINELANDS DISTICT MUNICIPALITY

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FOREWORD

This Socio-Economic Development Strategy articulates the District Municipality's commitment to advance economic participation and opportunities for all communities in the District. In coming together around a common goal of creating: **"a unified Cape Winelands of Excellence and Sustainable Development",** the concerted effort of our multiple stakeholders and strategic partners culminated in creating this robust strategy.

The Cape Winelands District Municipality is able to invest in its people, environment, communities and partner with business, thanks to the municipality's fiscal discipline and strong economic leadership.

This Cape Winelands Regional Socio-Economic Development Strategy (CW RSEDS, 2019/20) and Action Plans endeavour to deliver on the promise we made to the communities, during our Integrated Development Plan (IDP) stakeholder sessions, in the Cape Winelands District.

Executive Mayor: Cape Winelands District Municipality
Alderman (Dr) H. von Schlicht

Contents

7. FACTOR OF PRODUCTION: NATURAL RESOURCES

List of tables

List of figures

Maps

List of acronyms and abbreviations

AIDS	Acquired Immune Deficiency Syndrome
B & B	Bed and Breakfast
BFAP	Bureau for Food and Agriculture Policy
CBD	Central Business District
COGTA	Cooperative Governance Trading Affairs
CSIR	Council for Scientific and Industrial Research
GCMRSIF	Greater Cape Metro Regional Spatial Implementation Framework
CWD	Cape Winelands District
CWD SDF	Cape Winelands District Spatial Development Framework
CWDM	Cape Winelands District Municipality
DAFF	Department of Agriculture, Forestry and Fisheries
DBSA	Development Bank of South Africa
DEAT	Department of Environmental Affairs and Tourism
DEDAT	Department of Economic Development and Tourism
DPLG	Department of Provincial and Local Government
dti	Department of Trade and Industry
DM	District Municipality
e	Estimate
e.g.	Exempli gratia (for example)
etc	Et cetera
FDI	Foreign Direct Investment
FET	Further Education and Training
FPL	Food Poverty Line
GBH	Grievous Bodily Harm
GDP	Gross Domestic Product
GDPR	Gross Domestic Product for a Region
GDS	Gross Domestic Savings
GGP	Gross Geographic Product
GNI	Gross National Income
GNP	Gross National Product
GVA	Gross Value Added
GPS	Growth Potential Study
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
HSRC	Human Sciences Research Council
i.e.	Id est (that is)
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IFSOP	Investment Facilitation Standard Operating Procedure
ILO	International Labour Organisation
JAN	January
KZN	Kwa Zulu Natal
LBPL	Lower Bound Poverty Line
LED	Local Economic Development
LM	Local Municipality

LQ	Location Quotient
MERO	Municipal Economic Review and Outlook
MLL	Minimum Living Level
MTB	Mountain Bike
N/A	Not Applicable
n.e.c	Not elsewhere classified
NDP	National Development Plan
NDT	National Department of Tourism
NRTS	National Rural Tourism Strategy
NSDF	National Spatial Development Framework
NTSS	National Tourism Sector Strategy
NGP	New Growth Path
P	Product/ Place/ Promotion/ Price/ People
p.a.	Per annum
PERO	Provincial Economic Review and Outlook
PSDF	Provincial Spatial Development Framework
PPP	Private Public Partnership
Pty Ltd	Proprietary Limited
R	Rand
RLED	Regional Local Economic Development
RSA	Republic of South Africa
SA	South Africa
SAMPI	South African Multidimensional Poverty Index
SAT	South African Tourism
SMART	Specific, Measurable, Agreed, Realistic and Timed
SMME	Small, Medium and/ or Micro Enterprise
SO	Strategic Objectives
StatsSA	Statistics South Africa
Std	Standard
UBPL	Upper Bound Poverty Line
UK	United Kingdom
US	United States
USA	United States of America
USP	Unique Selling Proposition
VFR	Value for money
VIC	Visitor Information Centres
vs	Versus
WC	Western Cape
WESGRO	Western Cape Investment and Trade Promotion Agency
WOSA	Wines of South Africa

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INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

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

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

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

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

1.2 PURPOSE AND OBJECTIVES OF LOCAL ECONOMIC DEVELOPMENT

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

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

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

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

Effective LED strategies encompass the generation of informed local responses to local problems, aligned with broad overall development guidelines provided by provincial and national spheres. An appropriate local economic development (LED) strategy could, through appropriate policies and programmes, serve as a guideline to facilitate multiple benefits like job creation, an economic climate that supports growth, improvement of quality of life and tax base enhancement.

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

1.3 METHODOLOGY USED IN DRAFTING OF THE REGIONAL SOCIO-ECONOMIC DEVELOPMENT STRATEGY

1.3.1 APPROACH

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

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

- Where are we now?

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

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

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

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

1.3.2 DATA COLLECTION

Both quantitative data and qualitative data was gathered to provide a firm foundation for the development of the LED strategy. Quantitative data is information about quantities; that is, information that can be measured and written down with numbers. Qualitative data is a categorical measurement expressed not in terms of numbers, but rather by means of a natural language description.

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

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

1.3.2.1 Primary data

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

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

The following stakeholder groups were included:

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

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

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

1.3.2.2 Secondary data

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

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

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

1.3.3 ANALYSIS OF DATA

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

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

1.3.3.1 Analysis of primary data

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

1.3.3.2 Analysis of secondary data

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

1.3.4 VALIDITY AND RELIABILITY OF THE RESEARCH

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

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

Table 1: Research triangulation

Triangulation types	How it was applied in this research
Collecting data from different sources (data triangulation)	Data were gathered from various stakeholders involved in the process from various perspectives. Statistical data were sourced from different, independent sources to eliminate bias.
Investigator triangulation	The project was completed by a team of researchers who worked independently as not to influence one another. However, team members reviewed and critiqued one another's work to improve the final product.
Methodological triangulation, using both qualitative and quantitative data collection methods	Qualitative data were collected through semi-structured interviews. The interview questions were carefully developed to meet the criteria for unbiased and reliable research. Quantitative data were collected through desk research, as well as a carefully designed questionnaire to produce qualitative data that could be quantified.
Triangulation of theories – using theory of one discipline to explain a phenomenon in another discipline	For this research, relevant theories from various disciplines were combined through the collaboration of a diverse and skilled research team.

1.4 CAPE WINELANDS REGIONAL SOCIO-ECONOMIC DEVELOPMENT STRATEGY (CW RSEDS) REPORT STRUCTURE

The CW-RSEDS is intended to provide an achievable, evidence-based plan for the future while responding to the challenges and opportunities presented by the local economic and social context.

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

1.4.1 FACTORS OF PRODUCTION

For the purpose of sound economic analysis, the issues to be considered for the development of the Socio-Economic Development Strategy were grouped in accordance to the four factors of production.

Factors of production:
1. Human Capital (Labour)
2. Entrepreneurship
3. Capital
4. Natural Resources

Human Capital (Labour)
Labour refers to the physical and mental ability, as well as the needs of the local population of an area. This can also be referred to as human capital. The report will look at:
- The type of human capital available, including educational levels
- The state of human capital, including factors used to measure human development such as health and living conditions (i.e. demographics and social development).

Entrepreneurship
- The private sector (formal)
- The informal sector
- SMME development

Capital
- Infrastructure
- Economic clusters
- Investment climate

Natural Resources (Rural Development)
This factor of production pertains to resources that occur naturally in the region. The following subsections pertain to the first factor of production:
- The primary sectors, including Agriculture
- Tourism (as tourism in the region is based mostly on natural resources)
- Sustainability: the availability of natural resources, including water and the impact of the current drought and the conservation of the natural resources available in the area.

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

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

1.4.2 CONTENTS OF THE REPORT

Chapter 1 outlines the **methodology** used in drafting the CW-RSEDS. A simple approach to understanding the complexity of strategic thinking involves finding the answers to three questions:

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

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

Chapter 2 highlights the **legislative and policy framework** which provides a guideline to the relevant legislation and policies that guide and impact on economic and social development, as well as the targets set out on local, provincial and national level.

Chapter 3 gives a brief introduction to **regional economic planning and spatial planning** in the economic context. This chapter explains basic principles of economics, economic growth and economic development. The background offers an understanding of why certain factors are important and explains their relevance to economic growth. This provides insight into accepted and recognised models for economic development and explain how and why they are important. It serves as a key to understanding the analyses and recommendations contained in this strategy.

The following sections of the report contain the socio-economic analyses, grouped according to the applicable factors of production. The factors of production (natural resources, labour, capital and entrepreneurship) enable an economy to meet demand for goods and services. Therefore, if the supply of these production factors increases, the production of goods and services should also increase. Thus, the fundamental prerequisite for economic growth is the increase of the supply of production factors.

Each of the subsequent sections considers the progress of the region compared to the applicable targets and will aim to address issues relevant to the applicable factor of production. The various sections of the report each explain what the various factors mean and what their implications are for economic growth. Each section provides a brief explanation of the aspect under evaluation and stipulates how and why it is relevant to local economic development. The region's progress against targets is discussed and the most pressing issues identified.

Chapter 4 specifically examines the **human resources (labour) factor of production**. This section of the report deals with the demographic and social profile of the Cape Winelands

Municipal District. The people of the district are both the purpose of LED and a contributing factor to LED. This section therefore considers the factors that impact on the individuals who live in the Cape Winelands. This includes their health, skills/ educational levels, poverty, living conditions and safety.

Chapter 5 examines **the factor of production of entrepreneurship**. Entrepreneurship refers to all the businesses in an area, both formal and informal. Entrepreneurship is the driving force that puts labour, natural resources and capital to productive use. Businesses create employment for local residents, provide families with livelihoods and ignite local economic development. This section considers the business environment and entrepreneurship in the Cape Winelands District Municipality. It contains an analysis of the structure of the local economy and includes the factors that impact on the growth and trends of the local economy.

Chapter 6 examines **the factor of production of capital (investment).** The accumulation of capital (investment) is important for economic growth and development. This section considers investment trends in the CWDM and how investment can be increased.

Chapter 7 examines **the factor of production of natural resources**. The Cape Winelands District Municipality enjoys an abundance of natural resources. This section of the report deals with the activities linked to natural resources such as Rural Development, Agriculture and Tourism. Climate change is also examined and its effect on the natural resources of the Cape Winelands region.

In Chapter 8 the Socio-Economic Development Strategy is formulated based on the preceding analyses. The overall Socio-Economic Strategy includes the following individual Strategy Plans:

- Social Development Strategy;
- Economic Development and Investment Strategy;
- Rural Economic Development Strategy; and
- Tourism Strategy.

This chapter of the report considers the engines of growth and results of the analyses, and makes recommendations that are aligned to sound, academic, accepted and recognised economic development principles. It introduces the strategic goals, priority areas and key drivers of the overall Socio-Economic Development Strategy.

Chapter 9 examines how a Social Development Strategy for the CWDM will be develop in specific reference to opportunities for social cohesion, self-reliance of vulnerable groups and sustainable livelihoods. The Cape Winelands Social Development Strategy is aimed at:

- Inclusion – putting marginalised people at the centre of development;
- Social Cohesion – strengthening the community fabric so that people can work together and collaborate; and

- Social Investment - facilitating the continued investment in the people of the Cape Winelands region.

In Chapter 10 the Local Economic Development Strategy is formulated. The main challenge facing the Cape Winelands economy is the slow economic growth rate. Although the economic growth rate is in line with national trends and not necessarily within the sole control of local government, the region would benefit from accelerated economic growth. Businesses create employment for local residents, provide families with livelihoods and ignite local economic development. The focus of the Local Economic Development Strategy is therefore on creating an enabling environment for the private sector to thrive and facilitate the economic growth.

In Chapter 11 the Investment Attraction, Retention and Opportunities Strategy is formulated. Countries, regions and cities benefit from attracting investment (capital formation in the area) by the private sector as it enhances the economic base of the area and promotes economic development. The strategy specifically focus on how an enabling environment for competitiveness can be created as well as how existing businesses can be supported as they are the primary engine of growth in a locality.

In Chapter 12 the Rural Economic Development Strategy is formulated. The Rural Economic Development Plan focuses on economic, social and environmental sustainability in rural areas of the Cape Winelands District. Rural Development, and in particular the development of agriculture, is recognised by both the National Development Plan (NDP) and the New Growth Path (NGP) as critical for employment and food security. The Cape Winelands District is a rural area, and agriculture forms the backbone of the Cape Winelands economy. The key driver of the Cape Winelands Rural Economic Development Strategy centres around uplifting **Rural Places, Economy and People.** It advocates for continued support for projects that improve competitiveness, encourage diversification of the rural economy, improve quality of life in rural areas and that protect and enhance the natural environment.

In Chapter 13 the **Tourism Strategy** is formulated. The Cape Winelands District Municipality is the Regional Tourism Organisation (RTO) for the Cape Winelands Tourism Region. As a RTO, the CWDM plays an important role in supporting this competitive and sustainable tourism region. It is expected that the CWDM provides regional leadership and coordination and works with industry partners, such as the Local Tourism Associations, to grow tourism through activities like strategic planning, research, product development, training and marketing. The Tourism Strategy demonstrates how the CWDM will grow tourism in the Cape Winelands together with its tourism partners.

Each of the strategies mentioned above is accompanied with a series of action plans that have been developed.

In Chapter 14 the **Monitoring and Evaluation** framework is explained. The CWDM Local Economic Development Unit subscribes to the Local Economic Development Management System. The Local Economic Development tool (EzyED) is the monitoring and evaluation tool that will be utilise to monitor and evaluate the implementation of the Regional Socio-Economic Development Strategy. This monitoring and evaluation tool are mainly implemented to review progress, identify problems in planning and to make adjustments to the current situation. It is understood that good monitoring and evaluation plan result in better decision making, since risks and challenges will be identified in the early stage of implementation.

Conclusion. In the conclusion the CWDM urges all stakeholders, strategic partners and communities to work together and ensure that we implement the Cape Winelands Regional Socio-Economic Development Strategy.

02

LEGISLATIVE AND POLICY CONTEXT

2.1 LEGISLATION

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

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

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

2.1.1 THE CONSTITUTION (1996)

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

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

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

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

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

Sec 153 of Constitution – A municipality must –

(a) Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and

(b) Participate in national and provincial development programmes

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

(a) The local government matters listed in Part B of Schedule 4 and Part B of Schedule 5; and

(b) Any other matter assigned to it by national or provincial legislation

(2) A municipality may make and administer by-laws for the effective administration of the matters it has the right to administer.

(5) A municipality has the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions.

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

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

2.1.2 THE WHITE PAPER ON LOCAL GOVERNMENT (1998)

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

According to this White Paper policy, the strategies of developmental local government must result in these sustainable outcomes:

- *Maximising social development and economic growth* (stimulating social cohesion and entrepreneurship, community networks, local economies and job creation)
- *Integrating and co-ordinating developmental projects* (mainly through the Integrated Development Plans and budgets, seeking local solutions and shared learning)
- *Democratising development* (facilitating and co-ordinating the inputs, commitment, expertise and energies of local citizens and institutions, towards self-reliance).

2.1.3 THE NATIONAL SPATIAL DEVELOPMENT FRAMEWORK (2006)

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

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

2.1.4 THE MUNICIPAL STRUCTURES ACT (1998)

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

2.1.5 THE MUNICIPAL SYSTEMS ACT (2000)

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

- Provide for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities.
- Provide for community participation.

- Establish a simple and enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change which underpin the notion of developmental local government.

2.2 THE ROLE OF DISTRICT MUNICIPALITIES

2.2.1 LEGISLATIVE ROLE OF DISTRICT MUNICIPALITIES

When district councils were initially established, their functions were not clearly defined in legislation. The Structures Act brought about greater clarity around the functions of district municipalities by giving them responsibility over key service delivery areas such as water, sanitation, electricity, municipal health services and other district-wide functions (e.g. fire-fighting, passenger transport, and promotion of tourism). The Structures Act further allows for the adjustment of the division of powers between the district and local municipalities.

The role of a District Municipality according to the Constitution is as follows:

- Redistribute resources within a district according to need;
- Assist and capacitate local municipalities to enable them to provide, and sustain the provision of services in their areas; and
- Promote economic development in the district, because sustainability of service provision (as well as the general wellbeing of the inhabitants) is dependent on a productive local economy.

The White paper on Local Government (1998) further distils the role of a District Municipality to four key aspects:

1. District integrated development planning (a statutory mandate of all district governments)
2. To serve as infrastructural development agents, involving planning and developing bulk infrastructure in non-metro municipalities;
3. The provision of technical assistance to local municipalities, including facilitation of the sharing of specialised capacity and equipment between municipalities, assisting in the development of cooperative relations between municipalities, assistance in the preparation of the budgets, consolidated municipal infrastructure programme applications, tenders, and drafting by-laws;
4. Coordination for national and provincial capacity building programmes and location of support and training infrastructure.

Section 88 of the Local Government: Structures Act of1998, calls for cooperation between district and local municipalities in that:

- A district municipality and local municipalities within the area of that district municipality must co-operate with one another by assisting and supporting each other;

- A district municipality on request by a local municipality within its area may provide financial, technical and administrative support services to that local municipality to the extent that that district has the capacity to provide those support services;
- A local municipality may provide financial, technical or administrative support services to another local municipality within the area of the same district municipality to the extent that it has the capacity to provide those support services, if the district municipality or the local municipality so requests;
- The MEC for local government in a province must assist a district municipality to provide support services to a local municipality.

2.2.2. ROLE OF GOVERNMENT IN SOCIO-ECONOMIC DEVELOPMENT

The National Development Plan (NDP) was develop by the national government to address the socio-economic development challenges the country is experiencing. The NDP outlines goals and objectives identified as important by national government. These goals and objectives should filter down from national level to provincial level and to local municipal level.

2.2.2.1 Role of Government in Economic Development

The Draft Framework for LED (2018) also sets out its understanding of the role and responsibilities of the different spheres of government in terms of LED.

Table 2: LED role and responsibilities of the different spheres of government

Sphere	Function
National Government	❑ Provide an overall policy and strategic Framework for economic development at national, provincial and local government levels; ❑ Provide a legislative Framework for local economic development; ❑ Provide a Framework for provincial and municipal capacity-building and support systems; ❑ Provide coordinated support in the implementation of LED strategies and projects in various economic sectors; ❑ Support for municipalities and key economic institutions; ❑ Support for local economic development funding; and ❑ Monitor and evaluate local economic development at national level
Provincial Government	❑ Provide a strategic vision and strategy for integrated economic, social and community development through the Provincial Growth and Development Strategy; ❑ Is responsible for the formulation of the provincial economic development plan that is aligned to the PGDS; ❑ Vertical and horizontal integration of the municipal IDPs and the district economic development strategies; ❑ Train and build capacity for local economic development; ❑ Facilitate LED through financial support to municipalities; and ❑ Monitor and evaluate role at provincial level.

Metro and District Municipalities	❑ Strategic planning by means of the IDPs; ❑ Formulate regional economic development strategies; ❑ Vertical and horizontal co-ordination through the preparation of district economic plans and sectorally based cluster plans; ❑ Implementation of the public sector process of economic intervention actions; ❑ Initiation of economic development opportunities when appropriate through special purpose vehicles created for the initiative; ❑ Management and control of local economic initiatives in accordance with the expressed role and function of the municipality; ❑ Monitoring and review of economic development initiatives at local government level; ❑ District municipalities create the guiding Framework for local economic development and direct and co-ordinate implementation by the establishment of metro and district wide economic development organisations and agencies; ❑ Metro municipalities, as the owners of land and assets, are responsible for local economic development project implementation. ❑ Metros will utilise STI in their LED planning to ensure that South Africa becomes more competitive globally
Local Municipalities	❑ Strategic planning by means of the IDPs; ❑ Participation in the formulation of the district economic development plans; ❑ Participation in the implementation of economic projects through special purpose vehicles that are established including local government established development agencies; ❑ Responsible for the formulation of local municipal economic development initiatives and the alignment and integration thereof with the district development initiatives. ❑ Local municipalities, as the owners of land and assets, are responsible for local economic development project implementation. ❑ Responsible for LED planning at local level ❑ Ensuring that they integrate STI in their LED planning and their localities become more competitive and more innovative ❑ Ensuring that their LED plans are embedded in their social contexts

Source: Draft Framework for LED, 2018: 79-80).

2.2.2.2 District Municipality's Role in Economic Development

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

Provision of public safety, cleansing services, maintenance or upgrading of the urban public environment and infrastructure, and social services that address social issues in the area, allow individual property owners to benefit from a well-managed and safe neighbourhood.

A supportive business environment also attracts investment to the area. Therefore, the private sector can be supported through service delivery in terms of:

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

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

2.2.2.3 The Governments' Role in Social Development

Social Development concerns all three spheres of government. National and provincial government has clear mandates that they need to fulfil in terms of social development. Social development is not a core competency of local government. However, local government is tasked by the Constitution to "promote social and economic development of the community" (**Section 153** of the *South African Constitution (Act 108 of 1996)*.

The Cape Winelands District Municipality has adopted the strategic partnership approach in which our social development services are to be planned, co-ordinated, delivered and evaluated in the Cape Winelands District. This means that programmes developed will be done in a **targeted, collaborative** and **developmental** manner with our strategic partners.

2.2.2.4 The Governments' Role in Tourism Development

The state's role is primarily to create an enabling environment for development of the tourism sector (NRTS, 2012). Local government is responsible for promoting and supporting local tourism products (NRTS, 2012). According to the White Paper on Development and Promotion of Tourism (DEAT, 1996), local government plays a critical role in providing leadership and the required planning to ensure that their local communities and businesses optimally benefit from tourism, whilst minimising any negative effects tourism might have. It further emphasises that just as the behaviour of local residents can enhance the experiences of visitors, thus promoting the area as a tourist destination, so too can bad behaviour spoil the experience of the area for visitors and discourage them from visiting again or recommending the area to others.

In addition, tourism can either enrich or degrade the lives of local residents, depending on how it is managed (DEAT, 1996).

2.2.2.5 The Cape Winelands District Municipality's Role in Tourism Development

The Cape Winelands District Municipality is the Regional Tourism Organisation (RTO) for the Cape Winelands Tourism Region. As a RTO, the CWDM plays an important role in supporting this competitive and sustainable tourism region. It is expected that the CWDM provides regional leadership and coordination and works with industry partners, such as the Local Tourism Associations, to grow tourism through activities like strategic planning, research, product development, training and marketing. Furthermore, the RTO facilitates a more coordinated and collaborative approach that maximises resources, encourages strategic planning and tourism investment, and results in stronger marketing with better reach.

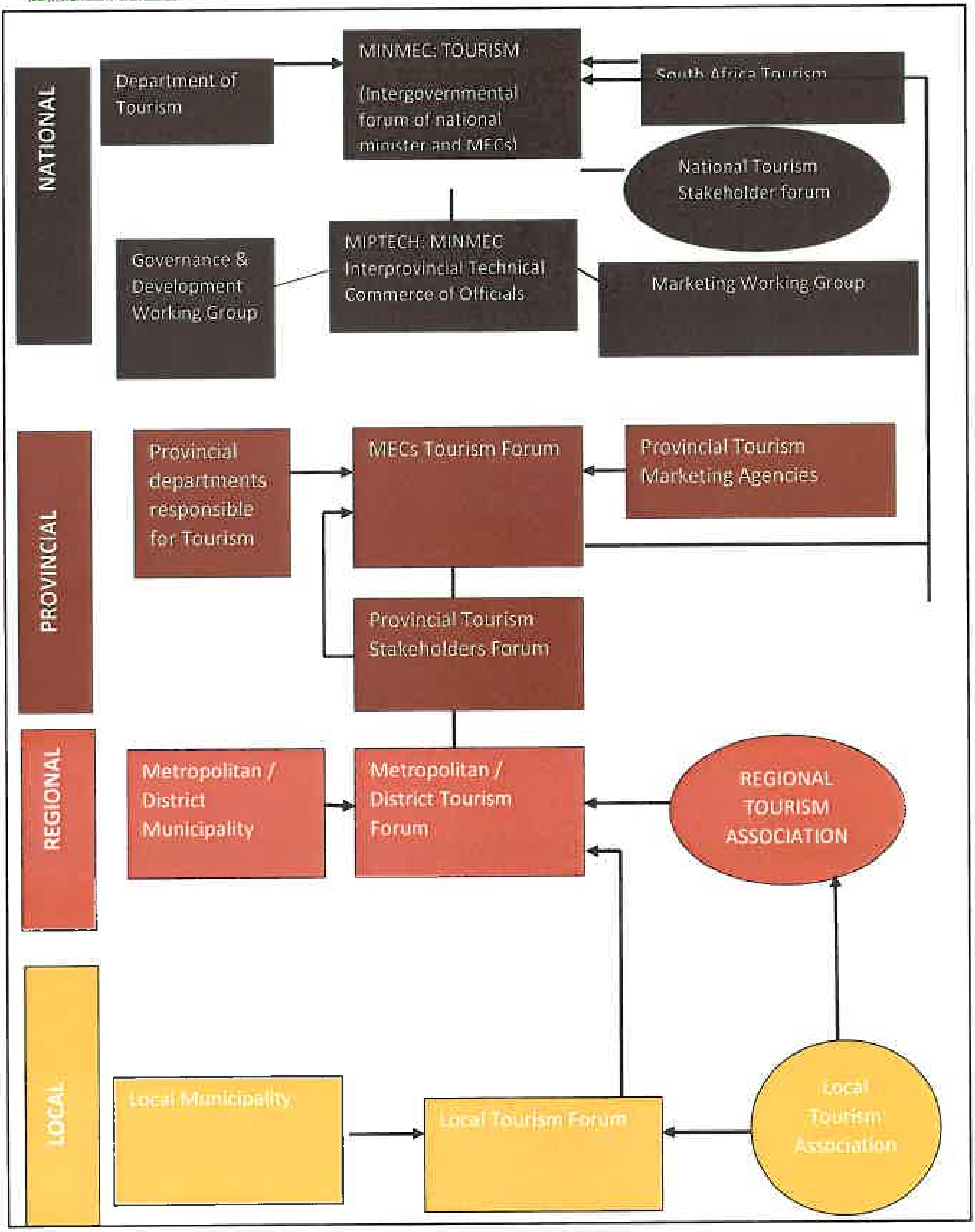
Even the most blessed and vibrant of destinations, such as the Cape Winelands District, is in need of credible strategies to realise its full tourism potential. Investing extra time and effort in strategic planning is about knowing where you are going and how to get there. It is *ultimately about doing smart things for the right reasons in order to get the best possible outcomes.*

Strategy relies on cutting-edge research and market intelligence to inform and guide decision-making. The quality of the decision-making is directly linked to the accumulated intelligence from markets, insights from partners and stakeholders. Information and analysis to inform insights and strategy need to be very current.

2.2.2.6 Institutional Framework for Tourism Development

The National Tourism Sector Strategy (NTSS) 2016-2026 outlines on p 41 the South African Tourism Institutional Structure:

Figure 1: South Africa's Tourism Institutional Structure



03

PLANNING FRAMEWORKS

3.1 PLANNING FOR ECONOMIC GROWTH AND DEVELOPMENT

Strategy relies on cutting-edge research and market intelligence to inform and guide decision-making. The quality of the decision-making is directly linked to the accumulated intelligence from markets, insights from partners and stakeholders. Information and analysis to inform insights and strategy need to be very current.

3.1.1 ECONOMICS, ECONOMIC GROWTH AND ECONOMIC DEVELOPMENT

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

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

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

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

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

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

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

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

3.1.1.1 The quantity and quality of the four production factors in South Africa

Human Capital and Entrepreneurship

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

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

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

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

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

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

- Material consumption
- Education
- Health
- Environmental protection

Capital

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

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

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

3.1.1.2 Economic Growth versus Economic Development

Economic *growth* occurs by an increase in Gross Domestic Product (GDP) or Gross National Product (GNP). Therefore, economic growth means an increase in real per capita income. GDP per person is associated with the levels of poverty, and an increase in per capita income translates to lower levels of poverty. Economic *development*, however, includes more than the limited objective of increased average income to include higher employment rates, improving the business climate, social development and infrastructure development. Economic *development* can be defined as economic growth plus improvement in human welfare as well as social and structural transformation.

Improvement in quality of life includes economic growth and improvement in human welfare. Economic growth can occur without economic development, but development without growth is unlikely. Economic growth is therefore a prerequisite for economic development. Economic Development includes more than just economic growth and is measured in terms of:
- Life expectancy
- Educational attainment
- GDP per capita or GNP per capita

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

3.1.2 PRINCIPLES OF ECONOMIC DEVELOPMENT

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

LED strategies, as opposed to traditional development policies, empower local communities and generate local dialogue. Citizens, who previously had little or no control over economic activities in their territory, usually adopt a more proactive stance towards their own economic future. This leads to a general improvement in the quality and quantity of jobs because of the involvement of local stakeholders in the economic activity within their territory (Rodriguez-Pose, 2001). A main driving force behind decentralisation is the fact that every city, area or community is unique. It has its own advantages and disadvantages, possesses certain assets that others do not have, or has the highest cost advantage. Competitive advantages are not simply strength and weaknesses which all communities have, but those characteristics of an area and its community which can be exploited for that community's benefit (VNG International, 2007).

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

3.1.2.1 Definition Local Economic Development

LED is defined by Zaaijer and Sara (1993) as "essentially a process in which local government and/or community-based groups manage their existing resources and enter into

partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in an economic area". The involvement of local stakeholders in the process of developing their own territory is a prerequisite for sustainable growth. Creating a forum for social dialogue and participatory decision-making helps to build trust, encourages innovation and promotes the creation of social networks and activities, fostering social cohesion and decreasing the risk of conflict.
Decentralisation presents local leaders with the challenge to find innovative ways to respond to poverty, to encourage development, to provide infrastructure and to facilitate growth.

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

3.1.2.2 Dual nature of Local Economic Development

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

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

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

3.1.2.3 Goals of Local Economic Development

The goals of LED tend to revolve around a set of common issues of job creation, empowerment, the pursuit of economic growth, community development, the restoration of economic vitality and diversification in areas subject to recession. Additionally, it involves establishing the locality as a vibrant, sustainable economic entity, often within a global context (World Bank, 2001). Meyer-Stamer (2003) contends that LED should focus on markets and that competitive business and community development interventions should be used to deal with social problems.

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

3.1.2.4 Local Economic Development Interventions

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

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

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

Direct applications of LED include issues of service delivery, public works, shelter provision, livelihood support, urban agriculture, and affirmative procurement. Tourism is emerging as one of the most rapidly growing focus areas for the evolution of LED strategies in South Africa. The Department of Provincial and Local Government has identified the following as key principles underlying LED:

- Poverty and unemployment are the main challenges facing South Africa. LED strategies must prioritise job creation and poverty alleviation
- LED must target previously disadvantaged people, marginalised communities and geographical regions, black economic empowerment enterprises and SMMEs to allow them to participate fully in the economic life of the country
- There is no single approach to LED. Each locality may develop an approach that is best suited to its local context

- LED promotes local ownership, community involvement, local leadership and joint decision making
- LED involves local, national, and international partnerships between communities, businesses and government to solve problems, create joint business ventures and build local areas
- LED uses local resources and skills and maximises opportunities for development
- LED involves the integration of diverse economic initiatives in an all-inclusive approach to local development
- LED relies on flexible approaches to respond to changing circumstances at local, national and international level

LED is a means to achieve the effective mobilisation of local resources by encouraging investments with the highest rate of socio-economic return. Partnerships between private, public and non-profit stakeholders become crucial for a sustainable development process, allowing the convergence in investment programming between the different local role players, while supporting the legitimacy and sustainability of the development process. LED initiatives can be constrained by a lack of available resources and a lack of private sector participation. In order for LED to be successfully implemented, the involvement of the local business community is essential. Partnership formation is critical to applied LED.

3.1.2.5 Potential Benefits of Local Economic Development

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

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

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

3.2 INTERNATIONAL, NATIONAL, PROVINCIAL AND LOCAL PLANNING FRAMEWORKS

The regional and local economic strategies adopted by municipalities have to be aligned with the national and provincial planning frameworks in order to ensure that development initiatives are aligned and cohesive. South Africa is a signatory to the United Nations Sustainable Development Goals.

3.2.1 INTERNATIONAL

3.2.1.1 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

In 2015 the United Nations adopted a sustainable development 2030 agenda and 17 Sustainable Development Goals being the centre of the development. The 2030 agenda is aimed at ending poverty in all its forms. The Agenda's 17 Sustainable Development Goals, and their 169 targets, aim at eradicating poverty and *"seek to realize the human rights of all and achieve gender equality"* (United Nations, 2015).

The SDGs were developed to succeed the Millennium Development Goals (MDGs) which ended in 2015. The goals are broad and interdependent, yet each has a separate list of targets to achieve. Achieving all 169 targets would signal accomplishing all 17 goals. The 169 targets are measured with 232 indicatorsThese areas are: social, economic and environmental development issues including poverty, hunger, health, education, gender equality, clean water, sanitation, affordable energy, decent work, inequality, urbanisation, global warming, environment, social justice and peace.

Figure 2: United Nations Sustainable Development Goals
Source: United Nations, 2015

Table 3: United Nations Sustainable Development Goals

GOAL	DESCRIPTION
Goal 1:	No poverty - this goal aims to end extreme poverty globally by 2030.
Goal 2:	Zero hunger - this goal states that by 2030 we should end hunger and all forms of malnutrition.
Goal 3:	Good health and well-being for people - this goal aims to reduce child mortality to at least as low as 25 per 1,000 live births and maternal mortality to less than 70 deaths per 100,000 live births. This goal also aims to ensure accessibility to health facilities and essential medicines and vaccines.
Goal 4:	Quality Education - this goal is trying to ensure that, by 2030, all girls and boys complete free, equitable, and quality primary and secondary education.
Goal 5:	Gender Equality - this goal aims to achieve gender equality and to empower women and girls and the goal also aims to eliminate child marriage by 2030.
Goal 6:	Clean water and sanitation -this goal has three targets healthy drinking water, sanitation and hygienic toilets.
Goal 7:	Affordable and clean energy- this goal targets access to reliable and affordable energy
Goal 8:	Decent work and economic growth- this goal aims to promote sustained, inclusive and sustainable economic growth
Goal 9:	Industry, innovation and infrastructure – this goal tries to build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.
Goal 10:	Reducing inequalities- this aims at reducing income inequalities within and amongst countries.
Goal 11:	Sustainable cities and communities-the target by 2030 is to ensure access to safe and affordable housing.
Goal 12:	Responsible consumption and production- the target include using eco-friendly production methods and reducing the amount of waste.
Goal 13:	Climate action – Taking urgent action to combat climate change and its impacts
Goal 14:	Life below water - Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
Goal 15:	Life on Land – this goal targets for preserving biodiversity of forest, desert, and mountain eco-systems, as a percentage of total land mass.
Goal 16:	Peace, justice and strong institutions – reducing violent crime, sex trafficking, forced labor, and child abuse
Goal 17:	Partnerships for the goals - Increasing international cooperation is seen as vital to achieving of the goals.

Source: United Nations, 2015

3.2.2 NATIONAL
3.2.2.1 The National Development Plan 2030

The National Development Plan (NDP) is a planning framework developed by national government with the objective of eliminating poverty and reducing inequality by 2030.The NDP aims to address key challenges and develop the capabilities required for the South African economy to grow and raise the living standards for all, particularly the poor (NDP, 2012). Unemployment, the need for education, infrastructure, health services and public services are identified as priorities.

The NDP highlights four important objectives believed to be crucial to achieving the desired growth objectives, namely: raising employment through faster economic growth; improving the quality of education, skills development and innovation; protection of natural resources; and building the capability of the state to play a developmental and transformative role.

The NDP shortlists key objectives and corresponding actions as follows:

Table 4: NDP objectives

Objective	2012 level	Target for 2030
1. Economy and Employment		
Unemployment rate	24.9%	14% by 2020 6% by 2030
Proportion of adults working (urban)	41%	61%
Proportion of adults working in rural areas	29%	40%
Labour force participation rate	54%	65%
Average annual GDP growth rate	-	5.4% p.a.
GDP per capita	R 50 000 (in 2010)	R 110 000
Proportion of national income earned by the bottom 40%	6%	10%
Export volume annual growth rate	-	6% p.a.
Increase in national savings as % of GDP	16%	25%
Level of gross fixed capital formation	17%	30%
Public sector fixed investment as % of GDP	-	10%

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

- Reduce the cost of living for poor households
- Reduce the cost of doing business
- Achieve an acceptable standard of living for all
- Remove most pressing constraints on growth (investment, job creation)
- Attract offshore business services and build on advantage provided by telecommunications, banking and retail sectors in other countries
- Increase rail, water and energy infrastructure
- Structure a taxation regime that is fair. equitable and recognises the non-renewable nature of mineral resources

- Broaden the expanded public works programme to create employment
- Offer a tax incentive to employ young people
- Provide a subsidy to place matric graduates into jobs
- Reduce youth unemployment
- Expand the supply of high-level skills

2. Economic Infrastructure

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

3. Environmental Sustainability and Resilience

- Absolute reduction in the total volume of waste disposed to landfill each year
- Improved disaster preparedness for extreme climate events
- Increased investment in new agricultural technologies, research and the development of strategies for the protection of rural livelihoods and the expansion of commercial agriculture
- A regulatory framework for land use to ensure the conservation and restoration of protected areas
- Municipal regulations to stimulate renewable energy, waste recycling and in retrofitting buildings
- All new buildings to meet the energy-efficiency criteria set out in South African National Standard 204
- Channel public investment into research, new agricultural technologies for commercial farming as well as for the development of adaption strategies and support services for small-scale rural farmers

4. Inclusive Rural Economy

- Create additional jobs in the agriculture, agro-processing and related sectors by 2030
- Maintain positive trade balance for primary and processed agricultural products
- Improved infrastructure and service delivery to activate rural economies
- Create tenure security for commercial farmers

5. Improving Education, Training and Innovation

- Prioritise early childhood development. Children should be well cared for from an early age
- Ensure that all children have at least two years of pre-school education
- By 2030, 80%-90% of learners should complete twelve (12) years of schooling, with at least 80% successfully passing their exit exams
- Provide learning opportunities through Community Education and Training Centres

• Design and implement nutrition programmes for pregnant women and young children • Promote access to educational institutions and build capacity of FET colleges
6. Health Care for All
o Increase average male and female life expectance at birth to 70 years by 2030 o Reduce maternal, infant and child mortality o Reduce the prevalence of communicable chronic disease o Reduce injury, accidents and violence by 50% from 2010 levels by 2030 o Improve the availability of health personnel in the public sector and improve the quality of care in public facilities o Prevent and control epidemic burdens through deterring HIV/ AIDS and alcohol abuse
7. Social Protection
• Address problems such as hunger, malnutrition and deficiencies that affect physical growth in children o Ensure access for all children to nutrition, health care and education o Provide income support to the unemployed through labour market initiatives such as public works programme, training and skills development • Mechanisms to foster self-employment • Create and support an effective social welfare system • Launch and support food security campaigns • Design and implement mechanisms to assist the unemployed to access the labour market
8. Building safer communities
o Promote safety in all communities o Increase community participation in crime prevention and safety initiatives o Implement the National Rural Safety Strategy Plan in high-risk areas o Prevent and eradicate corruption
(Adapted from: NDP, 2012)

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

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

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

- Creating additional job opportunities
- Reducing water demand, energy usage and the generation of waste
- Producing renewable energy
- Improving service delivery
- Supporting small and micro farmers
- Improving and securing access and accommodation for people living in poverty
- Efficient use of land and existing services
- Identifying the developmental role of small towns
- Inclusion of women and youth in the rural economy
- Improving access and the quality of education and training
- Protection of the environment, heritage and culture

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

3.2.2.2 Draft National Framework for LED 2018

The draft Framework for LED articulates its vision for LED planning and implementation. The department of Cooperative Governance through the Framework encourages government, in particular local government, business and civil society to use the framework as a guide to further develop local economies.

According to draft National Framework for LED (2019) "One of the bold objectives of this revised Framework is to position municipalities as critical factors in national economic development planning and in strengthening the National Systems of Innovation (NSI). The Framework asserts municipalities as critical factors in the NSI discourse. As all development occurs on space, the LED Framework highlights the critical role of local government in the implementation of national economic and industrial policies" (p16).

The framework for LED has 4 policy pillars:

- Building diverse & innovation-driven local economies;
- Developing inclusive economies;
- Developing learning and skilful economies; and
- Enterprise development and support.

Schematic Overview of the 2018 Draft National Framework for Local Economic Development

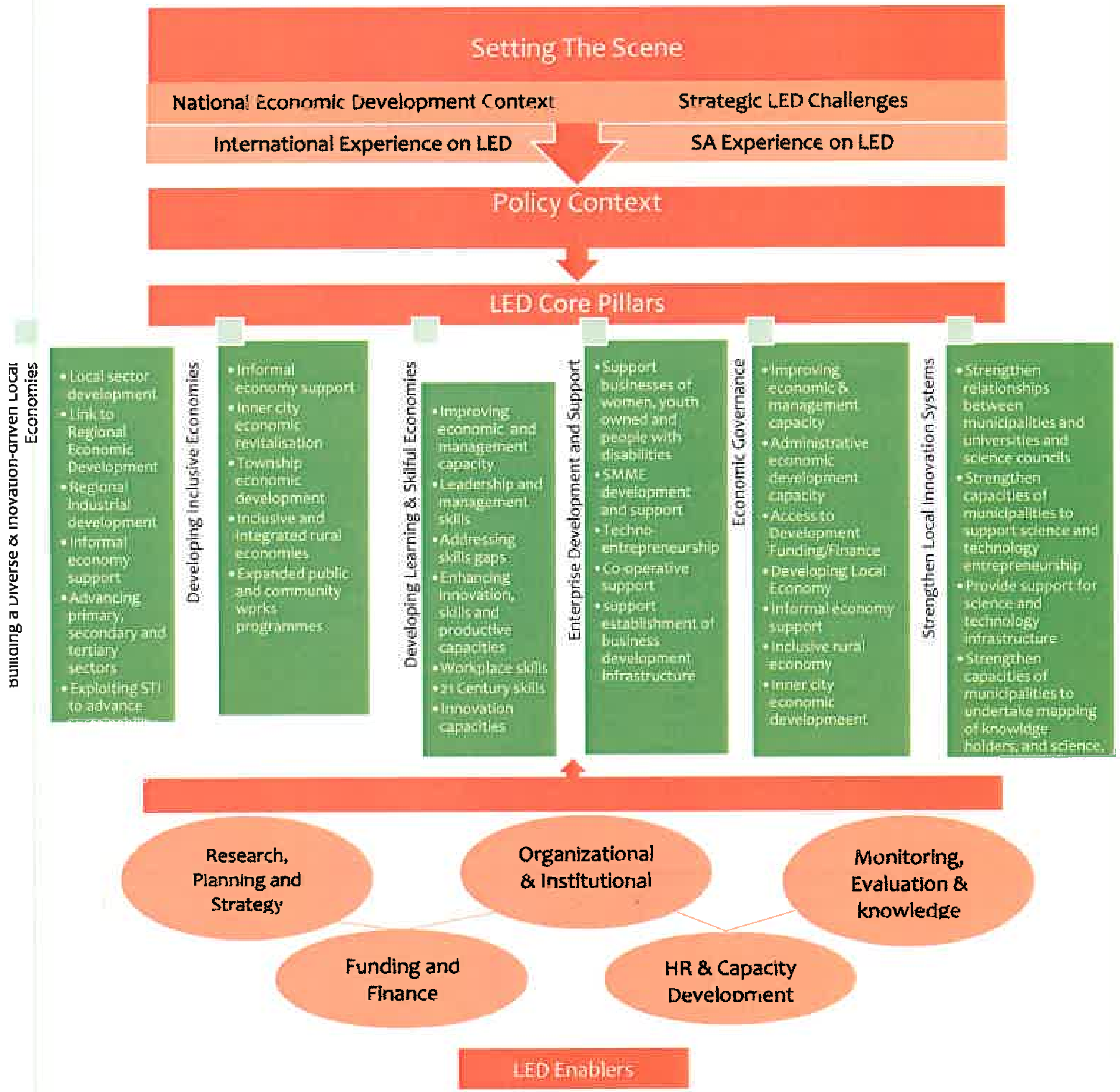


Figure 3: Schematic overview of the Draft National Framework for Local Economic Development (2018) (Source: Draft National Framework for Local Economic Development, 2018)

3.2.2.3 The New Growth Path (NGP), 2011

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

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

Employment Drivers identified in the NGP:

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

3.2.2.4 The Industrial Policy Action Plan (IPAP)

The Industrial Policy Action Plan (IPAP) main focus is on the productive sectors of the economy, particularly the manufacturing sector (industrial growth) and reducing unemployment. This is done by focusing on growing exports through value-added products. The plan also considers a stronger set of interventions to support:

- self-employment and entrepreneurship e.g. provision of a subsidised, locally-manufactured toolkit for auto repairs, plumbing, construction and basic infrastructure maintenance;
- Improving and expanding economic infrastructure (industrial parks, ICT Hubs, waste/recycling sites) in Townships;
- Expand Black Industrialist programme to include identifying people with potential to initiate new industries in the un-served sectors; and
- Ensure already designated SEZ's are fully operational and fast- track investment into SEZs.

The responsibility for South Africa's industrial effort is a collective one, requiring all departments and agencies to take responsibility for fully aligning their policy and programmes with the broader industrial agenda

3.2.2.5 Agricultural Policy Action Plan (APAP)

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

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

3.2.2.6 Comprehensive Rural Development Programme (CRDP)

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

3.2.2.7 Spatial Planning and Land Use Management Act (SPLUMA), 2013

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

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

3.2.2.9 The National Tourism Sector Strategy

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

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

Figure 4: Tourism sector strategy

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

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

Table 5: National Rural Tourism Strategy, Problem Areas, Goals and Objectives and Strategic Themes

Problem areas	Goals and objectives	Strategic themes
Inadequate resources and funding allocated to tourism in rural areas	Create a platform to share knowledge of best practice, development opportunities and challenges in rural areas for tourism development	Product Development, including but not limited to funding models and innovation schemes
Some tourist attractions and World Heritage Sites located in rural areas are not receiving the	Facilitate the coordination of rural tourism development initiatives amongst relevant stakeholders	Tourism Marketing, including but not limited to visitation of less visited areas

benefits stemming from the tourism industry	Create an enabling environment for rural tourism development to stimulate job creation	Tourism Skills and Development, including service standards
Limited involvement of local communities in tourism in rural areas	Identify and recommend strategic areas/ nodes for tourism development in rural areas within the sector	Tourism Support Infrastructure, including but not limited to roads and basic services
	Guide strategy development within key documentation generated for tourism development and management in South Africa	Tourism Research and Information, including tourism market intelligence

(Source: NDT, 2012)

3.2.3 PROVINCIAL
3.2.3.1 oneCape 2040

One Cape is an attempt to stimulate a more inclusive and resilient economic future for the Western Cape region. It has a long-term perspective focused on the big 'step changes'. At the same time, while the long-term perspective is important, One Cape 2040 is geared to catalysing short-term action and collaboration. It is designed to complement national planning while reflecting on the specifics of the Western Cape region.

The vision of oneCape 2040 is: *"A highly skilled, innovation-driven, resource-efficient, connected, high opportunity and collaborative society" (Western Cape Provincial Government)*. The following *six qualities* emerged as key ingredients of our vision. We need to be a society that is:

- Highly skilled – as the basis for both economic competitiveness as well as social progress;
- Innovation-driven – to solve our challenges and to ensure our economic future in a knowledge era;
- Resource-efficient - to mitigate environmental and regulatory risk and seize the opportunities of a post-carbon future;
- Connected – to each other and to the world;
- High opportunity – as a product of an enabling physical, services and regulatory environment geared to quality living and enterprise.
- Collaborative – as a key to achieving the required social, economic and environmental impact required.

Although these attributes are to some extent already present, they are not yet the predominant qualities. This is therefore a vision of change – about how we work together to ensure that these attributes are generally reflected throughout the province and all its private, public and civil institutions.

3.2.3.2 Provincial Strategic Goals

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

- Building an appropriately skilled workforce; and
- Prioritising Green Economy.

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

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

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

(Source: PERO, 2017)

From provincial level, key goals and objectives filter down to municipal level.

3.2.3.3 The Provincial Tourism Strategy: Project Khulisa

The provincial tourism strategy, Project Khulisa was launched in 2014. Project Khulisa (DEDAT, 2015) identified three (3) key strategic intentions:

1. Boost awareness of the Western Cape in key markets
    a. Delegate boosting and conversion programme
    b. Develop and implement an Africa and Gulf Co-operation Council countries growth strategy
    c. Develop data and real-time business intelligence capacity

2. Improve accessibility to Cape Town and the regions
    a. Improve direct air routes
    b. Lobby for friendlier visa regulations

3. Boost the attractiveness of the region through competitive product offerings and compelling packaging
    a. Position Western Cape as the cycling capital in Africa
    b. Maximise cultural and heritage tourism through the Madiba Legacy Tourism Route
    c. Position the Western Cape as an international business and leisure events destination
    d. Develop and implement a service level improvement programme

3.2.4 MUNICIPAL

3.2.4.1 CWDM IDP Strategic Goals, 2017/2018 - 2021/2022

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

The strategic planning vision of the CWDM for 2017/ 2018 is: "A unified Cape Winelands of excellence for sustainable development," which will be demonstrated in the following strategic goals:

1. Creating an environment and forging partnerships that ensure social and economic development of all communities, including the empowerment of the poor in the Cape Winelands District;
2. Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities; and
3. Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality (CWDM).

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

CWDM Strategic Objectives

S.O. 1: To ensure the health and safety of communities and to facilitate the social and economic empowerment of the poor in the Cape Winelands District through economic, environmental and social infrastructure investment

- Pre-determined Objective 1.1: Ensure a comprehensive and equitable Municipal Health Service within the CWDM.
- Pre-determined Objective 1.2: Ensure coordination of multi-disciplinary and sectoral disaster risk reduction through integrated institutional capacity for Disaster Risk Management, Disaster Risk Assessment and Response and Recovery.
- Pre-determined Objective 1.3: Provision of effective planning and coordination of fire prevention, safety and fire-fighting services throughout the Cape Winelands.
- Pre-determined Objective 1.4: To facilitate environmentally sustainable economic development planning through the development and maintenance of strategic partnerships, investment attraction, retention and opportunities, SMME support and development, skills development, and information and knowledge management.
- Pre-determined Objective 1.5: To facilitate and ensure the development and empowerment of the poor by graduating people out of poverty, social inclusion and improving the livelihood of the poor, vulnerable groups, rural farm dwellers and rural communities

S.O. 2: *To promote sustainable infrastructure services and a transport service which fosters social and economic opportunities*

- Pre-determined Objective 2.1: Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities.
- Pre-determined Objective 2.2: To implement sustainable infrastructure services
- Pre-determined Objective 2.3: To increase levels of mobility in the whole of the CWDM area
- Pre-determined Objective 2.4: To improve infrastructure services for rural dwellers
- Pre-determined Objective 2.5: To implement an effective ICT support system

S.O. 3: *To provide effective and efficient financial and strategic support services to the CWDM*

- Pre-determined Objective.3.1: To facilitate and enhance sound financial support services.
- Pre-determined Objective 3.2: To strengthen and promote participative and accountable governance.
- Pre-determined Objective 3.3: To ensure a skilled and competent workforce in order to realise organisational strategic objectives.

3.3 REGIONAL SPATIAL PLANNING FOR SPACE ECONOMY

The Cape Winelands District Municipality (CWDM), a Category C municipality, is situated in the Western Cape Province, and is one of the five district municipalities in the province. The CWDM comprises an area of 22 309 km² and is bordered by the four other district municipalities and the City of Cape Town Metropole. The district is comprised of the following local municipalities:

- Drakenstein Local Municipality
- Stellenbosch Local Municipality
- Witzenberg Local Municipality
- Langeberg Local Municipality
- Breede Valley Local Municipality

The Cape Winelands District is a landlocked area in between the West Coast and Overberg coastal districts, and shares its northern border with the Northern Cape Province. The CWDM is strategically located within the Western Cape Province, and bordering on the Northern Province, it provides a link to that province as well.

Map 1: The Cape Winelands
(Source: www.wikipedia.org)

The CWDM consists of five local municipalities, namely Breede Valley Local Municipality, Drakenstein Local Municipality, Langeberg Local Municipality, Stellenbosch Local Municipality and Witzenberg Local Municipality. Major towns situated in the CWDM include Ceres, Franschhoek, Paarl, Robertson, Stellenbosch and Worcester.

The area has a Mediterranean climate, with hot, dry summers and cool, damp winters with occasional snow on the mountain peaks during August and September. The region is generally mountainous, with mountain ranges and peaks reaching towards 2 000m, and it has broad, fertile valleys that are home to some of the country's finest vineyards.

The diverse geography includes rivers, pools, cliffs, waterfalls, forests and other natural features that provide much of the wealth of the Cape Winelands economy. The CWDM encloses an area with high agricultural potential.

The area is regarded as one of the "pearls of South Africa's rural and small-town sub regions, but disparate with a relatively high and diverse level of development" (CWDM website). It is a superb wine-producing area with the magnificent mountain ranges around Stellenbosch and Franschhoek providing ideal microclimates for the vines.

CWDM has the second largest population of all districts in the Western Cape after the Cape Metro. CWDM has a population of 895 529 (Quantec, 2017) with Drakenstein Local Municipality having the largest population in the district (227 899) and Langeberg Local Municipality the smallest population of 117 167.

The main economic sectors, and main contributors to the total GGP of the district, are finance, insurance, real estate and business services, wholesale & retail, catering and accommodation, manufacturing and agriculture, forestry and fishing (Quantec, 2017).

3.3.1 CAPE WINELANDS DISTRICT SPATIAL DEVELOPMENT FRAMEWORK (CWD SDF)

3.3.1.1 Key focus areas of the draft CW-SDF

The Cape Winelands Spatial Development Framework identifies eighteen (18) key focus areas for intervention:

Table 6: CWD SDF Focus Areas

Chapters:	Key Focus areas:
A. HUMAN SETTLEMENTS:	1. Population growth & migration 2. Hierarchy of towns 3. Growth potential of towns 4. Municipal services financial model 5. Integrated district public transport network 6. Cultural landscapes: Sense of place 7. Water infrastructure 8. Energy & telecommunications infrastructure 9. Solid waste disposal 10. Disaster management
B. DISRTICT SPACE ECONOMY:	11. Economic growth sectors 12. Municipal space economy linkages 13. Agri parks
C. BIODIVERSITY & ECOSYSTEMS: SERVICES	14. Biodiversity 15. Ecosystem services 16. Invasive alien species 17. Cape Winelands Biosphere Reserve
D. CLIMATE CHANGE:	18. Rain and temperature

Source: Draft CWD-SDF, 2019

The key focus areas were chose based on the functions of the Cape Winelands District Municipality in terms of Section 84 (1) of the Municipal Structures Act (117 of 1998), assigned functions i.e. Disaster Management and relevant issues and concerns that have an impact on the Cape Winelands District and broader Cape Metropolitan Functional Region landscape.

3.3.1.2 Objectives of the CWD SDF

The objectives of the CWD SDF are:

- To improve the quality of life for the people of the region by ensuring principle led responses;
- To plan in advance by considering future population growth, economic and climatic changes;
- To manage the impact and exposure of external and internal threats to growth and development;
- To restructure urban settlements through compaction and densification;
- To promote sustainable resource use and responsible rural development; and
- To improve and conserve the district's natural environment.

3.3.3 THE SPACE ECONOMY

3.3.3.1 Hierarchy of towns

Settlement classification based on the Council for Scientific and Industrial Research (CSIR) guidelines remains an important indicator of the distribution of existing primary social facilities in relation to settlement thresholds.

Table 7: PSDF 2014, Settlement Classifications; CWDM Settlements (CSIR Guidelines), Projections based on "Draft Data Estimate percentages, Data source: Statistics South Africa & Western Cape DEA&DP".

Settlements Classifications based on 2011 populations statistics (Stats SA)	Population Thresholds	Population, Community Survey (2016)	Population projection (2026)	Population projection (2036)
REGIONAL CENTRE Paarl, Stellenbosch, Wellington, Worcester,	**>70 000**	**REGIONAL CENTRE** **Paarl:** 126 975 **Stellenbosch:** 89 903 **Wellington:** 63 557+35 089 **Worcester:** 104 527	**REGIONAL CENTRE** **Paarl:** 162 539 **Stellenbosch:** 112 858 **Wellington:** 83 771+45 357 **Worcester:** 121 308	**REGIONAL CENTRE** **Paarl:** 208 063 **Stellenbosch:** 141 673 **Wellington:** 110 414+58 630 **Worcester:** 140 783
PRIMARY REGIONAL SERVICE CENTRE Ceres, Robertson	**>20 000-70 000**	**PRIMARY REGIONAL SERVICE CENTRE** Ceres: 36 043 Robertson: 30 675 De Doorns: 20 586	**PRIMARY REGIONAL SERVICE CENTRE** Ceres: 42 243 Robertson: 37 761 De Doorns: 26 352 Franschhoek: 21 692 Montagu: 23 587	**PRIMARY REGIONAL SERVICE CENTRE** Ceres: 49 510 Robertson: 46 484 De Doorns: 33 373 Franschhoek: 26 966 Montagu: 31 699 Klapmuts: 22 038 Prince Alfred Hamlet: 20 004 Wolseley: 27 328
SECONDARY REGIONAL SERVICE CENTRE Ashton, Bonnievale,	**>5000-20 000**	**SECONDARY REGIONAL SERVICE CENTRE** Ashton: 14 133 Bonnievale: 10 229	**SECONDARY REGIONAL SERVICE CENTRE** Ashton: 15 924 Bonnievale: 12 967	**SECONDARY REGIONL SERVICE CENTRE** Ashton: 17 941 Bonnievale: 16 437

De Doorns, Montagu, Klapmuts, Kylemore, Pniel Lyndoch Prince Alfred Hamlet, Saron, Touwsriver, Tulbagh, Wolseley, Franschhoek		Montagu: 17 551 Klapmuts: 9 495 Kylemore, Pniel, Lyndoch:12 031 Prince Alfred Hamlet: 8 455 Saron: 8 781 Touwsriver: 8 768 Tulbagh: 10 307 Wolseley: 14 276 Franschhoek: 17 450	Klapmuts: 14 466 Kylemore, Pniel, Lyndoch: 15 552 Prince Alfred Hamlet: 13 005 Saron: 11 023 Touwsriver: 13 231 Tulbagh: 13 585 Wolseley: 19 752 Rawsonville: 5047	Kylemore, Pniel, Lyndoch: 20 102 Saron: 13 837 Touwsriver: 19 964 Tulbagh: 17 906 Gouda: 6232 McGregor: 5398 Rawsonville: 6983
RURAL SETTLEMENTS WITH THRESHOLD TO SUPPORT PERMANENT SOCIAL SERVICES Gouda, McGregor, Op Die Berg, Rawsonville,	**>1000-5000**	**RURAL SETTLEMENTS WITH THRESHOLD TO SUPPORT PERMANENT SOCIAL SERVICES** Gouda: 3878 McGregor: 3493 Op Die Berg: 1843 Rawsonville: 3648	**RURAL SETTLEMENTS WITH THRESHOLD TO SUPPORT PERMANENT SOCIAL SERVICES** Gouda: 4916 McGregor: 4342 Op Die Berg: 2674	**RURAL SETTLEMENTS WITH THRESHOLD TO SUPPORT PERMANENT SOCIAL SERVICES** Op Die Berg: 3886
RURAL SETTLEMENT WITHOUT THRESHOLD TO SUPPORT PERMANENT SOCIAL SERVICES Hermon	**< 1000**	Hermon	Hermon	Hermon

Source: Draft CWD-SDF, 2019

3.3.3.2 Regional Centres

The Draft Greater Cape Metro Regional Spatial Implementation Framework (GCMRSIF) highlights the importance and functionality of regional nodes within the greater cape metro region. Stellenbosch, Paarl/ Wellington and Worcester are in the CWDM. In the context of the CWDM, four regional centres exist:

- **Stellenbosch:** Southern Winelands service & admin centre, tertiary education & research, agri processing, multi-national HQs, tourism destination, tech industry, very high growth potential;
- **Paarl-Wellington**: Northern Winelands service & admin centre, tertiary education, agri processing & distribution, tourist destination, very high/high growth potential;
- **Worcester:** Northern Boland service centre, admin centre, N/S & E/W regional logistics hub, specialist disability treatment, tertiary education, agri processing & distribution, high growth potential.

Both Stellenbosch and Drakenstein Municipalities have identified Klapmuts as a prospective sub-regional urban node along the N1. Residential and industrial development opportunities have been identified north and south of the N1, and the area has also been identified as having potential to serve as a regional freight logistics hub. Stellenbosch and Paarl/Wellington falls within the functional region of the metro economy. These nodes function more as an extension of the metropolitan area rather than being significant centres for services and goods to the surrounding countryside. Worcester remains an important, and probably the only, 'major regional service centre' due to easy accessibility from surrounding towns and towns located in the Langeberg & Witzenberg municipal area.

3.3.3.3 Growth Potential of Towns

The Growth Potential Study (2013) determined the following growth potential for municipalities and towns in the Cape Winelands district based on assessing five thematic indices, namely: human capital, infrastructure availability, economy, physical attributes, and institutional capacity.

The Growth Potential Study (GPS) provides a comprehensive profile for each settlement based on 85 individual indicators. The information generated from these assessments can inform strategies and projects aimed at addressing the weaknesses of individual settlements and optimising the strengths to unlock opportunities for growth and development. These assessments are crucial and must be prioritised. Detail planning and broad consultations that include all stakeholders (private sector, government etc.) must have parity on the way forward.

Table 8: Growth Potential and Socio-Economic Needs of CWDM Towns (GPS 2013)

B Municipalities:	Growth Potential: Settlement level	Growth Potential: Municipal level	Socio-economic needs
WITZENBERG		Low	
Ceres	*Medium (GPS 2013)* Very High (PSDF2014)		**High** Very High (PSDF2014)
Prince Alfred Hamlet	Medium		Medium
Op die Berg	Low		Medium
Tulbagh	Low		Medium
Wolseley	Low		Medium
LANGEBERG		Medium	
Montagu	Medium		Medium
Ashton	Medium		Medium
Robertson	Medium		**High**
MgGregor	Medium		Very low
Bonnievale	Medium		Medium
BREEDE VALLEY		Medium	
Worcester	**High**		**Very high**
Rawsonville	Medium		Low
De Doorns	Low		Low
Touwsrivier	Very low		Low
DRAKENSTEIN		Very high	
Paarl	**Very high**		**Very high**
Wellington	*Medium* Medium -High (PSDF 2014)		**Very high**
Gouda	Medium		Very low
Saron	Medium		Low
STELLENBOSCH		Very high	
Stellenbosch-Jamestown	**Very-high**		**Very high**
Pniel-Kylemore	**High**		Low
Franschhoek	Medium		Medium
Klapmuts	*Medium (GPS 2013)*		Low

	Very High (PSDF 2014)		Very High (PSDF 2014)

Source: Draft CWD-SDF, 2019

The Provincial Spatial Development Framework (2014) identifies Stellenbosch, Klapmuts, Paarl, Ceres and Worcester as settlements that have very high growth potential and very high social needs. This is a deviation from the GPS (2013). The deviation is specifically aimed at Ceres and Klapmuts. Reasons given are based on the relationship between areas of urban growth pressure and important natural and agricultural resources.

Ceres as a primary regional service centre's growth outlook is strengthened by the proposed R45 000 000, 00 Agri-Park development that will be developed within the next five (5) years and as having a strong agricultural sector. Klapmuts, on the other hand, is near Stellenbosch, Paarl and the City of Cape Town. Klapmuts together with Paarl and Stellenbosch is located within the functional region of the Metro Economy.

Wellington is viewed by the Draft Greater Cape Metro Regional Spatial Implementation Framework (GCMRSIF) as a regional node in tandem with Paarl and has a very high/ high growth potential. This regional node fulfils a service, tertiary education, agri processing & distribution, tourist destination and administrative center function for the northern winelands region.

3.3.3.4 Spatial Logic

The spatial logic as per the Provincial Space Economy is to:

1. **Capitalise** on the Knowledge Economy
2. **Consolidate** investment in economically vibrant areas
3. **Connect** regional economic infrastructure
4. **Cluster** investment of economic infrastructure.

The above spatial logic can be applied within the growth potential forecast of the CWDM towns with the five (5) regional centres (Stellenbosch, Paarl-Wellington, Worcester, Ceres and Robertson) being the main growth centres.

04

FACTOR OF PRODUCTION: HUMAN RESOURCES (LABOUR)

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

4.1 DEMOGRAPHIC PROFILE

4.1.1. POPULATION

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

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

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

4.1.1.1 Population Size and Growth

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

The population of the Cape Winelands District has grown between 2012 and 2017 as shown in the table below.

Table 9: Population per municipality Cape Winelands

Total population per Municipal area						
	2012	**2013**	**2014**	**2015**	**2016**	**2017**
Municipality						
Langeberg	103 496	106 599	108 789	113 542	115 175	117 167
Witzenberg	110 552	113 841	116 103	121 514	125 037	127 442
Stellenbosch	158 744	162 436	165 630	170 028	173 092	176 279
Breede Valley	176 104	180185	183 157	189 739	193 369	196 743
Drakenstein	250 696	255 968	260 770	267 549	273 221	277 899
Cape Winelands	799 592	819 029	834 449	862 372	879 894	895 529

(Source: Quantec, 2017)

The Langeberg Local Municipality has the lowest population (in numbers) in the Cape Winelands District, the Witzenberg Local Municipality has the second lowest, and the Drakenstein Local Municipality the highest. The population size and growth rate of all the municipalities relative to the district are shown in the figure below.

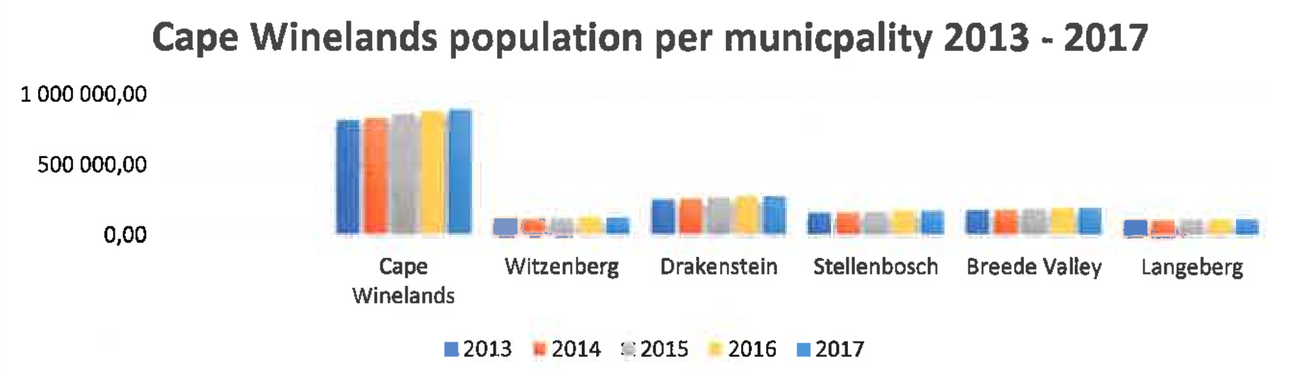


Figure 5: Cape Winelands population by municipality
(Source: Quantec, 2017)

All the municipal areas in the district's population have grown steadily between 2013 and 2017.

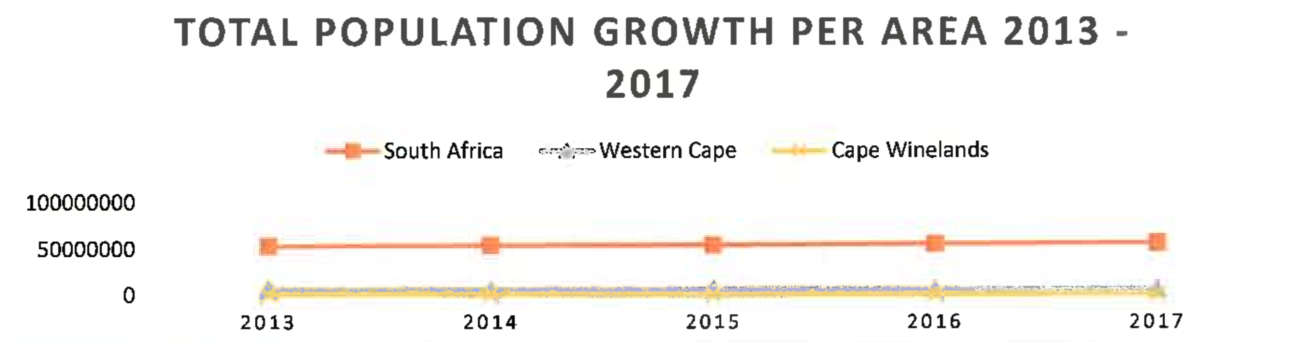


Figure 6: Population growth per area
(Source: Quantec, 2017)

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

The population growth for the Cape Winelands District (per municipality) compared to South Africa and the Western Cape Province is as follows:

Table 10: Percentage population growth per region

Region	Percentage Population growth (%)			
	2014-2015	2015-2016	2016-2017	Average
South Africa	1,55	1,59	1,68	1,60
Western Cape	2,09	2,11	2,17	2,12
Cape Winelands	*3,35*	*2,03*	*1,78*	*2,38*
Witzenberg	4,66	2,90	1,92	3.16
Drakenstein	2,60	2,12	1,71	2,14
Stellenbosch	2,66	1,80	1,84	2,10
Breede Valley	3,59	1,91	1,74	2,42
Langeberg	4,37	1,44	1,73	2,51

(Source: calculations based on population figures)

The table above shows that the population growth rate for South Africa and the Western Cape have been steadily increasing between 2014 and 2017. The average national and provincial population growth between 2014 and 2017 is 1.6% and 2.1% respectively.

The average growth rate for the Cape Winelands District is higher than the national and provincial average at 2.38%, although there was a marked reduction in the population growth rate for the Cape Winelands District between 2014 and 2016. In contrast to South Africa and the Western Cape, the Cape Winelands District's population growth rate has been slowing down. The population is therefore still growing, but at a slower rate than the provincial average, albeit at a higher rate than the national average. Above average population growth may indicate relatively stronger economic growth, and vice versa.

The population growth trends can be graphically displayed as follows (note that the population is growing; it is the rate at which it is growing that has slowed down):

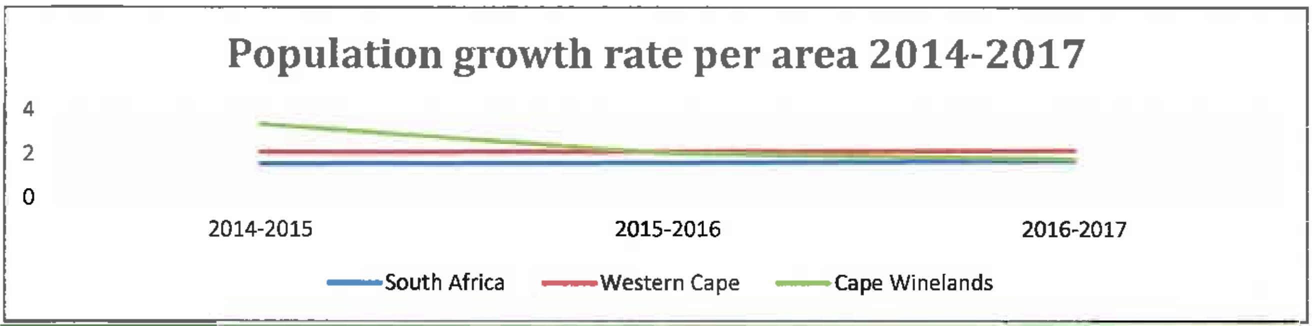


Figure 7: Population growth rate per area
(Source: own calculations)

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

Table 11: Number of households per municipality

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

(Source: Quantec, 2017)

The Langeberg Municipal area has the lowest number of households, and the Witzenberg Municipal area has the second lowest number of households in the Cape Winelands District. The Drakenstein Municipal area, followed by the Breede Valley Municipal area, have the highest number of households.

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

Table 12: Percentage growth in the number of households:

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

(Source: Quantec, 2017)

Between 2013 and 2017, the number of households in the Witzenberg Municipal area increased by just over 11%, compared to an increase of 9% for the total Cape Winelands District. The Breede Valley area showed an increase of 10% in the number of households over the same period, followed by the Langeberg area at an increase of 9.4% in the number of households. The municipalities with lower populations are growing at a faster rate, because a similar increase in numbers has a greater impact in terms of percentage when applied to a lower base.

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

The population characteristics in terms of age, gender and population group for each of the local municipalities in the Cape Winelands district are as follows:

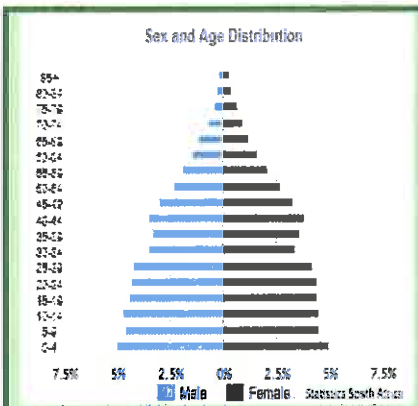


Figure 8: Langeberg population pyramid

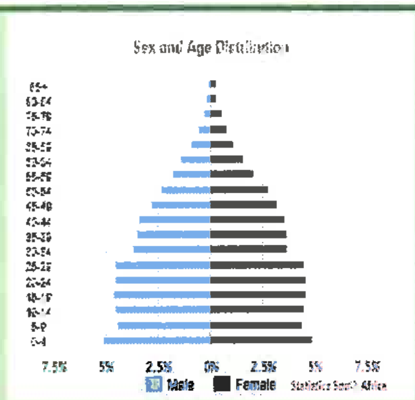


Figure 9: Breede Valley population pyramid

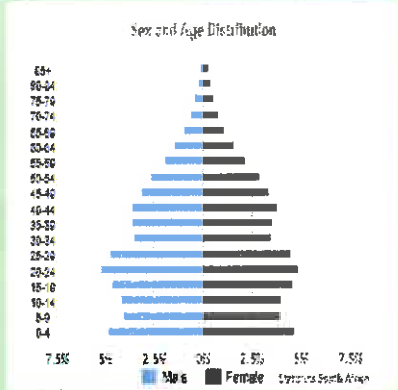


Figure 10: Drakenstein population pyramid

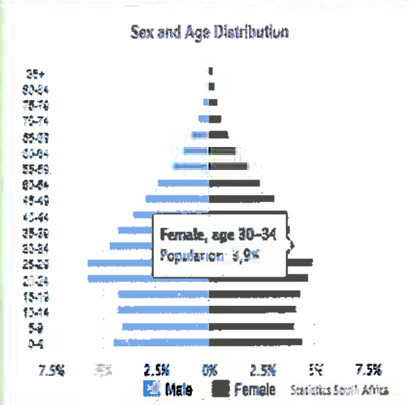


Figure 11: Witzenberg population pyramid

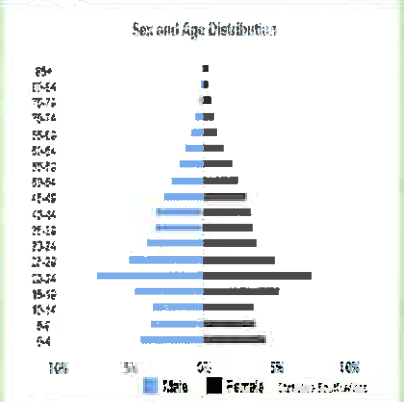


Figure 12: Stellenbosch population pyramid

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

The population pyramids for all of the local municipalities within the Cape Winelands District display a typical population composition, tapering off at higher ages. The base of children below 19 years is notably smaller in Stellenbosch and also, to a lesser extent, in Witzenberg.

In the Witzenberg Municipal area, the increased number of working-aged males may indicate migrant workers, and the disproportionate number of individuals between 20-24 in Stellenbosch is likely due to the high number of students who reside in Stellenbosch.

4.1.1.2 Dependency Ratio

The dependency ratio refers to the number of persons on average dependent on every working person in a region, i.e. the number of people supported by each economically active person. The lower the dependency ratio, the better, because it means that fewer people are reliant on a single job opportunity and the community is therefore less vulnerable to shifts in the economy. It also means that the income of one job opportunity has to feed fewer mouths, and is therefore not so thinly distributed as it would be if the dependency ratio was higher. The Cape Winelands District has a significantly lower dependency ratio that the average for South Africa, as is illustrated in the table below.

Table 13: Dependency ratio per area

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

Whilst the dependency ratio for South Africa has remained constant between 2013 and 2017, the Cape Winelands District managed to marginally reduce its dependency ration from 45 in 2013 to 44 in 2017.

Stellenbosch maintained the lowest dependency ratio in the region at 38, and Langeberg the highest at 48. All the local municipal areas in the district have a dependency ratio lower than the national average.

4.1.2 HUMAN DEVELOPMENT

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

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

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

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

South Africa's HDI in 2015 was 0.666, putting the country in the medium range.
Between 2011 and 2016, all local municipalities in the Cape Winelands District increased their HDI score as can be seen in the figure below.

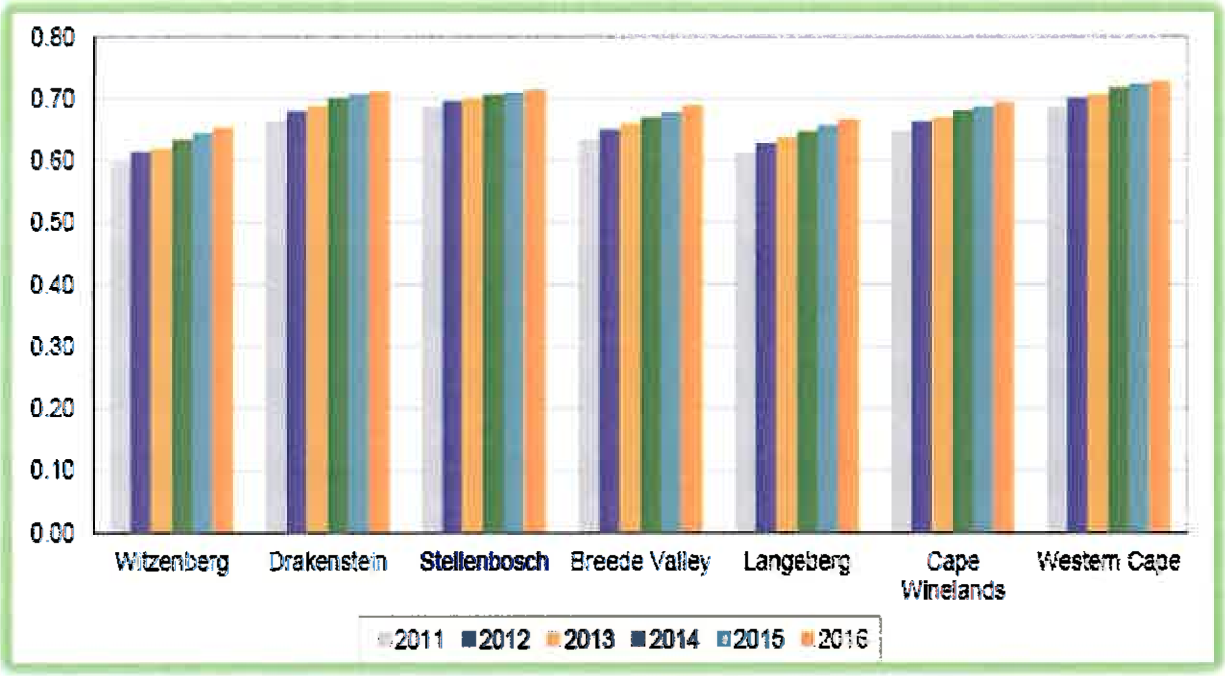


Figure 13: Human Development Index for Cape Winelands
(Source: MERO, 2017)

The Western Cape Province achieved an HDI of 0.73 in 2016. The top performers in the Cape Winelands District in terms of HDI were Stellenbosch at 0.72 and Drakenstein at 0.71, while Witzenberg scored the lowest in the district at 0.66 in 2016, followed by Langeberg at second lowest. The improvement in HDI in the district slowed between 2015 and 2016, with the HDI for Drakenstein, Langeberg and Breede Valley remaining constant.

4.1.3 HEALTH

The health status of a region remains a vital dimension of the welfare of a community. Improving the health status of the population has important benefits as poor health can affect people's ability to be productive and earn an income. Poor health therefore threatens the ability of people to escape the poverty cycle. Curative treatment costs far more than preventing illness.

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

Table 14: Life expectancy at birth, SA vs World average

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

(Adapted from Quantec, 2017)

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

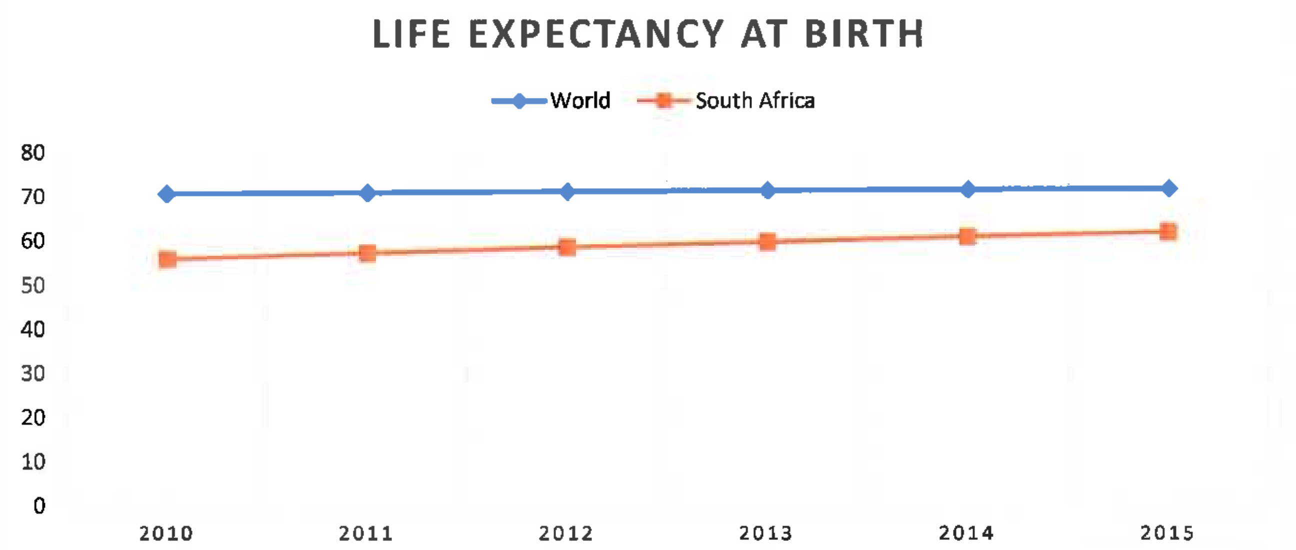


Figure 14: Increase in Life Expectancy at birth
(Source: Quantec, 2017)

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

Table 15: Child (under 4 years) mortality rate Cape Winelands

Child (under 4 years) mortality rate in Cape Winelands					
	2013	2014	2015	2016	2017
South Africa	5,47%	5,31%	5,20%	5,09%	5,10%
Western Cape	2,83%	2,74%	2,65%	2,56%	2,55%
Cape Winelands	*2,65%*	*2,55%*	*2,46%*	*2,37%*	*2,35%*
Witzenberg	2,58%	2,48%	2,39%	2,30%	2,27%
Drakenstein	2,65%	2,55%	2,46%	2,37%	2,35%
Stellenbosch	2,76%	2,66%	2,57%	2,49%	2,47%
Breede Valley	2,66%	2,56%	2,47%	2,38%	2,36%
Langeberg	2,54%	2,43%	2,34%	2,25%	2,23%

(Source: Quantec, 2017)

The child mortality rate in the Cape Winelands District was well below the national average of 5.10% in 2017. Stellenbosch had the highest child mortality rate at 2.47% in 2017, and Witzenberg had the lowest rate in the Cape Winelands District at 2.27%.

The main causes of death in the Cape Winelands District in 2015 were diseases of the circulatory system (20.2%) followed by neoplasms (18.5%) and certain infectious and parasitic diseases (17.6%). The smallest proportions of deaths in the District were due to diseases of the blood and immune mechanism (0.7%) (MERO,2017).

4.1.4 EDUCATION

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

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

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

Table 16: Learner enrolment and matric pass rates Cape Winelands, 2016

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

(Source: MERO, 2017)

The Drakenstein- and Stellenbosch areas had the highest matric pass rates and lowest leacher-learner ratios in the district. In 2016, all municipal areas, with the exception of the Witzenberg area, already surpassed the NDP target of an 80% matric pass rate by 2030. The Witzenberg area had the second-lowest enrolment rate and also the second-lowest drop-out rate in the district. Additionally, the Witzenberg area had the lowest matric pass rate of 74.5% in 2016. The Langeberg area suffered the highest dropout rate and smallest number of learners enrolled in the Cape Winelands District. The Langeberg area also had the highest learner-teacher ratio and a matric pass rate of 85.7% in 2016.

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

Table 17: Education levels in the Cape Winelands district

	Cape Winelands		Witzenberg		Drakenstein		Stellenbosch		Breede Valley		Langeberg	
Education levels	Number	% of total adult population	Number	% of total adult population	Number	% of total adult population	Number	% of total adult population	Number	% of total adult population	Number	% of total adult population
No schooling	57 353	7.6	10 223	8.8	16 680	6.9	8 684	6.2	13 193	8.3	8 585	9.0
Some primary	165 388	22.0	30 001	25.7	48 163	20.0	27 358	19.6	34 594	21.8	25 324	26.6
Complete primary	55 114	7.3	10 230	8.8	16 309	6.8	9 239	6.6	11 486	7.2	7 866	8.3
Some secondary	269 344	35.8	44 325	38.0	85 533	35.5	46 808	33.5	59 442	37.4	33 367	35.0
Grade 12/ Std 10	145 051	19.3	17 115	14.7	53 128	22.0	28 741	20.6	30 407	19.1	15 774	16.6
Higher	59 150	7.9	4 873	4.2	21 139	8.8	19 007	13.6	9 636	6.2	4 356	4.6
Total	**751 401**	**100**	**116 767**	**100**	**240 952**	**100**	**139 837**	**100**	**158 967**	**100**	**95 272**	**100**

Source: MERO, 2017

In 2017, 7.6% of people aged 20 years and older had no formal education at all, and 22% only had some primary school education. In the Cape Winelands District only 19.3% of adults have a matric certificate and 7.9% a higher qualification. This means that 72.8% of adults in the Cape Winelands District do not have matric and are becoming more unemployable in an economic environment where manual labour is becoming less important, whilst appropriate skills are becoming increasingly more important (Roux, 2014). The primary sectors that traditionally absorbed low-skilled labour are declining. In addition, it is very difficult to teach people skills if they do not have a solid educational background. For example, teaching someone computer skills if they cannot read and write fluently poses a great challenge.

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

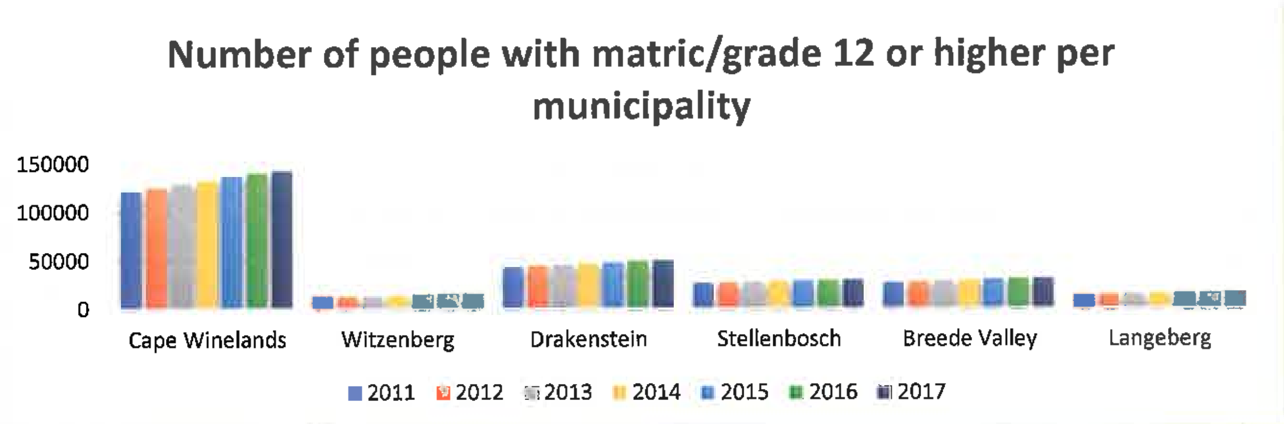


Figure 15: Number of people with matric per municipality
(Source: Quantec, 2017)

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

Although not out of line with the national trend, educational levels in the Cape Winelands District are alarming and a cause of great concern for future job creation and poverty alleviation efforts. Solving the current educational crisis in South Africa is likely to take more than ten years and requires urgent attention at national level. Poor education levels result in poor productivity that, in turn, leads to slow economic growth. This means that there are less resources to invest in human capital, which further exacerbates the problem of poor education. It is a vicious circle that needs to be addressed through improved educational levels and stronger economic growth.

The availability of adequate education facilities such as schools, FET colleges and schools equipped with libraries and media centers could have a positive impact on educational outcomes.

The Cape Winelands District had 272 schools in 2015, which had to accommodate 141 263 learners. Given the tough economic climate, schools have been reporting an increase in parents being unable to pay their school fees. Nevertheless, the proportion of no-fee schools have remained relatively unchanged between 2014 and 2015, which could in future further increase the drop-out rate. The number of schools equipped with a library increased from 143 in 2014 to 151 in 2015 (Cape Winelands, 2016 Socio-Economic Profile).

4.2 POVERTY AND INEQUALITY

4.2.1 INCOME

Household income is one of the most important determinants of social welfare in a region. The ability of the population to meet their basic needs such as food, clothing, shelter and basic amenities is largely determined by the level of income of households.
Gross National Income per capita is the total national gross income divided between the number of people. The GNI per capita for the Cape Winelands District, South Africa and the Western Cape are depicted in the figure below.

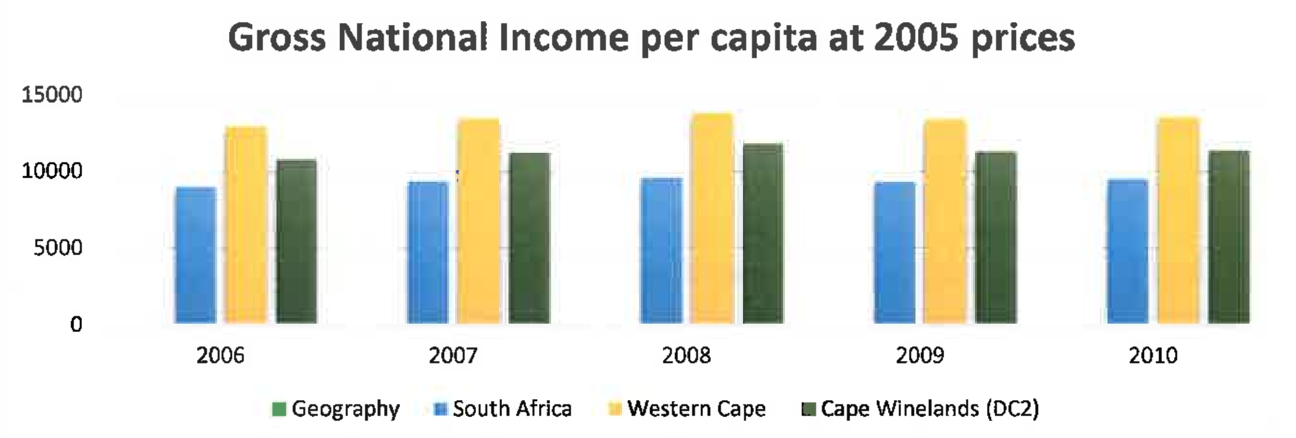


Figure 16: GNI per capita, Cape Winelands, 2006-2010
(Source: Quantec, 2017)

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

4.2.2 POVERTY

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

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

Table18: Inflation-adjusted poverty lines per person per month in rands (2006-2017)

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

(Source: Stats SA, 2017)

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

Table19: Indicators of multidimensional poverty

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

(Source: Statistics South Africa, 2014)

The table below compares the poverty headcount (percentage of households classified as multi-dimensionally poor) and intensity of poverty (the average proportion of indicators in which poor households are deprived) between 2011 and 2016 per municipality.

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

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

(Source: Stats SA, 2016)

The poverty headcount for the Western Cape Province was 2.7%, with the intensity of poverty at 40.1% in 2016. In the Cape Winelands District, the poverty headcount increased from 2.5% in 2011 to 3.1% in 2016. Over the same period, the intensity of poverty in the district decreased from 42% to 41.3%. The Cape Winelands District therefore suffers higher levels of poverty and more intense poverty than the average for the Western Cape Province.

Another important indicator of poverty in a region is the number of households with an income below the minimum living level (MLL). The MLL is calculated for different regions, household sizes, etc. and reflects the minimum amount a household needs to earn to meet its basic needs.
The MLL for the Western Cape was determined to be R 1 606 per month in 2017, as shown in the table below:

Table 212: UNISA BMR Minimum Living Levels

	MLL (Rand per capita per month)				
Date	2013	2014	2015	2016	2017
Western Cape	1 281	1 359	1 427	1 516	1 606

(Source: Quantec, 2017)

It is important to bear in mind that a region's average income can conceal significant disparities, depending on the distribution of income. Most regions will have groups of people in all income categories. The skewness of income distribution becomes clear when the average income for different population groups are compared. There may also be marked differences between male- and female-headed households and rural and urban households.

4.2.3 UNEMPLOYMENT

Unemployment means a lack of income, and therefore implies the absence of the means to fulfil one's basic needs. Unemployment is one of the dimensions of multi-dimensional poverty and often a contributing factor to the other dimensions of poverty.
The table below outlines unemployment rates in South Africa and the municipalities in the Cape Winelands District.

Table 223: Unemployment rate (percentage) per municipality

Unemployment rate (Percentage)					
Date	2012	2013	2014	2015	2016
Geography					
Total: South Africa	24,85	24,62	24,91	25,19	26,55
Cape Winelands	*10,38*	*10,05*	*10,28*	*9,94*	*10,68*
Witzenberg	7,15	6,83	6,97	6,57	6,98
Drakenstein	13,28	12,98	13,28	13,05	13,94
Stellenbosch	10,19	9,94	10,19	10,08	10,92
Breede Valley	10,64	10,27	10,50	10,03	10,75
Langeberg	6,98	6,65	6,80	6,37	6,99
(Source: Quantec, 2017)					

The unemployment rate in the Cape Winelands District, at 10.68% in 2016, was significantly lower than the national average of 26.55% at the time. It is, however, notable that the unemployment rate in the Cape Winelands District has increased from 10.38% in 2012 to 10.68% in 2016. Unemployment in the district was at its lowest level at 9.94% in 2015.
Drakenstein was the local municipality that suffered the highest unemployment rate at 13.94% in 2016, while Witzenberg had the lowest unemployment rate at 6.98% in 2016.

4.3 ACCESS TO SERVICES

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

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

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

4.3.1 HOUSING

The types and number of dwellings in the Cape Winelands District are outlined in the table below.

Table 23: Type of dwelling Cape Winelands district

	2013	2014	2015	2016	2017
Total number of dwellings CWDM	205 750	209 576	216 430	220 747	224 293
House or brick structure on a separate stand or yard	140 362	142 818	147 369	150 049	152 225
Traditional dwelling/hut/structure made of traditional materials	1 531	1 495	1 489	1 472	1 451
Flat in a block of flats	11 540	11 699	11 969	12 128	12 236
Town/cluster/semi-detached house (simplex, duplex or triplex)	11 949	12 257	12 737	13 064	13 334
House/flat/room, in backyard	2 520	2 558	2 629	2 671	2 705
Informal dwelling/shack, in backyard	11 997	12 410	12 984	13 423	13 811
Informal dwelling/shack, NOT in backyard, e.g. in an informal/squatter settlement	20 927	21 590	22 571	23 351	24 038
Room/flatlet not in backyard but on a shared property	1 312	1 338	1 380	1 410	1 433
Other/unspecified/NA	3 611	3 413	3 302	3 180	3 060

(Source: Quantec, 2017)

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

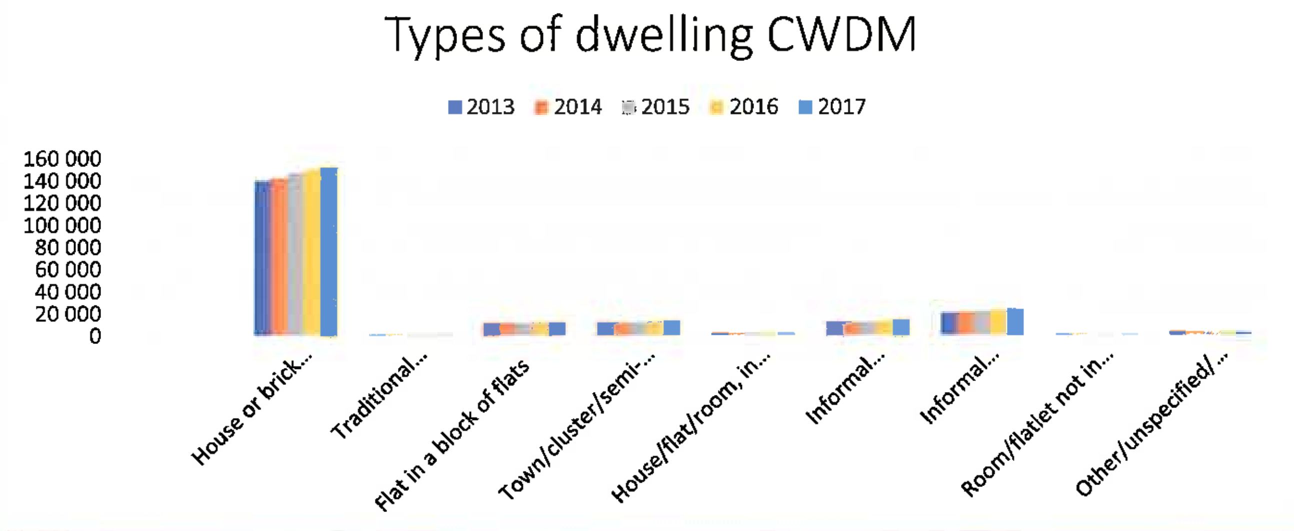


Figure 17: Dwelling types CWDM:
(Source: Quantec, 2017)

The percentage of households residing in each type of dwelling were as follows in 2017:

Table 24: Percentage of households per type of dwelling in Cape Winelands in 2017

Percentage of households per type of dwelling in Cape Winelands in 2017	
Type of dwelling	Percentage of households in 2017
House or brick structure on a separate stand or yard	67.87%
Traditional dwelling/ hut/ structure made of traditional materials	0.65%
Flat in a block of flats	5.46%
Town/ cluster/ semi-detached house (simplex, duplex or triplex)	5.94%
House/ flat/ room, in backyard	1.2%
Informal dwelling/ shack, in backyard	6.16%
Informal dwelling/ shack, NOT in backyard, e.g. in an informal/ squatter settlement	10.72%
Room/ flatlet not in backyard but on a shared property	0.64%
Other/ unspecified/ NA	1.36%

(Source: Own calculations from Quantec, 2017)

More than two-thirds (67.87%) of households in the Cape Winelands District live in a brick structure on a separate stand and 16.88% of households live in informal dwellings or shacks. The NDP targets 90% of South Africans to have access to the electricity grid by 2030.

4.3.2 ELECTRICTY

Electricity was the energy source for lighting in 92% of households in the Cape Winelands District in 2017 and the district therefore already surpassed the national target set for 2030 by the NDP.

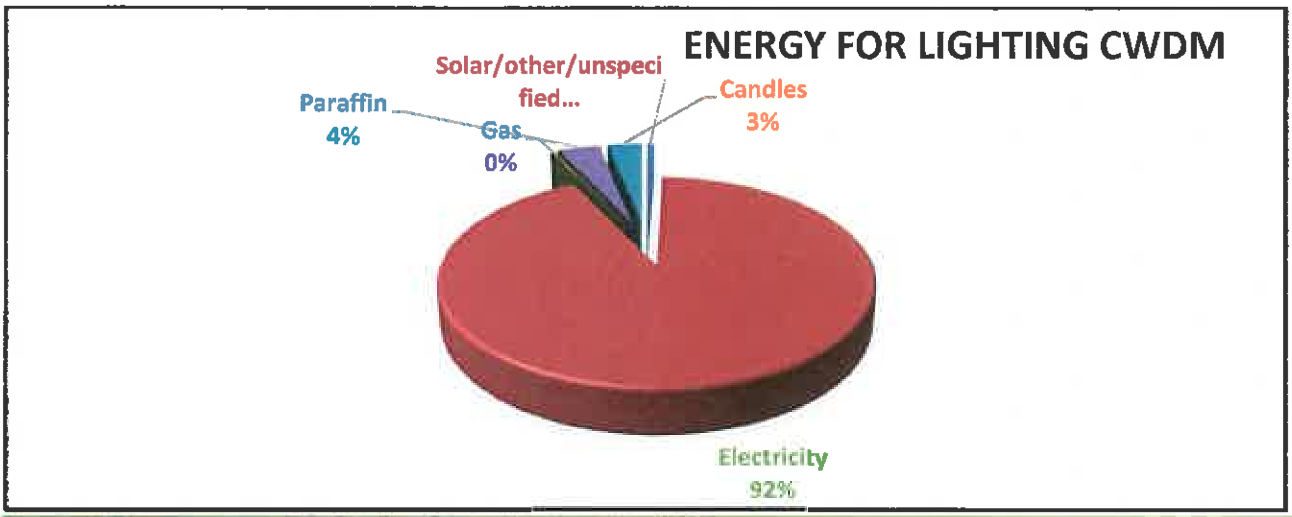


Figure 18: Energy source for lighting Cape Winelands in 2017 (Source: Quantec: 2017)

4.3.3 ACCESS TO COMMUNICATIONS

4.3.3.1 Telephones

The majority of residents (83%) in the Cape Winelands District have access to a phone inside the dwelling, with 12% reporting to not having any phone access in 2017.

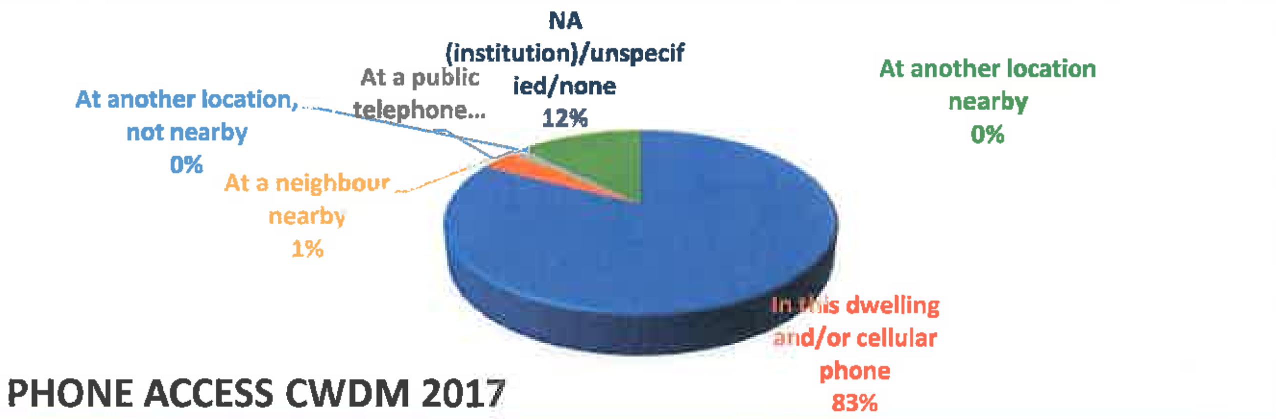


Figure 19: Access to a phone, Cape Winelands in 2017 (Source: Quantec, 2017)

4.3.3.2 Household usage of internet services

According to STATSSA most housholds usage of internet services occurs through their cellphone (44%) at any place followed by inside their dwelling (15.97); then the library (14.96%) and place of work 8.19%.

	In the dwelling (15.97%)

INTERNET	At the library (14.96%)
	At school/university/college (5.85%)
	At place of work (8.19%)
	Internet café 2km or less from dwelling (4.41%)
	Internet café > 2km from dwelling (3.14%)
	Any place via cellphone (44%)
	Any place via other mobile access service (7.75%)
	Other (2.23%)

Figure 201: Household usage of internet services
Source: STATSSA (2017), Cape Winelands Factsheet, Q3

4.3.4 WATER AND SANITATION

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

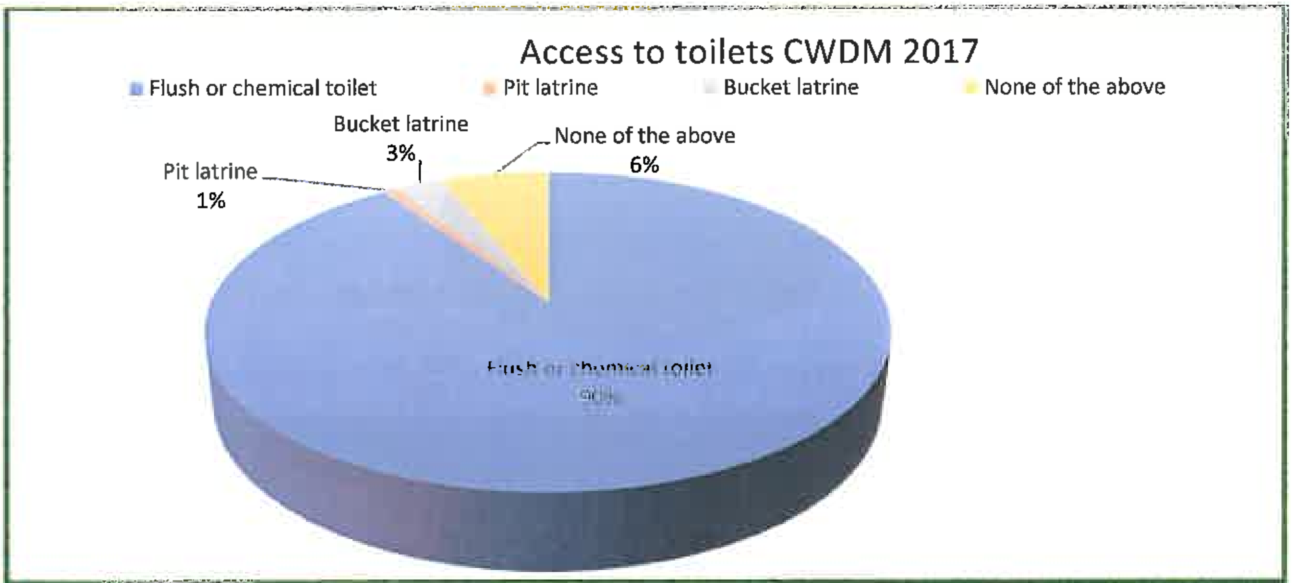


Figure 212: Access to toilets, Cape Winelands
(Source: Quantec, 2017)

In the District, 1% reported using a pit latrine at their household, 3% reported using a bucket latrine and 6% responded "none of the above" which indicates no access to a toilet in the dwelling. 90% of households in the Cape Winelands District had a flush of chemical toilet in their homes in 2017.

74% of households in the Cape Winelands District had access to piped water inside their dwelling, 14% reported having access to piped water inside the yard and 9% had access to piped water on a community stand less than 200 metres from the dwelling in 2017. Two percent (2%) of households had to access water more than 200 metres from the dwelling, and 1% accessed water by means of a borehole, water tank or well.

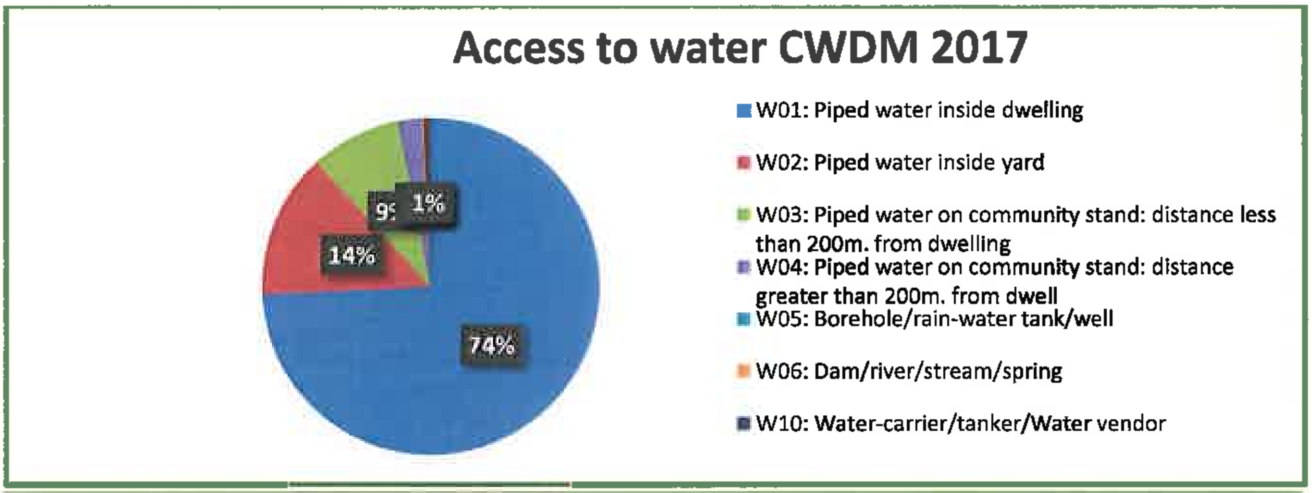


Figure 22: Access to water Cape Winelands district
(Source: Quantec, 2017)

4.3.5 INDIGENT HOUSEHOLDS

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

Table 25: Indigent households and provision of basic services in Cape Winelands

Municipality	No. of Indigent households 2015	No. of Indigent households 2016	Free basic water 2015	Free basic water 2016	Free basic electricity 2015	Free basic electricity 2016	Free basic sanitation 2015	Free basic sanitation 2016	Free basic refuse removal 2015	Free basic refuse removal 2016
Witzenberg	2 794	2 574	2 794	2 574	2 794	2 574	2 794	2 574	2 794	2 574
Drakenstein	15 095	17 971	15 095	17 971	15 095	15 452	15 095	17 971	15 095	17 971
Stellenbosch	5 757	6 486	5 757	6 486	5 757	6 486	5 757	6 496	5 757	6 496
Breede Valley	7 593	6 996	7 593	6 996	7 593	6 996	7 593	5 996	7 593	6 996
Langeberg	7 495	6 215	7 248	5 757	7 495	6 215	6 910	5 740	6 917	5 749

(Source: Stats SA, 2017)

The number of indigent households in the Cape Winelands District decreased between 2015 and 2016, and therefore, so did the number of households receiving free basic water, electricity, sanitation and refuse removal. The lower the number of indigent households, the higher the number of households that contribute to municipal service fees and the lower the number of households that need to be serviced for free.

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

Table 26: Overview of socio-economic indicators per municipality

Indicator	Cape Winelands District	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg
GDPR growth (2005 - 2015)	3.3%	5%	2.8%	2.8%	3.4%	3.6%
Population growth (2005 - 2015)	1.72%	1.88%	1.65%	1.88%	1.49%	1.84%
Real GDPR per capita (2005 - 2016)	R46 827	R43 865	R52 413	R61 193	R42 406	R38 006
Gini coefficient (2010 - 2016)	Increase	Increase	Increase	Decrease	Increase	Increase
Household expenditure	Services/ non-durables	Services/ non-durables	Services/ non-durables	Services/ non-durables	Services/ non-durables	Services/ non-durables
HDI (2010 - 2016)	Increase	Increase	Unchanged	Increase	Unchanged	Unchanged
No schooling (2016)	7.60%	8.80%	6.90%	6.20%	8.30%	9.00%
Grade 12 dropout rates (2016)	Increase	35.50%	25.00%	23.00%	32.70%	46.80%
Informal dwelling (2016)	17%	12.40%	13.40%	25.40%	21.90%	6.80%
Indigent households (2015 - 2016)	Increase	Decrease	Increase	Increase	Decrease	Decrease
Free basic water (2015 - 2016)	Increase	Decrease	Increase	Increase	Decrease	Decrease
Free basic electricity (2015 - 2016)	Decrease	Decrease	Increase	Increase	Decrease	Decrease
Free basic refuse removal (2015 - 2016)	Increase	Decrease	Increase	Increase	Decrease	Decrease
Free basic sanitation (2015 - 2016)	Increase	Decrease	Increase	Increase	Decrease	Decrease
Main causes of death			Diseases of the circulatory system			
Age group with highest death rate	45 - 65+	45 - 65+	45 - 65+	45 - 65+	45 - 65+	45 - 65+

(Source: MERO, 2017)

4.4 SAFETY AND SECURITY

The right to safety (freedom) and personal security is a basic human right included in the Constitution of South Africa. Crime has a negative impact on every aspect of the community: personal wellbeing, social welfare, the economy, employment, investment and tourism.

4.4.1 MURDER

Murder is a crime where the victim loses his/ her life. The murder rate is measured per 100 000 people, i.e. the number of people out of 100 000 that were murdered. In 2015 statistics, the Western Cape Province was shown to be the fourth worst affected province by murder (SAPS, 2015). The Cape Winelands District maintains a lower murder rate than the average for the province and managed to decrease the number of murders from 37 to 34 out of a 100 000 people between 2015 and 2016. The murder rate in the Western Cape Province remained stable over the same period.

Table 27: Murder rates in Cape Winelands and the Western Cape

Area	2015	2016	% Change
Cape Winelands District (per 100 000)	37	34	-7.0
Western Cape (per 100 000)	52	52	0.0

(CWDM IDP, 2017)

The South African Police Service (SAPS) releases statistics on the top 10 (highest incidence) precincts per crime. There are 150 police precincts in the Western Cape Province, and none of the precincts in the Cape Winelands District featured on the top ten list for murders in 2015.

4.4.2 ASSAULT WITH INTENT TO CAUSE GRIEVOUS BODILY HARM (ASSAULT GBH)

Out of all 150 precincts nationally, Worcester (located in the Cape Winelands District) was placed second on the list of the top ten precincts in terms of assault with intent to cause grievous bodily harm (SAPS, 2015).

Table 28: Western Cape Top 10 Precincts: Assault GBH 2012-2015

NO	STATION	2012/13	2013/14	% Δ	2014/15	DIFF	% Δ	% CONTRIBUTION
1	Nyanga	950	918	-3.4%	878	-40	-4.4%	**3.4%**
2	Worcester	853	746	-12.5%	839	93	12.5%	**3.2%**
3	Gugulethu	645	737	14.3%	668	-69	-9.4%	**2.5%**
4	Khayelitsha	706	686	-2.8%	640	-46	-6.7%	**2.4%**
5	Harare	630	604	-4.1%	610	6	1.0%	**2.3%**
6	Oudtshoorn	537	572	6.5%	608	36	6.3%	**2.3%**
7	Delft	480	519	8.1%	605	86	16.6%	**2.3%**
8	Mitchells Plain	756	573	-24.2%	567	-6	-1.0%	**2.2%**
9	Kraaifontein	467	500	7.1%	534	34	6.8%	**2.0%**
10	Mfuleni	514	522	1.6%	525	3	0.6%	**2.0%**

TOTAL	6,538	6,377	-2.5%	6,474	97	1.5%	24.7%

(Source: SAPS, 2015)

The highest increase (in number) of assault GBH between 2014 and 2015 in the Western Cape Province was recorded in Worcester, where there were 93 more incidents reported than in 2014.

4.4.3 COMMON ROBBERY

In terms of common robbery, Worcester again features on the top 10 list, ranked fifth of all precincts in the Western Cape Province.

Table 29: 8estern Cape Top 10 Precincts: Common Robbery 2012-2015

NO	STATION	2012/13	2013/14	% Δ	2014/15	DIFF	% Δ	% CONTRIBUTION
1	Cape Town Central	933	954	2.3%	991	37	3.9%	**7.4%**
2	Mitchells Plain	955	929	-2.7%	897	-32	-3.4%	**6.7%**
3	Parow	458	552	20.5%	679	127	23.0%	**5.1%**
4	Bellville	487	482	-1.0%	485	3	0.6%	**3.6%**
5	*Worcester*	*384*	*411*	*7.0%*	*422*	*11*	*2.7%*	***3.1%***
6	Nyanga	427	441	3.3%	391	-50	-11.3%	**2.9%**
7	Bishop Lavis	296	328	10.8%	334	6	1.8%	**2.5%**
8	Athlone	255	271	6.3%	296	25	9.2%	**2.2%**
9	Lentegeur	0	225	0.0%	296	71	31.6%	**2.2%**
10	Elsies River	256	226	-11.7%	275	49	21.7%	**2.0%**
		4457	4819	8.3%	5066	247	5.1%	37.7%

(Source: SAPS, 2015)

4.4.4 SEXUAL OFFENCES

The number of sexual offences reported in the Western Cape Province and the Cape Winelands District decreased between 2014 and 2015. However, the rate in the Cape Winelands District (measured as number of sexual offences per 100 000 people) was slightly higher than that of the province.

Table 304: Sexual offences reported in the Western Cape and Cape Winelands in 2015 and 2016

Area	2015	2016	% Change
Cape Winelands District (per 100 000)	137	122	-10.8
Western Cape (per 100 000)	120	115	-4.4

(Source: CWDM IDP, 2017)

Worcester ranked ninth on the list of top ten precincts for sexual offences in the Western Cape Province in 2015, despite the number of such crimes reported having declined from the previous year (2014).

Table 31: Western Cape top ten precincts 2012 - 2015: Sexual offences

NO	STATION	2012 /13	2013 /14	% Δ	2014 /15	DIFF	% Δ	% CONTRIBUTION
1	Nyanga	412	321	-22.1%	292	-29	-9.0%	**4.0%**
2	Harare	263	234	-11.0%	235	1	0.4%	**3.2%**
3	Gugulethu	264	236	-10.6%	229	-7	-3.0%	**3.1%**
4	Khayelitsha	241	230	-4.6%	229	-1	-0.4%	**3.1%**
5	Delft	248	214	-13.7%	225	11	5.1%	**3.1%**
6	Mitchells Plain	380	257	-32.4%	213	-44	-17.1%	**2.9%**
7	Kraaifontein	198	161	-18.7%	182	21	13.0%	**2.5%**
8	Mfuleni	164	190	15.9%	177	-13	-6.8%	**2.4%**
9	*Worcester*	*204*	*170*	*-16.7%*	*163*	*-7*	*-4.1%*	***2.2%***
10	Conville	147	139	-5.4%	160	21	15.1%	**2.2%**
TOTAL		2,521	2,152	-14.6%	2,105	-47	-2.2%	28.6%

(Source: SAPS, 2015)

4.4.5 BURGLARY AT RESIDENTIAL PREMISES

Two towns based in the Cape Winelands District were included in the top ten list for burglaries at residential premises in 2015. Worcester placed at the top of the list, and Stellenbosch ranked tenth.

Table 32: Western Cape top ten precincts, 2012 - 2015, burglaries at residential premises

NO	STATION	2012 /13	2013 /14	% Δ	2014 /15	DIFF	% Δ	% CONTRIBUTION
1	Worcester	1322	1192	-9.8%	1220	28	2.3%	2.6%
2	Mitchells Plain	1689	1417	-16.1%	1177	-240	-16.9%	2.5%
3	Kraaifontein	1118	1247	11.5%	1096	-151	-12.1%	2.3%
4	Kuils River	886	1050	18.5%	1024	-26	-2.5%	2.1%
5	Bellville	1036	1193	15.2%	1013	-180	-15.1%	2.1%
6	Somerset West	838	1130	34.8%	984	-146	-12.9%	2.1%
7	Knysna	931	1081	16.1%	973	-108	-10.0%	2.0%
8	Table View	1156	1233	6.7%	947	-286	-23.2%	2.0%
9	Parow	955	1017	6.5%	944	-73	-7.2%	2.0%
10	Stellenbosch	1276	1137	-10.9%	917	-220	-19.3%	1.9%
TOTAL		11,207	11,697	4.4%	10,295	-1,402	-12.0%	21.5%

(Source: SAPS, 2015)

The number of burglaries at residential premises increased between 2014 and 2015, but the number in Stellenbosch decreased over the same period. However, the number of residential burglaries again declined between 2015 and 2016 in the Cape Winelands District. There was also a slight decrease in the incidence of residential burglaries in the Western Cape Province between 2015 and 2016

Table 33: Burglaries at residential premises Western Cape and Cape Winelands 2015 and 2016

Area	2015	2016	% Change
Cape Winelands District (per 100 000)	817	797	-2.5
Western Cape (per 100 000)	780	768	-1.6

(Source: CWDM IDP, 2017)

4.4.5 BURGLARIES AT NON-RESIDENTIAL PREMISES

Paarl, Worcester and Stellenbosch were under the top ten precincts for reported burglaries at non-residential premises in 2015. Paarl ranked first with the highest number, Stellenbosch ranked third, and Worcester seventh.

Table 34: Western Cape top ten precincts: Burglaries at non-residential premises

NO	STATION	2012 /13	2013 /14	% Δ	2014 /15	DIFF	% Δ	% CONTRIBUTION
1	Paarl	337	399	18.4%	587	188	47.1%	4.3%
2	Bellville	440	433	-1.6%	417	-16	-3.7%	3.0%
3	Stellenbosch	414	479	15.7%	410	-69	-14.4%	3.0%
4	Parow	386	467	21.0%	390	-77	-16.5%	2.8%
5	Mitchells Plain	424	402	-5.2%	383	-19	-4.7%	2.8%
6	George	478	462	-3.3%	366	-96	-20.8%	2.7%
7	Worcester	363	360	-0.8%	340	-20	-5.6%	2.5%
8	Oudtshoorn	349	278	-20.3%	311	33	11.9%	2.3%
9	Milnerton	254	261	2.8%	294	33	12.6%	2.1%
10	Cape Town Central	382	346	-9.4%	272	-74	-21.4%	2.0%
TOTAL		3,827	3,887	1.6%	3,770	-117	-3.0%	27.5%

(Source: SAPS, 2015)

There was a decrease in the number of reported burglaries between 2014 and 2015 in Worcester and Stellenbosch. However, the number of reported cases in Paarl increased with 188 between 2014 and 2015.

4.4.6 THEFT OF MOTOR VEHICLES

Stellenbosch, Worcester and Paarl were numbers two, nine and ten respectively on the list of top ten precincts for theft from motor vehicles in 2015, which refers to stealing not the vehicle itself, but items out of the vehicle. The incidence of theft from motor vehicles in Paarl increased with 61.1% between 2014 and 2015.

Table 35: Western Cape top 10 Theft out of Motor Vehicles 2012 - 2015

NO	STATION	2012 /13	2013 /14	% Δ	2014 /15	DIFF	% Δ	% CONTRIBUTION
1	Cape Town Central	3294	3612	9.7%	3441	-171	-4.7%	8.1%
2	Stellenbosch	1698	1852	9.1%	1819	-33	-1.8%	4.3%
3	Bellville	1490	1465	-1.7%	1732	267	18.2%	4.1%
4	Mitchells Plain	2045	1699	-16.9%	1366	-333	-19.6%	3.2%
5	Parow	1021	1091	6.9%	1196	105	9.6%	2.8%
6	Sea Point	1181	1099	-6.9%	1118	19	1.7%	2.6%
7	Woodstock	1061	1210	14.0%	1106	-104	-8.6%	2.6%
8	Claremont	848	866	2.1%	1084	218	25.2%	2.6%
9	Worcester	1072	1001	-6.6%	1007	6	0.6%	2.4%
10	Paarl	540	552	2.2%	889	337	61.1%	2.1%
TOTAL		14,250	14,447	1.4%	14,758	311	2.2%	35.0%

(Source: SAPS, 2015)

4.4.7 DRUG-RELATED CRIME

Drug-related crimes have a detrimental impact on society and also the health and well-being of all those involved. None of the precincts based in the Cape Winelands District were listed under the top ten precincts in the province. There was, however, an increase in the number of drug-related crimes in the Cape Winelands District, although the incidence was still lower than that of the Western Cape Province on average.

Table 36: Drug-related crimes in the Western Cape and Cape Winelands in 2015 and 2016

Area	2015	2016	% Change
Cape Winelands District (per 100 000)	1 412	1 456	3.1
Western Cape (per 100 000)	1 449	1 517	4.7

(Source: CWDM IDP, 2017)

4.4.8 DRIVING UNDER THE INFLUENCE

The number of driving under the influence cases declined in the Cape Winelands District between 2015 and 2016. The Western Cape Province also experienced a decrease in the number of cases. The rate for the Cape Winelands District remained significantly lower than that of the province in 2015 and 2016.

Table 375: Driving under the influence, Western Cape and Cape Winelands, 2015 and 2016

Area	2015	2016	% Change
Cape Winelands District (per 100 000)	118	110	-7.0
Western Cape (per 100 000)	216	189	-12.4

(Source: CWDM IDP, 2017)

4.5 SUMMARY

In Summary:

- The population growth rate of the Cape Winelands District is above the national and provincial average. However, the growth rate has been slowing down in line with slower economic growth.
- The number of households in the Cape Winelands District increased on average with 9% per year between 2013 and 2017. The growth rate is expected to slow down slightly in line with the trend in population growth.
- The dependency ratio in the Cape Winelands District is lower than the national average, and the district also managed to modestly decrease its dependency ratio.
- In line with the NDP, the mortality rate for children under four (4) in the Cape Winelands District is declining. All municipalities in the district also maintained a lower rate than the national and provincial average between 2013 and 2017.
- The South African multi-dimensional poverty index (SAMPI) identifies factors that determine the level of deprivation of poor households. Even when challenges regarding economic growth and job opportunities are complex to address, some of the dimensions can be more readily addressed at local governmental level.
- The Cape Winelands District had a significantly lower unemployment rate than the national average in 2016. However, there was an increase in the unemployment rate between 2015 and 2016. Efforts to address increasing unemployment levels are valuable in eradicating poverty and increasing economic growth.
- Assisting households who do not have access to the most basic facilities should be a high priority in order to improve quality of life in the district.
- The number of murders, sexual offences, residential burglaries and incidents of driving under the influence all reduced in the Cape Winelands District between 2015 and 2016.
- Worcester, Stellenbosch and Paarl are among the top ten precincts in the Western Cape Province in terms of the number of certain crimes reported. The crime categories where towns based in the Cape Winelands District were among the top ten include:
  - Assault with the intent to cause grievous bodily harm
  - Common robbery
  - Sexual offences
  - Residential burglaries
  - Burglaries at non-residential premises
  - Theft of possessions out of motor vehicles
- Although lower than the provincial rate, the number of drug-related crimes in the Cape Winelands District increased between 2015 and 2016. Due to the negative social, economic and health impact, substance abuse should be a priority to address.

05

FACTOR OF PRODUCTION: ENTREPRENEURSHIP

Entrepreneurship is one of the factors of production. This section considers the business environment and entrepreneurship in the Cape Winelands District Municipality.

5.1 STRUCTURE AND PERFORMANCE OF THE DISTRICT ECONOMY

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

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

The objective of the economic overview is to:

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

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

5.1.1 ECONOMIC GROWTH

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

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

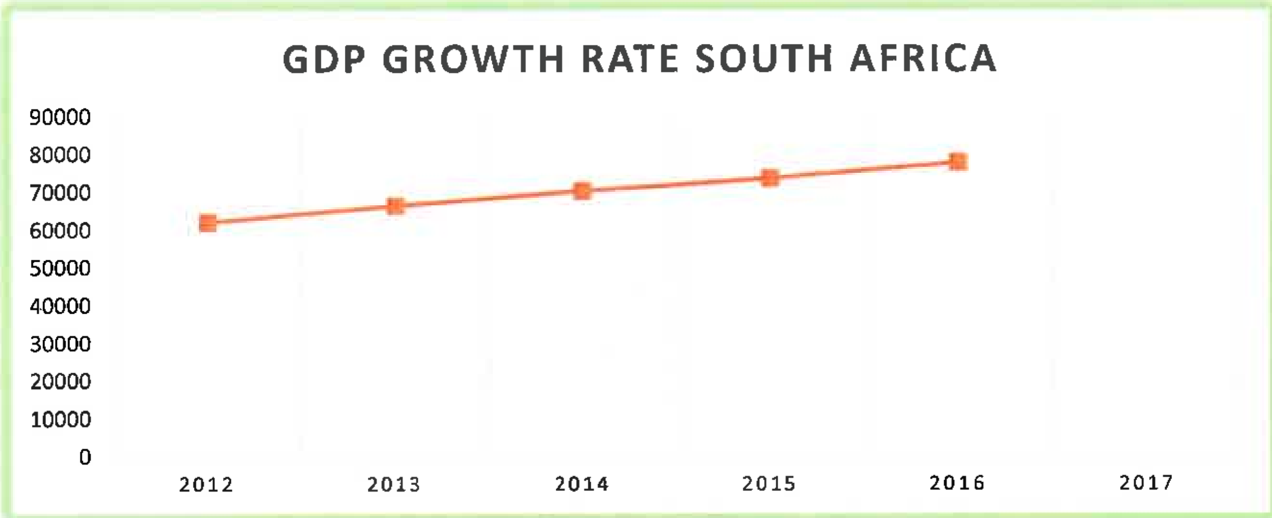


Figure 233: National GDP growth rate
(Source: Quantec, 2017)

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

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

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

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

The GDP per capita growth rate for South Africa has been declining since 2013 as can be seen in the figure below, indicating a failure to increase production to correspond with the increase in the population.

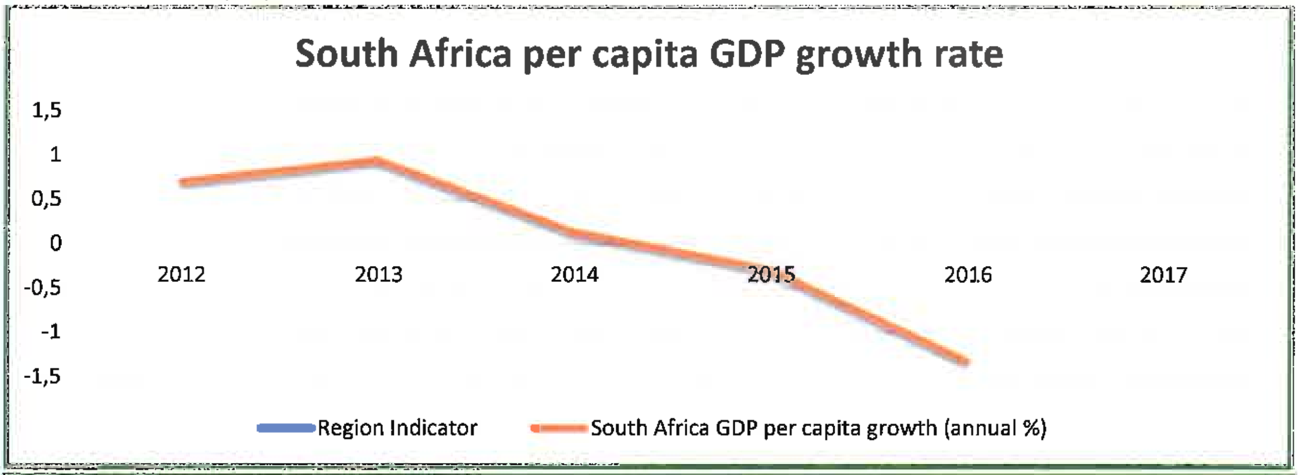
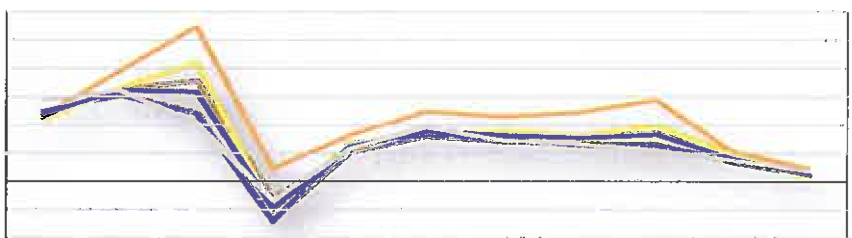


Figure 24: SA per capita GDP growth rate
(Source: Quantec, 2017)

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

CWDM GDPR growth per municipal area, 2005 - 2016



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016e
Witzenberg	4.6%	7.8%	10.9%	0.9%	3.2%	4.9%	4.6%	4.8%	5.7%	2.1%	0.9%
Drakenstein	4.9%	6.2%	4.8%	-2.7%	2.1%	3.2%	2.8%	2.6%	2.6%	1.3%	0.4%
Stellenbosch	5.0%	6.0%	4.7%	-2.9%	2.7%	3.2%	3.0%	2.5%	2.5%	1.6%	0.5%
Breede Valley	4.3%	6.5%	7.1%	-1.1%	2.0%	3.7%	3.3%	3.2%	3.4%	1.5%	0.4%
Langeberg	4.3%	6.5%	8.3%	-2.1%	2.6%	3.5%	3.5%	3.2%	3.9%	1.9%	0.1%
Cape Winelands District	4.7%	6.4%	6.3%	-1.9%	2.4%	3.5%	3.2%	3.1%	3.3%	1.6%	0.5%
Western Cape Province	5.7%	6.4%	4.1%	-1.3%	2.3%	3.8%	2.9%	2.6%	2.2%	1.5%	0.7%

(e denotes estimate)

Figure 25: GDPR growth rate per municipality
(Source: Quantec, 2017)

The NDP sets a national target of 5.4% annual GDP growth rate. The Cape Winelands District outperformed the Western Cape Province's average GDPR growth rate since 2012, but was expected to fall behind the provincial growth rate in 2016. Since 2010, Witzenberg has been the district's top performer in terms of economic growth. Witzenberg and Langeberg are the district's smallest economies, and the above average growth rate can in part be attributed to the fact that a relatively small increase in value has a significant impact on the percentage growth rate. Langeberg is forecast to experience the most dramatic decrease in GDPR growth, with its contribution forecast to drop to 0.1% in 2016.

The real economic growth rate (GDPR) has to exceed the population growth rate in order to yield an increase in per person (per capita) GDPR.

The real GDPR per capita growth rate in the Cape Winelands District shows that the district, on average, performed poorer than the average for the Western Cape Province in terms of GDPR value. All local municipalities followed a similar trend in terms of GDPR per capita growth as can be seen in the figure below.

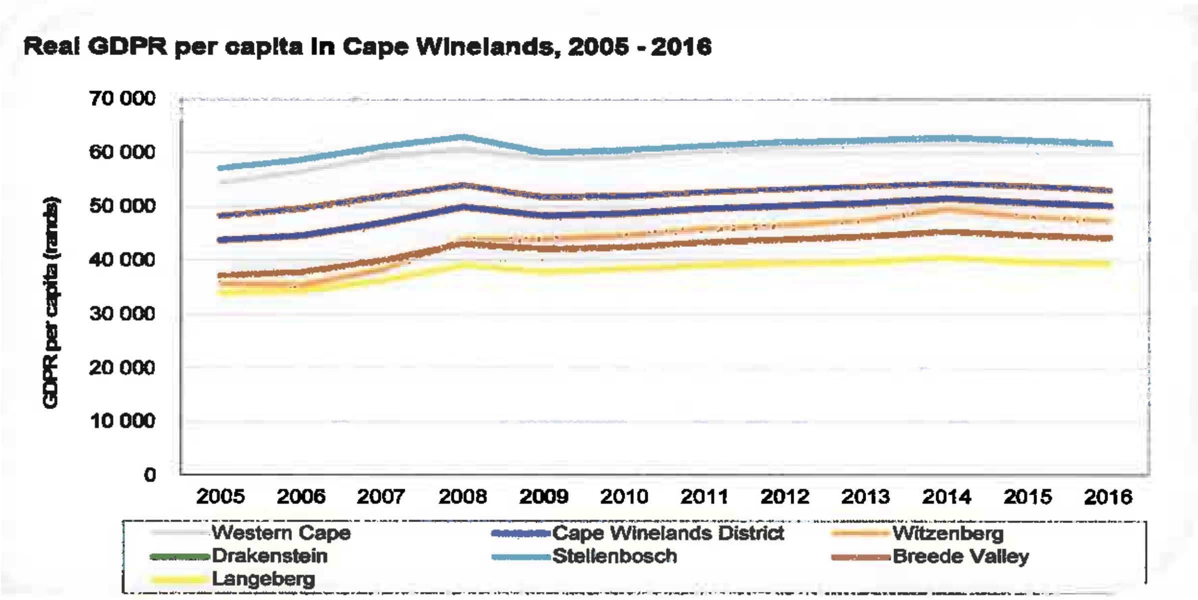


Figure 26: Real GDPR per capita in Cape Winelands 2005 - 2016
(Source: MERO, 2017)

Although the economy did show a slow recovery after the 2009 financial crisis, growth since 2014 has been declining. The NDP sets a target of R110 000 per capita GDP by 2030.

The real GDPR per capita for the province and district in 2016 were as follows:

Table 38: Real GDPR per Municipality in Western Cape 2016

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

(Source: Quantec, 2017)

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

This means that, on average, people in the Cape Winelands have less money to spend (and thus contribute to the economy) than the average per person in the Western Cape.

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

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

The Gini coefficient per area can be displayed as follows:

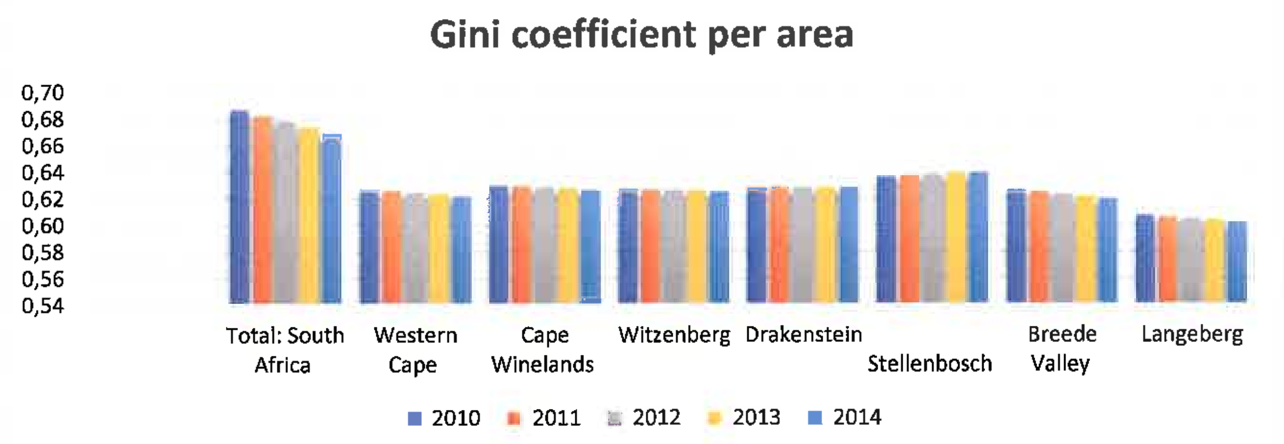


Figure 274: Gini coefficient 2010 - 2014
(Source: Quantec, 2017)

The Western Cape Province and Cape Winelands District's Gini coefficients are lower (more favourable) than the average for South Africa. However, the Gini coefficient for the Cape Winelands District has stagnated between 2010 and 2014, closing the gap between the district and national score. The Cape Winelands District also has a higher (less favourable) Gini Coefficient than the average for the Western Cape Province. The difference is slight, but developed due to the stagnation of the district's score since 2010. Langeberg and Breede Valley both managed to reduce their Gini coefficients. However, Drakenstein, Witzenberg and Stellenbosch's Gini coefficients remained stagnant at a level higher than that of the provincial aggregate.

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

Table 39: Gini coefficient per area 2010 - 2014:

	2010	2011	2012	2013	2014
Total: South Africa	0,69	0,68	0,68	0,67	0,67
Western Cape	0,63	0,63	0,62	0,62	0,62
Cape Winelands	*0,63*	*0,63*	*0,63*	*0,63*	*0,63*
Witzenberg	0,63	0,63	0,63	0,63	0,63
Drakenstein	0,63	0,63	0,63	0,63	0,63
Stellenbosch	0,64	0,64	0,64	0,64	0,64
Breede Valley	0,63	0,62	0,62	0,62	0,62
Langeberg	0,61	0,61	0,60	0.60	0.60

(Source: Quantec, 2017)

5.1.2 STRUCTURE OF THE ECONOMY

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

The primary sectors are those involved with using or extracting natural resources and consist of the agriculture, forestry and fishing sectors, as well as the mining and quarrying sector. Secondary sectors are those that use the raw materials obtained from the primary sectors in production, and include manufacturing, electricity, water, gas and construction. The tertiary sector includes services sectors such as wholesale and retail trade, finance, insurance, business services, transport, catering real estate, government and personal services sectors.

5.1.2.1 National Economy

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

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

Developing the secondary (manufacturing) sector is a key macro-economic strategy in South Africa.

5.1.2.2 The structure of the Cape Winelands District Economy

The composition in terms of the contribution of the three sectors in the Cape Winelands District is not dissimilar to that of the national economy. The contribution to GDPR in the Cape Winelands District per sector is as follows:

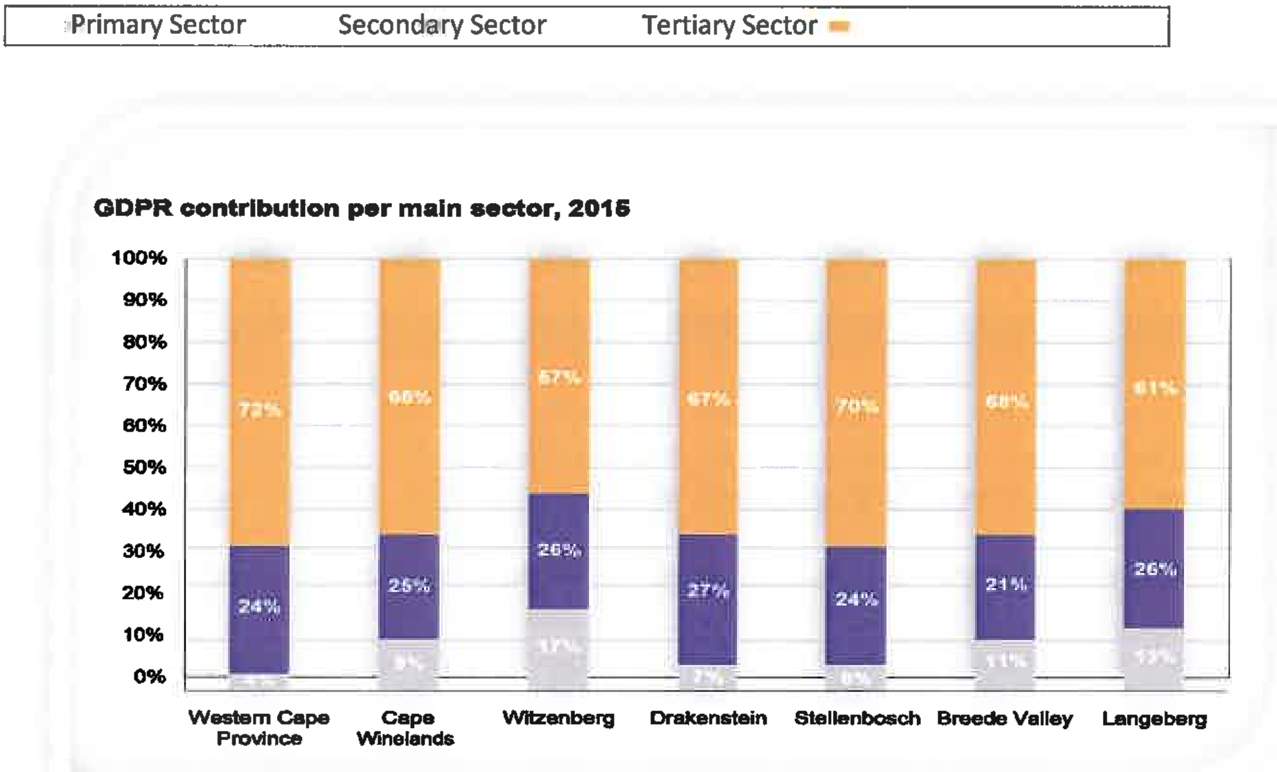


Figure 285: GDPR contribution per main sector 2015
(Source: MERO, 2017).

In 2015, the tertiary sector was the greatest contributor to GDPR in the entire Cape Winelands region, followed by the secondary sector, and lastly, the primary sector. The structure of the Winelands economy is therefore in line with provincial, national and global trends. The primary sector has a higher contribution in the Cape Winelands District than in the rest of the province, and the highest relative contribution in Witzenberg and Langeberg. In 2015 the percentage GDPR contribution per sector was as follows:

Table 40: Cape Winelands GDPR per sector 2015

Cape Winelands District GDPR contribution per sector, 2015 (%)

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

(Source: MERO, 2017)

In the Cape Winelands District, the tertiary sector contributes almost two thirds of total GDPR, the secondary sector contributes about a quarter and the primary sector just under 10%. The proportional contribution of the primary sector (agriculture) is more than twice that of the provincial average.

5.1.3 GROSS VALUE ADDED

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

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

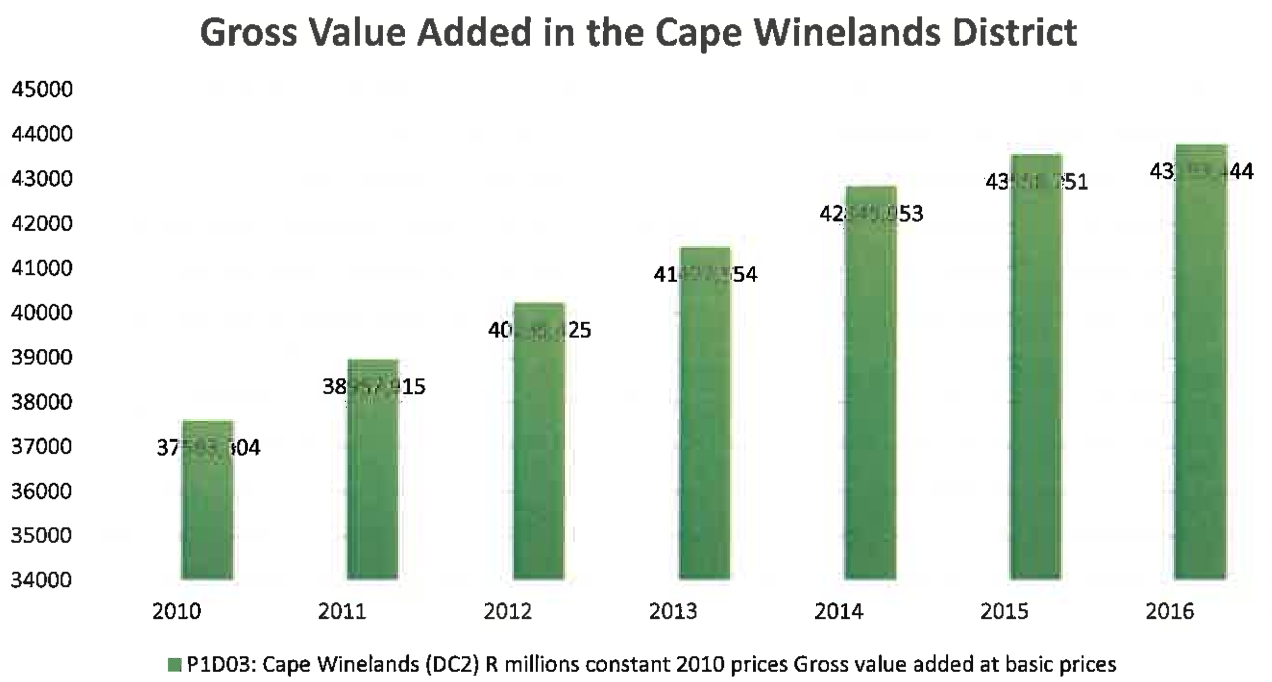


Figure 29: Cape Winelands GVA 2010 - 2016
(Source: Quantec, 2017)

Between 2010 and 2016 the district's real GVA increased by about 2.6% year-on-year. The district outperformed the Western Cape and the South African national GVA growth rate.

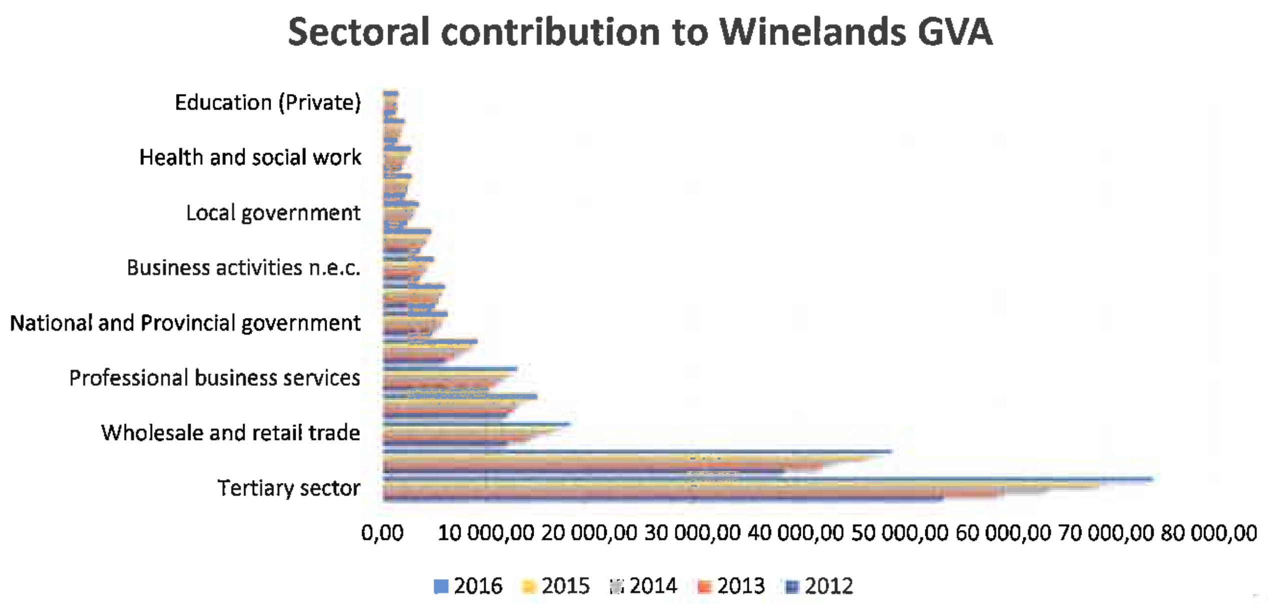


Figure 30d: Sectoral contribution to GVA in Cape Winelands, 2012 - 2016
(Source: Quantec, 2017)

The figure above shows that the tertiary sector contributed the most to GVA and has shown the greatest increase in its contribution between 2012 and 2016. The primary sector has shown slower growth than the secondary and tertiary sectors between 2012 and 2016.

The contribution from primary sectors between 2012 and 2016 is as follows:

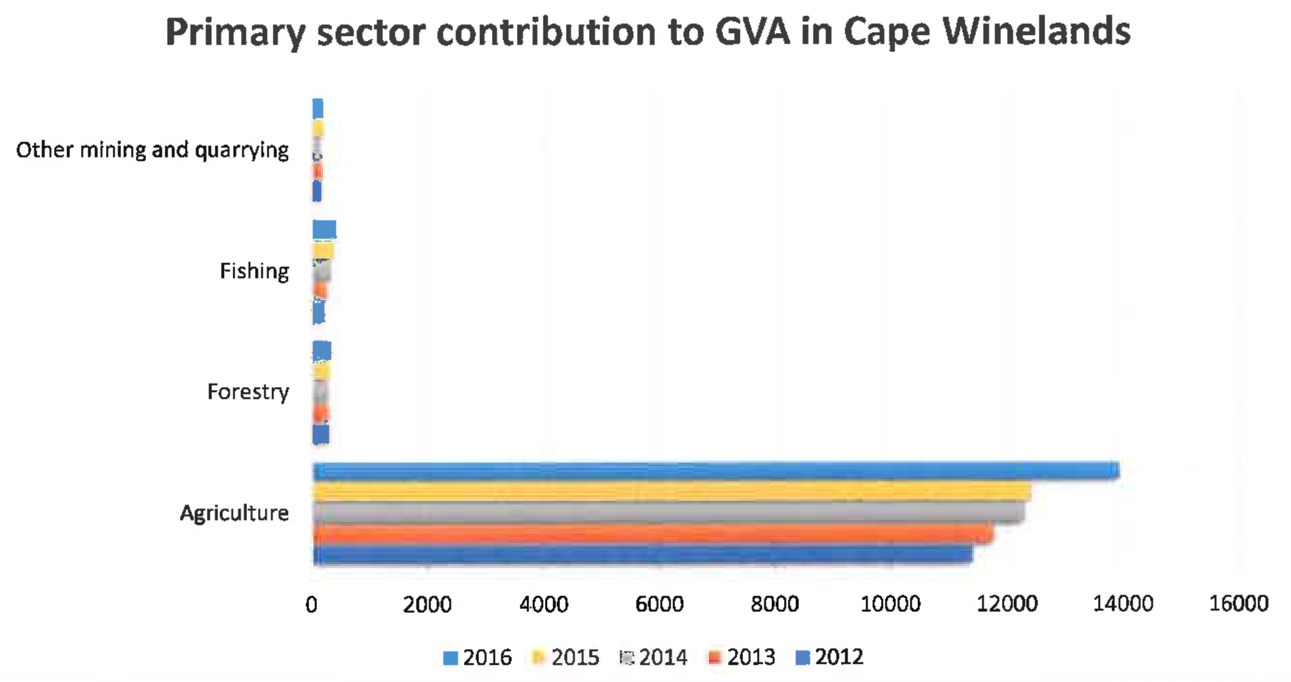


Figure 317: Primary sectors contribution to GVA 2012 - 2016
(Source: Quantec, 2017)

The primary sectors have grown relatively slowly between 2012 and 2016 with little or no growth in terms of value between 2014 and 2015. While the contribution (in value) of the mining and forestry industries have remained stable, the fishing and agricultural industries have grown in terms of value between 2012 and 2016. The agricultural industry is by far the greatest contributor towards primary sector GDPR and has also shown the greatest growth of all industries within the primary sector.

The value contribution of the secondary sectors in the Cape Winelands District between 2012 and 2016 can be depicted as follows:

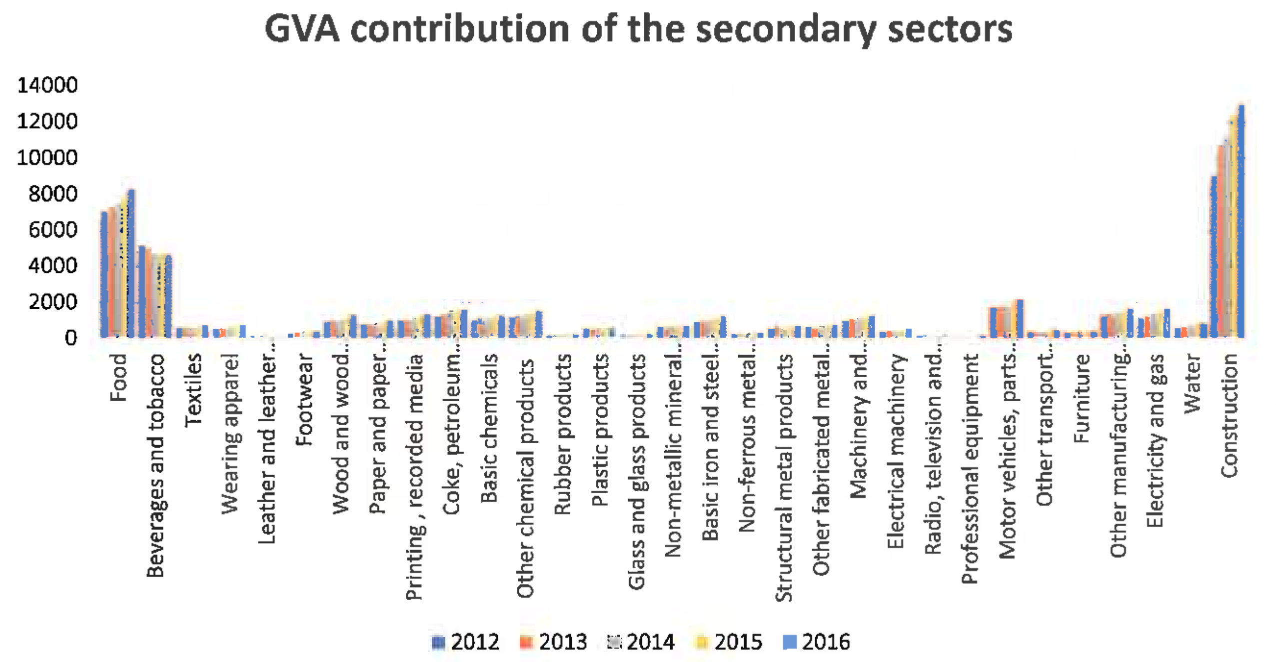


Figure 32B: GVA contribution of secondary sectors in Cape Winelands 2012 - 2016 (Source: Quantec, 2017)

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

The GVA contribution from the tertiary sectors in the Cape Winelands District between 2012 and 2016 were as follows:

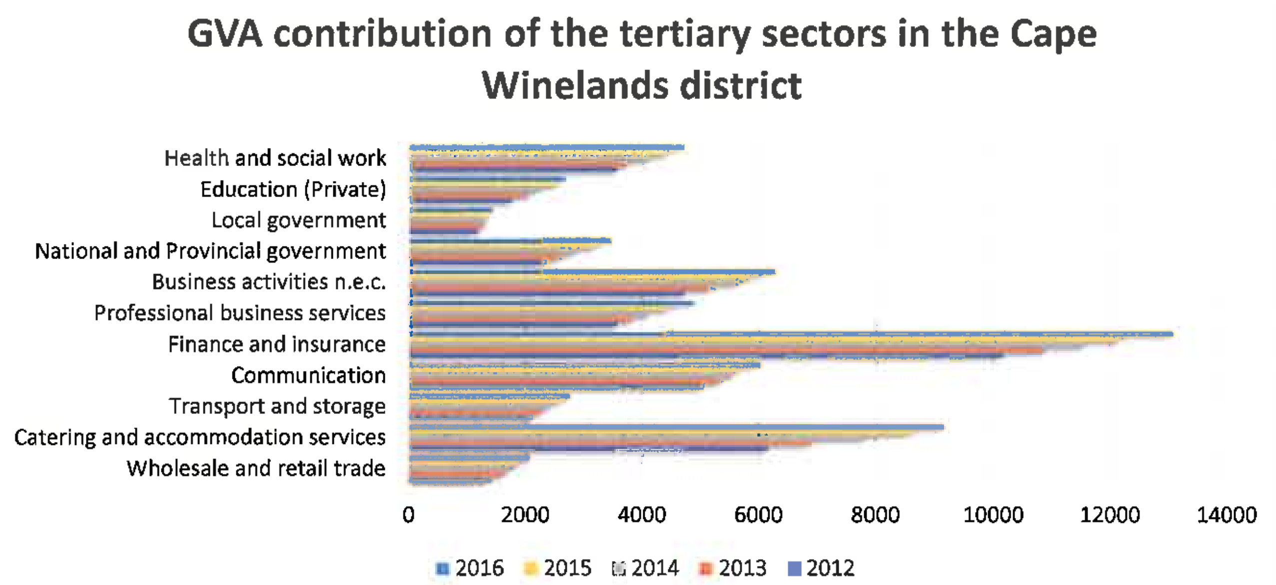


Figure 33: Contribution of tertiary sectors to GVA in Cape Winelands, 2012 - 2016 (Source: Quantec, 2017)

All the tertiary sectors in the Cape Winelands grew in terms of GVA. The finance and insurance industry contributed the most to the district's aggregate GVA between 2012 and 2016, followed by the catering and accommodation services sector. The slowest growth was from the local government sector.
Industry GVA for the Cape Winelands District at basic prices by industry, 2012-2016, are shown below:

Table 41: Industry GVA at basic prices for Cape Winelands, 2012 - 2016

	2012	2013	2014	2015	2016
Industry					
Primary sector	12 078,73	12 497,45	13 086,10	13 229,87	14 859,92
Agriculture	11 423,10	11 767,67	12 302,64	12 390,61	13 940,74
Forestry	285,55	287,86	289,01	287,66	319,04
Fishing	212,35	255,54	328,73	361,79	407,19
Other mining and quarrying	157,74	186,37	165,71	189,82	192,94
Secondary sector	38 962,41	42 476,20	43 961,83	46 990,52	49 312,32
Food	6 986,10	7 317,48	7 447,16	7 815,91	8 256,36
Beverages and tobacco	5 129,19	4 994,25	4 701,05	4 767,88	4 604,27
Textiles	565,59	609,23	618,95	661,79	707,53
Wearing apparel	497,39	539,66	586,73	654,26	712,44
Leather and leather products	116,27	137,73	133,16	131,10	111,99
Footwear	298,28	331,22	326,16	355,56	388,76
Wood and wood products	878,27	964,42	1 021,09	1 156,81	1 255,58
Paper and paper products	737,57	781,42	818,72	898,20	965,70
Printing, recorded media	934,06	1 010,89	1 093,82	1 209,22	1 307,03
Coke, petroleum products and nuclear fuel	1 160,91	1 303,14	1 510,61	1 539,70	1 595,98
Basic chemicals	985,99	1 083,39	1 086,30	1 174,18	1 248,34
Other chemical products	1 157,89	1 237,34	1 295,03	1 396,67	1 495,86
Rubber products	168,82	198,89	216,20	223,20	238,48
Plastic products	542,71	562,40	595,03	589,03	618,97
Glass and glass products	201,69	208,98	213,38	219,97	240,48
Non-metallic mineral products	636,46	668,90	708,47	670,98	681,09
Basic iron and steel products; casting of metal	868,50	978,77	1 000,31	1 115,39	1 191,21
Non-ferrous metal products	226,76	256,71	254,13	258,58	286,44
Structural metal products	523,29	696,40	537,14	645,01	680,66
Other fabricated metal products	624,49	529,21	666,81	679,59	733,23
Machinery and equipment	970,76	1 038,36	1 089,89	1 153,04	1 200,06
Electrical machinery	367,06	407,52	437,98	485,31	504,83
Radio, television and communication apparatus	132,29	145,21	170,59	162,93	179,26
Professional equipment	101,24	115,70	124,46	132,42	145,12

Motor vehicles, parts and accessories	1 670,76	1 771,49	1 865,55	1 926,15	2 137,12
Other transport equipment	329,28	368,17	395,20	432,77	468,23
Furniture	322,72	331,48	338,64	360,63	373,22
Other manufacturing groups	1 216,50	1 353,06	1 462,93	1 535,13	1 652,24
Electricity and gas	1 105,40	1 224,81	1 357,05	1 520,42	1 618,21
Water	555,62	633,53	717,96	780,89	810,29
Construction	8 950,56	10 676,46	11 171,33	12 337,80	12 903,39
Tertiary sector	54 216,28	59 811,65	64 426,71	69 364,30	74 660,88
Wholesale and retail trade	12 085,42	14 065,31	15 050,02	16 545,98	18 173,02
Catering and accommodation services	1 411,13	1 634,04	1 755,03	1 885,02	2 062,95
Transport and storage	6 166,94	6 907,23	7 844,08	8 624,64	9 149,85
Communication	2 121,03	2 268,67	2 412,33	2 607,00	2 749,24
Finance and insurance	5 053,94	5 353,44	5 522,24	5 661,17	6 009,88
Professional business services	10 184,34	10 882,20	11 565,73	12 183,49	13 079,92
Business activities n.e.c.	3 583,11	3 841,32	4 102,51	4 445,06	4 903,46
National and Provincial government	4 724,04	5 205,20	5 652,91	5 890,96	6 262,18
Local government	2 347,12	2 598,32	2 855,26	3 193,04	3 442,76
Education (Private)	1 189,52	1 305,26	1 322,68	1 375,40	1 442,18
Health and social work	1 781,82	2 003,80	2 215,98	2 530,35	2 679,74
Other community, social and personal services	3 567,89	3 746,86	4 127,94	4 422,20	4 705,70

(Source: Quantec, 2017)

From the table above, it is evident that the greatest contributing sectors toward GVA in the Cape Winelands District between 2012 and 2016 were:

1. Wholesale and retail trade
2. Agriculture
3. Professional Business service
4. Construction
5. Transport and storage
6. Food
7. National and Provincial Gov.
8. Finance and Insurance
9. Business Activities
10. Other Community, social and personal services

The figure below depicts the top contributing sectors to GVA in the Winelands District between 2012 and 2016.

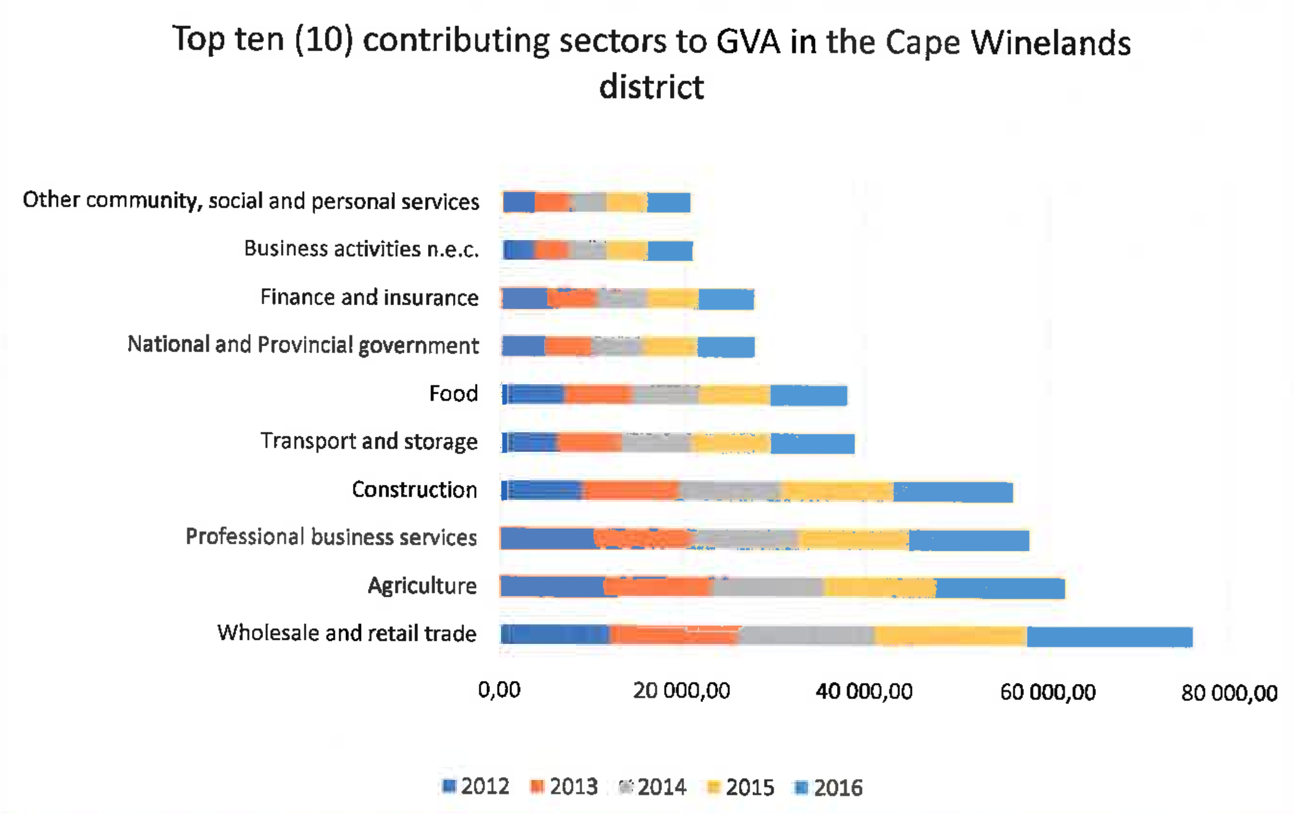


Figure 349: Top contributing sectors to GVA in Cape Winelands (Source: Quantec, 2017)

5.1.4 EMPLOYMENT PER SECTOR

The table below shows that the majority of jobs in the Cape Winelands District are created by the wholesale and retail trade, catering and accommodation sector, followed by the agriculture, forestry and fishery sector. Wholesale and retail trade, catering and accommodation contributed 22.8% to employment in 2015. Agriculture, forestry and fisheries contributed 20.5% to employment in the district in 2015. However, employment numbers in the sector fluctuated dramatically year-on-year. There was a dramatic increase in the number of job opportunities between 2014 and 2015 due to additional apple and pear production during that time (BFAP, 2016) as well as a large grape harvest that created seasonal employment. The current drought in the Western Cape, however, poses a serious threat to job opportunities in the agricultural sector.

Table 42: Employment per sector Cape Winelands

Sector	Contribution to employment (%) 2015	Number of jobs 2015	Trend 2005 - 2015	2010 - 2015	Employment (net change) 2011	2012	2013	2014	2015	2016e
Primary Sector	20.5	77 472	-22 900	16 458	-2 731	3 598	3 134	-4 245	16 702	-997
Agriculture, forestry and fishing	20.5	77 321	-22 833	16 505	-2 730	3 593	3 191	-4 245	16 696	-1 000
Mining and quarrying	0.0	151	-67	-47	-1	5	-57	-	6	3
Secondary Sector	15.5	58 538	4 222	5 134	850	161	1 898	916	1 309	781
Manufacturing	8.2	30 851	-5 179	-1 396	-368	-1 251	923	-910	210	-509
Electricity, gas and water	0.2	933	341	192	44	36	16	33	63	31
Construction	7.1	26 754	9 060	6 338	1 174	1 376	959	1 793	1 036	1 259
Tertiary Sector	64.0	241 559	86 416	46 252	7 662	8 341	10 729	9 323	10 197	3 319
Wholesale and retail trade, catering and accommodation	22.8	86 033	31 018	16 315	3 171	3 526	2 944	3 082	3 592	1 318
Transport, storage and communication	4.7	17 616	8 915	4 643	440	1 080	1 296	176	1 651	-961
Finance, insurance, real estate and business services	13.2	49 990	17 382	9 122	1 669	1 298	1 949	1 381	2 825	1 170
General government	9.5	36 055	10 065	4 244	1 584	712	621	2 123	-796	781
Community, social and personal services	13.7	51 865	19 036	11 928	798	1 725	3 919	2 561	2 925	1 011
Total Cape Winelands District	100	377 569	67 738	67 844	5 781	12 100	15 761	5 994	28 208	3 103

(Source: MERO, 2017)

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

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

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

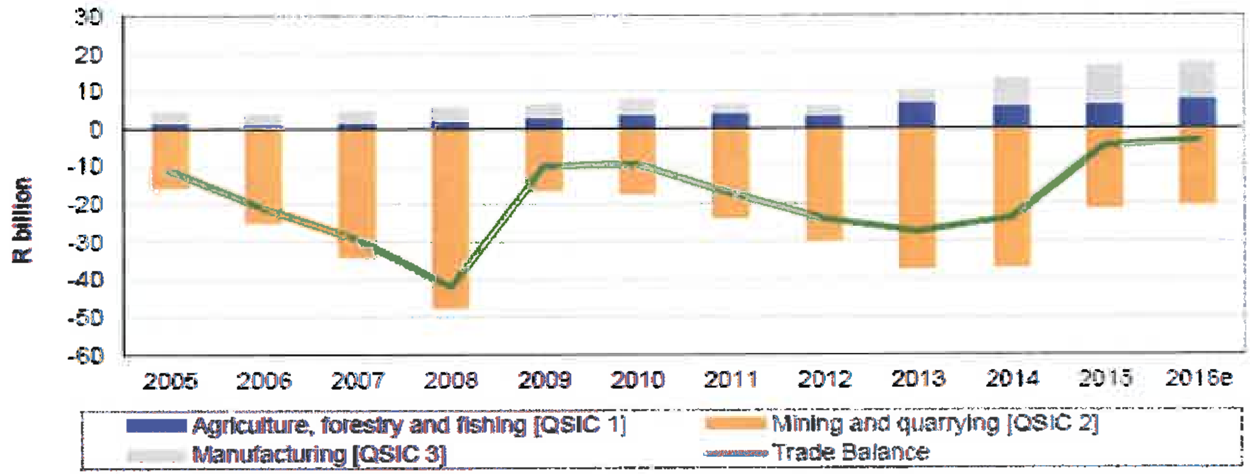


Figure 3510: Cape Winelands trade balance 2005 - 2016
(Source: MERO, 2017)

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

5.2. CAPE WINELANDS SWOT ANALYSIS

Below find the Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis for the social, economic, rural and tourism development in the Cape Winelands District.

Table 43: SWOT Analysis, CWD Social, Economic, Rural and Tourism Development

SOCIAL DEVELOPMENT SWOT	
STRENGHTS	**WEAKNESSES**
➢ The Cape Winelands district has a lower dependency than the average for the country, dependency ratio lower than the one for South Africa and decreasing. ➢ All local municipalities increased their HDI between 2011 and 2016. ➢ The districts child mortality rate is lower than the average for the country and the Province and has decreased between 2013 and 2017. ➢ 92% of households use electricity for lighting. ➢ 90% of households have access to a flush or chemical toilet. ➢ Reduction in the number of murders in the district between 2015 and 2016, murders also at lower level than provincial average. ➢ Diversity of local and international cultures ➢ Good International networks and economic linkages ➢ English speaking schools	➢ Although not out of line with national trends, learner enrolment, drop-out rates and matric rates remain problematic. ➢ Low educational levels which means that a significant portion of the population is inadequately educated. ➢ High crime levels in Worcester specifically. ➢ High level of sexual offences; higher level of than the province of sexual offences reported (although incidence has declined). ➢ Paarl, Stellenbosch and Worcester ranked under the top 10 precincts in the Western Cape for burglaries at non-residential premises (business premises). ➢ Stellenbosch, Worcester and Paarl ranked under the top 10 precincts for theft out of motor vehicles. ➢ Vulnerability of farmworkers in the District. ➢ Increasing levels of poverty

➢ World Class University in Stellenbosch ➢ Training and education institutions (primary, secondary and tertiary) ➢ National Centres of research excellence ➢ Skilled labour force linked to university and/or business ➢ Environment conducive to attract highly skilled labour	➢ Increasing instances of HIV, FAS, TB, drugs ➢ High levels of alcohol abuse amongst farm workers ➢ High dependency on social grants and wage income by the poor ➢ Low levels of education amongst labour force ➢ Youth problems (teen pregnancies, high dropout rate, drug and alcohol abuse) ➢ Decrease in demand for low skilled labourers on farms
OPPORTUNITIES	**THREATS**
➢ Strengthening strategic partnerships within the social development arena ➢ Greater alignment of interventions between different spheres of government	➢ Main cause of death in the district was diseases of the circulatory system, indicating unhealthy lifestyles. ➢ Increase in poverty headcount between 2011 and 2016. ➢ Intensity of poverty higher than provincial average in 2016. ➢ Worcester precinct ranked under the top 10 in the province for common robbery and assault GVH and sexual offenses. ➢ Worcester and Stellenbosch ranked in the top 10 precincts for residential burglaries. ➢ The District also reported a higher incidence of residential burglaries than the Province. The District on average reported a higher incidence of residential burglaries.

ECONOMIC DEVELOPMENT SWOT

STRENGHTS	WEAKNESSES
➢ Strongest economy in the province next to the Cape Metropole ➢ Well maintained regional road transport infrastructure ➢ Strong domestic tourism market linked to wine sector ➢ Well organised and globally competitive wine and deciduous fruit sectors ➢ Strong food processing cluster ➢ Well-developed linkage to Cape Town economy ➢ Well established brand names, globally ➢ Competitive commercial farmers ➢ R&D capacities are well developed in specifically the agriculture sector (e.g. production techniques & new cultivars)	➢ Lags behind province in terms of GDPR per capital ➢ Unemployment ➢ Economy vulnerable to exogenous factors ➢ Seasonality of employment opportunities ➢ Skills gap in basic business techniques ➢ SETA's not being utilised optimally ➢ Lack of intergovernmental alignment ➢ Lack of alignment between LM's and DM strategies ➢ Fragmentation of tourism industry ➢ Farm workers have poor access to health facilities ➢ Poor quality and bad conditions within some farm schools ➢ High cost of land ➢ High debt level of farmers ➢ Poor public transport network

OPPORTUNITIES	THREATS
➢ Improve Gini Coefficient to be lower than provincial aggregate ➢ Expansion and growth of existing businesses ➢ Establishment of new businesses ➢ Fostering Innovation ➢ Growing the agricultural sector ➢ Growing the tourism sector ➢ Increase economic growth rate ➢ Improve trade balance ➢ Proximity and location to Cape Town economy ➢ Procurement by government and business ➢ Expand on Extended Public Works Programmes ➢ Addressing inefficiencies in local government business processes ➢ Expand on and coordinate SMME support services ➢ Enter into Public Private Partnerships to improve efficiencies ➢ Link to provincial strategies and programmes ➢ New product development and differentiation ➢ Brand development ➢ Develop and link to sector specific plans	➢ Slow economic growth rate of national economy ➢ Drought in the Western Cape ➢ Economic inequality ➢ Political dynamics ➢ Lack of unity within businesses ➢ International subsidies for agriculture ➢ Steep increases in land value ➢ Volatile exchange rate ➢ Narrowing agriculture profit margins ➢ Fluctuations in tourism industry ➢ South Africa's credit status (currently just above junk status)

RURAL DEVELOPMENT SWOT

STRENGHTS	WEAKNESSES
➢ High quality & unspoiled natural environment attractive to skilled labour ➢ Diversity of scenic landscapes ➢ Soil & Climate favourable for grape and deciduous fruit production	➢ Property development negatively affecting environment ➢ Land reform taking place at very slow rate ➢ Municipal owned land not being used for best strategic uses ➢ Water shortages ➢ River water pollution
OPPORTUNITIES	**THREATS**
➢ Growth in tourism markets (domestic and internationally) ➢ Green technologies ➢ Developing programmes to mitigate against the impact of climate change	➢ Climate change impacting on existing agricultural production activities ➢ Drought ➢ Water supply ➢ Water quality

TOURISM DEVELOPMENT SWOT	
STRENGHTS	**WEAKNESSES**
➢ Natural beauty ➢ Strong tourism sector established in some Local Municipal areas ➢ Brand "Cape Winelands" is world renown ➢ Growing popularity of wine tourism ➢ Growing popularity of gastronomy tourism ➢ Growing popularity of cultural tourism	➢ Lack of transformation in the tourism sector ➢ Seasonality of the tourism industry ➢ Underdevelopment of tourism in outlying areas
OPPORTUNITIES	**THREATS**
➢ Opportunity to grow tourism for families (multi-generational tourism) ➢ Opportunity to grow cultural tourism ➢ Opportunity to develop new innovative tourism products ➢ Opportunity to extend the length of stay of tourists ➢ Increased online footprint for businesses in the tourism sector.	➢ Decreasing local tourism due to slow economic growth. ➢ Crime ➢ Drought

5.3. ENTREPRENEURSHIP

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

5.3.1 THE CONTRIBUTION OF THE PRIVATE SECTOR (LOCAL BUSINESSES)

5.3.1.1 The formal sector

Businesses create employment for local residents, provide families with livelihoods and ignite local economic development. Without businesses, there would not be employment opportunities in the private sector.

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

Table 44: Employment (number) per industry 2016

Employment (Number) Total for 2016						
Industry	CWDM	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg
Total (all sectors)	**376 029**	**59 006**	**108 595**	**76 295**	**80 685**	**51 448**
Primary sector total	70 704	16 140	16 001	9 270	17 520	11 773
Agriculture	66 294	14 974	14 886	8 238	16 798	11 398
Forestry	1 692	521	404	499	152	116
Fishing	2 556	640	634	504	536	242
Other mining and quarrying	162	5	77	29	34	17
Secondary sector total	59 155	8 510	18 589	12 859	11 170	8 027
Food	5 627	1 223	1 399	1 024	1 093	888
Beverages and tobacco	3 847	362	1 239	1 126	488	632
Textiles	1 383	59	426	394	254	250
Wearing apparel	2 076	54	331	715	504	472
Leather and leather products	99	14	50	25	10	0
Footwear	485	214	112	85	29	45
Wood and wood products	1 411	290	557	274	183	107
Paper and paper products	537	50	167	135	147	38
Printing, recorded media	1 781	86	445	604	365	281
Coke, petroleum products and nuclear fuel	310	102	75	57	50	26
Basic chemicals	291	34	70	68	77	42
Other chemical products	848	69	251	236	176	116
Rubber products	164	13	43	48	41	19
Plastic products	771	0	259	252	164	96
Glass and glass products	223	19	65	60	49	30
Non-metallic mineral products	1 018	205	376	182	158	97
Basic iron and steel products; casting of metal	298	57	81	65	59	36
Non-ferrous metal products	118	0	50	32	27	9
Structural metal products	885	75	241	206	192	171
Other fabricated metal products	1 272	131	348	306	275	212
Machinery and equipment	1 797	116	696	482	367	136
Electrical machinery	560	33	274	172	57	24
Radio, television and communication apparatus	109	8	41	26	23	11
Professional equipment	205	7	75	87	24	12

Motor vehicles, parts and accessories	1 274	111	364	363	270	166
Other transport equipment	505	21	208	127	134	15
Furniture	655	58	233	159	97	108
Other manufacturing groups	1 537	226	473	320	282	236
Electricity and gas	703	151	231	109	132	80
Water	268	66	107	39	39	17
Construction	28 098	4 656	9 302	5 081	5 404	3 655
Tertiary sector	246 170	34 356	74 005	54 166	51 995	31 648
Wholesale and retail trade	76 816	10 501	21 488	18 052	15 069	11 706
Catering and accommodation services	10 523	1 576	3 155	2 217	2 387	1 188
Transport and storage	14 022	1 437	3 680	3 320	3 280	2 305
Communication	2 731	205	689	763	510	564
Finance and insurance	7 773	831	2 674	2 044	1 414	810
Professional business services	19 453	2 181	6 643	4 713	3 855	2 061
Business activities n.e.c.	24 102	2 955	6 647	5 024	6 589	2 887
National and Provincial government	28 499	4 591	9 539	6 055	5 691	2 623
Local government	8 337	2 100	2 610	1 639	1 300	688
Education (Private)	4 022	478	1 270	957	760	557
Health and social work (Private)	6 981	1 042	2 240	1 454	1 466	779
Other community, social and personal services	42 911	6 459	13 370	7 928	9 674	5 480

(Source: Quantec, 2017)

Of the three main sectors, the Tertiary Sector creates the highest number of jobs in the Cape Winelands District Municipality, including all the respective Local Municipalities. However, per sub-sector, the highest number of people in the Witzenberg, Breede Valley and Langeberg Local Municipalities are employed in the agricultural sector. This is reflective of the high level of economic specialisation in the Agricultural sector as indicated by the Location Quotient.

In the Cape Winelands District Municipality, Stellenbosch Local Municipality and Drakenstein Local Municipality, the highest number of people are employed in the Wholesale and Retail trade industry (sub sector). Of the 376 029 people employed in the formal sector in the Cape Winelands District in 2016, 36 836 were employed in the public sector (national, provincial and local government) and 339 193 in the private sector. This emphasises the important role the private sector plays in creating employment in the Cape Winelands District.

5.3.1.2 Compensation per sector

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

Table 456: Nominal compensation (R million in current prices) 2016

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

(Source: Quantec, 2017)

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

Table 46: Income for Rates and General Services in R'000 for 2016

Geography Income	Breede Valley LM	Cape Winelands DM	Drakenstein LM	Langeberg LM	Stellenbosch LM	Witzenberg LM
Property rates from Residential	58 660	0	172 988	19 797	159 772	22 441
Property rates from Commercial or Business	21 786	0	67 352	5 196	128 904	10 207
Property rates from State	11 657	0	26 723	1 034	0	6 639
Property rates from Other (includes agriculture, municipal etc.)	27 885	0	41 155	24 272	14 310	23 233
Property rates - penalties imposed and collection charges	1 001	0	353	0	2 067	1 435
Interest earned from external investments	10 919	42 792	19 255	4 392	49 713	6 772
Interest earned from outstanding debtors	3 162	0	7 533	1 955	671	116
Interest earned from dividends received	0	0	15	0	0	0

Interest earned from fines	68 284	0	52 687	20 679	90 554	8 559
Grants and subsidies from National Government	10 458	5 172	90 960	15 311	18 676	54 850
Spent conditional grants	17 677	213 886	90 868	37 081	73 408	28 378
Other income	4 727	1 579	100 029	23 857	31 382	870

(Source: Stats SA, 2017)

The greatest contribution towards Municipal income for Rates and General Services, not considering grants, comes from Property Rates from Residential properties. In the Breede Valley area, commercial or business property rates constitute 18% of total taxes on property, 22% in Drakenstein, 10% in Langeberg, 43% in Stellenbosch and 16% in Witzenberg.

The value of the private business sector therefore mostly lies in creating employment, thus enabling households to pay for Residential Property Rates (and contribute to the local economy). A lack of job opportunities in a region leads to out-migration, causing a vicious circle of slower economic growth (DBSA, 2001).

Businesses therefore contribute to municipal income not only through business and commercial property rates, but mostly by creating employment and enabling the community to pay residential property rates.

5.3.1.3 The informal sector

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

The informal sector is therefore very difficult to quantify.
The table below depicts estimated employment levels in the formal versus informal sectors:

Table 47: Estimated Employment in Formal and Informal Sectors

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

(Source: Quantec, 2017)

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

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

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

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

In view of the contribution of the informal sector to job creation and economic activity, it should not be regarded as a nuisance, but rather as an additional source of economic growth that can be developed. Initiatives focused on the informal sector should be aimed at providing support to develop enterprises and empower them to grow into the formal sector.

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

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

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

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

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

The argument of limited liability is dependent on the business activities, and often negated by lenders requiring that the business owners sign surety for the business's borrowings.
The Finscope Small Business Survey conducted in 2010 identified specific challenges facing SMMEs in South Africa:

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

5.3.2 BUSINESS ENVIRONMENT

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

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

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

The availability of a suitably skilled workforce is an important ingredient for businesses to grow and prosper. Skills development is thus important for businesses, and in turn, most businesses assist in the development and training of their workforce. Accessibility, both in terms of access to markets and accessing production inputs (raw materials) is important for the development of the private sector. Although the Cape Winelands District is situated outside of the economic hub of the Cape Town metropolis, it is connected to ports via excellent road and rail infrastructure.

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

5.3.3 TRESS INDEX

The tress index is used to measure the level of diversification of an economy, i.e. how dependent the economy of a region is on a single or a few economic activities. In lay terms, the tress index measures if the economy has "all its eggs in one basket." The higher the tress index, the more concentrated an economy, or the more dependent on a single or a few business activities the economy is. Therefore, the higher the tress index, the more vulnerable the economy is to risk factors that might influence those few economic activities on which it is dependent. Such risks can include adverse climatic conditions or commodity price fluctuations. A totally diversified economy will have a tress index of zero.

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

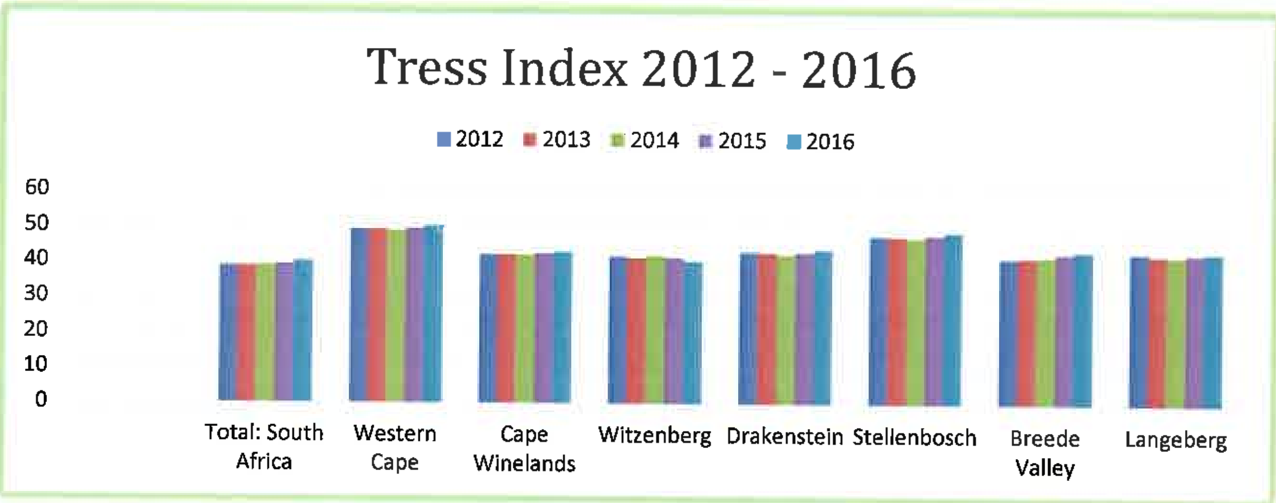


Figure 36: CWDM Tress Index (2012-2016)

Table 48: Tress Index comparison

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

(Source: Quantec, 2017)

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

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

5.4 ECONOMIC CLUSTERS

5.4.1 GAINS FROM SPECIALISATION AND SPILL OVERS (FORWARD AND BACKWARD LINKAGES)

Economic growth can be stimulated through fostering symbiotic relationships between firms. As markets expand, tasks previously carried out in-house later get separated and sub-contracted to specialised firms or individuals. Firms that operate in specialised economies often sub-contract auxiliary activities to outsiders in order to focus on their core business. Specialisation enables firms and individuals to optimally capture the advantages of learning-by-doing, i.e. they become very good at what they do (Fafchamps, 2000).

Taking advantage of specialisation, spill over and forward and backward linkages can be achieved by the establishment of economic clusters. Spill over effects are strong within a group of similar industries (Hirschman, 1958). Firms can buy from and sell to each other, which is called backward and forward linkages.

The potential for establishing clusters is strongest where spill over effects are strongest.

5.4.2 ECONOMIC CLUSTERS IN THE CAPE WINELANDS

There are a number of economic clusters in the Cape Winelands, such as:

- wine cultivation and production;
- hospitality and tourism;
- deciduous fruit;
- agro-processing; etc.

Below is an illustration of one of these clusters.

5.4.2.1 Cape Winelands Tourism Cluster

The Cape Winelands Tourism Cluster was built on scenic natural beauty and wine of the Cape Winelands District.

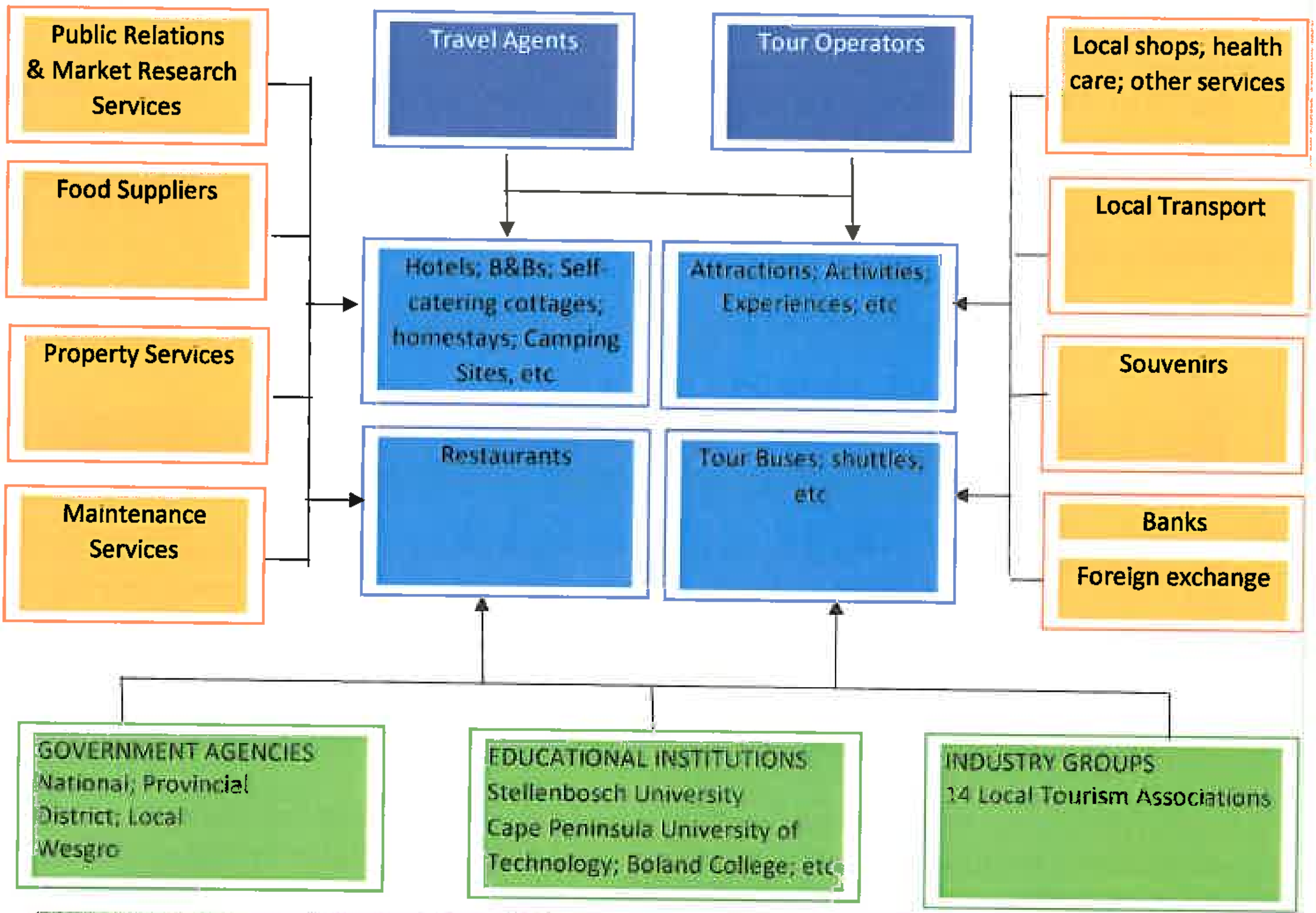


Figure 8: Cape Winelands Tourism Cluster, CWDM

It is generally understood that the competitiveness of firms is the only way to achieve sustainable job growth and improve wages. Productivity is an important determinant of competitiveness and it relates to how governments utilises it human, capital and natural resources. Innovation in products and services is a necessity for fuelling productivity growth. Wealth and jobs can only be created through productive enterprises. Governments compete by providing the most productive environment for (what is commonly known as 'providing an enabling environment') business. Therefore, the public and private sectors play different but interrelated roles in creating the productive economy.

5.5. INNOVATION AND ECONOMIC DEVELOPMENT

According Human Sciences Research Council (2017:) "Modern economic theory holds that innovation is essential for the competitiveness, not only of individual enterprises, but also of cities, regions and nations". Simply put "innovation is seen as the route to economic growth" (Cohen, L). This means that innovation uses new information and knowledge to create new products and services and this leads to new venture creation. The new ventures are the new sources of growth that can then be seen in the economy.

5.5.1 TECHNOLOGICAL CHANGE AND INNOVATION

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

Table 49: Type of Industrial Revolutions

Industrial Revolution	Description
First Industrial Revolution	Introduced the use of steam power for mechanise production.
Second Industrial Revolution	Saw the use of electric power for mass production as well as a number of inventions in transport, telecommunications and manufacturing.
Third Industrial Revolution	Introduced the internet and other technological innovations and ushered humans into the digital age.

Fourth Industrial Revolution	It is characterised by scientific and technological breakthroughs. It is "disrupting industries, blurring geographical boundaries, challenging existing regulatory frameworks, and even redefining what it means to be human… emerging technologies such as artificial intelligence (AI), blockchain, drones and precision medicine are swiftly changing lives and transforming businesses and societies, inevitably posing new risks and raising ethical concerns" (2019: 6).

Source: World Economic Forum, 2019

Technological advancement is typical in the private sector, as private firms are more flexible and more efficient, and constantly reorganising themselves (Fafchamps, 2000). However, using modern equipment and machinery requires better trained workers, and human capital accumulation is thus a complement to physical capital accumulation, and is vital for accessing new technologies.

ICT infrastructureConnectivity and the sharing of information is important for local residents as well as an important factor for tourists when choosing a destination. Stellenbosch was also identified as the first town in South Africa to provide free internet through Wi-Fi hotspots throughout the Stellenbosch Municipal area.

5.5.1.1 The Knowledge Economy

As stated above innovation and creativity drives economic growth. According to Investopedia the knowledge economy can be defined as "a system of consumption and production that is based on intellectual capital. It typically represents a large component of all economic activity in developed countries. In a knowledge economy, a significant part of a company's value may consist of intangible assets such as the value of its workers' knowledge or intellectual capital".

Developing countries such as South Africa needs to invest in skills development; tertiary education and encourage research and innovation through providing funding assistance if it is to exploit the opportunities that the knowledge economy presents.

5.5.1.2 The 4th Industrial Revolution

According to the DTI the 4th Industrial Revolution also known as, the digital industrial revolution "is expected to have disruptive impacts on all economies, but especially on lower- to middle-income countries that find it difficult to keep abreast of the rapid speed of technological advancement and innovation [and] for South Africa, the Digital Industrial

Revolution poses substantial challenges and offers perhaps rather fewer immediately clear-cut opportunities for the domestic economy".

It will be affecting:

- **The economy** - New technologies can be powerful agents for a better economy. Powerful computing devices and networks, digital services, and mobile devices, this can become a reality for people around the world, including those in underdeveloped countries.
- **The workers** - Digital technology can liberate workers from automatable tasks, making it simpler for them to concentrate on working with more complex businesses and other problems and giving them more responsibility and a sense of autonomy in their working environment. It can also provide workers with innovative new tools and insights to design more creative solutions to previous problems. New types of work will be presented, especially in technology, software development and social media. It is also understood that numerous current occupations will either change or disappear.
- **Places of work** - The impact of the revolution has increase the functionality make everything go world wide, where location is not important for many types of work (e.g. call centres) and organisations can search and log into talent anywhere and anytime in the world. Flexibility, where work is no longer a place we go to, but something you do. Many people work in virtual relation to the organisation. (World Economic Forum, 2016).
- **The labour market** – we are currently seeing that young people do a lot of different types of work and thus employment is taking the form of short duration "work opportunities" rather than long-term careers. This is now known as the gig economy.
- **The new way of working** – we are now also beginning to see that more people are working 'remotely', in their own space and time, and more work is being done by teams of people with different skills, who work together temporarily and use virtual communication to collaborate.
- **Current Education system** – the future work environment will look very different from the current work environment. There will be new knowledge and skills that people will need to have in order to work and to operate in that environment. In term of the education system there is a need for serious intervention because "We are currently preparing students for jobs that don't yet exist . . . using technologies that haven't been invented ... in order to solve problems we don't even know are problems yet." [Attributed to Richard Riley, United States Secretary for Education under President B.Clinton.]

It will be up to countries, provinces, regions and localities on how they respond to the challenges, threats and opportunities that the 4th industrial revolution poses.

5.5.1.3 District Municipal Innovation Systems

According the Department of Science and Technology (2016:3) "the boundaries of the networks and activities that occur within the DMs define the boundaries of the district innovation systems … the district innovation systems are characterised by heterogeneous actors such as the local and regional offices of the national and provincial departments, NGOs … science councils (such as the Agricultural Research Council or CSIR), national financing institutions (such as Industrial Development Corporation), local municipalities, business chambers, traditional authorities, local development agencies … which acts as a think tank for the district municipality on LED planning".

The Cape Winelands district Municipality continually strive to broaden its innovation system by forming strategic partnerships with institutions and organisations. It has broadened its' innovation system to such an extent that partners contribute to project funding and sometimes also assist in implementing socio-economic development programmes.

5.6 SUMMARY

In summary:

- The target GDP growth as per the NDP is an average annual rate of 5.4%. Over the past years, this target was not attained. Although the Cape Winelands district has shown a very modest growth in GDPR, it has been declining since 2014. The growth rate forecast for the next few years is even lower than the growth rate of previous years, and therefore it is too slow to achieve the target set by the NDP.
- The Cape Winelands economy was slow to recover from the 2008/ 2009 financial crisis and the growth rate has been declining since 2014.
- The Cape Winelands GDPR per capita at R 50 239 in 2016 was less than half of the national target of R 110 000 per capita to be attained by 2030. GDPR per capita in the Cape Winelands will have to grow at just over 5% per year to achieve the NDP's target by 2030.
- The Cape Winelands' Gini coefficient was below the national average at 0.63 in 2014. This means that the income distribution in the district is more equal than in the rest of South Africa. However, the Gini coefficient was stagnant since 2010 and should be improved to reach the national target of 0.6 by 2030.
- The tertiary sector was the greatest contributing sector in terms of GDPR in 2015.
- In terms of value added (GVA) between 2012 and 2016, the greatest contributors were:
    - Wholesale and retail trade
    - Agriculture
    - Professional business services
    - Construction
    - Transport and storage
    - Food

- National and provincial government
- Finance and insurance
- Business activities
- Other community, social and personal services

- The agricultural sector plays a very important role in the Cape Winelands, not only due to its significant contribution towards GVA, but also in terms of linkages to other sectors such as catering and accommodation, and tourism.
- Growing the region's exports in terms of volume and value should stimulate economic growth and improve the district's trade balance.

The main challenge facing the Cape Winelands economy is the slow economic growth rate. Although the economic growth rate is in line with national trends and not necessarily within the control of local government, the region would benefit from accelerated economic growth. It is estimated that South Africa needs to maintain an annual economic growth rate of more than 6% for a number of years in order to create jobs for new entrants to the job market every year.

5.7 CONCLUSION

Economic growth is a prerequisite for economic development. The starting point for local economic development is therefore to grow the local economy. The size of the economy and economic growth is measured in terms of GDP and GDP growth rate. GDP is the total output (goods and services produced) in an area over a period. Therefore, growing the economy would mean to increase the outputs (i.e. everything produced) in an area. The district's economy can therefore be grown by increasing the production levels of local businesses and the establishment of additional (new) businesses. For this to happen, the inputs required by businesses for production must be increased and the businesses must produce at optimal production level. Optimal production can be facilitated through the availability of the necessary skills and creating an enabling environment for businesses to flourish.

A growing economy also enhances the chances of success for new businesses. The market for the services and goods produced by local businesses can be enhanced by increasing the buying power of the local community through increased income levels as well as exporting goods and services to other regions. The more people participate in the economy, the faster it can grow. Therefore, the greater the proportion of working community members, the better for economic growth. Participating in the economy would mean that people earn an income which will enable them to buy more goods and services, thereby increasing the market for the goods and services produced.

Creating employment is therefore key to economic growth. Employment creation is facilitated by growing businesses to employ the people and establishing new businesses for people to employ themselves. In order to be employable, people need to be equipped with the necessary skills. Skills development is therefore imperative for creating employment, increasing production and generating economic growth.

06

FACTOR OF PRODUCTION: CAPITAL (INVESTMENT)

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

Capital formation (investment) is the third factor of economic production. Capital formation includes the following:
- The accumulation of human capital
- The accumulation of physical capital
- Technological advancement and innovation
- Economic clusters
- Foreign investment

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

6.1 CAPITAL FORMATION

6.1.1 ACCUMULATION OF HUMAN CAPITAL

Theoretically, population growth should contribute to economic growth as more workers should produce more output (Fafchamps, 2000). Population growth also triggers investment in infrastructure and technological advances (Boserup,1965). The Cape Winelands District's population was growing faster than the national, provincial and district average of 2.38% between 2014 and 2016. For Local Government, population growth usually translates to a wider economic base, and a declining population means a smaller revenue base.

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

Even though primary and secondary education seldom provides vocational training that is immediately applicable in the workplace, several studies have shown that there is a positive relationship between economic performance and education (Mankiw et al., 1992; Barro, 1991). This evidence has given rise to the belief that the primary focus of government policy should be on primary and secondary education.

A challenge faced by the area is that 72.8% of adults in the Cape Winelands District do not have matric and are becoming more unemployable in an economic environment where manual labour is becoming less important, whilst appropriate skills are becoming increasingly important (Roux, 2014). Facilitating the improvement of educational levels in the area should be a key focus area (as outlined in the section on human capital). Primary and secondary school education should enjoy priority, but building the knowledge base of the community is also dependent on tertiary education. Typical policy recommendations for filling the knowledge gap include study and research grants and subsidies.

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

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

6.1.2 ACCUMULATION OF MACHINERY AND EQUIPMENT (PHYSICAL CAPITAL)

An increase in the number of pieces of machinery and equipment per worker should increase productivity and therefore the output per worker. There is, however, a limit to how much additional equipment can increase production, as too much equipment per worker can reach a saturation point. Therefore, there is a limit to the level of growth that can be achieved through the accumulation of physical capital over the long term (Solow, 1956).
Accumulation of physical capital ties in with the production factor of capital formation (investment). Capital accumulation speeds up when income and savings are higher. Increases in savings and income should therefore be considered along with investment and infrastructure development.

Although household savings in the country and Western Cape remained negative between 2009 and 2013, savings levels showed improvement. The Cape Winelands managed to sustain an increase in positive household savings between 2009 and 2013. Investment is financed by savings, and improvement in savings is positive for investment. It is encouraging that the Cape Winelands District is showing growth in aggregate household savings.

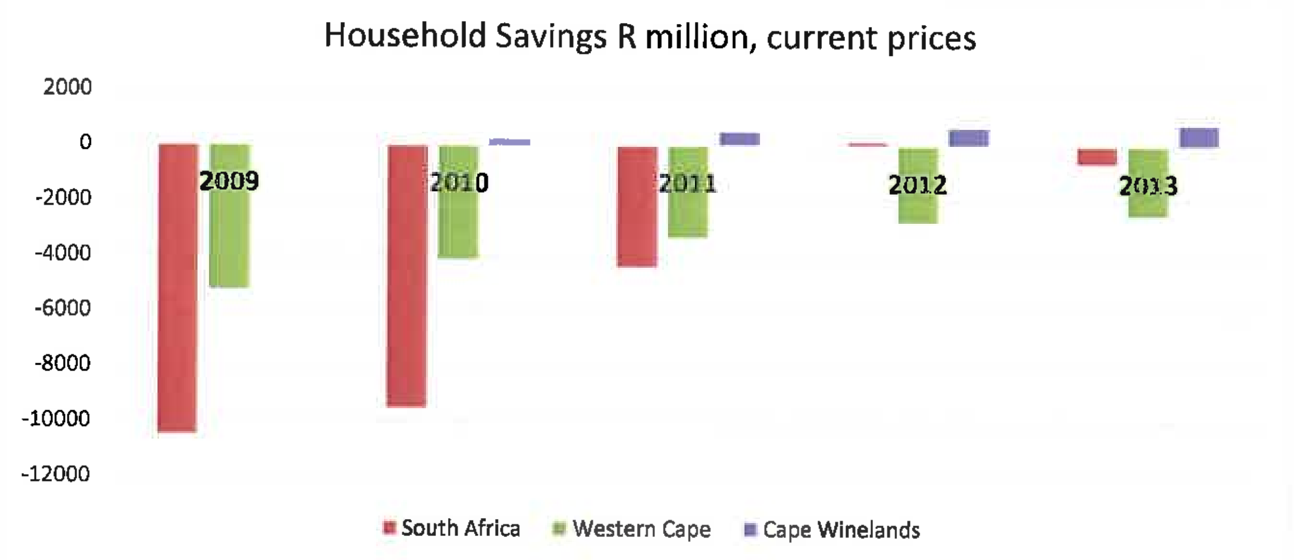


Figure 38: Household Savings by area
(Source: Quantec, 2018)

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

6.1.3 INFRASTRUCTURE

Infrastructure investment is a catalyst for economic and social development. Municipalities face the challenge of providing infrastructure and service delivery as a result of unplanned urbanisation (CWDM IDP, 2017).

The development of the Nkqubela Community Commercial node commenced in April 2017. In the Drakenstein Municipal area, a Waste to Energy project was rolled out along with the Paarl Waterfront development envisaged to commence within the next year or two. Paarl CBD also enjoyed an upgrade through a PPP agreement.

The Cape Winelands District Municipality also rolled out an innovative program to improve water and sanitation services for farm workers. Ceres, Wolseley and Tulbagh are also set to benefit from the Small Town Regeneration Programme. Infrastructure spending by CWDM is supplemented by investments in infrastructure by the Western Cape Government. The largest share of spending is earmarked for transport and public works programmes, followed by housing, education, health and environmental projects.

Although water services are seated within the B-Municipalities, it is the responsibility of the CWDM to ensure proper planning, to co-ordinate and oversee projects, and to ensure that sufficient capacity exists for effective service delivery.

The Rural Infrastructure and Development (RID) branch of the DRDLR facilitates rural infrastructure development and provides project management, administrative and financial support to infrastructure projects.

According to the Western Cape Provincial Spatial Development Framework (WCPSDF, 2014), the Cape Winelands District had the following spatial development needs:

- The need for the protection of biodiversity and ecosystems
- Development of farm worker housing
- Protection of prime agricultural land within the region
- Lack of public transport and residents' dependence on non-motorised transport.

6.1.3.1 Transport infrastructure

The Cape Winelands District is located within close proximity of the Cape Metropole and is connected to economic hubs via excellent road infrastructure. Although the CWDM does not have ownership of any of the public roads in the area, agreements exist between the CWDM and Provincial Departments to ensure provincial road maintenance. Transportation is key to moving goods and services around the district.

The CWDM also developed a District Integrated Transport Plan that outlines critical investments and improvements throughout the district that will improve the daily lives of residents. The Plan hopes to address most public transport needs of rural communities through the implementation of Integrated Public Transport Networks. An important part of the plan is sustainability in transportation. There are three components to sustainability:

- natural environment;
- social activity; and
- economic development.

Sustainability in transportation suggests a system with low negative environmental costs yet high positive social value, which supports resource efficient economic development. For practical application of these principles, the following is required;

(i) Lowering the carbon intensity of transport, especially freight transport
(ii) Improvement in the rural coverage of public transport networks
(iii) Integrated public transport systems within towns

(iv) The internalisation of social, economic and environmental costs into the design and construction of transportation infrastructure
(v) Realisation of local benefits

Strategic Transport Corridors

According to the Western Cape SDF 2014, the rural economy is undergoing transformation as a result of both financial and economic factors, and a policy thrust to diversify rural activity. Government support of rural entrepreneurs can be expected to increase travel on the existing links between the Cape Winelands and Cape Town, and between the Cape Winelands and inland destinations. A rural development corridor is identified linking Ceres, Worcester, Robertson and Swellendam, which has the potential to increase road-based transport in and out of the Cape Winelands.

The proximity to the City of Cape Town (CCT) also allows for economic interaction to take place between the district and the CCT. There is currently a strong functional (economic) relationship between the Cape Winelands and the City of Cape Town. Improvements in the transport system is important to minimise the impact of the spatial structure on daily travel, to allow for better access to opportunities.

The Cape Winelands District Municipality is primarily rural and the agricultural industry being the backbone of the economy. The main agricultural produce within the district is wine grapes, with medium to low density wine cellars within the district with areas of high-density concentration along major transport corridors. These areas with moderate and high activity densities are along routes connecting main highways. This suggests that a large number of vehicles transport agricultural input and output between the N1 and N2 via the R60, R62, R43 and R45. The agricultural inputs are therefore also transported along these corridors. Rail freight movement also takes place within the district. Agricultural produce is transported via rail between Cape Town and Ceres and areas east of Cape Town.

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

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

6.1.3.2 Agricultural Infrastructure

The agricultural sector plays a very prominent role in the Cape Winelands District. Having the necessary infrastructure supports agricultural development and is an essential component within the agricultural value chain.

Table 50: Agricultural infrastructure Cape Winelands, 2013

Infrastructure	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	angeberg	Cape Winelands District
Abattoir - red meat	2	3	0	1	2	**8**
Abattoir - white meat	0	1	0	2	1	**4**
Agro-processing plant	13	21	13	7	11	**65**
Airfield	10	5	1	5	7	**28**
Chicken batteries	0	0	0	0	1	**1**
Chicken batteries - broilers	7	39	13	21	0	**80**
Chicken batteries - layers	6	58	5	4	2	**75**
Chicken hatchery	0	0	1	1	0	**2**
Cool chain facilities	8	0	0	2	0	**10**
Crush pen	107	44	7	45	61	**264**
Crush pen and dip tank	1	1	2	9	4	**17**
Dairy	8	14	9	15	25	**71**
Dam	2 726	787	981	930	1 806	**7 230**
Feedlot - beef	2	1	0	4	6	**13**
Feedlot - pigs	0	0	0	1	0	**1**
Feedlot - sheep	0	0	0	0	0	**0**
Fruit cool chain facilities	9	2	0	0	9	**20**
Fruit packers	2	1	1	0	5	**9**
Grain dam - commercial	0	0	0	0	0	**0**
Homestead	594	724	705	757	657	**3 437**
Homestead - labour	342	483	155	422	472	**1 874**
Nursery	5	14	15	2	8	**44**
Other	0	2	0	0	2	**4**
Packhouse	130	37	21	115	32	**335**
Piggery	1	9	12	1	3	**26**
Shade netting	45	128	51	18	43	**285**
Silo bags - commercial	0	1	1	0	2	**4**
Silo bags - non-commercial	1	0	0	0	0	**1**

Silos - commercial	1	1	0	0	1	**3**
Silos - non-commercial	0	2	0	0	1	**3**
Tunnels	**24**	**123**	**69**	**9**	**21**	**246**

(WC Agristats, 2013)

Horticulture is the most prevalent primary agricultural activity in the district, followed by chicken batteries (MERO, 2017).

6.1.4 BUILDING PLANS PASSED

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

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

6.2 INVESTMENT

6.2.1 FOREIGN DIRECT INVESTMENT (FDI)

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

According to WESGRO (2018) the global inward FDI into the Cape Winelands between January 2003 and November 2017 resulted in 9 FDI projects valued at ZAR3.4bn and creating 221 jobs.

Table 51: FDI into the Cape Winelands January 2003 to November 2017

FDI INTO THE CAPE WINELANDS, JANUANRY 2003-NOVEMBER 2017							
DATE	**INVESTING COMPANY**	**SOURCE COUNTRY**	**DESTINATI ON CITY**	**INDUSTRY SECTOR**	**SUB-SECTOR**	**CAPEX (ZARm)**	**JOBS**
Apr 2017	Nedbank Private Wealth (Fairbairn Private Bank)	London	Stellenbosch	Financial Services	Investment management	144,06	21,00
Jan 2017	Liquorice	Paris	Stellenbosch	Business Services	Advertising, PR, & related	89,05	15,00
Jul 2012	Enza Zaden	Enkhuizen	Stellenbosch	Biotechnology	In-Vitro diagnostic substances	557,89	50,00

Nov 2011	deVere & Partners (deVere Group)	Zurich	Stellenbosch	Financial Services	Corporate & investment banking	144,06	21,00
Aug 2011	Genetwister Africa	Wageningen	Stellenbosch	Chemicals	Pesticide, fertilisers & other agricultural chemicals	134,89	35,00
Apr 2011	Artificial Life	Hong Kong	Stellenbosch	Communications	Wireless telecommunication carriers	98,22	16,00
Feb 2011	Juwi	Mainz	Stellenbosch	Alternative/Renewable energy	Wind electric power	2 036,44	22,00
May 2010	Genetwister Technologies	Wageningen	Stellenbosch	Chemicals	Pesticide, fertilisers & other agricultural chemicals	134,89	35,00
Sep 2004	Alltech	Nicholasville (KY)	Stellenbosch	Chemicals	Paints, coatings, additives & adhesives	65,48	6,00
TOTAL						3 404,99	221,00

WESGRO, 2018

According to WESGRO (2018) the global outward FDI from the Cape Winelands between January 2003 and November 2017 resulted in 19 outward FDI projects.

Table52:: FDI from the Cape Winelands January 2003 to November 2017

DI FROM THE CAPE WINELANDS, JANUANRY 2003-NOVEMBER 2017							
DATE	INVESTING COMPANY	SOURCE	DESTINATION COUNTRY	SECTOR	SUB-SECTOR	CAPEX (ZARm)	JOBS
Sep-17	Luno	Stellenbosch	United Kingdom, Singapore and Indonesia	Software & IT services	Software publishers, except video games	230,49	56
15-Jun	Origin Wine	Stellenbosch	United States and Sweden	Food, Beverages & Tobacco	Wineries	497,65	22
May-15	PSG Konsult	Stellenbosch	Namibia	Financial Services	Investment management	144,06	18
15-Apr	Mediclinic Middle East	Stellenbosch	UAE	Life sciences	General medical & surgical hospitals	3 168,99	800
14-Oct	Wines of South Africa	Stellenbosch	Hong Kong	Food, Beverages & Tobacco	Wineries	248,83	22
14-Jun	Distell Group	Stellenbosch	Angola	Food, Beverages & Tobacco	Breweries & distilleries	2 941,38	222
Jan 2014	Mxit	Stellenbosch	India	Software & IT services	Internet publishing & broadcasting & web search	107,39	52
May 2013	Rainbow Chicken	Stellenbosch	Zambia	Food & Tobacco	Animal production	421,69	429
Feb 2012	Entersekt	Stellenbosch	United Kingdom	Software & IT services	Software publishers, except video games	159,77	97
Jan 2011	Booker Tate	Stellenbosch	Sri Lanka	Food & Tobacco	Sugar & confectionary products	1 440,57	400
Total						9 360,83	2 118,00

Source: WESGRO, 2018

WESGRO (2018) further stated that "During the said period the region invested in projects valued at ZAR9.4bn creating a total of 2 997 jobs".

The table below shows a list of projects that were facilitated by Wesgro's Investment Unit.

Table 53: Investment projects into the Cape Winelands District facilitated by WESGRO Investment Unit

INVESTMENT PROJECTS INTO THE REGION THAT WERE FACILITATED BY WESGRO				
NUMBER	COMPANIES NAME	SUB-SECTOR	CAPEX (ZARm)	JOBS
1	Riviera Today	Services	5	30
2	Groot Parys Estate (Pty) Ltd	Other tourism	15	5
3	Turnaround Investment	Accommodation	2	5
4	Breede Valley Fruit Processors	Juice Manufacture	1	10
5	Nouvelle Mushrooms	Agriculture	152	15
6	Montagu Dried Fruit	Agri processing	20	70
7	Cence	Community Development	110	250
TOTAL			**305**	**385**

Source: WESGRO 2018

6.2.2 REGIONAL INTEGRATION

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

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

6.2.3 INVESTMENT TRENDS IN THE CAPE WINELANDS DISTRICT

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

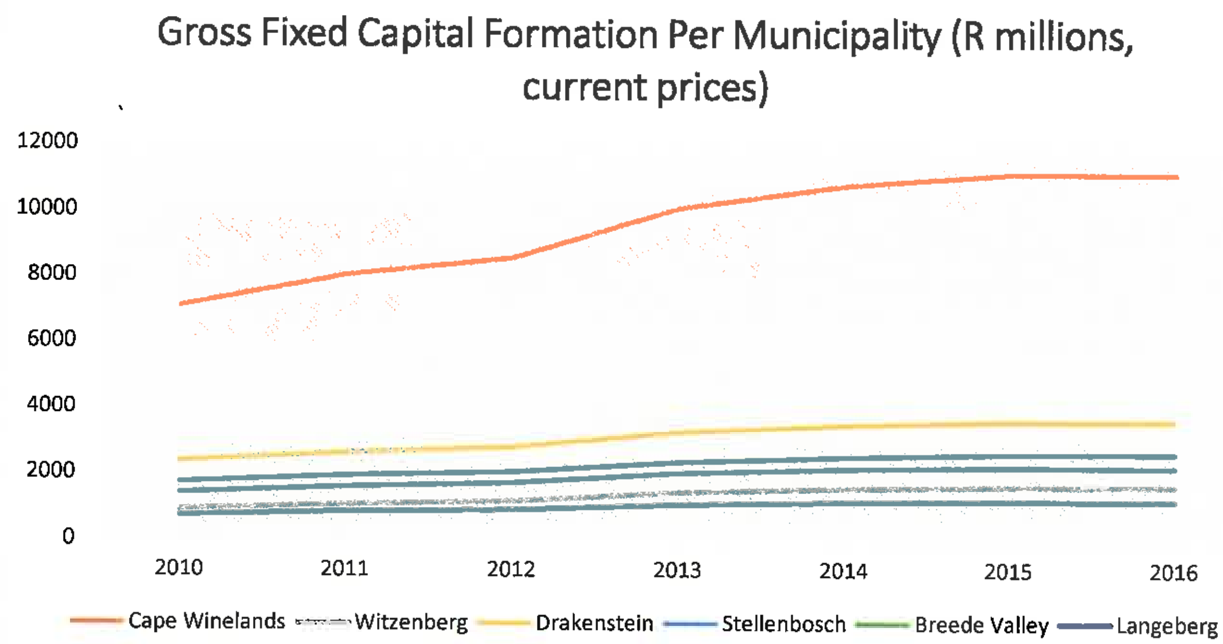


Figure 3911: Gross fixed capital formation in CWDM, 2010 to 2016
(Source: Quantec, 2018)

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

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

Table 547: Types of fixed capital formation in CWD, 2010 - 2016

R millions, current prices	2010	2011	2012	2013	2014	2015	2016
Total	7 101	8 033	5 549	10 049	10 742	11 106	11 095
Buildings and construction works	2 950	2 955	3 142	3 715	4 066	4 527	4 756
Machinery and other equipment	3 206	4 033	4 181	4 827	5 112	4 823	4 555
Transport equipment	790	898	1 070	1 330	1 365	1 536	1 551
Transfer costs	156	147	155	178	200	220	233

(Source: Quantec, 2018)

Building & Construction Work and Machinery & Other Equipment made the largest contribution to gross fixed capital formation in the Cape Winelands District. While the contribution of Machinery & Other Equipment declined between 2014 and 2016, the contribution of Buildings and Construction Works continued to increase, overtaking Machinery & other equipment in 2016.

The trend can be graphically depicted as follows:

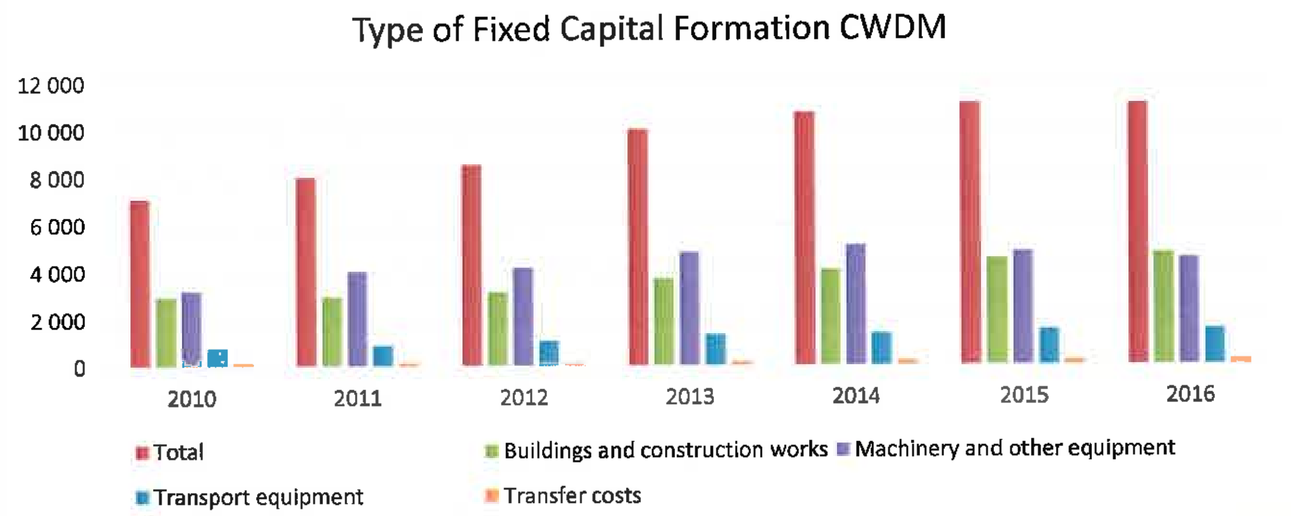


Figure 40: Type of Fixed Capital Formation, CWDM
(Source: Quantec, 2018)

The total monetary value (R millions, current prices) of fixed capital formation in the Cape Winelands District is growing, albeit at a slower rate since 2014 than before. Building and Construction Works showed steady growth between 2010 and 2016

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

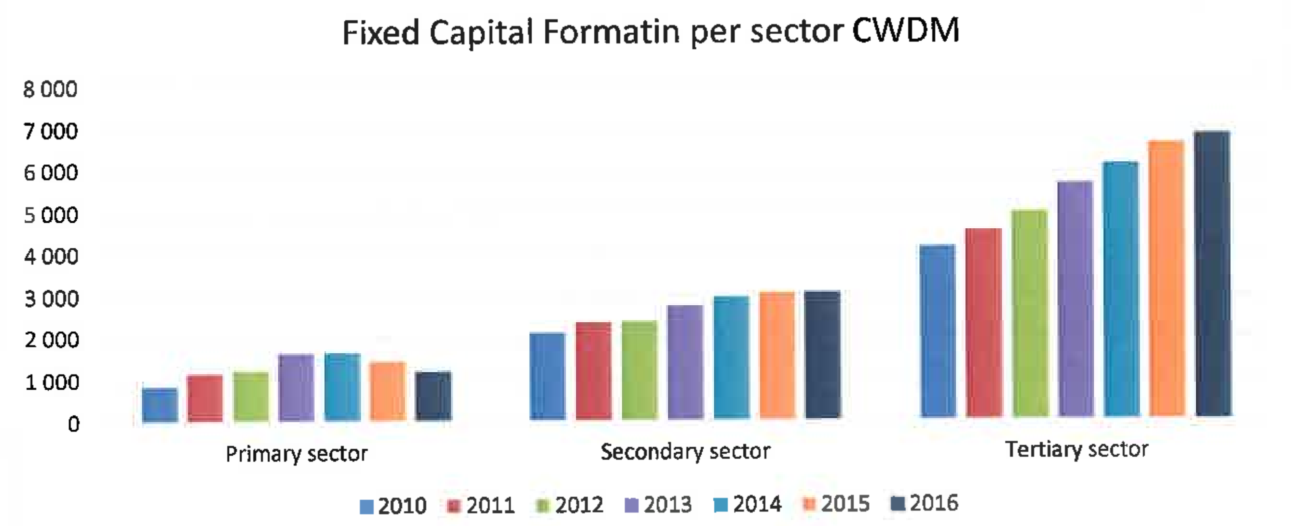


Figure 41: Fixed Capital Formation per sector, CWDM
(Quantec, 2018)

Although the tertiary sector collectively contributed most to the formation of fixed capital in the Cape Winelands District, the Transport and Storage sector was the sub-sector that was responsible for the largest contribution to Fixed Capital Formation in the Cape Winelands District Municipal area as depicted in the figure below:

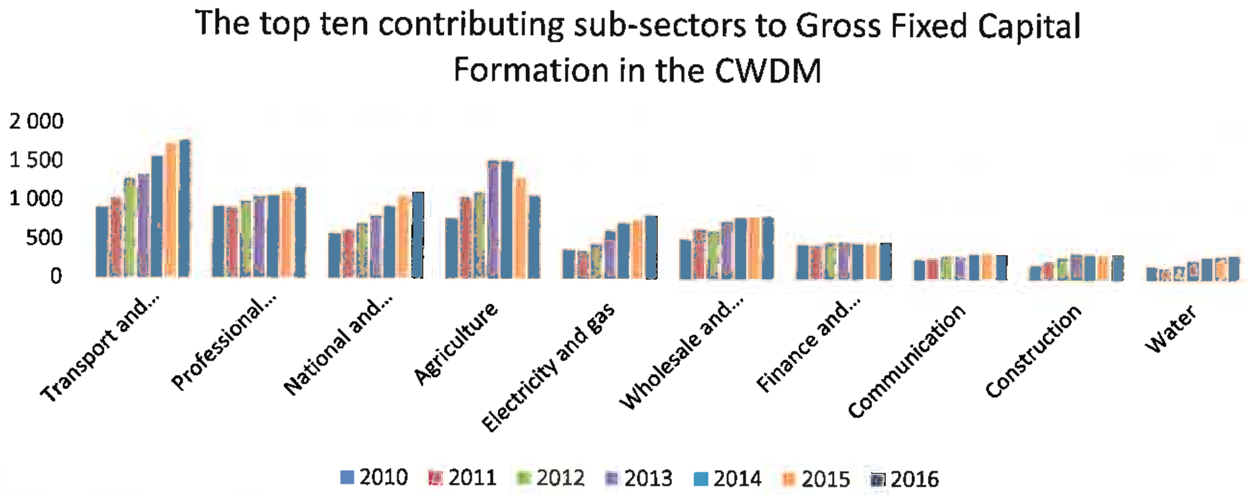


Figure 4212: Top ten sub-sectors to Gross Fixed Capital Formation in CWDM
(Source: Quantec, 2018)

Professional business services, National and Provincial Government and the Agricultural sector also made significant contributions to capital formation between 2010 and 2016. While most other sectors are growing in terms of gross fixed capital formation, the agricultural sector is declining.

6.2.4 LOCATION QUOTIENT

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

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

Table55: Key to Location Quotient

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

(Source: Mero, 2017)

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

Table 56: Sectors with highest comparative advantage

Sectors with the highest comparative advantage	In terms of GDP	In terms of Employment
Agriculture, forestry & fishing	3.02	**2.36**
Manufacturing	1.10	**0.82**
Construction	0.83	**0.66**
Wholesale & retail trade, catering & accommodation	0.81	**0.72**
Transport, storage & communication	**0.66**	**0.53**

(Source: Quantec, 2017)

Recognising the importance of the agro-processing sub-sector, the various agricultural products, raw materials and resources available in the region, Ceres in Witzenberg Local Municipality was selected for the establishment of an agricultural cluster or Agri Park.

6.2.5 TRADE

6.2.5.1 Top Exporting Countries for the Cape Winelands District

The table below show the top 10 exporting countries for the Cape Winelands district for last 5 years.

Table 57: Top 10 Exporting Countries for Cape Winelands District

No	Country	2014	2015	2016	2017	2018
1	Netherlands	2 783 570 269	3 119 702 869	3 537 939 166	3 838 560 687	3 858 577 085
2	United Kingdom	2 586 305 259	3 100 051 807	3 435 225 436	3 254 765 645	3 518 518 624
3	Namibia	1 863 618 695	2 145 930 675	2 365 913 781	2 134 535 972	2 068 221 850
4	Germany	1 457 809 634	1 655 344 076	2 002 149 862	1 668 208 401	2 057 596 006
5	Botswana	1 030 336 278	1 055 561 864	1 177 118 247	1 235 819 856	1 321 823 434
6	Russia	750 766 800	1 026 514 143	985 236 490	1 076 403 954	1 314 055 813
7	CN: China	522 800 843	808 827 370	793 331 753	809 729 676	1 160 775 148
8	United Arab Emirates	916 751 733	1 023 764 670	1 312 154 307	1 223 854 663	1 076 462 242
9	United States	785 285 417	929 248 969	968 270 390	1 031 953 873	924 397 207
10	Canada	798 617 300	863 206 516	1 014 530 381	908 683 559	816 382 519
	World	23 595 617 853	26 544 631 187	29 023 506 329	28 618 527 819	30 391 731 572

Source: Quantec, 2019

6.2.5.2 Top Importing Countries for the Cape Winelands District

The table below show the top 10 importing countries for the Cape Winelands district for last 5 years.

Table 58: Top 10 Importing Countries for Cape Winelands District

No	Country	2014	2015	2016	2017	2018
1	Saudi Arabia	11 585 494 577	4 235 207 436	6 903 773 360	6 261 622 110	12 853 501 243
2	Nigeria	6 987 238 858	3 280 981 629	5 346 998 491	2 922 359 122	5 395 048 237
3	Angola	6 955 282 258	3 542 958 194	3 557 330 169	3 032 728 315	4 277 698 658
4	Germany	718 860 692	1 298 303 413	1 214 955 874	915 057 934	1 427 878 995
5	Oman	14 212 549	602 651 117	333 437 551	28 078 218	1 310 195 537
6	India	2 759 153 468	2 472 966 390	2 104 539 850	2 610 243 114	1 293 881 280
7	China	888 636 728	993 199 141	1 182 249 896	1 098 714 466	1 238 694 793
8	Ghana	46 703	13 986	321 002	2 338	1 158 141 690
9	United Arab Emirates	1 258 549 282	601 000 869	1 338 488 082	744 479 314	791 704 464
10	Thailand	706 627 918	132 112 068	126 796 675	527 250 908	726 406 671
	World	45 349 128 778	30 962 114 983	32 702 769 135	28 150 176 235	38 267 132 833

Source: Quantec, 2019

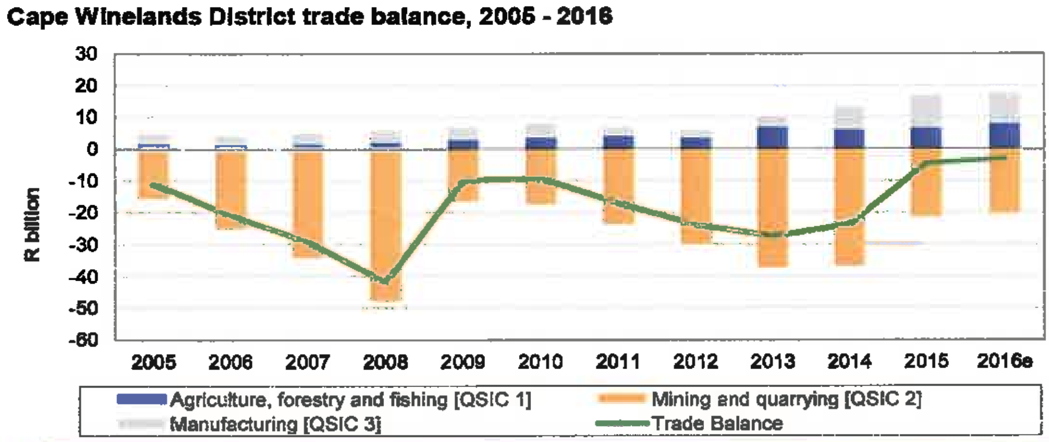


Figure 43: Cape Winelands District trade balance, 2005 - 2016
(Source: Quantec, 2017)

As can be seen in the figure above, the Cape Winelands had a negative aggregate trade balance between 2005 and 2016. The area's main export commodities are Agricultural and Manufacturing. As is expected, the area's trade balance is reflective of the its LQ.

A positive trade balance can be achieved by growing the export of Manufacturing and Agricultural products.

6.2.6 POSSIBLE INVESTMENT AND BUSINESS INCENTIVES

Incentives are special interventions in the form of rewards designed to boost investment and to stimulate economic growth and job creation in a particular area. Investment incentives are specific in that they are restricted to investors who meet given criteria.
While incentive packages can encourage investment, there are revenue implications that have to be considered.

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

A wide range of incentives are offered by other spheres of government such as the DTI. Standard incentive packages range from financial rewards to tax exemptions and non-financial inducements such as regulatory exemptions or the provision of information.

However, for local governments, the use of financial rewards are generally not advised because of the direct and indirect cost implication of ad hoc financial incentives. However, ad hoc financial incentives may be considered if they provide a tipping point factor.

In 2012, the Atlantis business retention and expansion survey report found that most of the firms locating in Atlantis during the 1980s and 1990s were doing so to obtain the incentives offered by government.

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

Suggestions for possible investment and business incentives that could form part of the area's marketing plan, are outlined in the table below.

Table 59: Possible investment attraction incentives

	Incentive	Description	Eligibility
1. Non-financial measures			
1.1	Establishment of an Investment Support Facilitation Unit	Services could include: • One-stop-shop investment function • Management of The Master of Urban and Regional Planning (MURP)/ Special Rates Area (SRA) • Targeted marketing and promotion • Agency function to facilitate access to other government incentives	Available to all new investments in the area
1.2	Development application fast tracking	Applies to all land use and building plan applications in industrial area (but only complete submissions) Also, Environmental Impact Assessments (EIAs) - subject to DEADP agreement.	Applies to all new investments in the Area that require: • EIAs • Land use planning applications • Building plan approval In order to respect timeframes, applications need to be completed submissions EA subject to agreement by DEADP
2. Financial Measures			
2.1	Application fee exemption	Applies to land use and building plan application fees	Applies to all new investments in the Cape Winelands Area that require: • Land use planning applications • Building plan approval
2.2	Development charge (DC) deferral/ debt write off	Applies in respect of DC's where enhanced development rights granted. The DC debt will still be calculated and Acknowledgment of Debt (AoD) signed.	Applies to all new investment or expansions of existing facilities that attract DC's.

		The AoD will become due after 24 months. The debt will be written off on verification that employment targets are met. Where employment targets are not met, the full value of the debt becomes due. The incentives will only be available for a specified number of applicants on a 'first come first served' and a 'use it or lose it' basis. Subject to National Treasury guidelines as outlined in the Policy Framework for Municipal Development Charges 2013.	
2.3	Electricity tariff subsidy	"Time of Use" tariff at previous price level (thus no increase for the financial year) To be reviewed annually	Applies to all new investments or expansion of existing facilities that attract the "Time of Use" Tariff.

(Source: Wesgro, 2013)

6.2.7 LOCATIONAL ADVANTAGES AND DISADVANTAGES

A further study in 2013 into the aspects that affected the decision to invest in the area revealed the following information:

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

Table 608: Locational advantages and disadvantages as reported by Retailers

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

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

Table 61: Locational advantages and disadvantages as reported by Manufacturing Firms

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

6.2.7 TYPICAL RISK ASSESSMENT CONDUCTED BY POTENTIAL INVESTORS

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

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

Table 62: A typical risk evaluation for potential investors

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

Operating or performance is the risk that a functioning plant is underperforming. This may be detected during testing. A deteriorating input/ output ratio is an example of operating risk materialising. The deteriorating ratio may be due to higher input consumption and/ or lower outputs.
Demand Risk
The risk that less revenue than expected might be generated is called demand risk. This risk may materialise as a result of lower-than-expected sales price or lower quantities of the output actually selling. Therefore, it refers to the risk of lower-than-expected quantity or value of sales.
Interest Rate Risk
Interest rate risk is the risk of fluctuations in the interest rate. Due to the long life of projects, lenders grant loans on a variable rate basis. Investors are therefore exposed to the risk of changes in interest rate over a very long period.
Exchange Rate Risk
Exchange rate risk occurs when the money flows of the project are in different currencies. When costs and revenues are computed in different currencies, the risk emerges that changes in the exchange rate can impact on cash flows.
Inflation Risk
Inflation risk refers to the risk that costs may increase at a faster pace than anticipated, resulting in costs later in the project being much higher than planned.
Environmental Risk
Any potential negative impact on the environment as a result of the project is known as Environmental Risk. This risk may materialise as a result of the project causing damage to the surrounding environment, changes in legislation or public opposition.
Political Risk and Country Risk
Political Risk is associated with country stability. Changes in government or citizen's revolt can change the context of a project and make it impossible to complete the project as planned.
Regulatory & Legal Risk
The risk that permits, permissions, licenses or concessions may be delayed, denied or revoked is known as Regulatory Risk. This risk usually materialises due to inefficiency on the part of public administration or the delays due to bureaucratic red tape. Legal Risk refers to possible changes in the host area's legislative framework
Credit Risk
Credit Risk is the risk that the financial position, i.e. financial soundness or creditworthiness, of some of the parties with whom the investor contracted, might worsen. The financial soundness of counter parties is therefore important to funders.

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

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

6.3. INVESTMENT POTENTIAL IN THE CAPE WINELANDS

6.3.1 ENABLING ENVIRONMENT FOR INVESTMENT

The Cape Winelands is located within close proximity of the City of Cape Town which, as an investment destination, offers excellent infrastructure, including rapidly expanding broadband infrastructure, an international airport, the country's second-largest container port and a comprehensive road and rail network.

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

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

6.3.1.1 Municipal Planning for Investment: District-led coordination and integration

The District Council has the unique opportunity to play a strategic leadership role in regard to investment promotion and facilitation in the Cape Winelands for the following reasons:

- It is able to bring high level policy, analysis, marketing and facilitation resources and skills to the table for the benefit of the district and the five local municipalities;
- It is able to take a District-wide view and provide services to investors seeking a location outside the City of Cape Town or surrounding districts;
- It is in a position to develop an overall Brand, ensure that the District is properly represented and championed by investment marketing organisations such as Wesgro and DTI and tourism marketing entities such as SA Tourism to represent the District at national and international exhibitions, events and trade fairs.
- It is able to negotiate cooperation with the provincial and national spheres of government as well as with neighbouring local governments

Strategic objectives and priority initiatives that the District should focus on include:

Pro-active: focussed & aligned

- Investment strategy and services need to look to the desired future vision, and actively seek to engage potential investors.
- Through alignment between investment of different types and by different stakeholders, a situation where current investment attracts further investment can be achieved.

Vertical: inter-governmental

The Integrated Development Plan of the District Council is a key legislative tool to integrate the public investment programmes of local government in the District with National and Provincial government in accordance with the respective budgetary cycles. Most importantly, the alignment of investment policy, spending patterns, fiscal and taxation measures can be attained.

Horizontal: public /private

At the heart of a successful investment strategy is the need to stimulate and guide private investment through strategic public investment. Key measures which need to be implemented include:

- Joint marketing and investment plans and initiatives
- Dissemination of investment marketing intelligence
- Enabling infrastructure
- Public / private partnerships
- Facilitation of private/private initiatives (cluster strategies)
- Red tape reduction in collaboration with DEDAT Red Tape Unit

6.3.2 PROFILE OF HIGHER ORDER TOWNS IN THE CAPE WINELANDS

According to the draft CWD SDF (2019) the following towns is considered higher order town in the Cape Winelands District and should be targeted for investment since they have the highest growth potential:

- Paarl and Wellington
- Stellenbosch
- Ceres
- Worcester
- Robertson

6.3.2.1 Paarl

The main town in the Drakenstein Municipal area is Paarl. It is a mere 60km from Cape Town CBD, Cape Town International Airport and Cape Town Harbour. The CBD of Paarl is mostly comprised of retail outlets and hospitality establishments that create employment for local residents. The town's 12-kilometre-long Main Street is lined with coffee shops and restaurants, and the CBD boasts many examples of Georgian, Victorian, Edwardian and Cape Dutch buildings (Paarl Tourism, 2017). The tourism industry is fairly well-developed in Paarl and benefits from natural beauty and scenic views.

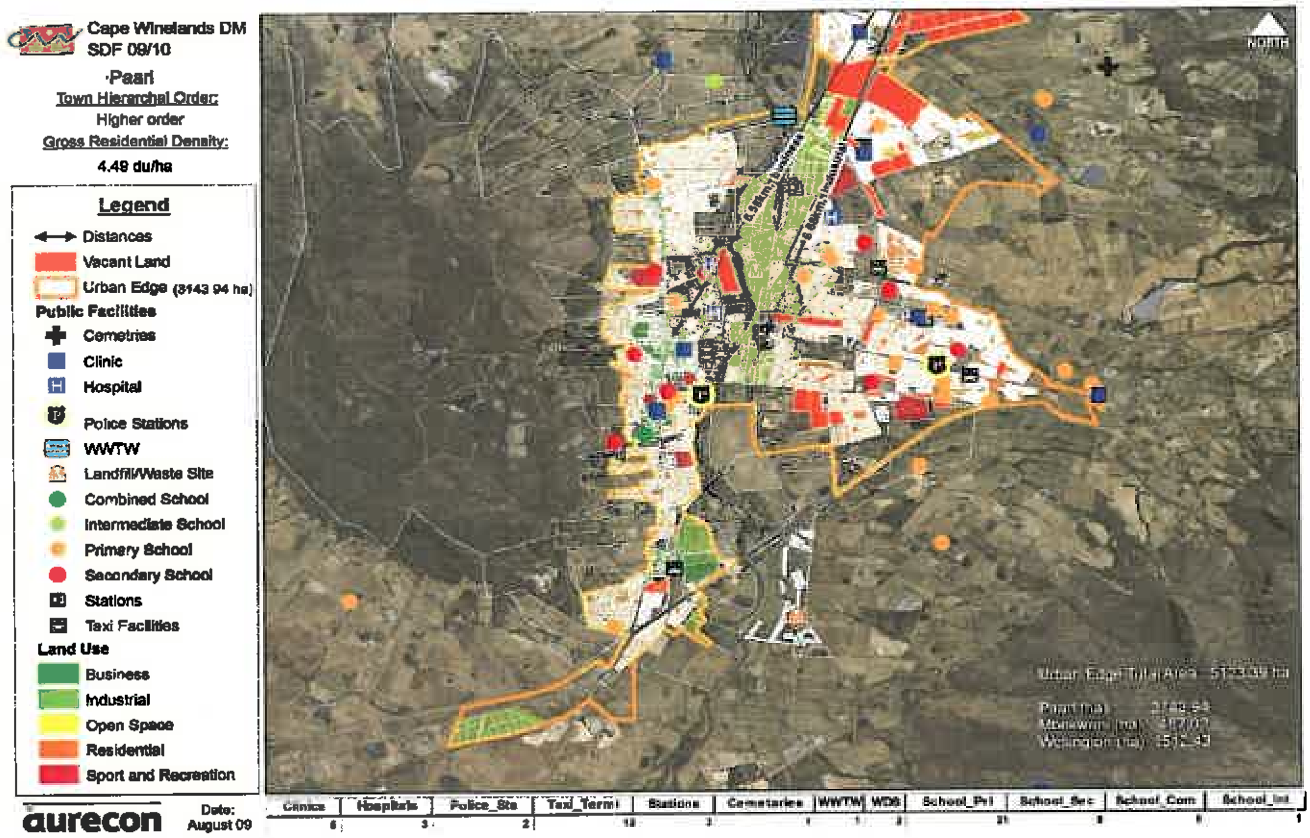
The KWV head office, located in Main Street, was established in 1918 as the first commercial wine cellar in South Africa. Other head offices include Sasko Bakeries, Imperial Cargo, Heinz Foods and NexusAG (Pty) Ltd. Paarl Media, established in 1905, as well as Pioneer Foods and Boland Printers are also based in Paarl.

Other local businesses include Afriplex pharmaceutical and healthcare products, H.G. Molenaar, who are suppliers of large-scale machinery for food and beverage manufacturers across the globe, and Fabrinox, who are manufacturers of sheet metal products (Cape Business Online, 2017). Paarl therefore has a diverse and established private sector.

The Paarl waterfront and Arboretum Precinct Development was identified as a "Big Move" in the Catalytic Zone: Paarl East- West Integration Corridor which will focus on the development of the Waterfront (on the banks of the Berg River) site as a mixed-use development with the main purpose to boost investment, create jobs and enable east/west linkages in Paarl.

The local business chamber is called "Drakenstein Business Chamber" and covers the areas of Paarl, Wellington, Gouda, Saron and Hermon (Paarl Tourism, 2017). The Cape Chamber of Commerce and Industry, established in 1804 and currently with more than 3000 members, is represented in Paarl by the "Drakenstein Chapter".

Map 2: Paarl



Source: CWDM Spatial Development Framework, 2011

6.3.2.2 Wellington

Wellington with a population of approximately 62 000 and is located 45 minutes away from Cape Town. It is in one of the most productive agricultural belts in the Western Cape. The town is home to vineyards, vine-cutting nurseries, a wine route, fresh and dried fruit, vegetable produce and leather products.

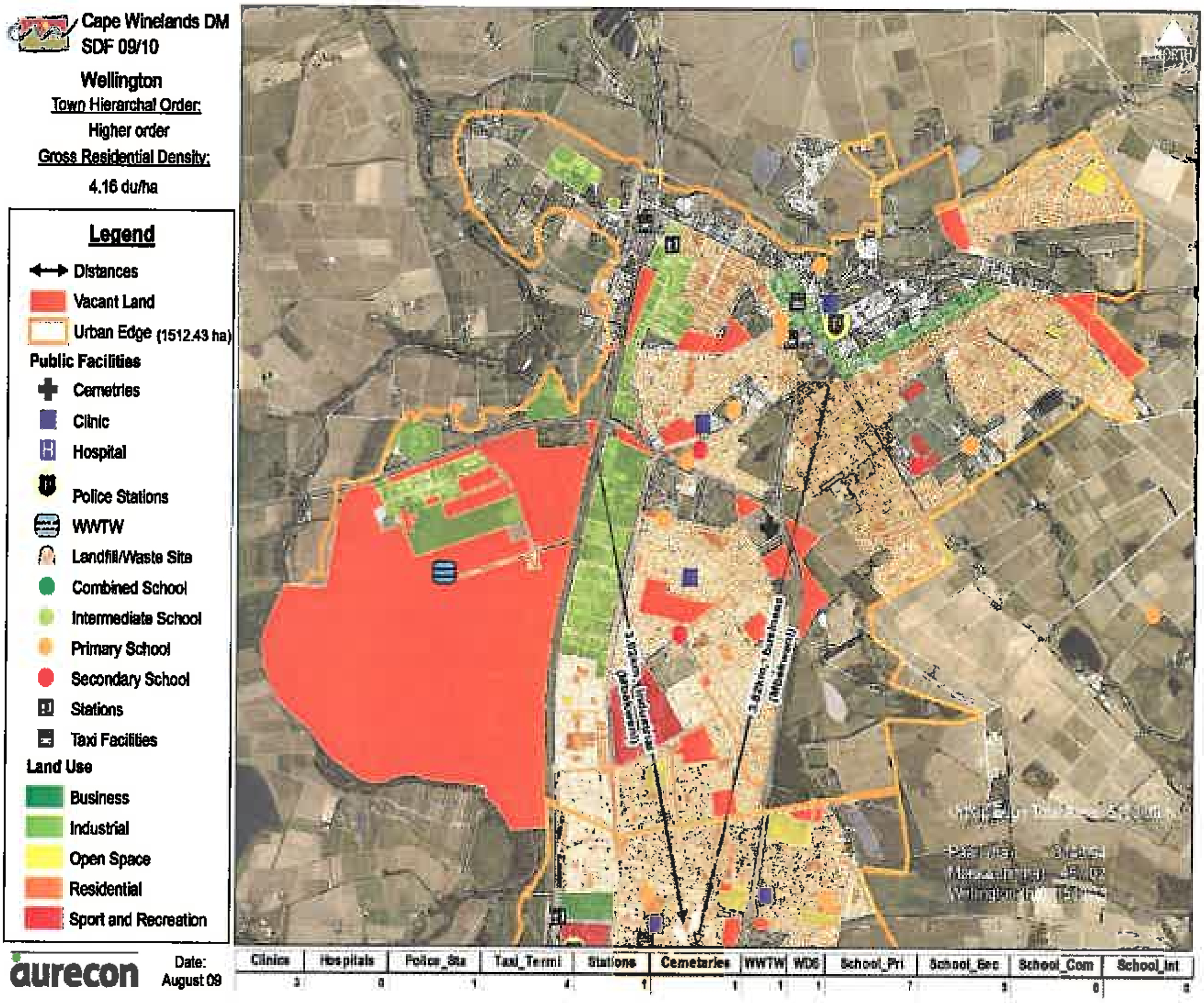
Wellington's economy is centred on agriculture such as wine, table grapes, citrus fruit and a brandy and spirit industry, with an established agro-processing industry. The tourism industry is fairly well-developed in Wellington.

Wellington is also home to South Africa's sole whisky producer and boasts two leather factories producing hand-crafted leather products (Wellington Tourism, 2017). Redemption Leather's fine handcrafted leather was established in the late 1970s and is one of the town's drawcards. Unique to Wellington is the "Stokkiesdraai" vine nursery at Bosman Family Vineyards. Approximately 85% of South Africa's vineyards are planted from vines grafted in Wellington.

The head office of Quantum Foods, which includes Tydstroom Farms, Nulaid Eggs and Nova Feeds, is located in Wellington. Other businesses based in Wellington include Pacmar Juices, which began operations in 1997, and Nibbly Bits, a producer of handcrafted rusk, biscuits, cookies and snacks founded in 1996, as well as the Glodina Towel factory, which supplies businesses such as Woolworths and a variety of other chain stores and interior design outlets.

The town was renowned as an important academic centre for theological studies, and the Seminary gave rise to present-day Huguenot High School and the Huguenot Teachers Training College. Other educational institutions include Boland College and the Cape Peninsula University of Technology. Wellington has an active business chamber, aptly named Wellington Business Chamber.

Map 3: Wellington



Source: CWDM Spatial Development Framework, 2011

6.3.2.3 Stellenbosch

Stellenbosch is, after Cape Town, South Africa's oldest town. The Cape Dutch architecture in the town gives a sense of South Africa's Dutch colonial history, as do the Village Museum's period houses and gardens. Stellenbosch is situated about 50 km from Cape Town and is flanked by the N1 and N2 main routes. Stellenbosch, the administrative centre for the local Municipality, is best known for its wines and academic institutions. The area's numerous wine farms and cellars are very popular and the area is the home of the very first wine route in South Africa. The excellent educational institutions include the University of Stellenbosch, Boland College, sports and culinary institutions and a number of prestigious schools such as Paul Roos. The area has a well-established sporting facilities such as Coetzenburg, with its athletics and rugby stadiums, has hosted star performances over many generations while the Danie Craven Stadium is the home of Maties rugby, the largest rugby club in the world.

It has a strong business sector, varying from major South African businesses and corporations, to smaller enterprises and home industries. The central business district's oak-shaded streets are lined with retail outlets, restaurants and businesses offering professional services. The CBD offers food, homeware and clothing retail stores, petrol stations, boutiques, galleries, gift shops and gymnasia.

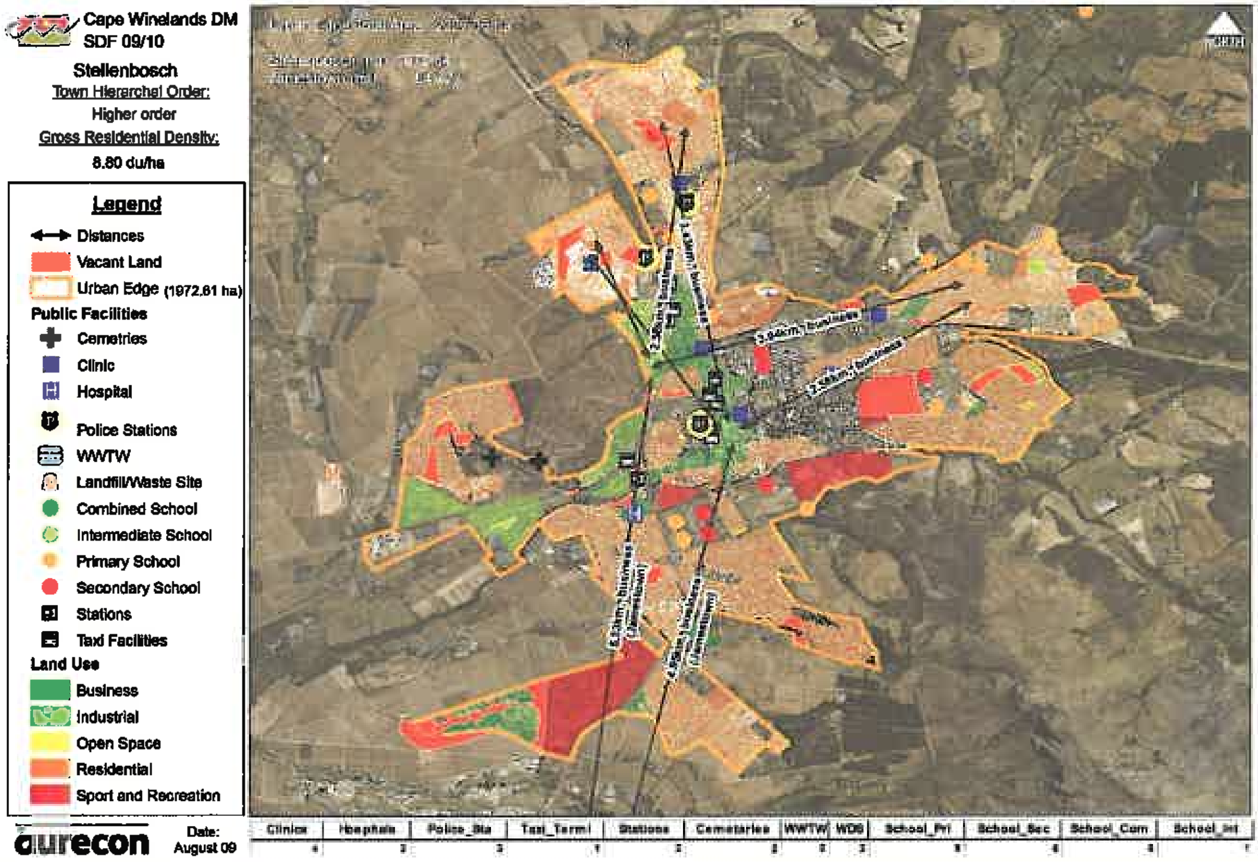
The tourism industry alone is responsible for the creation of about 18 000 jobs in the area. It is estimated that this industry contributes up to 10 per cent to the local economy of the Stellenbosch Municipal area (Stellenbosch Local Municipality, 2018).

Technopark technology business park, situated just outside of the CBD, was established to attract technology-based firms to the area. Stellenbosch aims to establish itself as an innovation hub, and Technopark was said to be fashioned after Silicon Valley in the United States.

Large businesses such as Capitec Bank and Mxit have their headquarters in Stellenbosch. Several other international enterprises such as Distell, Remgro, Mediclinic and PSG also have their headquarters in this bustling university town. Stellenbosch made headlines when it became the first in the country to provide free public Wi-Fi to residents and visitors (Business Day, 2015).

The private sector is represented by the Winelands chapter of the Cape Chamber of Commerce and Industry and Sakekamers affiliated to the Afrikaanse Handels Instituut.

Map 4: Stellenbosch



Source: CWDM Spatial Development Framework, 2011

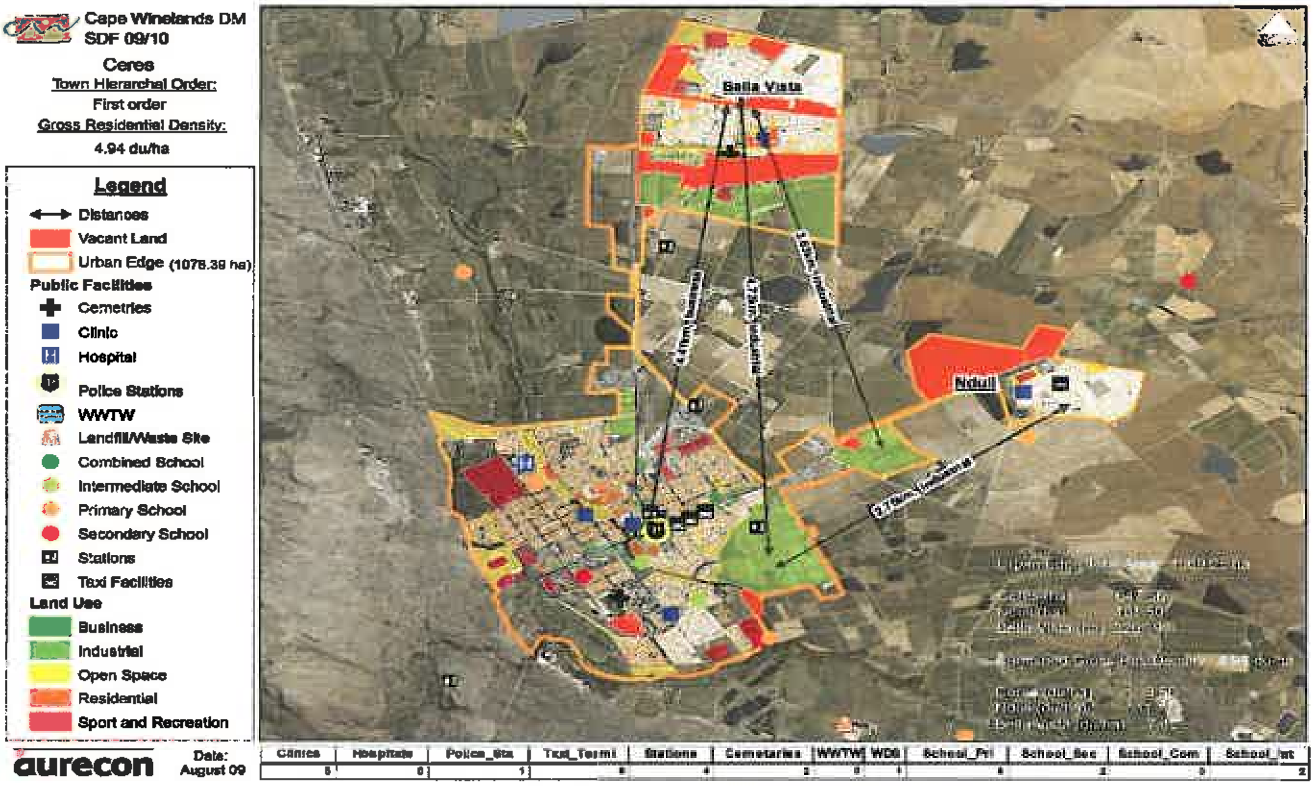
6.3.2.4 Ceres

Ceres is located at the north-eastern entrance to Mitchell's Pass and was the old route north between Cape Town and Johannesburg, which was later replaced by the N1 highway. The largest town and administrative centre in the Witzenberg Municipal area is Ceres. Ceres is a well-known producer of deciduous fruit. The town is home to the Ceres Group, which includes Ceres Fruit Growers, Ceres Fruit Processors and Ceres Fruit Concentrates. The CBD of Ceres is mostly comprised of retail outlets and services sector businesses that service the local community and agricultural sector.

The tourism industry is fairly strong and the area benefits from stunning mountain landscapes and valleys that make this part of South Africa so unique, immersing one's self in its splendid outdoors. From zip sliding over breath-taking rock formations, abseiling, 'kloofing' or ice climbing at the magnificent Matroosberg, riding the tough, exhilarating Tankwa Trek MTB or walk the Tankwa Camino – there is an adventure for everyone. Ceres also boats a stunning 9-hole golf course that is ranked as one of the best in South Africa. Tourists visit the area to pick cherries in the summer months and play in the snow during winter. The small town of Op-Die-Berg is situated on the outskirts of Ceres.

The Ceres Chamber of Commerce that was established by a group of local businessmen in 1936 and changed its name to the Ceres Business Initiative in 2005.

Map 5: Ceres



Source: CWDM Spatial Development Framework, 2011

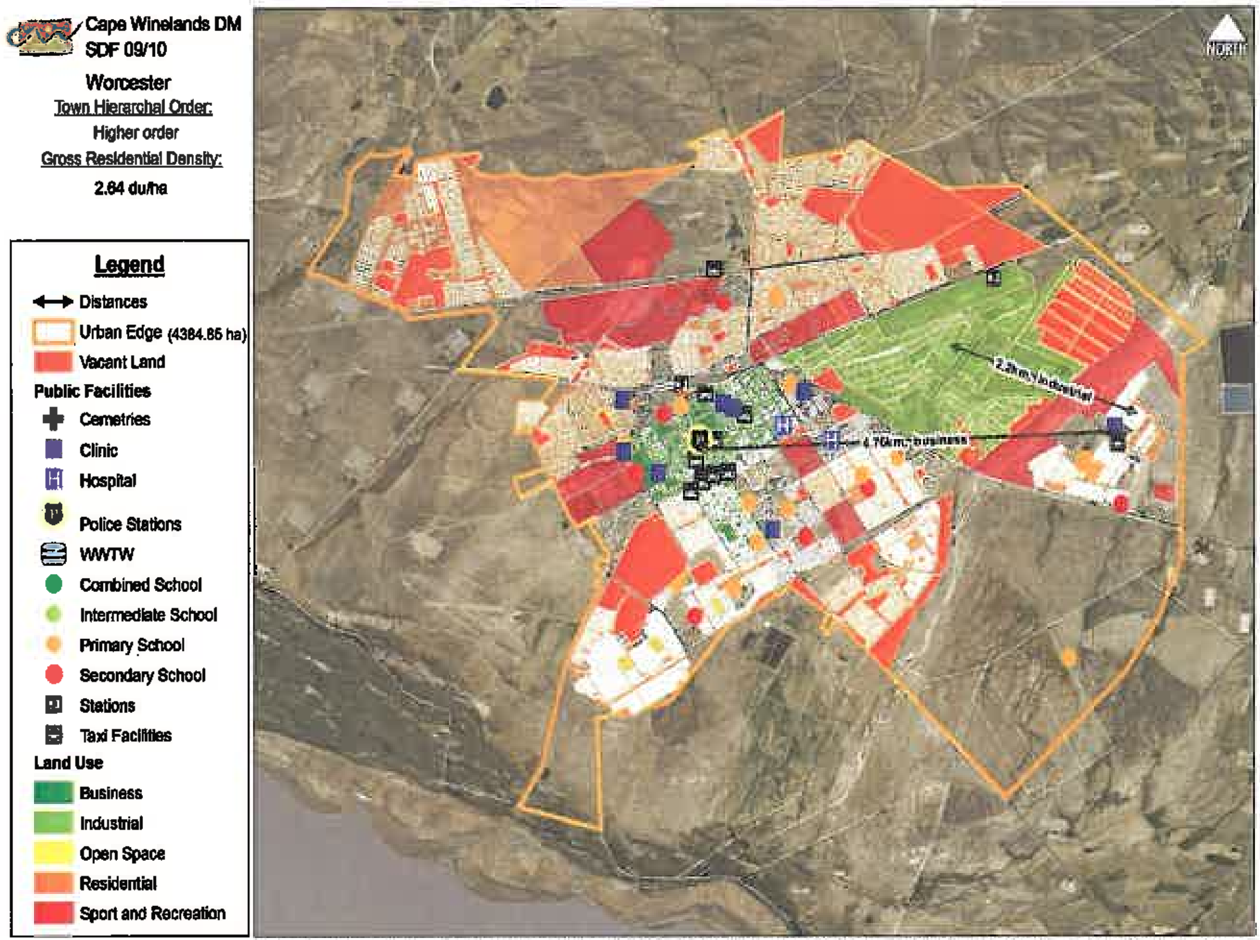
6.3.2.5 Worcester

Worcester is the largest town in the Western Cape's interior region and serves as the administrative capital of the Breede Valley Local Municipality. Worcester lies on the N1 and has a major railway link, which presents the town with a locational advantage as it provides access to inland markets. Worcester is favourably located with good road connections to the N2 and N7 road networks, hence making it a gateway for connecting the Northern provinces with the Cape Metropole.

The town hosts the regional headquarters for most central and Provincial Government Departments. Worcester serves as the hub of the Western Cape's interior commercial, distribution and retail activity, with a shopping mall, well-developed central business district and infrastructure. Worcester is also home to big corporations such as Rainbow Chickens, Willow Creek, Imperial Cargo, GRW Engineering, Hex River Textiles, APL Cartons, Worcester Minerals and BBK Bottling.

The region is world-renowned for its wine farms that produce export quality wines and create sustainable livelihoods for many citizens in the Breede Valley. Parts of the Breede Valley are integrated into wine routes frequented by overseas tourists, which form the basis of a robust tourism economy. The region has a mixed farming character, with vegetable farming, poultry farming and livestock production dominating the agricultural landscape. The region has a strong business sector, comprising large corporates in the financial, insurance and business services sector in Worcester and smaller enterprises operating in manufacturing, agriculture, retail and the tourism sectors. Private sector businesses are represented by the Worcester Business Forum.

Map 6: Worcester



Clinics	Hospitals	Police_Sta	Taxi_Termi	Stations	Cemetaries	WWTW	WDS	School_Pri	School_Sec	School_Com	School_Int
7	3	1	12	1	0	0	0	18	6	9	0

Source: CWDM Spatial Development Framework, 2011

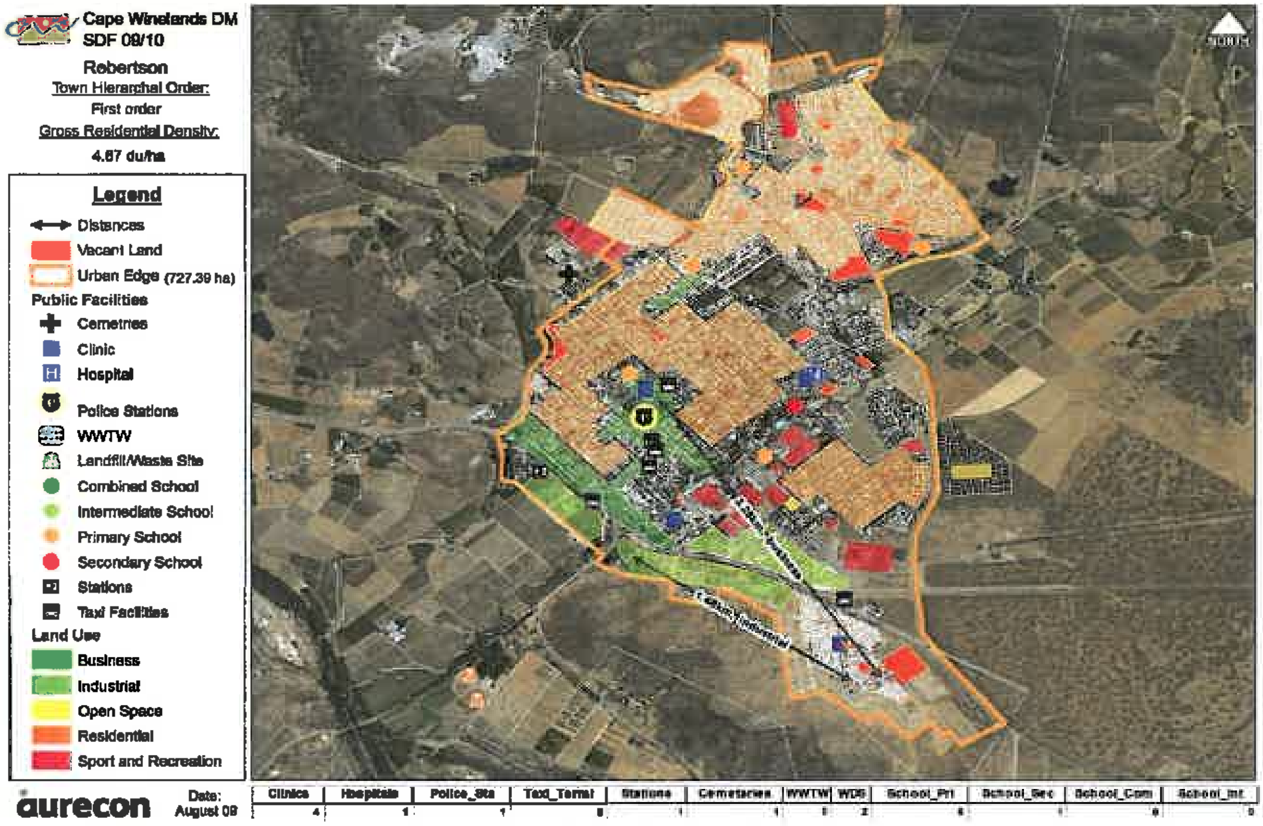
6.3.2.6 Robertson

Robertson is the western gateway to Route 62 and the dried fruit centre of the country. It is only a 90 minute drive from Cape Town. Farming and wagon building were the town's original industries, with agriculture the mainstay of the town's economy in the present day.

Robertson is one of the largest wine-producing regions in South Africa. The area is best known for its wine, but a variety of diverse attractions and activities, combined with spectacular scenery and the relaxed hospitality of the people to ensure visitors unforgettable stays and a reason to return. The Robertson Wine Valley forms part of the longest wine route in the world, i.e. the Route 62. It boasts a large number of cellars, co-operatives, private estates and award-winning wines.

Robertson is an attractive Cape Winelands town, with Victorian buildings and jacaranda-lined streets. The town offers tourists a variety of experiences to choose from that range from wine-tasting to sky diving. Robertson is a home to big Wine Corporation such as Robertson Wine Valley, Van Loveren Family Vineyards and Robertson Co-operation Winery. Robertson Business Chamber represents the private sector and is situated in Reitz Street.

Map 7: Robertson



Source: CWDM Spatial Development Framework, 2011

6.3.3 BUSINESS RETENTION AND EXPANSION (BR&E)

The needs and opportunities of the local business community are central to any analysis of the local economy and the design of strategies for development. It is commonly understood that existing businesses in the community represent as a primary source of investment and job creation. In order to design effective strategies for local economic development, it is necessary to gain an accurate understanding of the needs, weaknesses, capacities and strengths of the business community and its potential for growth. A business retention and Expansion programme will examine these aspects of the business climate.

According to GTZ (2008) "Business retention and expansion programmes are based on the belief that to help existing businesses to survive and expand, the best way is to start listening to their ideas, suggestions, concerns and opportunities on how to improve the business climate" (p4). There are two broad approach to implementing a business retention and expansion programme, i.e. the continuous approach and the locally-driven approach. These two approaches differ from each other but it is generally understood that they produce similar results.

6.3.3.1 Utilising the Continuous Approach to BRE

According to GTZ (2008) in the *continuous* approach a small but permanent staff is employed by an economic development/investment agency (e.g. WESGRO) to systematically interview businesses in their area. Interviews are conducted either throughout the year or annually or every few years. The communication medium use for the interview varies in that it could be face-to face by telephone or skype, etc. Since there is a dedicated staff member(s) he/she is in a position to respond immediately to requests for information from businesses. This BR&E coordinator/Unit acts as a broker between the business and various resources to address particular problems. Although the focus tends to be on individual businesses rather than the environment in which they operate, there is nothing to prevent the economic development/investment agency from convening workshops or initiating action to solve common problems. A key benefit of a continuous BRE is that it allows for long term relationships to be built with corporate leadership in their area.

6.3.3.2 Utilising the Locally-driven Approach to BR&E

According to GTZ (2008) the *locally driven* or "traditional" approach more a large-scale effort where the management and implementation of the programme is in the hands of the community in which the BRE programme is to take place. The community is normally defined geographically but it may also mean a community of interest such as tourism or food manufacturing. It is also known as the "volunteer" approach because it uses local volunteers to implement much of the BR&E programme.

Pro-active and competitive destinations have developed BR&E programmes to proactively target and communicate with companies in key sectors to identify and address constraints and opportunities to company retention, expansion and investment.

6.3.4 CREATING AND FACILITATING INCREASED COMPETITIVENESS

As discussed previously, productivity is an important determinant of competitiveness and it relates to how governments utilises it human, capital and natural resources. Improving productivity and innovation is therefore key to creating a competitive environment. It should be noted that improving competitiveness does not require new resources but rather using current resources at its' optimal level. For municipalities to improve on creating an enabling environment for business it needs the private sector as a key strategic partner.

6.3.4.1 Where is Investment happening

Some of the current initiatives underway in the Cape Winelands District Municipality are:

Table 63: Selected on-going and approved initiatives in the Cape Winelands

SELECTED ON-GOING AND APPROVED INITIATIVES IN THE CAPE WINELANDS		
INITIATIVE	OVERVIEW	PROJECT PHASE
Investment: Grassroots Group	Future approved Agro-processing facility in Wolseley. Entails production of fruit sweets and related. +-R46 million investment	Approved by Council. Development to commence soon
Investment: BAMCO	Food packaging facility, established in 2017, near Prince Alfred's Hamlet, +- R250 million investment	In full operation
Investment: Paardekraal Windfarm	Renewable energy development in the Ceres Karoo (Windfarm). On-site development will commence in 2018	Site preparation phase
Paarl Central Business District Renewal	Paarl is the economic center of Drakenstein Municipality housing major international companies, for example KWV, Pioneer Foods, Imperial Cargo and Quantum Foods. As a result, the upgrade of the Paarl Central Business District to encourage re-investment to the CBD has been identified as a "Big Move" of the Vision 2032 long-term strategic plan	We are currently busy developing a Local Spatial Development Framework to ensure improved alignment with our Vision 2032 long-term strategic plan. This process will be completed by June 2019
Paarl waterfront and Arboretum Precinct Development	This was identified as a "Big Move" in the Catalytic Zone: Paarl East- West Integration Corridor which will focus on the development of the Waterfront (on the banks of the Berg River) site as a mixed-use development with the main purpose to boost investment, create jobs and enable east/west linkages in Paarl	The municipality will develop a Terms of Reference for a new "Call Proposals for the 2018/2019 financial year
Wellington Industrial Park	Strategically located industrial park offering high visibility on the main access road into Wellington from the N1. The municipality will promote this park as an Agro-Processing hub	The Land Use application for this site will be finalised by June 2019 and the municipality will be embarking on an economic feasibility study during the 2019/2020 financial year
Paarl Mountain Facilities Upgrade	The municipality has identified upgrading of recreational facilities, walkways and the development of cycling tracks and hiking routes with improved signage as a Big Move to unlock the tourism potential of area	The municipality has partnered with various role players to develop an integrated mountain biking trail around Paarl Mountain, which will be launched during October 2018. A Tourism Development Plan will be finalised by March 2019

SELECTED ON-GOING AND APPROVED INITIATIVES IN THE CAPE WINELANDS		
INITIATIVE	**OVERVIEW**	**PROJECT PHASE**
De Poort and Paarl Hamlet	Urban renewal refurbishment and re-establishment of a mixed-use commercial area in Southern Paarl. De Poort is a primary public gateway space and industrial heritage center.	We are at the conceptual phase of the project at this stage.
Development of Dal Josaphat Industrial Area	The municipality will focus on upgrading existing infrastructure and expediting the sale of municipal owned serviced industrial sites in the area.	The municipality established the Development and Investment Desk, which is located in the Office of the City Manager to accelerated investment into the area.
Klapmuts Industrial Park	The municipality will focus on a mixed-use development which will include light industrial, logistics, offices and residential.	A draft Local Spatial Development Framework will be completed by December 2018.
Zwelethemba commercial corridor	The project entails the detailed design of a business area by employing landscape architects and spatial planners to optimally plan the usage of limited spaces in the township to encourage decent informal trade and retail shopping. A second component is also to dispose a nearby municipal property to a private developer to construct additional retail facilities with a view to ignite private driven commercial development.	Detail planning has been completed and we are now at the tender specification/advertisement phase to roll out various urban landscape improvement initiatives.
Upgrades in Touwsrivier RSEP	Employ a landscape architect to upgrade the mobility infrastructure from the residential areas to the business areas and to rejuvenate the CBD of a very small and marginal town centre in the BVM.	Planning phase
Uitvlugt Industrial park	We have just completed the Urban Vision framework with Aurecon and we will go back to Council with a recommendation to view the Urban Vision document, and to allow the CFO to budget for the development contributions.	Urban vision completed, which include the provisional costing for the various bulk services such as electricity, water supply, mobility, as well as drainage infrastructure. Aurecon already presents us with Engineering designs and preliminary costing modules.
Fund additional security to reduce crime in CBD.	To make a contribution in collaboration with the BVM by contributing R420 000, whilst the Worcester Business Improvement Company funds the remainder. The project idea is about installing additional surveillance CCTV cameras in commensurate with a armed response programme that can meaningfully respond as and when needed.	Ongoing partnership project with the WBID company this year the BVM will make a contribution of R420 000, 00 to install additional cameras and pay to an armed response company to react. The WBID are receiving the additional rates that the BVM deduct and pay over to them on a monthly basis.
Rail Infrastructure at Klein plasie Open air Museum	Negotiate with Provincial Government Arts and Culture department to use the old infrastructure to the benefit of a private rail company that want to construct a locomotive hub to service the various locomotives that will be used to transport tourist facilities to the Northern part of the Du Toits Kloof mountains.	Most of the expenditure is for the Ceres Rail
Bulida Industrial Project (development of industrial area)	As there is insufficient land for industrial/commercial growth in Robertson, Langeberg municipality identified the need for the allocation of land for this purpose. Industrial development together with agriculture, commercial services and tourism form the economic base and support the economic growth potential of the town. Its envisaged that this development will ensure a sustainable socio-economic impact.	Busy with feasibility study during 2018 / 2019 financial year.
Cactus Garden Mall	A primary motivating factor for the development of the centre is the considerable economic and social advantages which will result from the development. Support economic development by providing job creation.	Planning approval issued. In pre – development stage

SELECTED ON-GOING AND APPROVED INITIATIVES IN THE CAPE WINELANDS		
INITIATIVE	**OVERVIEW**	**PROJECT PHASE**
U9 project –Carewell Private Hospital	The development will incorporate start-up living opportunities, and contribute to the provision of residential opportunities in line with the Municipality's forward plan. Temporary employment during construction phase and permanent employment during operational phase of development. The development will promote economic development.	Construction under way
Mountain View Resort	This project speaks to the need for frail care, doctors, a pharmacy in close proximity, and safe housing for the aged in the area. It will be in the form of a security complex. It will be accessible for the whole Langeberg area.	Construction under way
Jakes Gerwel Entrepreneurial School	The aim of building this school was to develop skilled people as well as entrepreneurs. A career hub will be established in order for the students to network with businesses. It is a low fees school for the community, and is an Afrikaans school as most in the community is Afrikaans speaking. Department of Education supports development. School is built on agricultural land.	First phase completed. Second phase of construction in progress
R962 Road Construction	Provincial Department identified a need for the upgrading of the roads.	Under construction
Bonnievale Main Road Construction	A need identified by the community for the upgrading of the main road in Bonnievale.	Under construction

Source: Cape Winelands District Municipality, 2018

6.3.4.2 Marketing for attracting new Investment

Marketing is defined as identifying, anticipating and satisfying customer needs profitably. In the case of attracting investment, "profitably" denotes the advantages gained from the contribution to the local economy derived from inward investment. Thus, identifying and anticipating the needs of potential investors is crucial to the success of the marketing effort.

The most appropriate tools to market Cape Winelands as an investment destination are dependent on the target market (audience) and the message being conveyed to that targeted market or the business sector decision-makers. The tools to market Cape Winelands must therefore be appropriate to communicate the advantages of investing in Cape Winelands to those decision-makers in a way that appeals to them.

An important component of any marketing effort is gathering detailed information and gaining an in-depth understanding of customer needs and preferences, a process referred to as inbound marketing. Inbound marketing supersedes outbound marketing in the form of advertising, because it lays the foundation for sound and effective marketing communication.

The needs and desires of the target market should shape the core message and key elements of the marketing effort. A thorough understanding of the drivers behind the decision to invest or not will lead to a well-crafted, powerful marketing message.

Only if there is close consultation with the target market to engage them and establish exact needs and desires, will it be possible to successfully meet their needs and build a sustainable long-term economic hub.

It is self-evident that industrial investment has far-reaching financial and practical implications, and therefore it is not a decision that will be taken lightly. The cost-benefit analysis will be different for each potential investor, and therefore the factors which either make or break a deal will vary for each potential investor.

For the reasons outlined above, it is recommended that potential investors be identified and approached individually, and the benefits or incentives that could appeal to them be discussed and negotiated on a case-by-case basis.

Marketing tools

- ***In-depth understanding of customer needs and preferences***
- ***Promote advantages and assets, and address deterrents and obstacles***
- ***Promotional material that delivers a powerful marketing message in a way that appeals to the target market***
- ***Direct, personal engagement of the target market***
- ***Tailored solutions and incentives for each investor***

Business is about maximising profit, in other words, keeping costs at a minimum whilst generating the largest possible revenue. Therefore, business decisions are based on the bottom line and a cost-benefit analysis. It is therefore of utmost importance to maximise the benefit of doing business in Cape Winelands, in order to keep costs low.

The investment destination, should be marketed in terms of:

1. ***Key pull factors and competitive assets identified for the area***
2. ***Business and investment incentives applicable to the area and targeted industries***

Engaging the target market

Once the target market has been identified, the practical steps of listing the targets and approaching them can begin. The following steps can be taken:

- Define the qualifying criteria applicable to the target market
- Identify all possible investors that fit the criteria and compile a list of businesses that fit the target market
- This initial list of targeted investors can then be further narrowed by identifying businesses that more closely aligned to the strategic industries planned for the area
- The next step would be a roll-out of an Above the Line marketing drive in the form of awareness campaigns or a call for expression of interest
- After this process of elimination and targeting of the most suitable and favourable market, the businesses can be approached.

Place where the target market should receive promotional information:

- ***A targeted marketing campaign***
- ***Mostly below the line marketing, tailored to the specific investment***
- ***Promotion should firstly be aimed at large scale manufacturing and thereafter to the renewable market with a specific aim of attracting renewable energy manufacturers***

Potential investors can be reached through a two-pronged approach:

- Create awareness and stimulate interest through the above the line marketing process
- Approach targeted and interested businesses directly and engage them on an individual level.

Above the line communication and Below the line communication

There are two main marketing strategies: above the line communication and below the line communication. There is also the possibility of extending the reach of these strategies by combining the two.

Firstly, above the line marketing refers to promotional messages that are broadcasted and published through mass media to a wider audience. The main objective of above the line marketing is to inform customers about the product offering, raise awareness and build brand positioning.

Below the line marketing is more niche-focused and provides the opportunity to tailor the marketing message in a more personal manner to appeal to a specific customer or group of customers. Below the line marketing is utilised where customer requirements vary, such as where customers are enticed by different "tipping point" factors. In this form of marketing, the target market has to be clearly defined.

Above the line marketing is usually more expensive than below the line marketing. Below the line marketing has the added advantage of personal engagement where valuable information can be gathered from the market.

Figure 13: Above the line and below the line marketing

Above-the-line	Below-the-line
Focuses on reaching a wider audience, often to enhance brand image, for example, through the mass media	Focuses on a more targeted audience with a more direct emphasis on making sales, for example, through specific events or merchandising.

Thirdly, as an extension of the above categories, through the line marketing is when a combination of below the line and above the line marketing techniques is employed.

The ideal promotional campaign for attracting investment to Cape Winelands will be a through the line marketing drive, with more emphasis placed on below the line marketing.

Above the line marketing will fulfil the following objectives:

- **Inform the public and wider business community** about the advantages and incentives **of doing business in Cape Winelands**
- **Create awareness of the initiative and assets** offered by Cape Winelands to prepare the target market for more focused below the line marketing
- Call for expressions of interest can be done through above the line channels
- Above the line marketing material and the marketing message should build the brand of Cape Winelands and position it in the market

Above the line marketing tools:

- *Promotional messages should include the following aspects:*
  - *Highlight the advantages and assets of the area*
  - *Provide brief information about incentives, focusing more on the fact that incentives are offered than on the details of all the incentives*
  - *Create awareness about the drive to stimulate investment development and economic growth in the area*
  - *Communicate the brand and positioning of the area*
  - *Call on those who are interested to formally express their interest*
- *The promotional message can be delivered through the following channels:*
  - *Advertising in trade journals*
  - *Articles and advertisements in business publications*
  - *News articles in respected news publications and media*

Below the line promotional activities should aim to achieve the following:

- Make a strong case for the assets and advantages of Cape Winelands which specifically cater to the target's industry and needs
- Provide comprehensive information about the applicable incentives in order for potential investors to conduct a cost-benefit analysis
- Engage potential investors to ascertain their specific needs and to establish the factors that will have the most influence in their decision-making processes
- Ensure personal contact with potential investors to negotiate and tailor the product offering in order to maximise benefits for all stakeholders

Below the line marketing tools:

- **Promotional portfolio sent to the target market**
- **Business events where the target market can be addressed directly**
- **Presentations to the target market**
- **Meeting with the decision-makers of individual businesses**
- **Delegation to visit international investors and to present the business case for Cape Winelands to them. This delegation can also invite international investors for promotional visits to highlight the advantages of doing business in Cape Winelands**

Branding the Cape Winelands

Branding is the activity of promoting a product's unique identity and creating and disseminating a focused public idea of a particular product. Branding therefore refers to the "image" of the product.

Building a brand includes the following:

- Visual aspects, such as the logo, marketing material, advertisements, and the tag line
- The core message of the marketing drive
- How the brand is presented and even how ambassadors of the brand conduct themselves.

It is essential that all the aspects of branding are aligned and applied consistently.

The first step in building a brand is to define the value proposition, which refers to the unique value that the product offers. Key aspects such as where the most benefit can be delivered are linked to the core need or desire that the product addresses.

The Cape Winelands's value proposition therefore lies in the most important benefits the area offers to investors.

The core benefit that businesses are looking for is increased profits. The key aspects identified is an enabling environment characterised by ease of doing business and:

- ✓ Infrastructure
- ✓ Availability of property and land
- ✓ Availability of labour
- ✓ Access to information
- ✓ Red tape reduction

The branding of Cape Winelands should therefore focus on conveying the key message of an enabling business environment - an efficient and innovative place that is business-friendly.

Branding the area as an Investment Destination

- ***Branding is the image that is created for a product through promotional activities***
- ***The brand is influenced by the core messages, core benefits and visual aspects.***
- ***Branding has to be consistent in order to build a recognisable brand.***
- ***The benefits offered to potential investors should be promoted.***

Recommended phased roll-out of the Marketing Plan

Marketing the Cape Winelands District necessitates a phased approach that primarily attracts high impact investors and secondarily fosters the establishment of new and supporting industries in order to create a sustainable local economy.

The overall marketing strategy and action plan should focus on short term, medium term and long-term initiatives and interventions. The approach should be systematic and incremental.

Before the destination can be marketed to potential investors, the facilitation vehicle ("One Stop Shop") and investment drawing cards (land, incentives and infrastructure) should be in place

6.4 WESTERN CAPE GOVERNMENT INVESTMENT FACILITATION STANDARD OPERATING PROCEDURE (IFSOP)

Source DEDAT

The Red-Tape Reduction team in the Western Cape Department of Economic Development and Tourism identified that one of the most frustrating experiences for businesses who would like to invest in municipal opportunities is the red-tape linked to these investments.

To address the challenge, the Red-Tape Reduction team developed an Investment Facilitation Standard Operating Procedure (IFSOP), to manage investment opportunities. The Theewaterskloof Municipality in the Overberg was identified as the pilot site for the project.

The main purpose of the IFSOP is to create uniform investment promotion, facilitation processes, and procedures in the municipality to attract new investors and retain existing ones. At the same time the IFSOP must satisfy the legal and legislative objectives, as well as the governance objectives of economy, efficiency and fairness.

6.4.1 IFSOP OBJECTIVES

The main objectives of the IFSOP are to:

- Provide clarity about the relevant legal and legislative framework in relation to investment opportunities
- Assist in the streamlined management and finalising of investment applications
- Enable the correct identification and classification of investment opportunities
- Provide a SCM system and process that will ensure clarity and consistency
- Provide an investment opportunity recording process, that will ensure transparency
- Provide further guidelines and procedures (the 'how')
- Make officials aware of the treatment and/ or management of investment opportunities
- Instil best practice
- Strengthen the control environment
- Establish a single point of access for the management of investment opportunities
- Assist management to appropriately act on investment opportunities
- Strengthen the ability to manage investment opportunities
- Create a central capacity to manage investment opportunities.

6.4.2 THE IFSOP PROCESS

The IFSOP process will commence with an application, either from an external private person or from the municipality executing the investment strategy. The application will be lodged with the investment administrator, who will forward it to the investment unit. Thereafter, a consultation process ensues, following which the application will be forwarded to the council (or responsible functionary) who will make the final resolution. The approved investment proposal will be administered by the investment administrator and managed by the designated municipal contract manager. In the event of a person being aggrieved by the final resolution, a formal appeal may be lodged with the investment appeal authority.

Graphically, the IFSOP governance process can be depicted as follows:

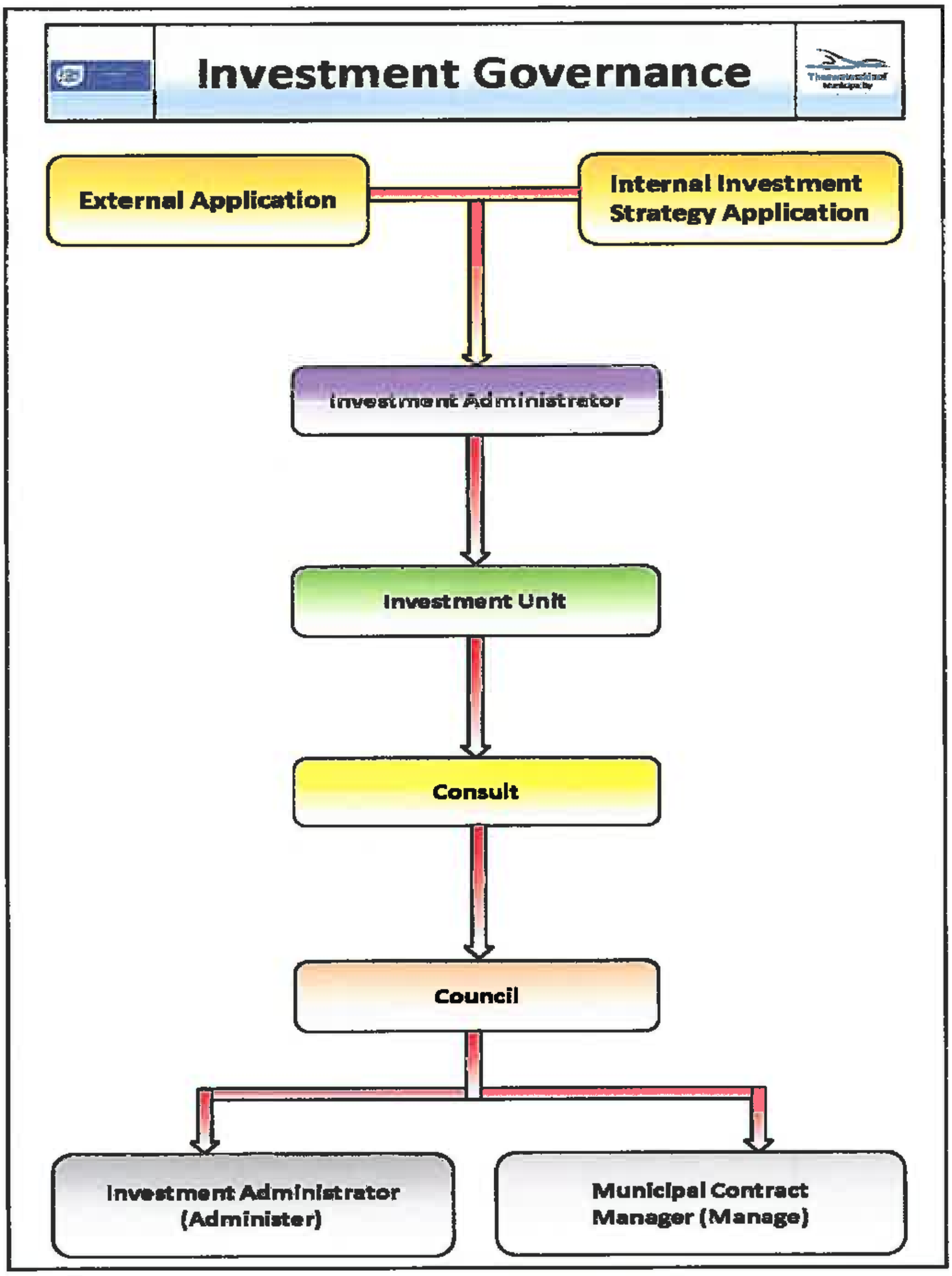


Figure 44: IFSOP governance process

The main IFSOP processes can graphically be depicted as follows:

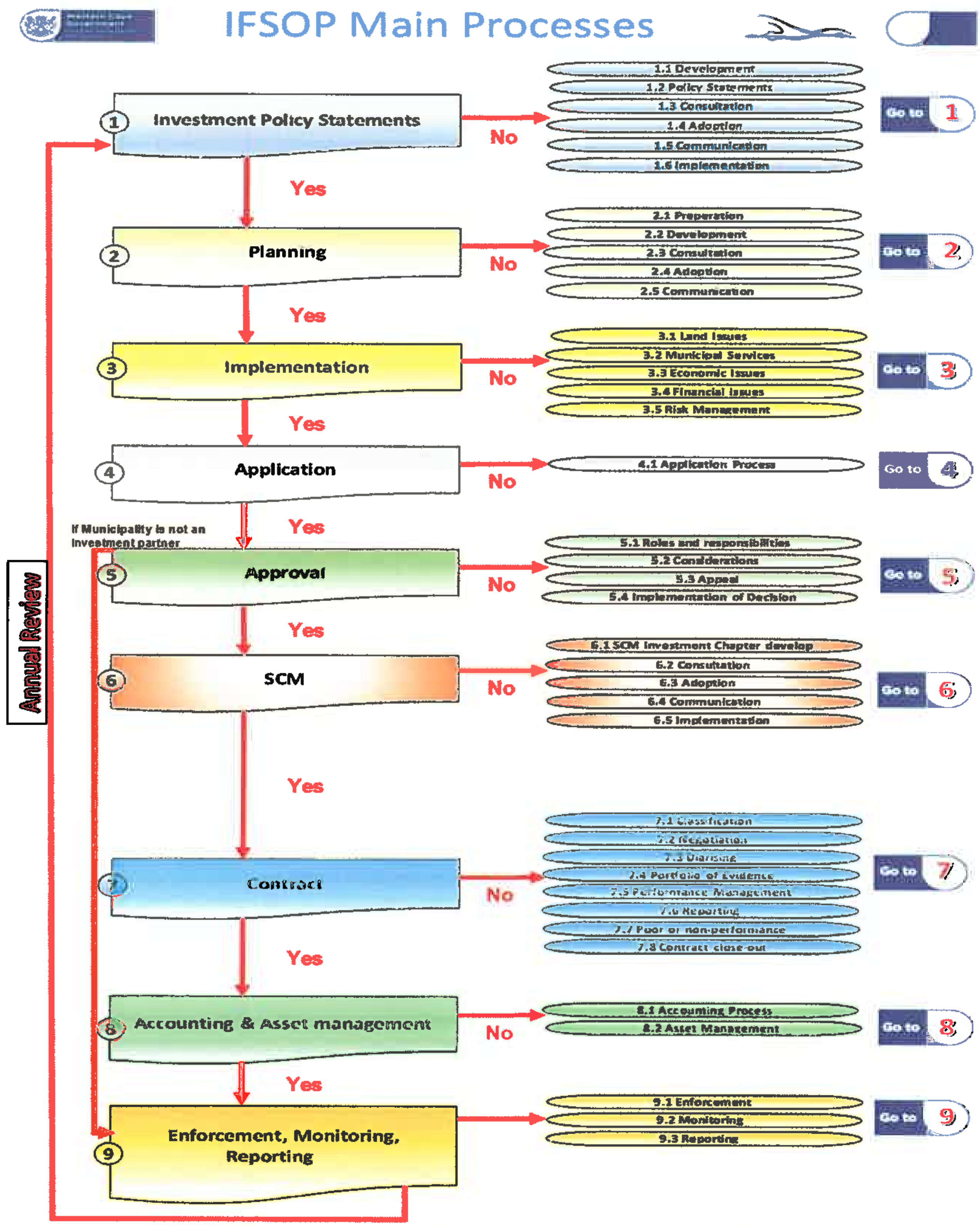


Figure 45: The main IFSOP processes

6.4.3 IFSOP INVESTMENT FACILITATION POLICY

Prior to adopting the IFSOP, it is necessary for the relevant municipal council to adopt the following investment facilitation policy statements:

1. Investment opportunities will be guided by one set of policy statements incorporated in the municipal IDP, supported by an Investment Facilitation SOP (IFSOP), which provides guidelines for the following IFSOP primary processes:
   a. Investment strategic planning
   b. Implementation of investment strategy
   c. Application for investment opportunities
   d. Approval of investment applications
   e. Supply chain management (SCM) processes relevant to investment opportunities
   f. Contract management of approved investment applications
   g. Accounting and asset management of approved investment applications
   h. Enforcement, monitoring and reporting of approved investment applications or opportunities
2. The policy statements and IFSOP will apply to all municipal officials - as well as private persons - wishing to submit an investment application to the municipal area, for projects:
   a. Exceeding the value of R10 m, or
   b. Exceeding the period of 3 years, or
   c. Complex developments requiring cross cutting municipal operations.
3. The establishment of a Municipal Development Fund (MDF), which will comprise a ring-fenced municipal account, as per section 12 of the MFMA, and will be financed from:
   a. Development charges
   b. Investment donations
   c. Sponsorships
   d. Grant funding
   e. Municipal funding
   d. Investment incentives will be considered for each investment proposal.
4. A SCM Chapter must be developed to align SCM activities with investment opportunities – from both an acquisition and disposal perspective – providing for mechanisms such as:
   a. Competitive bidding
   b. MSA s78 process
   c. Direct negotiation
   d. Unsolicited bid
   e. Public-private partnerships
   f. Auctions
   g. Long term acquisitions
   h. Expropriation
   i. Donations
   j. Exchange
   k. Leasing-out

    l. Demolition
    m. Decommissioning
    n. Transfers.
5. The following governance structures will institutionalise investment facilitation in the municipality:
    a. An identified and appointed investment administrator (existing position)
    b. Investment unit, currently being called the development support team
    c. Appeal authority, consisting of the MAYCO

6.5 CONCLUSION

Economic growth is in the hands of the private and community/civil society sector. Ultimately, it will be firms/companies, the labour force and other organisations that will make the necessary investments to increase employment and wealth generation. The role of government, and in this case, local government is to create an enabling environment for business growth. This means setting the framework for growth and outlining the actions to stimulate that growth in areas such as education, innovation, skills development; sector development; exports; foreign direct investment; entrepreneurship and research and development. In addition, we need to identify and support business growth in sectors/subsectors where there is the greatest potential and continue to ensure that the necessary economic infrastructure is in place to reap the benefits from our existing strengths and opportunities.

07

FACTOR OF PRODUCTION: NATURAL RESOURCES

7.1 RURAL DEVELOPMENT

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

7.1.1 INTRODUCTION

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

Rural Development, and in particular the development of agriculture, is recognised by both the NDP and the NGP as critical for employment and food security. The Cape Winelands District (Ceres, in Witzenberg Local Municipality) has been earmarked for the development of an Agri-Park, which combines a working farm with a municipal park on the urban edge. The Cape Winelands District, along with each one of the other 43 district municipalities, will also host five (5) "One Household One Hectare" sites.

The Department of Rural Development and Land Reform also included Ceres Fruit Growers and Cold Storage in their Rural Enterprise and Industrial Development (REID) programme.

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

Table 649: Cape Winelands Rural Development priorities

Rural Development Priorities In The Cape Winelands District
➢ Sustainable land development and fast-tracking land reform
➢ Initiation of sustainable land reforms projects in the District
➢ Provision of sustainable basic services in all towns
➢ Promoting bulk infrastructure and services
➢ Facilitating LED and upgrading of the informal sector
➢ Encouraging education and training facilities in smaller towns
➢ Incorporating nature conservation and management efforts in LED initiatives
➢ Encourage agriculture by developing agri-processing and links to niche markets
➢ Development of the tourism sector
➢ Upgrade Public Transport networks and introduce Non-Motorised Transport routes and facilities
➢ Support small farmers
➢ Job creation through skills development

The Cape Winelands District, in partnership with relevant stakeholders, rolled out several Rural Development projects in the area:

Table 65: Rural Development projects in the Cape Winelands District

Land Reform Projects	REID projects	RID projects	NARYSEC projects
✓ **Mhudi** ✓ **Bellevue Part 1** ✓ **Loufontein**	✓ Ceres fruit growers and cold storage ✓ Glitz cleaning ✓ Bella fruit cold storage ✓ Skoonvlei abbatoir ✓ Ceres cold storage	✓ Dennebos power station ✓ Bon Chretien substation ✓ Vreeland Street ✓ Boerneef Street ✓ Panorama Substation ✓ Skoonvlei Roads phase 1 & 2 ✓ Nduli reservoir	✓ RK Primary School ✓ Drosdy High School ✓ Riverview Primary School ✓ Victoria Park Primary ✓ Boland College ✓ Worcester Prep School
(Source: RDP, 2016)			

7.2 NATURAL RESOURCES

Both the CRDP and APAP highlight protection of natural resources as a priority. Outcome 10 of the CRDP notes "environmental assets and natural resources that are well protected and continually enhanced" as an important part of rural development. The Cape Winelands District Municipality has several policies and programmes in place with various partners to ensure the protection and conservation of the environment and natural resources.

The Cape Winelands District is a rural area, and agriculture is the main economic activity. Tourism has also been identified as a key driver of economic and rural development. Both the agricultural and tourism sectors are highly dependent on natural resources.

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

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

The Cape Winelands District rolled out a "Greening Cape Winelands" project to plant indigenous trees and shrubs throughout the district. The objectives of the project are as follows:

- Promoting a greener environment
- Creating environmental awareness
- Improving the quality of life of inhabitants through the creation of a healthy environment
- Creating employment opportunities
- Gaining community involvement in environmental protection

7.2.1 CAPE WINELANDS BIOSPHERE

The Cape Winelands Biosphere Reserve (CWBR) 3220km² in extent was registered during September 2007. At the local municipal level, the following areas have been incorporated: Stellenbosch Municipality, portion of Drakenstein Municipality, portion of Breede Valley Municipality, portion of Witzenberg Municipality and a portion of Theewaterskloof Municipality.

The main aims of biosphere reserves are to promote biological diversity, sustainable development and logistic support, the latter including research, education and training.The CWBR Section 21 Company whom manages the CWBR affairs must ensure that the following functions are met:

- A conservation function- to contribute to the conservation of landscapes, ecosystems, species and genetic variation;
- A development function- to foster economic and human development which is socio-culturally and ecologically sustainable;

- A logistic function-to provide support for research, monitoring, education and information exchange related to local, national and global issues of conservation and development.

7.3 AGRICULTURE

7.3.1 OVERVIEW

The growth rate of the agricultural sector in the CWDM between 2005 and 2015 was on average 1.7% compared to the provincial rate of 2.5%. The growth trend of the agriculture, forestry and fishing sector is depicted in the figure below:

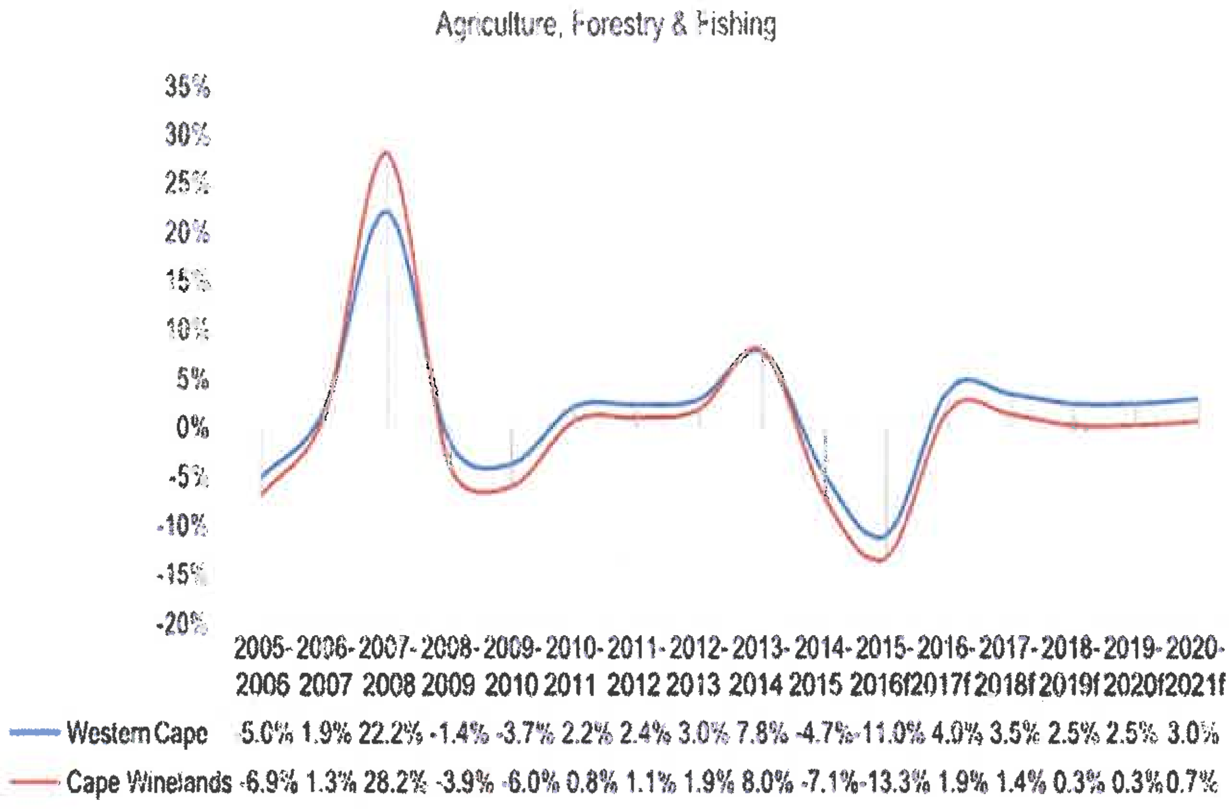


Figure #614: Growth rate of Agriculture, Forestry and Fishing industries
(Source: CWDM RDP 2016)

The province has been in the grips of a drought since 2015 and the impact has been a contraction in the agricultural sector, with further decline forecast for the future.

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

Table 6610: Contribution of CWDM to crops and livestock

Sub-sector	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg	Total Cape Winelands
Top Crops (as % of Western Cape)						
Wine Grapes	5.1	14.3	15.1	15.9	15.4	**65.8**
Table Grapes		15.9		44.1		**60**
Lucerne	2.4	1.7	0.3	0.5	1.6	**6.5**
Canola		2.1				**2.1**
Small Grain Grazing	4.5	1.8	0.1	1.0	2.4	**9.8**
Planted Pastures, Perennial	2.2	2.5	0.8	0.8	3.4	**9.7**
Natural grazing	5.7	3.1	1.1	1.1	3.8	**14.8**
Fallow	3.9		0.4	1.1	2.6	**13.4**
Stubble				9.3		**9.3**
Wheat	1.4	3.4		0.3	0.4	**5.5**
Olives		22.3	5.1			**27.4**
Peaches	36.4				33.0	**69.4**
Apricots					50.1	**50.1**
Plums			14.0			**14.0**
Pears	60.1		1.5			**61.6**
Apples	33.1					**33.1**
Planted Pastures		3.2				**3.2**
Proteas			8.0			**8.0**
Weeds				5.2	9.1	**14.3**
Top Livestock (as % of Western Cape)						
Cattle	1.9	1.4	0.9	2.2	4.1	**10.5**
Goats	0.6	0.3	0.5	0.0	0.8	**2.2**
Horses	3.5	4.9	7.3	0.6	20.2	**36.5**
Ostriches	1.8	0.0	0.1	0.2	1.4	**3.5**
Pigs	0.4	3.7	14.2	1.2	14.2	**33.7**
Sheep	**1.7**	**0.8**	**0.1**	**0.2**	**2.1**	**4.9**

(WCDOA, 2013)

Although the agricultural sector recovered from the decline between 2014 and 2015, the current drought is expected to have a detrimental effect on the sector in the years to come.

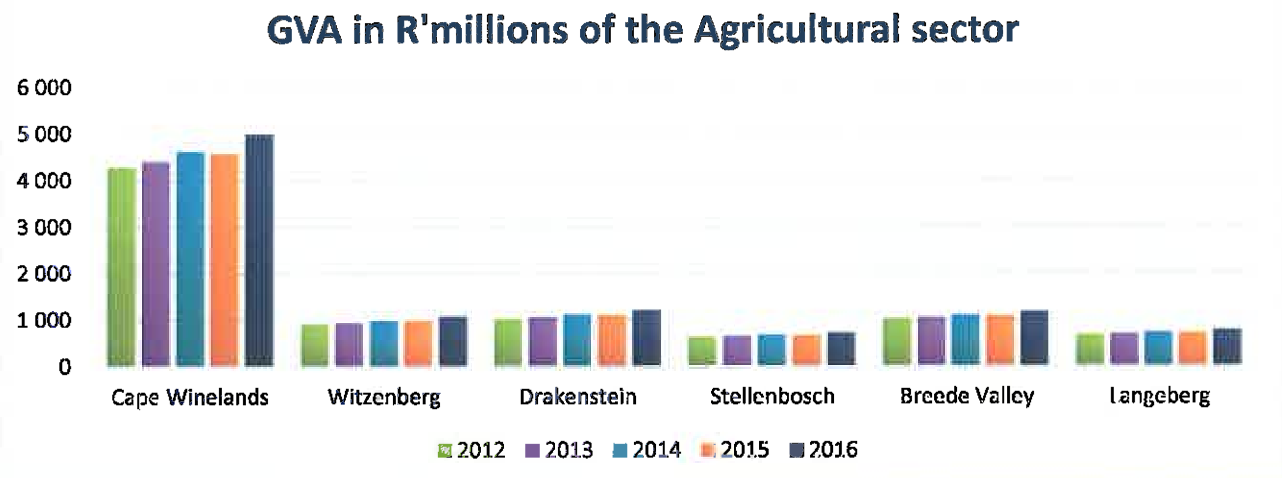


Figure 4715: GVA in the agricultural sector 2012 – 2016
(Source: Quantec, 2018)

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

7.3.2 CAPE WINELANDS AGRI-PARK

According the Department of Rural Development and Land Reform (DRDLR) an Agri-park is "a networked innovation system of agro-production, processing, logistics, marketing, training and extension services, located in a District Municipality ... [as] a network it enables a market-driven combination and integration of various agricultural activities and rural transformation services. The Cape Winelands District Municipality is responsible for the implementation of the Cape Winelands Agri-park.

There are three components to an Agri-park:

- The Farmer Production Support Unit - this unit links emerging farmers to markets;
- An Agri-hub – this hub has multiple functions of training, production, equipment hire, packaging and logistics; and
- The Rural Urban Market Centre –it has to manage contracts, it is a produce holding place and needs to provide market analysis and intelligence to the emerging farmers.

The DRDLR has prioritised Agri-park implementation in Saron, Stellenbosch, Ceres for the 2017/18 financial year and Paarl, Robertson, Montagu, Ashton and Worcester for the years thereafter. The focus will be on the establishment of the necessary Farmer Production Support (FPSU) Infrastructure as well as support to emerging farmers.

7.3.3 FARMWORKERS

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

In March 2015, the Department of Agriculture and FEM Research conducted a Household Survey with farmworkers in Cape Winelands, Cape Agulhas and Swellendam. A total number of 23,202 individuals participated in the survey of which 8 181 resided in the Witzenberg area. 2,482 households, living on 110 farms in the Witzenberg area formed part of the sample.

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

Learners in the Witzenberg area required assistance with school uniforms and textbooks. The most frequently reported health problem in all areas was impaired vision. Almost 70% (69.62%) of respondents in Witzenberg requested a "Road to Health Card" (an immunisation record/ clinic card for children under five). Access to pap smears (4% and above) and family planning (2%) has the greatest need in Stellenbosch, Drakenstein, Witzenberg, and the Breede Valley.

Out of all the regions that participated in the survey, Witzenberg received the lowest proportion of child support grants. When asked what form of social support they most needed, the greatest need across all regions was support regarding behavioural problems, followed by substance abuse. An average of 74% of all households across all the regions belonged to a religious group.
Approximately 90% of farmworker households living on farms were found to have piped water, electricity and flush toilets. In Witzenberg, more than 30% of farmworkers lived in informal dwellings (not on farms).

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

7.4 TOURISM

7.4.1 OVERVIEW

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

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

Tourism supports LED in that it expands the local economy by attracting revenue from outside the local area. In addition, it stimulates capital investment and fosters job creation. Tourism is a multi-faceted industry with various links to the manufacturing and retail sector.

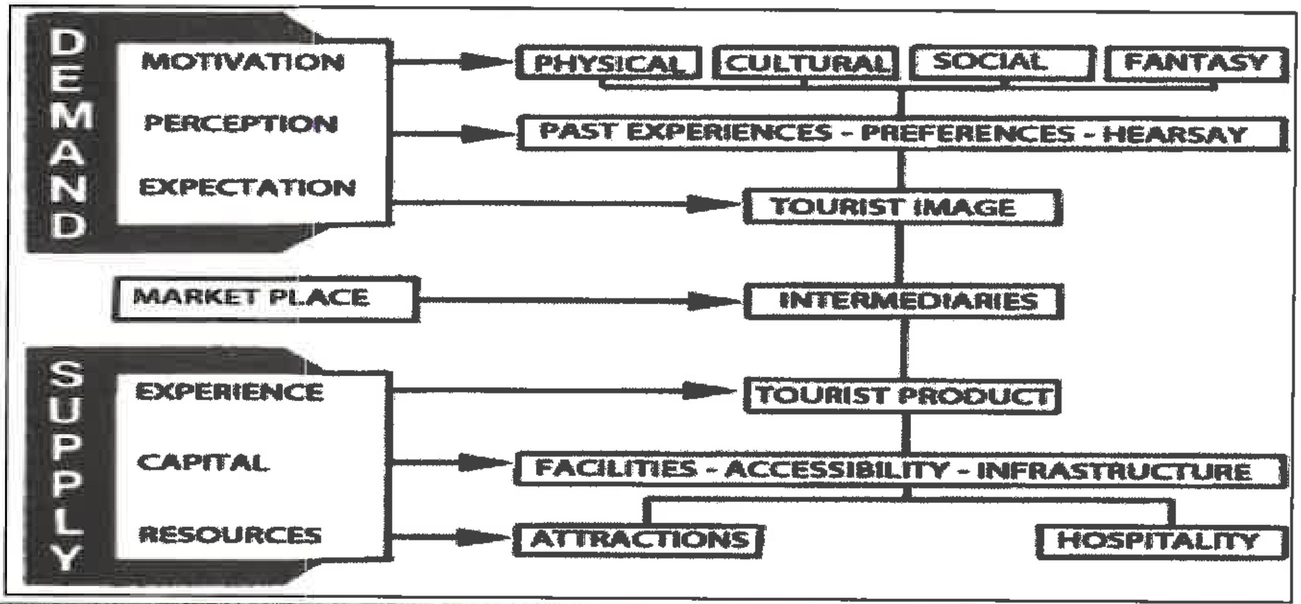


Figure 4816: Supply and demand factors of tourism
(Source: Murphy, 1985)

In order to effectively develop the sector, it is important to understand both the demand factors and the supply factors of the industry:

- Demand side: who are the people visiting the area and what are their needs and expectations?

- Supply side: what is the unique selling proposition (USP) of the area, and how can customer needs and expectations best be satisfied.

Effective tourism management entails a three-tiered approach:

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

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

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

7.4.1.1 Why Tourism Matters in South Africa

Tourism is big business. According to World Travel and Tourism Council (2018) it directly contributed R136.1 (USD10.2) billion to the South African GDP in 2017 which made it a larger contributor than agriculture. Tourism directly employs over 726 500 people which outnumbered other sectors as such mining. Visitor exports generated nearly R126.7 (USD9.5) billion which is 2.9% of our total export earnings in 2017.

Table 67: Estimates and Forecasts of Economic Impact of Tourism in South Africa

South Africa	2017 USDbn	2017 % of total	2018 Growth	USDbn	2028 % of total	Growth
Direct contribution to GDP	10.2	2.9	2.4	14.9	3.3	3.6
Total contribution to GDP	31.0	8.9	2.9	44.9	10.1	3.5
Direct contribution to employment	727	4.5	1.0	980	5.2	2.9
Total contribution to employment	1,530	9.5	3.3	2,082	11.1	2.8
Visitor exports	9.5	9.2	3.4	16.5	11.4	5.3
Domestic spending	11.9	3.4	1.4	15.0	3.4	2.2
Leisure spending	14.0	1.9	3.0	22.1	2.3	4.3
Business spending	7.4	1.0	0.9	9.4	1.0	2.3
Capital investment	5.3	8.2	3.4	8.5	10.1	4.4

Source: World Travel and Tourism Council, 2018

7.4.1.2 Objectives of Tourism

Some of the objectives of tourism are to:

- Explore new and innovative ways to expand consumer options and experiences;
- Create new and innovative product offerings should be based on creative and unique experiences in the area;
- Encourage tourism enterprises to increase their electronic footprint in order to expand their market reach;
- Explore green tourism options to meet the market need for more responsible, environmentally conscious, ethical and sustainable tourism;
- Developing a brand that is unique and speaks to the area's unique heritage of the region is essential;
- Increase market share and capitalise on previously unexplored markets through value-for-money (VFM) and affordable product offerings;
- Ensure ease of access in terms of travel to and within the region;
- Create a nurturing environment for emerging businesses in the tourism sector;
- Develop initiatives to enhance the attractiveness, safety and cleanliness of tourist infrastructure;
- Prevent incidents of crime against tourists through enhanced safety and security;
- Develop infrastructure that supports new and innovative travel experiences to serve the growing tourist market segments;
- Develop high speed Wi-Fi access at tourism hotspots;
- Have clear and informative tourism signage to enhance ease of travel within the tourist destination;
- Ensuring the safety and security of tourists through tourism safety programmes;
- Improve service excellence through skills training and development;
- Investigate options to include poor communities in tourism;
- Enhance market access for emerging tourism businesses; and
- Provide a platform for emerging businesses to capture a larger share of the market and reach customers with sufficient income to procure their product offering.

7.4.1.3 International and Domestic Tourism Trends

Emerging international and domestic tourism market trends includes some of the following:

Green, Responsible, Sustainable and Ethical Tourism

- Increased interest in green, responsible, sustainable and ethical tourism. Factors such as environmental consciousness, sustainability, responsibility and ethics have become important motivators influencing tourists' decisions (NTSS, 2017). Sustainable tourism has increased in prominence, with over 85% of tourists reporting it to be a very important factor in tourism decisions (WESGRO, 2018). Organic farming and social equality ranked as the two top types of sustainable tourism experiences.

Authentic and immersive Experiences

- Increased interest in unique and authentic experiences. Globally, there is an increase in demand for immersive travel and authentic, tailor-made tourism experiences (WESGRO, 2018). Research showed that luxury travel is increasing, including factors like tailor-made itineraries and unique experiences (WESGRO, 2018).

Wine and Gastronomy Tourism

- Significant growth potential in wine tourism in the Western Cape, especially when paired with other activities that have regional appeal. Wine tourism increased by 16% between 2016 and 2017 (WESGRO, 2018). Six (6) out of the top ten (10) restaurants in South Africa are located within the Cape Winelands District (WESGRO, 2018), which underlines the importance of the Cape Winelands District being positioned as a fine dining and gourmet experience destination.

Digital Excellence in Tourism

- In line with global trends, technology plays an increasingly important role in tourism. Technological advances have altered how travel services are procured and consumed (NTSS, 2017). Visitors are increasingly turning to the internet as a source of information and using travel blogs and travel advisory websites (NTSS, 2017). Tourists also communicate with other travellers on various online platforms. Due to the preferences of the current market, online marketing of the region is very important and should enjoy priority. Service delivery of local Visitor Information Centres are also important, especially in enhancing the experience of visitors already in the area. Visitor information centre should therefore also make use of digital tools to promote and market their destination.

Events and Festivals

- There has been an increase in the seasonality of domestic trips between 2015 and 2016 (NTTS, 2017). Food and wine festivals in off-peak seasons have the potential to counter the effects of seasonality. In addition, food and wine festivals also offer the opportunity for lesser-known destinations to attract visitors (WESGRO, 2018).

7.4.2 TOURISM IN THE CAPE WINELANDS

Cape Winelands has the charm and allure of a rural area and natural beauty, whilst being less than an hour away from Cape Town. The natural beauty and locally produced wines make it an internationally sought-after tourist destination. The Cape Winelands District is characterised by the leafy landscape of wine farms and the area is ultimately known for its wines that are exported all over the world. Wine and grape production in the area dates back to the year 1600, adding to the rich history and cultural heritage of the area. With 54 wine farms in Stellenbosch and 51 in Franschhoek alone, the area is popular for wedding venues.

The Cape Winelands is renowned as the culinary capital of South Africa and is a destination known for wine, olives, cheese, export quality fruit and organic produce. Tourism marketing strategies should yield optimal results by capitalising on these unique capabilities.

The Cape Winelands have the following unique selling points:

- The region is a well-known and established wine region.
- Its geographical location is near enough to the Cape Town Metropole and ports (airport and harbour) and linked via excellent road infrastructure. This makes the area easily accessible. Simultaneously the rural feel of the area creates the feeling of "breaking away from city life" without the effort and cost of extended travel and the negative effects of visiting an isolated area.
- The close proximity to the Cape Town Metropole makes it ideal for corporate travel.
- Established in the market as a culinary destination
- The natural beauty of the area is its most notable advantage. It cannot be emulated by other areas and has to be capitalised on.

Each area in the Cape Winelands has unique characteristics that enhance the attractiveness of the destination.

In addition, the Cape Winelands is also home to four (4) of the top ten (10) restaurants in South Africa in 2017, namely:

- The Kitchen at Maison (Franschhoek)
- The Tasting Room at Le Quartier Français (Franschhoek)
- Foliage (Franschhoek)
- Overture (Stellenbosch)

(Eat Out Mercedes-Benz Restaurant Awards)

The area is therefore well-established as a culinary destination. The potential exists so include more high energy- and adventure activities to the product offering. Such options could assist in attracting younger age groups, building the popularity of lesser-known towns in the district and combating seasonality.

7.4.2.1 Identifying Cape Winelands Tourism Assets

Building on the initial SWOT analysis, it is worth considering the District's 'hard assets and soft assets' for tourism. There are:

- HARD ASSETS (events, attractions, places and spaces) that best reflect the District and have the potential to be further developed;

➢ SOFT ASSETS (people, cultures, talent, skills, networks, clustering and collaboration) that can be harnessed and allowed to influence all aspects of tourism transformation and development.

Table 68: Cape Winelands District hard and soft assets

CAPE WINELANDS DISTRICT	
HARD ASSETS	**SOFT ASSETS**
Architecture and Historical Buildings	Culture: Music, Literature, Drama, traditional dancing; Poetry and Song Writing
Wine Estates and wine routes: like Nederburg; Spier; Tokara; Del Air Graff;	
Arts: a number of art galleries; a number of drama theatres; etc	The cultural diversity of our people - is also something to behold – as it is this diversity that makes us who we are, in some way the best of many worlds, because we have Africa, Europe, Asia, and the Pacific flowing in our blood, influencing what we eat, how we celebrate important dates and how we generally open-up to other people.
Wedding Venues: amazing wedding venues on Wine Estates	
Festivals and Events: Stellenbosch Wine festival; Wacky Wine festival; Bastille Festival; Wine on the river; Cap Classique; Soetes en Sop;	Excellence in specialist research and economic sectors: Agriculture; Food manufacturing; Information and Communication Technology; etc
Rural Enchantment: craggy mountains; rivers; Cape floral kingdom;	Food and drink; chefs and producers and restaurateurs

Source: Cape Winelands District Municipality, 2019

Below is the top tourism "hard and soft" assets in each town in the Cape Winelands District:

Table 69: Cape Winelands District hard and soft tourism assets per town

STELLENBOSCH AREA		
Stellenbosch	**Franschhoek**	**Dwarsrlver Valley**
• Art / Art Route map/ Galleries • Architecture/ Stellenbosch on Foot • Education / Stellenbosch University Launch lab • Nature/ Hiking, Mountain Biking • Heritage/ Museums / annual e'Bosch programm • Wineries & Vineyards	• Franschhoek Wine Tram • Hiking - Mont Rochelle Nature Reserve/ La Motte/Boschendal • Cycling – Berg River dam/Boschendal • Chamonix Game Drives • Helicopter Tours • Museums- Huguenot Museum/Franschhoek Motor Museum/Manor House at Boschendal	• Freedom Route(Local businesses, community ambassadors, etc) • Dine with the Locals Initiative • Heritage Sites- Churches in the Valley and its History preserving heritage • Sport & Tourism Event: Dwarsrivier Valley Orchard Run

• Sports / Coetzenburg training grounds, SAS Academy, Origin of • Trails, Fed health Impi challenge, Park runs (x2) • Food/ Restaurants, eateries, Food and craft markets, Picnic sites, Dine with Locals experience • Shopping/ Craft markets, • Eikestad mall, shops • Festivals: Cheese, Woordfees, Wine • Venues/ Wedding, Conference, functions	• Wine Farms & award-winning restaurants/ artisanal products • Franschhoek Theatre • Town Ship Tours • Franschhoek Festivals – Bastille Festival/MCC Festival/Uncorked Festival/Summer Wines Festival • Scootours/Horse Riding • Garden Tours-Babylonstoren/Boschendal • Art Galleries/ sculpture gardens • Wedding/Function • Craft Beer Breweries	• Nature Preservation: Annual Chrysanthemum Show • Wine Tourism: World Class producing wine farms(Boschendal, Bartinney, Solms Delta, Thelema) • Food and Restaurants: Top dining experiences(Tokara, Delaire Graff, Le Pommier, Boschendal) • Nature Conservation-Banhoek Conservancy • Trail Runs/ Cycling- Health • Community Development and Support (Training and Skills development)

DRAKENSTEIN AREA

Paarl	Wellington
• Paarl Mountain Nature Reserve • Afrikaans Language Monument • Spice Route • Babylonstoren • KWV • Le Bonheur Reptile Adventures • Hero Adventure Trails – Paarl Rock Trail • Paarl Arboretum • Cheetah Experience Ashia • Paarl Historical Route	• Bainskloof Pass • Breytenbach Centre • Val du Charron Wine and Leisure Estate • Wild Boar Trails • Bontebok Ridge Reserve • The James Sedgwick Distillery • Wellington Museum • Langkloof Roses • Wellington Wine Walk • Wellington Historical Route

BREEDE VALLEY AREA

Worcester	Rawsonville	Hex Valley
• Karoo National Botanical Garden • Worcester Museum • Hugo Naude Art Museum • Fairy Glen Game Reserve • Aquila Private Game Reserve • Klipbokkop Mountain Reserve • ATKV Goudini Spa • Heritage Tours • Worcester Wine & Olive Route • Innovation for the Blind • National Institute for the Deaf • Kleinplasie • Bonamanzi Adventures	• Hiking Trails • Mountain bike routes • Game drive at Wysersdrift Game Breeders • Birdwatching • Festivals: Soetes & Soup • Craft Gin • Craft Beer • Fly-fishing at Dwarsberg • Wedding venues • Wine tasting and cellar tours	• Hexcape Grape Route (local Heritage Route) • Events (annual Autumn Splendour festivities during May) • Grape Fun Adventures (grape picking & tasting tours at Modderdrift Estate and ASV Farms) • Impangele Mountain Lodge (incl. Botterboom Hiking Trail & Two Tunnel MTB Trail) • Groothoek Hut (4X4, Hiking/Kloofing) • Weddings & Conferencing (4 Facilities) • Farmstays (8 facilities)

• Mer-Dragon Equestrian Centre • Cycling and Hiking Routes in and around Worcester		• Guided Tours
WITZENBERG AREA		
Tulbagh	**Ceres**	**Wolseley**
• Tulbagh Wine Route • Church Street with Historical Houses • Earthquake Museum • Moniki Chocolatier • Oudekloof Scenic Tractor Rides • Our Restaurants • Wedding Venues • Olives • Art Galleries • Tulbagh MTB Route	• Ceres Zipline Adventures • Cherry Picking @ Klondyke Cherry Farm • Matroosberg Private Nature Reserve for snow, 4x4 route and fruit farm tours. • Hiking & mountain biking trails • Ceres Togryers Museum • Ceres Rail Company Steam Train Trips & Golf Course • Aquila & Inverdoorn Private Game Reserves • Wine (Koelfontein & Waverley Hills), beer (Ceres Brewery) & cider tasting (Loxtonia) • Scenic drives through surrounding passes & farm stays • Op-die-Berg Horse & Carriage Rides	• Wedding Venues • Wine & Olive Estates • Organic Wines • Farmstays • Fruit Picking & Tours (in Season) • Horse Riding (Sunset & Moonlight too) • Animal Sanctuary • Local Produce & Handcrafted Goods - Farmstalls • Outdoor Activities - MTB, Hiking, Bird watching, Fishing, Zip Sliding • Conference Facilities • Restaurants
LANGEBERG AREA		
Robertson	**Montagu-Ashton**	**McGregor**
• Wine tasting and Cellar Tours -e.g. Four cousins • Mountain Biking and hiking trails • Olives and olive oil tasting • River Rafting and cruises • Skydiving and horse riding • Wedding Venues and Art Galleries • Succulent garden, roses, Lavender, Fruit farms Physical Assets/ Experiences • Events - Robertson Wacky Wine; Wine on the river; etc • Viljoensdrift riverboat cruises	• **Our Mountains** – special Geology (Cape Fold) - offer in climbing, Hiking, AbSailing; tractor rides • **Our Healing waters** – Mineral Hot Springs • **Our almost 365 days of sunshine** – perfect for Drying Fruit • **Our Agricultural Activity** • Our well protected **Historical Buildings** • **History and Heritage** - Koi San heritage; Kanonkop; Boer war stories; old Forts; last remaining Art Deco Hotel in Western Cape • Our wine and **MUSKADEL**	• Boesmanskloof Hiking Trail • Temenos Retreat Gardens • Millstone Pottery • Rhebokskraal Olive Farm • McGregor Museum • Vrolijkheid Nature Reserve • Eseltjiesrus Donkey Sanctuary • MTB Routes • Art Galleries • Wine Route consisting of Lord's Wines, Solara Wines, Bemind Wyne, Buffalo Creek, Tanagra Wines and McGregor Wines

	• **Our Art** - painters, writers, poets, singers, choirs or dancers • Our very special true **Platteland Community** • Our Strong **Local is Lekker focus** with fresh produce, artisanal food and beer, restaurants • We are the **Gateway to the Karoo** – so beautiful Starry night skies.	

Source: Cape Winelands District Municipality, 2019

7.4.3 TOURISM IN THE CAPE WINELANDS: VISITOR ECONOMY

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

The market can be analysed in accordance to the following dimensions:

- Source market:
    - Overseas vs domestic visitors
    - Top overseas markets
    - Top domestic markets
- Purpose of visit
- Activities
- Group size
- Age group
- Length of stay
- Accommodation type
- Average daily budget
- Preferred information source

* It is important to note that the composition and consumption patterns of tourists vary according to season and fluctuates on a year-on-year basis.

7.4.3.1 Source Markets

The current tourism market for the Cape Winelands District comprises of 50.5% international tourists and 49% domestic tourists between January and July 2016 (WESGRO, 2016).

International versus domestic travellers to the Cape Winelands are illustrated in the figure below:

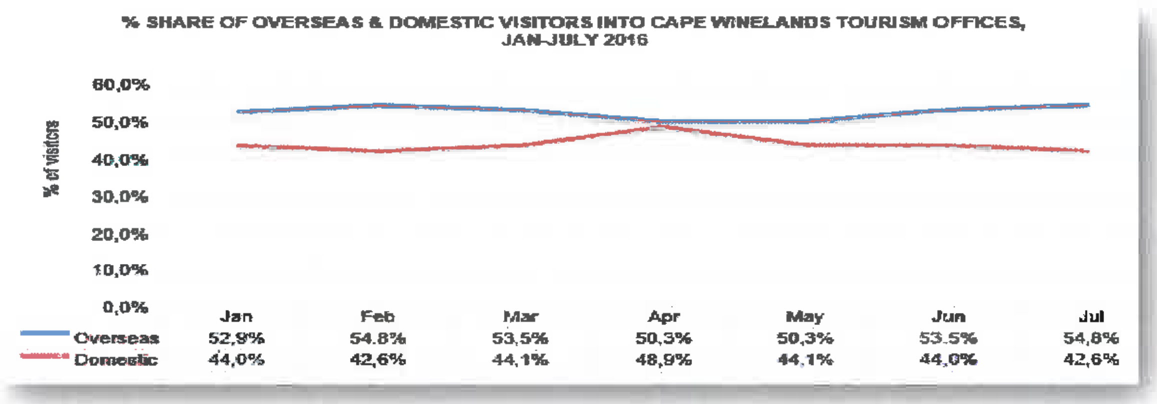


Figure 4917: Share of domestic and international travellers

The top source markets for international tourists comprised of the following:

- The United Kingdom (26.5%)
- Germany (22.6%)
- The Netherlands (10.5%)

The domestic market was sourced from the following areas:

- Western Cape (78.2%)
- Gauteng (10.2%)
- Eastern Cape (3.8%).

(Source: WESGRO, 2016)

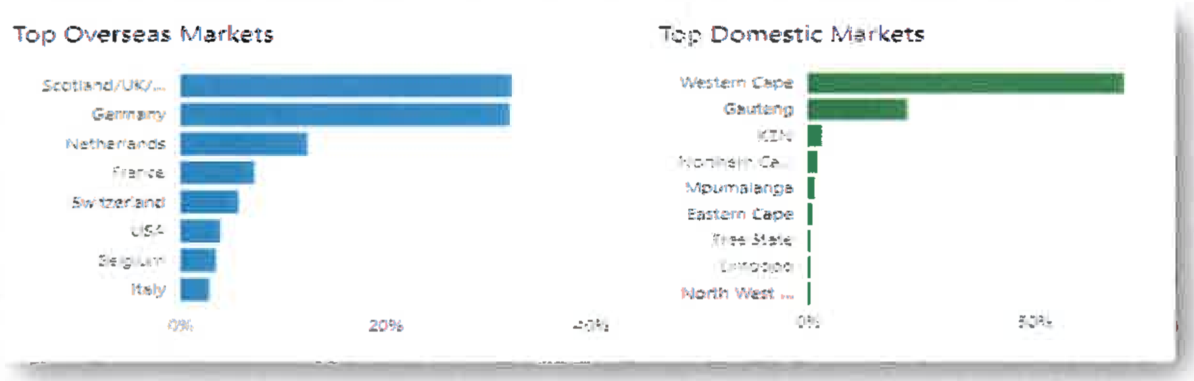


Figure 50: Top overseas and domestic markets, tourism to CWDM
(Source: WESGRO, 2018)

7.4.3.2 Purpose of visit

The vast majority (95.6%) of visitors to the Cape Winelands District reported visiting the area for leisure/ holiday travel (WESGRO, 2016).

Table 7011: Main purpose of visit to Cape Winelands, Jan-July 2016

MAIN PURPOSE OF VISIT TO THE CAPE WINELANDS, JAN-JULY 2016			
Purpose of visit	All	Overseas	**Domestic**
Holiday/ leisure	97.7%	99.1%	**96.2%**
Business	0.4%	0.1%	**0.7%**
VFR	0.2%	0.2%	**0.2%**
Education	**0.7%**	**0.1%**	**1.4%**

Source: WESGRO, 2016)

There has been an increased interest in business and holiday travel from international tourism markets (NTSS, 2017).

7.4.3.3 Activities and Attractions

Culinary experiences, wine and scenic drives were the most popular activities listed by both domestic and international tourists. The main attractions in the Cape Winelands District are therefore as follows:

- Food
- Wine
- Natural beauty and heritage

Top 5 reasons for visiting the Cape Winelands District in 2016:

Table 7112: Top five reasons for visiting CWDM

Gourmet restaurants and cuisine	**28.52%**
Culture/ heritage/ museum/ township tour	22.63%
Wine tasting	16.55%
Scenic drives	6.23%
Crafts/ food market/ slow market	5.81%
Events/ Festivals/ concert/ live shows	2.38%
Top five activities made up more than 80% of respondents' reason for visiting	

(WESGRO, 2018)

With its abundant natural beauty, the Cape Winelands has the potential to expand its existing market by including high-energy and adventure tourism experiences to its product offering.

7.4.3.4 Group Size

Visitors mostly travelled as couples (in pairs) and used rental cars as their mode of transport (WESGRO, 2016).

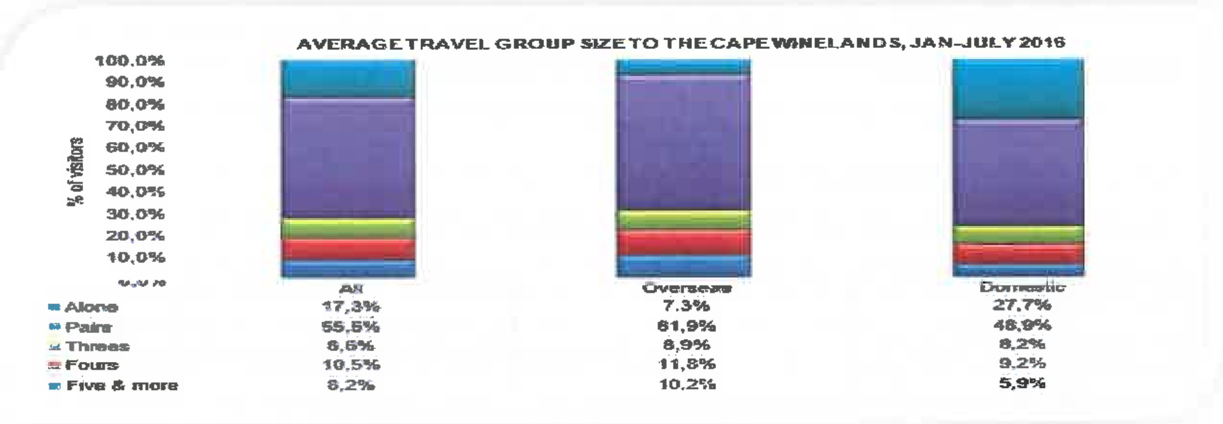


Figure 51: Group size of visitors to Cape Winelands, 2016 season
(Source: WESGRO)

7.4.3.5 Age Group

As a tourist destination, the Cape Winelands District was most popular with the age group 36–50 years. However, millennials (age group 18–35 years) travelling to South Africa increased with 45.8% in 2016 (SAT, 2017). As there are more visitors in the 18–35 years age bracket visiting South Africa, the potential exists to attract them to the Cape Winelands District.

Including product offerings such as high-energy and adventure experiences in the marketing mix, the district can expand its market to include millennials.

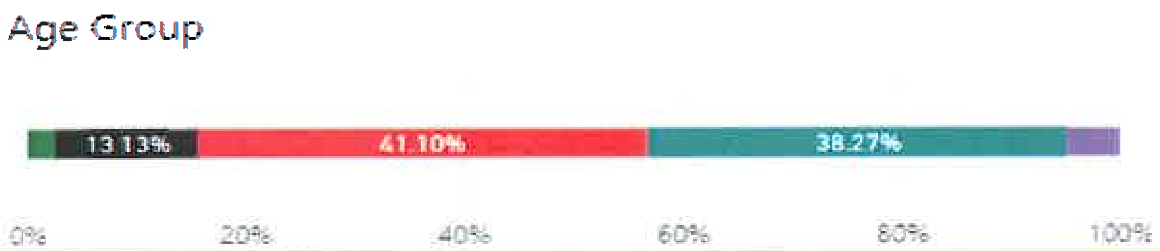


Figure 5218: Age groups of visitors to the CWDM
(Source: WESGRO, 2018)

7.4.3.6 Duration of stay

Revenue is optimised through visitors staying longer and spending more. Visitors to the Cape Winelands District stayed mostly for one (1) or two (2) nights. The average length of stay for visitors to the Cape Winelands District is illustrated in the figure below.

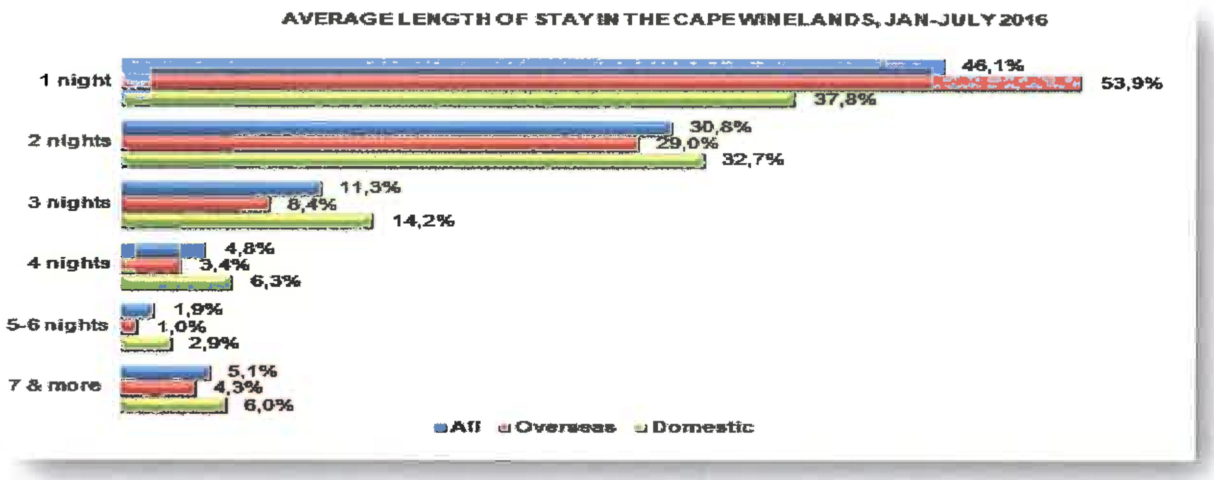


Figure 53: Duration of stay Cape Winelands 2016 season
(Source: WESGRO, 2016)

7.4.3.7 Accommodation type

Guest houses and self-catering accommodation are the most popular accommodation types utilised in the Cape Winelands District.

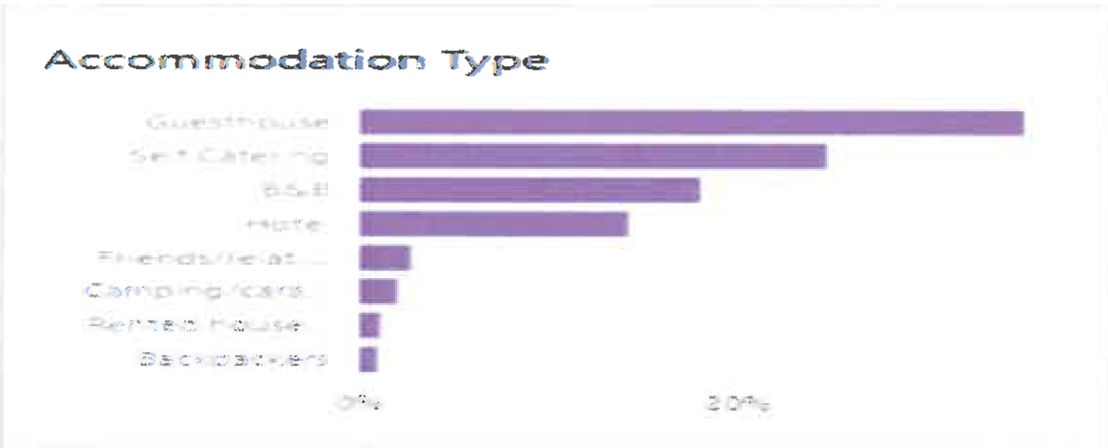


Figure 54: Accommodation types utilised in CWDM
(Source: WESGRO, 2018)

7.4.8.8 Average daily budget

Increasing the duration of stay as well as the number of product options should increase total spend during a visit. The majority of visitors to the Cape Winelands District in 2016 had a daily budget or R501 – R1 000 per person.

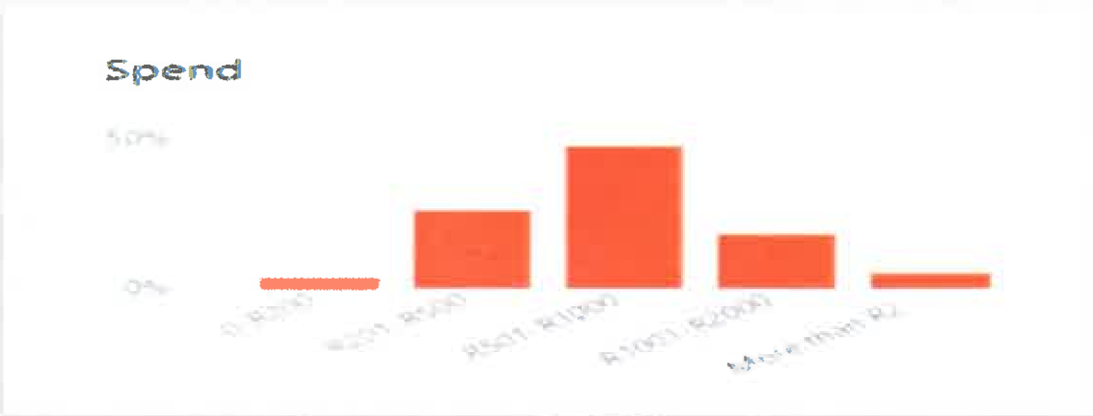


Figure 55: Average daily budget, CWDM, 2016
(Source: WESGRO, 2018)

7.4.3.9 Preferred information source

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

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

The visitor profile and trends can be summarised as follows:

Table 7213: Overview of Cape Winelands visitor trends and patterns

% Share of overseas visitors	50.5%
% Share of domestic visitors	**49.9%**
Top three international markets	**Germany (26.5%)**
	United Kingdom (22.6%)
	Netherlands (10.5%)
Top three domestic markets	**Western Cape (78.2%)**
	Gauteng (10.2%)
	Eastern Cape (3.8%)
	Holiday/leisure (95.6%)
	Honeymoon/ weddings (10.5%)

Main purpose of visit	**Education (5.0%)**	
Most common age group	**36-50 (35.6%)**	
	51-70 (22.4%)	
	<20 (20.5%)	
Most common travel group size	**Pairs (55.6%)**	
	Alone (18.5%)	
Most common length of stay per town	**1 night (45.5%)**	
	2 nights (34.5%)	
	3 nights (12.5%)	
Most common mode of transport	**Rented car (65.5%)**	
	Own motor vehicle (35.8%)	
Top information sources	**Internet/websites (35.2%)**	
	VICs (28.5%)	
Most common average daily spend	**R1001-R2000 (33.3%)**	
Top accommodation types used	**Self-catering (35.5%)**	
	Guesthouse (25.5%)	
Top three activities undertaken in the Cape Winelands	Overseas	Domestic
	Wine tasting (44.5%)	Wine tasting (28.5%)
	Scenic drives (15.8%)	Scenic drives (17.5%)
	Gourmet restaurants (11.3%)	Gourmet restaurants (13.5%)

(Source: WESGRO, 2016)

7.4.4 PREVIOUS CAPE WINELANDS TOURISM STRATEGIES

7.4.4.1 Cape Winelands Tourism Strategy (2006)

The Cape Winelands Tourism Strategy (2006) confirms tourism as a priority growth sector for the area. The document identifies cellar door wine tasting, culinary experiences and the scenic beauty of the Cape Winelands as key drawing cards for the area.

The challenges facing the tourism sector at that time were:

- Limited share of domestic and international markets attracted to the Cape Winelands compared to Cape Town and the Garden Route; limited length of stay and spend per visitor
- Unequal spread of the tourism sector as some areas struggled while others prospered.
- Industry being predominantly white-owned and a largely traditional product range.
- Limited progress in terms of broadening tourism participating and benefitting all communities, resulting in knowledge and networks being concentrated in the hands of a few.

- The Cape Winelands being perceived as mainly a wine-tasting experience and not having a clear, distinctive brand identity that communicates the wide variety of experiences and attractions on offer.
- Seasonality of the tourism sector.

The 2006 Tourism Strategy was therefore developed with the following objectives:

- Establishing and expanding the Cape Winelands destination brand
- Promoting the Cape Winelands as a premier destination to increase additional market share through increasing visitor numbers, length of stay and visitor spending
- Package and develop tourism products and experiences to accelerate transformation and Black Economic Empowerment.
- Diversify the products and attractions included in the route and support "Homegrown" events.
- Establish partnerships and buy-in from political leaders in all spheres of government, tourism officials, local municipalities, LTAs, private sector businesses and the local community.

Cape Winelands Destination Brand

"Branding a destination, whether it is a small village or a whole country, is probably the most complicated form of branding due to the fact that it is neither owned nor controlled by a single entity. From destination marketing and tourism to business development for destination brands, everyone living within that area owns and influences the brand in one way or the other."

The Cape Winelands tourism marketing brand is based on the following:

Brand characteristics

The following characteristics form the foundations of the brand:

- Authentic and unique – a fascinating combination of local culture, food, wine and nature;
- Diversity of experiences;
- Rich cultural heritage of the area;
- An inclusive destination that respects and belongs to all its citizens;
- Healthy, wholesome and peaceful;

Positioning statement/Marketing Slogan

"The Cape Winelands: A Thousand Things to Do, Then Some Wine"

Visual Identity

The following visual identity has already received substantial exposure and has been used as the marketing identity for the Cape Winelands.

cape winelands

a thousand things to do,
then some wine.

The colourful bunch of grapes is a simple and clear visual that is immediately associated with the Winelands.

In addition, the stems and colourful grapes represents:

- The stems represent the variety of routes on offer;
- The grapes represent the variety of experiences, cultures and destinations on offer.
- The brand name "Cape Winelands" forms an integral part of the visual identity.

The colours of the current logo of the Cape Winelands represent the Local Municipalities within the district namely:

- Burgundy – Stellenbosch
- Olive Green – Langeberg
- Blue – Drakenstein
- Brown – Breedevalley
- Yellow - Witzenberg
- Purple – Cape Winelands

7.4.4.1 Cape Winelands Tourism Strategy (2012)

The Cape Winelands Tourism Strategy (2012) highlights the vision of the tourism sector as "A unified Cape Winelands of excellence" and the mission as "All structures of the Cape Winelands co-operate together towards effective and economically sustainable development". The objectives of the 2012 Tourism Strategy are outlined in four (4) Key Performance Areas (KPAs) that largely echoes the 2006 strategy:

To reinforce and expand the Cape Winelands tourism destination brand

1. To promote the Cape Winelands as a premier South African tourism destination through:
   a. Increase the area's share of the provincial tourism market
   b. Expand the domestic tourism market by targeting South Africans who traditionally did not have the opportunity to travel and explore the country
   c. Increase visitor numbers and the length of stay in the area
   d. Improve geographical spread of visitors and visitor spending
   e. Reduce seasonality
2. To package and develop tourism products and experiences in accordance with the Cape Winelands brand through:
   a. Support SMMEs so that all communities are adequately reflected through tourism participation and ownership.
   b. Diversify products and attractions through collective packaging, i.e. route development and business support, with special focus on unique regional experiences that complement the brand.
   c. Support the development of regional tourism and tourism sport events to attract tourists to the area.
3. To establish active partnerships and ensure buy-in and participation of all role-players including:
   a. Political leaders in all spheres of government
   b. Tourism officials and decision makers in local municipalities
   c. LTAs
   d. Private sector organisations such as tour operators, the media, tour guide, local businesses and the local community.

The tourism marketing plan comprised of eight themes, namely:
- Food and Wine;
- "Go Green";
- Adventure Tourism;
- Health and Wellness;
- Conferencing and Business Tourism;
- Events and routes;
- Romantic Travel; and
- Heritage and Crafts.

For the development of this strategy, data analysis (secondary data) and engagement with role-players (primary data) indicated that most of the challenges from 2006 carried over to 2012 and still exist in 2018.

It is recommended that the Cape Winelands (including all areas) is branded as an inclusive tourism route through collaboration and co-operation. Route management includes product development and destination management to enhance tourist experiences. and developing tourism products to expand the product offering and promote transformation.

Developing new and innovative products to include as attractions on the route, should increase visitor numbers, increase the length of stay and increase average spend per person. In addition, the development of new attractions will diversify the image of the route, include previously excluded destinations and groups and in doing so, promote transformation and Black Economic Empowerment to support the objective of broad-based benefits. Diversifying the attractions included in the route also ties in with the district's marketing slogan: "The Cape Winelands: A thousand Things to Do, Then Some Wine".

Previous marketing efforts included on media- and trade relationships, exhibitions and utilising print media for marketing material. Although some of these marketing channels are still relevant, current technology and market preferences call for an increased electronic footprint and engagement on social media. Most importantly, marketing efforts should be tailored to market preferences.

Refreshing the brand for the Tourism Town Mobile Apps

The Cape Winelands also developed Tourism Town Mobile Apps and used the same brand but freshen it up.

Slogan

Franschhoek: "A Thousand Things to Do, Then Some "Culinary Delights"

Robertson: "A Thousand Things to Do, Then Relax... You're With Us! A Small Town With A Warm Heart"

Wellington: "A Thousand Things to Do, Then Discover The Heart Of The Winelands.

Paarl: "A Thousand Things to Do, Then Discover The Pearl Of The Winelands

Dwarsrivier: "A Thousand Things to Do, Then With A Countryside Twist, Your Journey Can Only Get Better!

Worcester: "A Thousand Things to Do, Then Enjoy The Best Bottomless Cup Of Hospitality, All Year Round

Stellenbosch: "A Thousand Things to Do, Then Some Magic

Ceres: "A Thousand Things to Do, Then Pure Adventure

Tulbagh: "A Thousand Things to Do, Then Unwind In The Valley Of Abundance

Wolseley: "A Thousand Things to Do, Then Explore, Taste, Stay

Mcgregor: "A Thousand Things to Do, Then Treat Yourself

Montague: "A Thousand Things to Do, Then Some Fresh Mountain air and healing waters

Logo

For the Mobile Apps the Cape Winelands deconstructed the current logo to freshen it up. Each Local Tourism Office has the logo on its Tourism Town mobile app with its unique slogan derived from the Cape Winelands mother brand.

Paarl Tourism
A Thousand things to Do

7.4.5 TOURISM SUMMARY

In Summary:

- Domestic holiday trips declined between 2009 and 2015 due to economic constraints (NTSS, 2017). The opportunity therefore exists to capture a greater share of the market through more affordable product offerings.
- Just more than half of visitors to the Cape Winelands District are international tourists from Germany, the UK and the Netherlands. Potential to attract a greater portion of the US visitors to the Western Cape to the Cape Winelands.
- The vast majority of domestic travellers are from the Western Cape
- Almost half of visitors travel as couples (pairs), followed by about a third that travel alone. Potential to develop a market for family travel.
- Visitors are mostly older than 35 (58%). Potential to develop younger market.
- The vast majority visit for leisure. Potential to develop corporate travel
- Mostly day-trips or short stays (typically one or two nights). Potential to extend stay by expanding offering and adding additional destinations within Cape Winelands. Extending the stay of visitors through adding additional attractions to existing offerings.
- Managing seasonality should enhance all-year profitability and therefore job security in the sector.
- The NTSS underlines the importance of a coherent marketing message aimed at a specific target market.
- The Rural Tourism Strategy (2012) recognises the importance of collaboration in the funding and marketing of tourism initiatives.

- In order to establish a highly competitive tourism destination, collaboration between all stakeholders is essential.
- Challenges in travelling to and within a destination can negate marketing and branding efforts.
- There is increased focus on unique tourism experiences.
- Product development should be driven by market needs.

7.5 CLIMATE CHANGE

7.5.1 WHAT IS CLIMATE CHANGE?

Climate change is a natural phenomenon that takes place over geological time. However, over the past few decades the rate of climate change has been more rapid and the magnitude of global warming has increased dramatically (Warburton, M.L and Schulze, R 2006; Warburton, M.L 2012). This change has been attributed to increased anthropogenic greenhouse gas emissions (Koske, J and Ochieng, M.A 2013). For example, the burning of coal to generate electricity, the burning of petrol in cars, some chemical processes in industries, and many farming activities all contribute to the increased concentration of greenhouse gasses in the atmosphere.

Climate change is not just an increase in average global temperatures but changes in regional climate characteristics such as rainfall, relative humidity and severe weather extremes (Davis, C.L 2011). Climate change can manifest as a shock or a stress (Ziervogel, G and Calder, R 2003). Shocks are defined as discrete, extreme events (rapid onset) such as floods, while gradual change (slow onset) such as long-term climate variability is classified as a stress (Ziervogel, G and Calder, R 2003).

The negative impacts of climate change "are already felt in many areas, including in relation to, *inter alia*, agriculture, and food security; biodiversity and ecosystems; water resources; human health; human settlements and migration patterns; and energy, transport and industry" (United Nations WomenWatch 2009, 1).

7.5.2 CWDM MANDATE FOR DEVELOPING A FRAMEWORK FOR A CLIMATE CHANGE RESPONSE

The Municipal Structures Act, 1998 (Act 117 of 1998) outlines the roles, responsibilities and functions of district municipalities. Related to climate adaptation, the Act provides for the following roles and responsibilities for the Cape Winelands District Municipality in these broad areas such as:

- Master planning such as the development of a framework through which local municipalities can develop their integrated development plans. These include the Spatial Development Frameworks and Disaster Management Plans.
- Solid waste management
- Health services

- Fire services

7.5.3 CLIMATE CHANGE IMPACTS IN SOUTH AFRICA

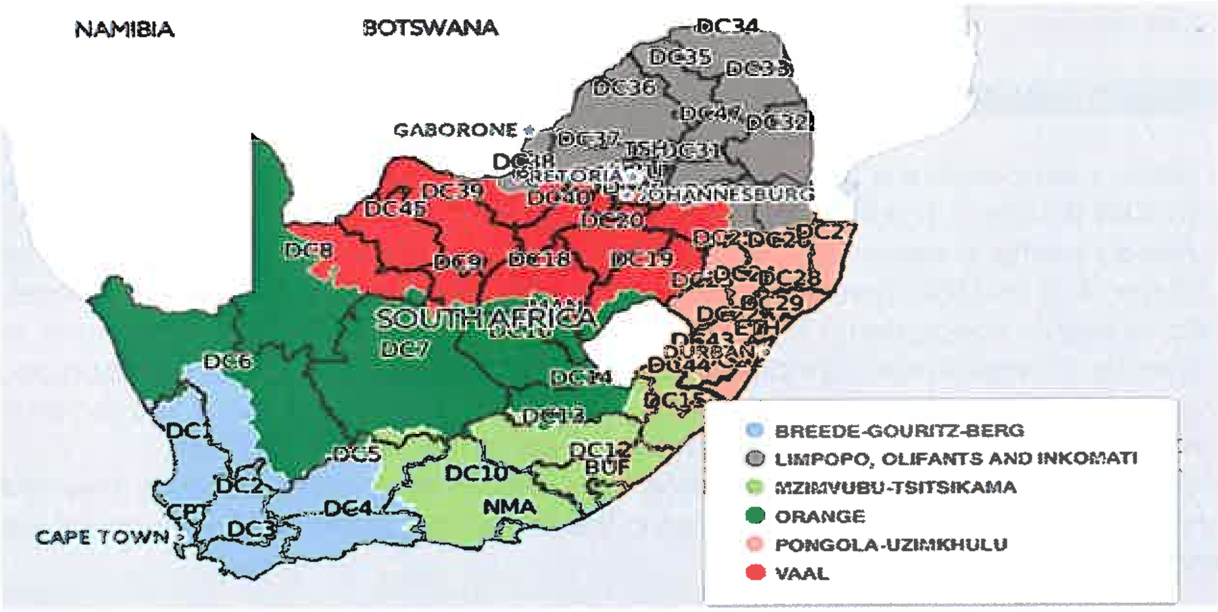
South Africa's temperature is expected to increase to 1.2° C by 2020, 2.4° C by 2050 and 4.2° C by 2080 (Kruger, A.C and Shongwe, S 2004). Contrary to the global increase in rainfall, South Africa's rainfall is expected to decrease by 5.4% by 2020, 6.3% by 2050 and 9.5% by 2080 (Kruger, A.C and Shongwe, S 2004). The frequency and intensity of climate extremes, *inter alia*, droughts, floods, storms and wild fires will increase (Davis, C.L 2011; Böckmann, M 2015). Climate change evidence indicates changes in frequency and intensity of flood and prolonged drought events at small scales (Meyiwa, T et al. 2014). Furthermore, the sea level will continue rising and ocean acidification will get worse (Böckmann, M 2015).
There are however uncertainties associated with climate projections because they are based on the potential rates of resource use in the future, and associated greenhouse gas emissions (Nicholson-Cole, S.A 2005).

To assist with assessing the potential impacts from climate change, the country has been divided into six hydrological zones (**Error! Reference source not found.** below). These hydrological zones not only reflect water management areas but have also been grouped according to common climatic and hydrological characteristics (Department of Environmental Affairs 2013a). Based on a range of data and projections, four possible climate scenarios have been identified for South Africa:

- Warmer/wetter (with greater frequency in extreme rainfall events),
- Warmer/drier (with an increase in frequency of drought and somewhat increased frequency of extreme rainfall events),
- Hotter/wetter (with substantially greater frequency of extreme rainfall events), and,
- Hotter/drier (with a substantial increase in the frequency of drought events and greater frequency of extreme rainfall events).

Projections on rainfall have also been developed for each of the hydrological zones (Department of Environmental Affairs 2013a). The following four climate change scenarios have been described for the Breede-Gouritz-Berg Hydrological Zone (the dominant zone in the Western Cape) in the Department of Environmental Affairs' Long Term Adaptation Scenarios Reports. These are:

- Warmer wetter scenario - Decreased rain in autumn & increased in winter & spring
- Hotter drier scenario - Decreased rain in all seasons & strongly decreased in west
- Hotter wetter scenario - Decreased rain in autumn & increased in winter & spring
- Warmer drier scenario - Decreased rain in all seasons & strongly decreased in west



Map 8: Hydrological Zones of South Africa
Sources: Draft CWD SDF, 2019

7.5.4 CLIMATE CHANGE PROJECTIONS FOR THE WESTERN CAPE

A study by the Climate Systems Analysis Group (CSAG) at the University of Cape Town (UCT) (2008) modelled the impact of the expected climate change for the Western Cape for the 2030 - 2045 period. The following climate changes are projected.

Table 73: Climate change projections and examples of potential impacts for the Western Cape

PROJECTION	EXAMPLE OF POSSIBLE IMPACTS
Higher mean annual temperature	• Increased evaporation and decreased water balance; • Increase wild fire danger (frequency and intensity).
Higher maximum temperatures, more hot days and more heat waves	• Heat stress on humans and livestock; • Increased incidence of heat-related illnesses; • Increased incidence of death and serious illness, particularly in older age groups; • Increased heat stress in livestock and wildlife; • Decreased crop yields and rangeland productivity; • Extended range and activity of some pests and disease vectors; • Increased threat to infrastructure exceeding design specifications relating to temperature (e.g. traffic lights, road surfaces, electrical equipment, etc.); • Increased electric cooling demand increasing pressure on already stretched energy supply reliability; • Exacerbation of urban heat island effect.

Higher minimum temperatures, fewer cold days and frost days	• Decreased risk of damage to some crops and increased risk to others such as deciduous fruits that rely on cooling period in autumn; • Reduced heating energy demand; • Extended range and activity of some pests and disease vectors; • Reduced risk of cold-related deaths and illnesses
General drying trend in western part of the country	• Decreased average runoff, stream flow; • Decreased water resources and potential increases in cost of water resources; • Decreased water quality; • Decrease in shoulder season length threatening the Western Cape fruit crops; • Increased fire danger (drying factor); • Impacts on rivers and wetland ecosystems.
Intensification of rainfall events	• Increased flooding; • Increased challenge to storm water systems in urban settlements; • Increased soil erosion; • Increased river bank erosion and demands for protection structures; • Increased pressure of disaster relief systems; • Increased risk to human lives and health; • Negative impact on agriculture such as lower productivity levels and loss of harvest
Increased mean sea level and associated storm surges	• Salt water intrusion into ground water and coastal wetlands; • Increased storm surges leading to coastal flooding, coastal erosion and damage to coastal infrastructure; • Increased impact on estuaries and associated impacts on fish and other marine species.

As is evident in a number of the above-listed projections, there is a risk of drier conditions across the province as a whole on the 40-year time horizon. In contrast, however, historical trends and some downscaled projections suggest that western and southern mountain ranges could experience wetter conditions. This apparent contradiction serves to highlight the complexity of climate drivers and responses, which in turn illustrates the inherent difficulties faced by decision makers when required to plan for climate resilience into the future. The complexity highlights the need for adaptive and flexible responses to climate variability and change that are not focused on fixed timescales or unidirectional change.

7.5.5 LOCAL GOVERNMENT CLIMATE CHANGE SUPPORT PROGRAM (LGCCSP)

The Climate Change Vulnerability Assessment and Response Plan were developed through the Local Government Climate Change Support Program (LGCCSP), an initiative of the National Department of Environmental Affairs and the International Climate Initiative (IKI) and is supported by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of The Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB).
The three primary objectives of the LGCCSP are to:

- Undertake a desktop analysis of the municipality to provide context on change vulnerabilities and responses;
- Undertake district municipal specific engagements to draft climate change vulnerabilities and responses;
- Facilitate capacity building and knowledge-transfer throughout the program to enhance implementation of prioritised climate change adaptation options.

For more details on the LGCCSP please visit the website: http://www.letsrespondtoolkit.org/.

Through the LGCCSP, a Climate Change Vulnerability Assessment Toolkit was developed to assist municipalities to identify and prioritise climate change indicators to facilitate the assessment of adaptive capacity. Indicators are a range of potential impacts which have been identified using the Long Term Adaptation Scenario (LTAS) reports (Department of Environmental Affairs 2013e). Indicators are grouped into the following themes:

- Agriculture
- Biodiversity and Environment
- Human Health
- Disaster Management, Infrastructure and Human Settlements
- Water

The LGCCS Toolkit was applied to the Cape Winelands District Municipality to assist with the development of its Climate Change Response Plan.

7.5.6 GLOBAL ADAPTATION OPTIONS FOR SECTORAL IMPACTS

Below is a table that explains the sectoral (water, agriculture, infrastructure/settlements, human health and transport) impacts on the adaptation option/or strategy used. Furthermore, the table looks at the underlying policy framework and the key constraints and opportunities for implementation.

Table 74: Adaptation options for sectoral impacts.

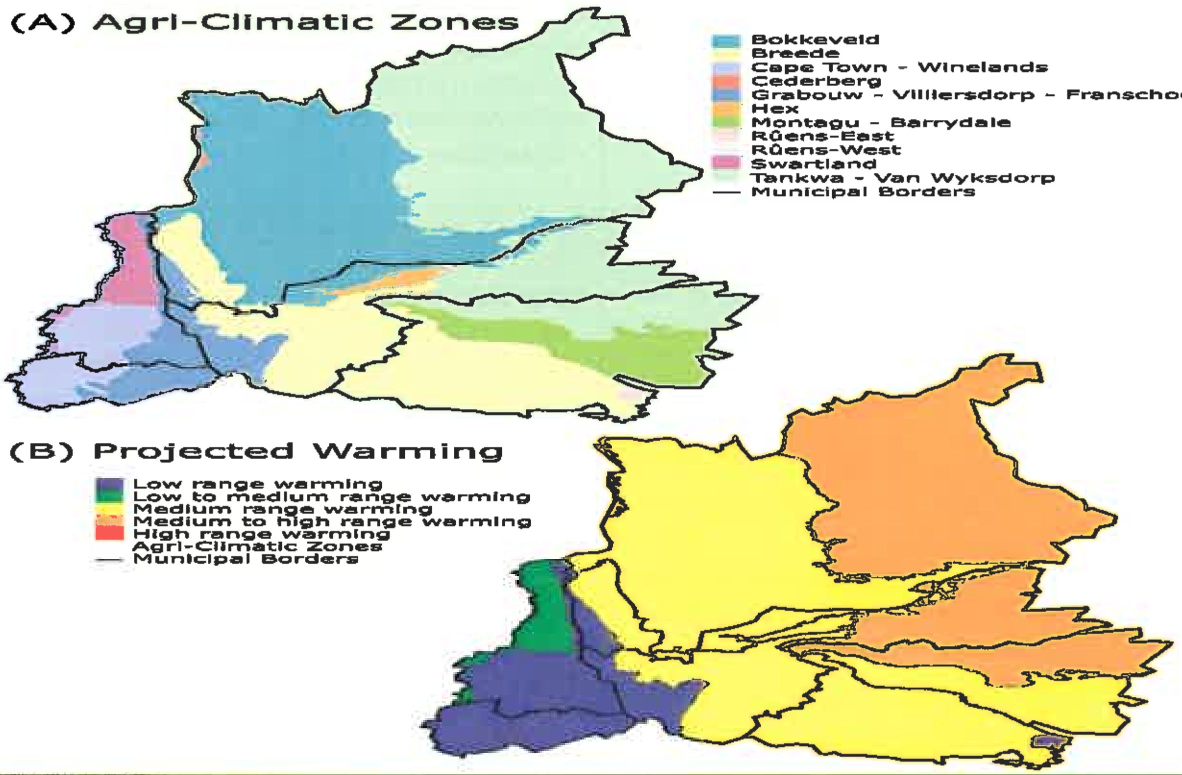
Sector	Adaptation option/strategy	Underlying policy framework	Key constraints and opportunities to implementation[1]
Water	Expanded rainwater harvesting; water storage and conservation techniques; water re-use' desalination; water-use and irrigation efficiency	National water policies and integrated water resource management; water-related hazards management	Financial, human resources and physical barriers; *integrated water resource management; synergies with other sectors*
Agri-culture	Adjustment of planting dates and crop variety; crop relocation; improved land management e.g. erosion control and soil protection through tree planting	R&D policies; institutional reform; land tenure and land reform; training capacity building; crop insurance; financial incentives e.g. subsidies and tax credits	Technological and financial constraints; access to new varieties; markets; *Longer growing season in higher latitudes; revenues from 'new' products*
Infra-structure/ settlement (incl. coastal zones)	Relocation; storm surge barriers; land acquisition and creation of marshlands/wetlands as buffer against flooding; protection of existing natural barriers	Standards and regulations that integrate climate change considerations into design; land-use policies; building codes; insurance	Financial and technological barriers; availability of relocation space; *integrated policies and management; synergies with sustainable development goals*
Human health	Emergency medical services; improved climate-sensitive disease surveillance and control; safe water and improved sanitation	Public health policies that recognise climate risk; strengthened health services; regional and international cooperation	Limits to human tolerance (vulnerable groups); knowledge limitations; financial capacity; *upgraded health services; improved quality of life*
Transport	Relocation; design standards and planning for roads, rail and other infrastructure to cope with warming and drainage	Integrating climate change considerations into national transport policy; investment in R&D	Financial and technological barriers; availability of less vulnerable routes' *Improved technologies and integration with key sectors*

Source: IPCC (2007)

7.5.6.1 Agriculture and climate change in the Cape Winelands

Due to the combination of decreased rainfall and increased temperatures, agricultural crops and livestock will experience increased heat and water stress. The total agricultural potential of the CWDM remains high as long as dams fill up in the future (Draft CWD-SDF, 2019).

Map 9: Agri-climatic zones (A) and projected warming for the Cape Winelands District (B).



Draft CWD SDF 2019

The table below examines the impact of climate change on the agro-climatic zones and crops.

Table 75: Impact of climate change on agro-climatic zones of the CWDM

Agro-climatic zone	Municipalities	Crops	Agricultural Potential (2040-2060)
Cape Town-Winelands	Stellenbosch, Drakenstein Municipalities	Wine and table grapes, wheat, stone fruit, vegetables, olives, canola, berries, Broilers, egg layers, pigs	Remains high as long as dams fill up
Swartland	Stellenbosch, Drakenstein Municipalities	Wheat, wine and table grapes, canola, lovies, dairy, pigs, sheep, cattle	Remains high for small grains but with increasing yield variability
Grabouw-Villiersdorp-Franschhoek	Stellenbosch, Drakenstein, Breede Valley and Witzenberg Municipalities	Pome fruit, wine grapes, wheat, barley, stone fruit, berries	Remains high as long as dams fill up

Breede	Langeberg, Breede Valley and Witzenberg Municipalities	Wine grapes, wheat, stone fruit, pome fruit, olives, Broilers, egg layers	Remains high as long as dams fill up
Hex	Breede Valley Municipality	Table grapes, citrus	Remains high as long as dams fill up
Montagu-Barrydale	Langeberg Municipality	Stone fruit, wheat, barley wine grapes, pome fruit, citrus, olives, sheep	Remains high as long as dams fill up
Tankwa-Van Wyksdorp	Langeberg, Breede Valley, Witzenberg Municipalities	Wheat, stone fruit, wine grapes, sheep, goats, pigs, cattle, game, ostrich, dairy	Slowly declining productivity constrained by heat and water availability
Bokkeveld	Breede Valley, Witzenberg Municipalities	Pome fruit, wheat, stone fruit, onions, potatoes, cattle	Remains high as long as dams fill up
Ruens-east	Langeberg Municipality	Wheat, barley, canola, sheep, cattle, dairy, pigs, ostrich	Currently becoming marginal for small grains but could improve given possible increases in rainfall

(Source: Draft CWD SDF, 2019)

7.5.7 Climate Change key findings

The draft Cape Winelands District Spatial Development Framework (CWD SDF) is highlighting some key findings related to climate change in the Cape Winelands regions. These are:

- Increased dependence on irrigation due to warming and reduced rainfall.
- Increased heat and water stress for citizens, animals and crops.
- Increased flooding risk due to increased rainfall intensity.
- Higher incidence of heat waves.
- Increased fire risk – impacts agriculture, biodiversity and health.
- Possible increase in prices of agricultural products due to reduced yields and/or increased farming costs.
- Increased strain on ecosystem services.
- Possible job losses due to impact on agriculture.
- Potential reduction in agricultural exports due to decreased quality.
- Loss of ecotourism due to biodiversity loss and degradation of natural environment.
- Loss of biodiversity.
- Loss of ecosystem services.
- Increased food prices.
- Loss of international export standards due to poor water quality in the Berg river.

- Increased heat-island effect.
- Social limits to adaptation.

7.6 CONCLUSION

The Cape Winelands has a number of strengths when looking at factor (input) conditions. At the top of these strengths are that the region offers a high quality of life and an abundance of diverse cultures, heritage and natural amenities. The scenic beauty and diversity of people and culture have specifically strengthened the position of the Hospitality and Tourism cluster in the Cape Winelands region. The high quality of life has assisted in attracting highly qualified and skilled workers across all industries. In addition, the geographic proximity of large metropolitan area of the City of Cape Town offers access to important assets such as customers, suppliers, and capital.

08

Cape Winelands Socio-Economic Development Strategy

8.1 DEVELOPING A SOCIO-ECONOMIC DEVELOPMENT STRATEGY

8.1.1 GENERAL OVERVIEW OF STRATEGY FORMULATING PROCESS

The CW-RLEDS builds on the Cape Winelands Regional Local Economic Development Strategy (2011/12 - 2018/19) which has been successful in implementing a number of programmes and initiatives which has helped grow the Cape Winelands economy over the last six years.

After careful analysis of the data to determine the status quo of the local economy and identify development needs, pressing issues were identified as key focus areas, and unique capabilities and skills were considered. Policies and legislation were also reviewed and considered. The strategy was developed to serve both regional and broader economic growth plans, as well as to be aligned to provincial and national economic growth plans and the applicable policy and legislative frameworks.

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

Implementation plans were then developed to give practical effect to the theories, models and objectives included in the strategies. A solid base of programmes and services already exists to support socio-economic development in the District, and the action plans developed intends to leverage and enhance that work.

8.1.3 TRANSFORMATION

South Africa has legislation and policies in place to promote Black Economic Empowerment and transformation. At local government level, the municipality can support and promote transformation through various strategies, including implementing BEE in their procurement processes, ensuring that projects and programs reach and benefit previously disadvantaged businesses and individuals, and creating an environment that is conducive for economic growth.

The slow rate of economic transformation in South Africa is in part attributable to our poor economic performance over the past few years. Slow economic growth means less "space" in the economy to support the desired level of economic inclusion.

In economic downturns, existing players in the market fight to secure every bit of market share. New, less experienced businesses have the odds stacked against them from the start, regardless of their talent and effort.

Therefore, in a favourable economic climate, more businesses can easily be included in the market. The starting point is therefore to foster existing businesses to create employment, as not everyone wants to be an entrepreneur, and to offer incentives to existing businesses to support transformation. These strategies should be implemented while supporting the establishment of new businesses to create livelihoods and contribute towards economic growth.

8.1.4 STAKEHOLDER ENGAGEMENT: WHAT WE HEARD YOU SAY

Community members, stakeholders and role-players were engaged to obtain their views and inputs on Social Development in the Cape Winelands District. Their feedback was as follows:

- Employment creation was the overall most pressing LED need followed by training and skills development and working together in industry.
- Stakeholders most frequently responded that the role of the private sector should be to implement training and improve the relationship between the private and public sector and create employment
- Stakeholders most frequently listed the improvement of roads and parking as an infrastructural need in the Winelands District.
- Stakeholders most frequently felt that marketing and developing new and innovative tourism products were the most important development need in the tourism sector in the Cape Winelands District.
- Stakeholders reported that marketing, followed by creating a clean and safe environment, would improve visitors' perception of the Cape Winelands area.
- Skills development and additional information centres in townships were most frequently cited as the greatest resource needs in the tourism sector in the Cape Winelands District
- Better public transport, followed by more guided tours/tourist guides, were most frequently listed as services/ products required to boost the tourism sector.
- Not surprisingly, stakeholders most frequently responded that marketing was the highest priority in order to increase visitor numbers.

- Stakeholders most frequently listed skills training, followed by investment, as tools to promote out-of-season tourism.

8.1.5 STAKEHOLDER ENGAGEMENT: SOLUTIONS PROVIDED

Stakeholders provided the following as solutions to the challenges identified:

- Stakeholders most frequently reported that facilitating training and skills development was the solution to stimulate economic development, social development and tourism in the Cape Winelands
- Youth Development was the second most frequently proposed solution for economic and social development and tourism
- Almost half of respondents felt that the co-operation between the municipality and the business sector could be enhanced through additional communication and meetings.
- Respondents reported that stakeholder engagements would assist in addressing infrastructural needs in the area.
- Better municipal services were the second most frequent response to stimulating economic and social development, investment and tourism.
- We need to work together for additional investment in order to create employment opportunities.

8.2 CAPE WINELANDS REGIONAL SOCIO-ECONOMIC DEVELOPMENT STRATEGY

8.2.1 STRATEGIC GOALS, TOP PRIORITY AREAS AND DRIVERS

Below find a table that lists the goals, top priorities and drivers of the Cape Winelands Regional Socio-Economic Strategy.

Table 76: Cape Winelands Regional Socio-Economic Strategy Goals, Priorities and Drivers

GOALS	PRIORITIES	DRIVERS
OVERARCHING PRIORITY: Build and Strengthen Partnerships and Collaboration *Driver 1:* *Mobilising Resources for Social, Economic and Rural Development in the Cape Winelands District*		
Goal 2: Working towards building Safe, Healthy, Active and Productive Communities Together	**Priority 2:** Productive Communities	*Driver 2: Building Resilient Families and Communities* *Driver 3: Healthy Communities* *Driver 4: Investment in Skills and Employability* *Driver 5: Promoting and Building Inclusiveness*

Goal 1: Growing and Thriving Entrepreneurship and Innovation	**Priority 3:** Increased Business Growth through facilitating Inclusive Economies	*Driver 6: Support Small Business Development* *Driver 7: Support Sector Development*
Goal 3: Facilitating Investment Attraction, Retention and Opportunities	**Priority 4:** Competing in the Global Market	*Driver 8: Facilitating Investment Attraction* *Driver 9: Business Retention and Expansion for potentially Higher Growth Sectors*
Goal 4: Environmental Protection that promotes Sustainable Development and Economic Growth	**Priority 5:** Inclusive Economic Growth	*Driver 10: Rural Places, Economy and People*
Goal 5: Promoting Culture, Diversity and Vibrant Places	**Priority 5:** Inclusive Economic Growth	*Driver 11: Tourism Growth and Development*

8.2.2 HOW DO WE GET TO OUR VISION

Economic growth is a pre-requisite for economic development. Economic growth means increasing the total output, i.e. all goods and services produced in a region.

In order to attain economic growth, economic activity needs to increase, which is achieved through business retention and expansion, creating new enterprises and attracting new investment. Business retention and expansion (BRE) is dependent firstly on the growth and expansion of existing businesses, and secondly the development and establishment of new businesses to increase the total output (production of goods and services).

A region's economy can therefore be grown by increasing the production levels of local businesses and the establishment of additional (new) businesses. To do this, the inputs required for businesses must be increased and businesses must operate at optimal production levels. Optimal production levels can be achieved through the necessary skills as well as creating an enabling environment for businesses to flourish.

The development of businesses, existing and new, is dependent on the capabilities of the entrepreneurs and the workers. The capabilities of the workers and the entrepreneurs are in turn dependent on their living conditions – in other words, the health, age, educational level

and safety – of those workers and entrepreneurs. Thus, social development is a vital component. Social development is a necessity for economic growth to progress to economic development.
To further increase economic growth, it is desirable to attract new investment to the area. This entails an investment attraction programme (marketing the destination to private business) and ensuring that the local area reaps maximum benefits from national and provincial initiatives through grants and programmes.

A growing economy also enhances the chances of new businesses succeeding. The market for the goods and services produced by businesses can be enhanced by increasing the buying power of the local economy as well as exporting goods and services to other areas.

The more people participate in the economy, the faster it can grow. Economic participation means that people earn an income which will enable them to buy more of the goods and services, which in turn will increase the production. Creating employment is therefore key to economic growth, and creating employment is facilitated through growing businesses to employ the people and establishing new businesses for people to employ themselves. In order for people to be employable, they need to be equipped with the necessary skills.

Tourism is a useful tool, employed in areas with tourism appeal such as Cape Winelands, to fulfil the mandates of social development and local economic development (in terms of BRE and the establishment of new businesses). Furthermore, in order to attract investment to improve the living conditions and to attain economic growth (sustainably), it is important to foster and cherish the natural resources and to afford environmental protection to the area.

8.2.3 ENGINES TO DRIVE ECONOMIC GROWTH AND DEVELOPMENT

The following engines will be employed to drive economic growth and development in the Cape Winelands District Municipality.

Table 77: Engines to drive economic growth and development

Static engines of growth		
Putting idle resources to work	**Allocative efficiency (produce what is needed/ wanted)**	**Comparative Advantage (selling what you are good at to others)**
✓ Creating jobs for the unemployed ✓ Putting underutilised equipment and infrastructure to use (buildings, equipment	✓ Product development in the tourism sector (catering to market needs)	✓ "Selling" the natural environment to tourists ✓ Agricultural products ✓ Improve trade balance

and other assets can be used by NPOs/ NGOs or entrepreneurs) ✓ Developing unused land ✓ Klip River Caravan Park is an example of an idle resource ✓ The Tourism app is also an example of a resource of where the use can be optimised	✓ Production of agricultural products for which there is demand	
Dynamic engines of growth		
Accumulation of human capital	**Accumulation of physical capital**	**Technological advancement and innovation**
✓ Skills development and training to enhance educational levels ✓ Improved health ✓ Improved living conditions ✓ Attracting skills to the CWDM	✓ Investment ✓ Infrastructure development ✓ Spatial development	✓ R&D of new technologies ✓ Attracting knowledge and innovation
Agglomerate Engines of growth (pooling resources)		
Economic clusters	**Foreign investment**	**Regional integration**
✓ Pooling economic and Locational advantages of the agricultural sector through development of agricultural clusters (Agri Parks) ✓ Identifying, sequencing and developing additional clusters.	✓ Attracting investment to the region	✓ Working together to grow and succeed ✓ Examples include the tourism sector working together to promote the district, NPOs/ NGOs and government stakeholders working together; co-operation between the district and local municipalities

8.3 STRATEGIC GOALS OF THE STRATEGY

8.3.1 WORKING TOWARDS BUILDING SAFE, HEALTHY, ACTIVE AND PRODUCTIVE COMMUNITIES TOGETHER

The key objective of LED is developing the people in a region with the view of establishing a better life for all. Ensuring that the inhabitants of an area are healthy, skilled, safe and productive enables economic development and thus enhances the quality of life of the local community.

The Department of Social Development is primarily taxed with the responsibility of promoting social development in South Africa. The mandate of the Municipality is to facilitate an enabling environment for social development to take place.

Non-profit organisations (NPOs) and non-governmental organisations (NGOs) provide dedicated and specialist assistance to local communities. These organisations address a host of social issues, ranging from early childhood development, healthcare, caring for the elderly, addressing social ills, animal welfare, education, skills development and substance abuse, to name a few. The specialist knowledge and extensive experience of such organisations should be harnessed to optimally benefit the local population.

Co-ordinating efforts and co-operation between all spheres of government and the various NPOs and NGOs can not only prevent duplication of programmes, but through concentrated efforts, significantly enhance the impact of interventions and programmes. The Municipality cannot, and should not, attempt to replace or duplicate the work done by NPOs and NGOs, but must rather aim to maximise the benefits of these private sector initiatives.

The role of the Municipality should be one of support, facilitation and creating an enabling environment.

8.3.2 GROWING AND THRIVING ENTREPRENEURSHIP AND INNOVATION

The main challenge facing the Cape Winelands economy is the slow economic growth rate. Although the economic growth rate is in line with national trends and not necessarily within the sole control of local government, the region would benefit from accelerated economic growth. It is estimated that South Africa needs to maintain an annual economic growth rate of more than 6% for a number of years in order to create jobs for new entrants to the job market every year.

Income equality and GDPR growth (i.e. increase in income and equitable distribution thereof) is key to economic develop and attracting investment to the Cape Winelands District. The lower income brackets should be developed to increase GDPR and decrease the Gini coefficient; in other words, the bottom segment of the economy should be developed to narrow the gap and increase average income.

Businesses create employment for local residents, provide families with livelihoods and ignite local economic development. In addition to creating employment and capital formation, a strong and diversified business sector can assist to mitigate the area's dependence on the agricultural sector.

The focus of economic development should therefore be to create an enabling environment for the private sector to prosper and facilitate the growth and formalisation of the informal sector.

In addition, entrepreneurship and enterprise development should be fostered and supported to create employment, stimulate economic growth and provide livelihoods for families.

The agricultural sector plays a very important role in the Cape Winelands, not only due to its significant contribution towards GVA, but also in terms of employment and linkages to other sectors such as food manufacturing, catering, accommodation, and tourism. However, the area's dependence on the agricultural sector, in the face of declining global trends and a devastating drought in the Western Cape Province, leaves the local economy vulnerable as the high percentage of low-skilled workers would find it difficult to adapt to a changing economic climate.

It is also important to develop the potential of other sectors that have and will continue to make important contributions to the development of the Cape Winelands economy. They include:

- Tourism and creative economy;
- Social Economy; and
- Rural Economy.

8.3.3 INVESTMENT ATTRACTION, RETENTION AND OPPORTUNITIES

Investment Attraction

In order to attract foreign investment and capture the advantages thereof, government should establish support infrastructure and be committed to a pro-business (private sector) attitude. Possible tools for achieving this include setting up export processing zones and industrial parks, introducing investment incentives, and offering tax holidays (Fafchamps, 2000). In addition, the local workforce should be well-trained, basic infrastructure should be in place and international links should be fostered. Potential investors are also attracted by good governance and capable market institutions.

Business Retention and Expansion

It is generally understood that any strategy or programme designed to help existing business to grow or prevent them from shutting down falls under the broad definition of business retention and expansion. Business retention and expansion is basically a process. It is a way of having a dialogue between the municipality and the private sector. The process seeks to understand the business environment of the locality by looking at business obstacles and challenges as well as unrealised business opportunities.

There are a number of reasons why a business retention and expansion strategy is seen as a powerful tool for economic development. According to GTZ (2008), some of these reasons are:

- Most new jobs are created by existing companies (60-80%);
- A job saved is as good as a job created;
- The knock-on effects when communities lose jobs (e.g. the loss of a key employer will affect the local firms that supply them);
- The growth of existing business creates markets and opportunities to start up and to grow other local businesses;
- A community that supports and encourages the growth of its businesses is likely to be attractive to outside investors;
- Existing local business people are a rich source of business ideas and they are the most likely ones to do anything about it; and
- Locally owned businesses, some of which have been in the same community for generations, are more likely to remain in hard times than those attracted from outside.

Therefore, if existing businesses create between 60 to 80% of new jobs then it is important to have an economic development strategy that supports existing businesses.

Investment Opportunities

The most appropriate tools to market Cape Winelands as an investment destination are dependent on the target market (audience) and the message being conveyed to that targeted market or the business sector decision-makers. The tools to market Cape Winelands must therefore be appropriate to communicate the advantages of investing in Cape Winelands to those decision-makers in a way that appeals to them.

The needs and desires of the target market should shape the core message and key elements of the marketing effort. A thorough understanding of the drivers behind the decision to invest or not will lead to a well-crafted, powerful marketing message.

Only if there is close consultation with the target market to engage them and establish exact needs and desires, will it be possible to successfully meet their needs and build a sustainable long-term economic hub.

It is self-evident that industrial investment has far-reaching financial and practical implications, and therefore it is not a decision that will be taken lightly. The cost-benefit analysis will be different for each potential investor, and therefore the factors which either make or break a deal will vary for each potential investor.

For the reasons outlined above, it is recommended that potential investors be identified and approached individually, and the benefits or incentives that could appeal to them be discussed and negotiated on a case-by-case basis.

Business is about maximising profit, in other words, keeping costs at a minimum whilst generating the largest possible revenue. Therefore, business decisions are based on the bottom line and a cost-benefit analysis. It is therefore of utmost importance to maximise the benefit of doing business in Cape Winelands district.

Creating Competitiveness

As discussed previously, productivity is an important determinant of competitiveness and it relates to how governments utilises it human, capital and natural resources. Improving productivity and innovation is therefore key to creating a competitive environment. It should be noted that improving competitiveness does not require new resources but rather using current resources at its' optimal level. For municipalities to improve on creating an enabling environment for business it needs the private sector as a key strategic partner.

8.3.4 ENVIRONMENTAL PROTECTION THAT PROMOTES SUSTAINABLE DEVELOPMENT AND ECONOMIC GROWTH

A Rural Development programme must essentially address three elements if it is to be successful in the rural development context:

- How to foster and promote environmental sustainability;
- How to diversify the rural economy beyond just agriculture; and
- Improving the quality of life of rural dwellers.

8.3.4.1 Environmental Sustainability

Environmental sustainability is not limited to tree planting and land conservation but is impacted upon by most (if not all) investment and growth management decisions.

An emphatically "Green" approach to development in the Cape Winelands will play a major role in attracting global and national investment which is increasingly environmentally conscious, not to mention the major implications for long term sustainability of investment given the delicate and sensitive nature of the landscape and riverine ecologies of the Winelands.

The role of the CWDM includes:

- Working with local councils to forge a common approach to environmental sustainability and green practices;
- Encouraging local businesses and other organisations to follow the council's lead and take responsibility for their own environmental impacts on the District;
- Preparing for the changes that will happen in the District because of the changing climate, such as hotter summers, drier winters, storms and downpours;
- Create a change of attitude to renewable energy, such as wind and solar power as viable alternatives to the use of fossil fuels, such as coal and petrol; and

- Illustrate the economic, social and environmental benefits of taking action now on climate change
- Investigate how the following measures can be implemented in the Cape Winelands:
    - Water Conservation Strategy
    - Waste Minimisation Clubs
    - Cleaner Production
    - Green Building Promotion
    - Energy Conservation Strategy
    - Clean Development Mechanism

8.3.4.2 Diversifying the Rural Economy

It is understood that a healthy and dynamic agricultural sector is an important foundation for rural areas and its economy when it generates economic linkages to other economic sectors such as manufacturing (e.g. food manufacturing) and services (e.g. agri-tourism). However, the need to diversify rural economies is also needed to ensure overall sustainability. Therefore, rural development resources should be prioritised towards employment creation and opportunities in non-agricultural activities and services. Rural areas offer real opportunities in terms of their potential for growth in sectors such as tourism, cultural and creative industries, the high quality of the lifestyle that aids in attracting highly skilled labour; and an abundance of natural resources.

There are different types of non-agricultural activities that rural dwellers can participate in to diversify the rural economy. Some of these activities are:

- Service activities (such as bed and breakfast; and dining with locals in a home setting);
- Arts and Craft activities (such as pottery and production of local products), and;
- trade activities (such as the creation of stores/ micro-breweries attached to farms, where artisan products are sold directly to the customer)

In rural settings support for small business creation becomes very important, especially in non-agricultural businesses. It is argued that this assists with entrepreneurship and helps to develop and economic structure in rural areas and thus contributing to poverty alleviation and job creation.

8.3.4.3 Improving access to opportunities for Rural Communities

Rural dwellers are still facing challenges in access to basic services and economic opportunities. It is important that when planning is done by government it should take into consideration rural people and include elements that address the urban-rural divide. The lack of access that is still prevalent in rural communities inhibits the opportunity that rural communities have to improve their economic and social wellbeing. Therefore, any attempt to improve access to opportunities for rural communities will improve the lives of rural communities.

8.3.5 CULTURE, DIVERSITY AND RURAL PLACES

The Cape Winelands District is known for its scenic beauty, diverse landscapes, rich cultural heritage, and high-quality agricultural land – it is one of the most visited regions for domestic and international tourists, and world renowned for its fine wine estates and restaurants. The Cape Winelands presents tremendous opportunities for growth and development.

The cultural diversity of the people is something to behold in the Cape Winelands as it is this diversity that makes them who they are, in some way the best of many worlds, because they have Africa, Europe, Asia, and the Pacific flowing through their blood, influencing what they eat, how they celebrate important dates and how they generally open-up to other people. Tourism is really all about meeting along the way the people who add colour, humour and character to the Cape Winelands

The Cape Winelands believes that it's in our cultural diversity that we can best enhance the visitor experience in the district. The focus is on people rather than places, i.e. meet the locals, hear their stories, rediscover their rich cultural heritage.

It is to the people of the Cape Winelands, their stories, their books, their poems, their paintings, their theatre performances, their vision for their tourism businesses, their story-telling, their music and songs, their culinary creations, their wine-making talents, their arts and crafts, their creative artistic talents and their business innovation talents alike, that the District wants to share with its visitors.

The tourism industry in the Cape Winelands District Municipality therefore has an important role to play in attaining the region's goals for growth and job creation. Having the potential to attract revenue and stimulate private- and public-sector investment in the region, the tourism industry is people-orientated and very labour intensive, creating employment opportunities in the community.

Tourism supports LED in that it expands the local economy by attracting revenue from outside the local area as well as stimulating capital investment and fostering job creation. The industry also supports SMME development and has the potential to attract foreign direct investment.

09

Social Investment Strategy

GOAL:

WORKING TOWARDS BUILDING SAFE, HEALTHY, ACTIVE AND PRODUCTIVE COMMUNITIES TOGETHER

KEY AIM:

TO IMPROVE THE QUALITY OF LIFE OF THE POOR, THE VULNERABLE AND THE MARGINALISED IN THE CAPE WINELANDS DISTRICT THROUGH DELIVERING ON SOCIAL CHANGE AND INVESTING IN THE PEOPLE OF THE CAPE WINELANDS DISTRICT

9.1 SOCIAL DEVELOPMENT

9.1.1 INTRODUCTION TO SOCIAL DEVELOPMENT

The National Development Plan emphasises the central role in addressing the critical challenges of poverty, unemployment and inequality. The Cape Winelands District Municipality is committed to developing and implementing strategies to address some of the National Development Plan priorities.

The CWDM has previously developed a social development strategy and this strategy was aimed at coordinating and facilitating the local provision of targeted social development services that empower and support the poor, the vulnerable and those with special needs in the Cape Winelands regions. Subsequently, numerous engagements such as an Elderly Summit, Conference for people with disabilities and Young People's Symposium have taken place.

The new Social Development Strategy maintains the core themes and programmes of the previous strategy while also being informed by subsequent thematic summits and conferences. Therefore, the new strategy will continue to work toward achieving self-reliance of communities and sustainable livelihoods.

9.1.2 UNDERSTANDING SOCIAL DEVELOPMENT

Social Development is about improving the well-being of every individual in society so they can reach their full potential. The success of society is linked to the well-being of every citizen. Social Development refers to collective efforts to improve social conditions and peoples well-being. It is also regarded as process of change, growth, progress or evolution. Social development means investing in people. It requires the removal of barriers so that all citizens can journey toward their dreams with confidence and dignity. It is about refusing to accept that people who live in poverty will always be poor. It is about helping people so they can move forward on their path to self-sufficiency.

The International Institute of Social Studies refers to Social Development as about putting people at the centre of development. This means a commitment that development processes need to benefit people, particularly but not only the poor, but also a recognition that people, and the way they interact in groups and society, and the norms that facilitates such interaction, shape development processes.

According to Bilance, 1997, Social Development is the promotion of a sustainable society that is worthy of human dignity by empowering marginalized group, women and men, to undertake their own development, to improve their social and economic position and to acquire their rightful place in society.

9.1.3 REGIONAL SOCIAL DEVELOPMENT

The Cape Winelands Social Development Strategy is aimed at:

- Inclusion – putting marginalised people at the centre of development;
- Social Cohesion – strengthening the community fabric so that people can work together and collaborate; and
- Social Investment - facilitating the continued investment in the people of the Cape Winelands region.

The Cape Winelands Social Development Plan aims to reduce poverty and unemployment and encourage communities to participate in the process of possitive social change thereby moving them to a path of self- sufficiency.

The Social Development Strategy is closely linked to the Regional Economic Development Strategy in its efforts to educate and skill people in order for them to fully participate in the economy. Therefore, a key element of the strategy is to achieve success through skills development.

9.2 CAPE WINELANDS SOCIAL DEVELOPMENT STRATEGY

9.2.1 GOAL

WORKING TOWARDS BUILDING SAFE, HEALTHY, ACTIVE AND PRODUCTIVE COMMUNITIES TOGETHER

9.2.2 KEY AIM

To improve the quality of life of the poor, the vulnerable and the marginalised in the Cape Winelands District through delivering on social change and investment in the people of the Cape Winelands District.

9.2.3 KEY PRIORITY AREAS AND KEY DRIVERS OF THE SOCIAL DEVELOPMENT PLAN

9.3 OVERARCHING PRIORITIES OF THE CW-SEDS

PRIORITY 1: BUILD AND STRENGHTHEN PARTNERSHIPS AND COLLABORATION

DRIVER 1: MOBILISING RESOURCES FOR SOCIAL, ECONOMIC AND RURAL DEVELOPMENT IN THE CAPE WINELANDS

Continued support to NPO's and NGO's in order to maximise the impact of their programmes and reap maximum benefits from their in-depth experience and grass roots level knowledge. Establish a District Social Development Forum that collaborate on programmes to address matters such as health, education, training, social ills, sports and culture and disability.

ESTABLISHING A DISTRICT WELFARE FORUM

- Establish a district welfare forum comprising of NPOs, NGOs and stakeholders operating in the area to liaise with different stakeholders in the Social Development, Health and Educational sphere.
  - A forum must be established where relevant stakeholders (such as NPOs) and government departments can engage regarding the issues at hand in order to:
    - Eliminate the duplication of programmes
    - Allow for different stakeholders to collaborate on programmes, providing the best possible skills set for targeted programmes.
    - Enhance communication between stakeholders and ensure that all stakeholders are informed of programmes and challenges
    - Provide a contact point for government departments, who must be encouraged to be members of this forum
  - The forum can be used as a vehicle for communication, distributing funding and sourcing service providers for specific social development initiatives

- The forum can be linked with provincial and national programmes and projects to ensure that the region reaps maximum benefits from broader projects.
- The forum can be used to channel funding to worthy projects and the on-the-ground level knowledge of NPOs and NGOs would provide excellent intelligence regarding needs and initiatives.
- This forum can be used to establish and facilitate Community Support Programmes

- The municipality should facilitate the establishment and ensure that quarterly meetings take place and are attended by key role players such as SAPS and provincial and national departments (health, education, social development, cultural affairs and sport). The national and provincial departments often provide support programmes and funding to various initiatives.

- The municipality can provide financial assistance to NPOs in the form of grants and also by using them as Implementation Agents to roll out identified interventions. NPOs and NGOs can be invited to facilitate programmes on a bid basis.

- Non-financial assistance could be provided to NPOs and NGOs in the form of assistance with communication (using municipal platforms) and making available idle resources, such as premises and equipment, free of charge.

Using the Welfare Forum (members) to implement strategic projects will yield dual benefits: it will ensure that projects are implemented to the benefit of the Municipality, and it will provide revenue for welfare organisations that will increase their capacity and enable them to do even more. Revenue paid to these organisations will therefore be re-invested in social development in the area.

SOCIAL DEVELOPMENT

PRIORITY 2: PRODUCTIVE COMMUNITIES

We recognise the impact that the 2008/9 recession and the general economic downturn has had on women and particularly young people in South Africa. We have included additional measures to directly address this issue of women and youth poverty. They are aimed at encouraging women and young people to enter employment and/or education and training.

DRIVER 2: BUILDING RESILIENT FAMILIES AND COMMUNITIES

The Programme aims to strengthen the capacity of families and communities to care for and protect children. Families are the corner stone of communities. Dysfunctional families lead to dysfunctional communities. The family has been and continues to be the principal institution in society, playing a vital role in socialization, nurturing and care, as well as determining the conditions of social reproduction. Interventions to support vulnerable families are vital in alleviating abuse, neglect and poverty. This project is implemented in partnership with Government Departments, Civil Society organisations, NGO's and Faith Based organisations.

PROGRAMME: FAMILIES AND CHILDREN

Facilitate the implementation of a support program for women that will enable empowerment of women and raise awareness on issues as violence.

- **Victim Empowerment project.** Victim empowerment is an approach to facilitate access to a range of services for all people who have individually or collectively suffered harm, trauma or material loss due to violence, crime, natural disaster human accident or through socio-economic conditions. It aims to restore the loss or damages. Victim empowerment programmes focus taking control, having a voice, being heard, be recognized and respected as an individual. These initiatives focus on empowering people but especially, women and children with information and skills. Through these types of programmes, they learn to understand and mange emotions, set and achieve positive goals feel and show empathy for other. It also teaches them to establish and maintain positive relationships and make responsible decisions.

- **Substance Abuse Project.** Additional Drug Awareness campaigns and support programmes could be introduced. The community should be informed of rehabilitation programmes in their area.

- **Foetal Alcohol Syndrome project.** Foetal Alcohol Syndrome (FAS) is the leading cause of mental disability in South Africa. Children with Foetal Alcohol Syndrome are born with a lifelong disability, which affects their physical growth and development, their mental ability, behaviour and social skills. The effects of substance abuse have a devastating impact on the lives of children and the Cape Winelands District Municipality aims to implement a programme which prevents parents from abusing substances and to decrease the rate of children that are born with Foetal Alcohol.

- **HIV/AIDS project.** HIV and AIDS impact on the sustainability of communities and their development conditions. HIV/AIDS awareness campaigns, World Aids day, HIV/Aids &Male circumcision; HIV & breastfeeding and 16 Days of Activism Against the Abuse of Women and Children.

- **Crime Prevention project.** Stakeholder meetings with the SAPS, the Department of Justice, the Department of Social Development (who should be members of the welfare forum) as well as other relevant stakeholders could enhance the effectiveness and co-ordination of initiatives. Neighbourhood Watch organisations (VPUU) could assist in crime prevention and should have representation on the welfare forum and enjoy support from the Municipality. A "Walking Bus" initiative can be established, not only for children going to school, but also for the elderly and other community members to ensure safety when moving around in the community. This is where volunteers walk together from a designated point to another, to establish a safe and supervised route. Facilitate projects such Business Against Crime.

DRIVER 3: HEALTHY COMMUNITIES

It is generally understood that improved health is central to human happiness and well-being. A healthy workforce is an important contributor to economic progress since a healthy labour force live longer and is more productive.

PROGRAMME: COMBATING UNHEALTHY LIFESTYLES

Address health issues, using the welfare forum as vehicle, to facilitate the following:

- **Lobby for more Mobile Clinics.** Liaise with Department of Health to lobby for more mobile clinics and increase frequency of visits.Liaise with stakeholders and departments to facilitate the availability of more mobile clinics together with an increased frequency of visits, which will make health services more accessible to the community. Deploying mobile clinics at schools will prevent the youth from missing school to obtain health services.

- **School Health Project.** Present health programmes at schools aimed at educating the youth regarding their health, especially HIV and reproductive health. Implement programmes to inform the youth on health risks, especially related to HIV and reproductive health. Health programmes can be linked to substance abuse prevention programmes.

- **Community Health Awareness Project.** Identify and train facilitators to assist stakeholders in educating the community on their health. More facilitators should be identified and receive accredited training in the field of health, and thereby be empowered to give assistance to the different stakeholders in educating communities on their health as well as to assist current health workers.

  Liaise with Western Cape on Wellness (WOW) initiative.WOW partners with people, organizations and communities who share a similar vision and are willing to help make a difference. WOW is a Healthy Lifestyles partnership initiative of the Western Cape Government. It aims to enable people to make healthy lifestyle choices through a life course. Partnering with this initiative will empower the community to make better choices to improve their quality of life.

PROGRAMME: ELDERLY

- **The Golden Games project.** The purpose of this program to sensitise elderly people of their rights, human dignity and take part in competitive sport. The formidable spirit that the elderly persons demonstrate when they defy age and challenge themselves to play sport, is truly inspiring for younger persons.

- **The More Living – Active Age project.** Recreational and cultural tours tours provided the elderly with opportunities to research on the socio-economic, cultural and historical developments that has taken place as well as the significant impact the history and developments had on the underprivileged communities and the elderly. The support creates opportunities for elderly persons to visit recreational and historical landmarks

DRIVER 4: INVESTMENT IN SKILLS AND EMPLOYABILITY

Support regional economic development by ensuring the alignment of educational and training programmes with regional employment opportunities and industry needs.

PROGRAMME: EARLY CHILDHOOD DEVELOPMENT

- **First 1000 Days Project.** The first 1 000 days in a child's development, starting from conception, moving through pregnancy, birth, and after the first 2 years of life, are crucial for securing a child's bright future. The most important aspects of the First 1000 days programme are health and nutrition, which both mom and baby need; love and attention that babies needs, and all the support that the mom needs; and play and stimulation that babies need for learning as well as the protection of a safe environment.

- **Early Childhood Development Project.** Early years of childhood form the basis of intelligence, personality, social behaviour, and capacity to learn and nurture oneself as an adult. There is ample evidence worldwide on how quality early childhood development services make a difference in the child's life, but also to society, and there is agreement that quality integrated ECD programmes have substantial payoffs for the child and society as a whole. Improve education and skills levels through supporting **early childhood development**. Particular attention should be focused on high burden creches.

- **Nutritional Project.** Address malnutrition through facilitating initiatives from stakeholders. Community food gardens and education regarding nutrition and child-care could reduce malnutrition in children in the area.

PROGRAMME: SUPPORT EFFORTS TO IMPROVE MATRIC PASSRATES AND PREVENT DROP-OUTS

- Facilitate assistance to matric learners to improve pass-rates and prevent drop-outs
  - An initiative (similar to **"leave no one behind"/ "together we are better")** could be launched to assist matric pupils with extra classes in their various subjects. Former local students with higher qualifications can assist with the extra classes and fulfil a mentoring role. Identify local role models for the youth and highlight local achievements in municipal newsletters.

- Address the **high drop-out rate** of learners in schools.
  - Parents should be held accountable for failing to ensure their children attend school. Educate parents, the community and stakeholders on the Form 22 procedure of the Western Cape Government Department of Social Development. This can be done by holding various meetings with the community in conjunction with the SAPS. The implementation of this procedure will not only get the youth back in schools, but also serve as a deterrent to parents to ensure that their children attend school.

- **Educational excursion project.** Learners of rural schools are afforded opportunities to embark on educational excursions which enhanced learning outside of the classroom. They are mostly from low income households which cannot afford the fees attached to educational excursions but through the support of the municipality, they can attend the excursions.

- **Holiday Project.** During school holidays, young children, especially in impoverished communities, have very little or no recreational space where they can give expression to their need for positive socialisation and interaction with their peers. This places them at risk of being drawn into negative activities such as, youth criminality, increase in substance abuse and risky sexual behaviour.

- **Lifeskills Camps Project.** Life Skills Camps empower youth with the tools and information they need for a positive future. The purpose of camps were is to address the social ills like substance abuse, domestic violence, sexual offences; forms of violence; self-protection; gender roles; healthy relationships and informed choices.

- **Grade 10-12 Support Project.** Activities like career exhibitions, Matric Motivation programmes and Spring-school programmes were supported to enhance opportunities for Grade 10 - 12 Learners. Through the Career Exhibitions they gained information to make appropriate career choices. study aid institutions.

- **Life Skills and Job Readiness Camps project.** The project focuses on the holistic skills development of young people to prepare them for adulthood and make them employable, positive, and encourage healthy decisions. programme included life skills, character development, leadership training, entrepreneurship and skills development.

- **Sanitary ware project.** It is a sad reality that in South Africa many young girls miss up a week of school each month because they have limited access to feminine

- **Awareness about LGBTQ Project.** A positive environment is important to help youth develop, grow and thrive. LGBTQ youth are more likely to experience bullying and aggressive behaviour at school. It is therefore important for educators, counsellors and school administrators to have access to the necessary resources to create a safe healthy learning environment for all learners.

PROGRAMME: SKILLS DEVELOPMENT FOR YOUTH AND WOMEN

Skills development is identified as one of the priority needs for sustainable development in rural communities within the Cape Winelands District Municipality. Violence, social isolation and low education levels makes young unemployed women more vulnerable and increases their risks of sexual exploitation. Economic empowerment opportunities reduce conditions of vulnerability and improve the resilience of young women. Young people are the important focus and a priority because the lack of skills development contributes to increasing unemployment rate amongst youth in rural areas.

- Ensure the availability of training programs to support the development of skills that are in demand
  - Communicate continuously with employers and clusters to identify near and long-term workforce priorities
  - Encourage the development of industry programmes, internships and apprenticeship
  - Improve access to educational and training programmes in rural areas
  - Facilitate Youth Artisan workshops

DRIVER 5: PROMOTING AND BUILDING INCLUSIVENESS

Cape Winelands District Municipality aims to improve the livelihoods of people with disabilities and to address social barriers that exclude them from the various systems of society. Accessibility is important to achieve the principles of full inclusion, equality and participation in mainstream society.

PROGRAMME: PERSONS WITH DISABILITIES

- **Awareness project.** Attitudes can be as much as a barrier to the inclusion of people with disabilities as actual physical structures. From research it is known that many people hold a high degree of unconscious bias against people with disabilities. Awareness training can assist in challenging and reducing these unconscious biases. Disability awareness training can assist, not only to inform and educate but also to question perceptions and prejudices.

- **International Day for Persons with Disabilities Project.** Cape Winelands District municipality to observe and promote the rights of persons with disabilities. These events covered the spectrum of disabilities and created an awareness amongst citizens of the district.

- **Skills Development for Persons with Disabilities Project.** The lack of Skills Development was one of the challenges that was identified at the Cape Winelands Disability Conference which was held on 23 April 2014. The lack of skills development opportunities in this sector contributes to the increasing unemployment rates amongst disabled youth and women in the district. Developing the competencies of people with disabilities in universal customer service is vital to ensure that they have the knowledge, attitudes and skills to fully address all customer needs. By acquiring these skills, they will be able to provide a consistently high quality of customer service and gain access to the open labour market.

- **Creative economy project for persons with disabilities.** The Cape Winelands is home to many persons with disabilities – some of these persons are artists, writers, dancers, musicians, etc.
    - Grow the creative economy – grow the creative sector entrepreneurs, organisations, institutions and businesses focusing and employing persons with disabilities;
    - Continue to fund non-profit cultural production of people with disabilities that deliver interesting content, experiences and images in support for promoting the Cape Winelands as an interesting, lively and colourful destination on an ongoing basis;
    - Work with organisations that support people with disabilities to unlock tourism potential of places, people and events.

- **Assistive Device Project.** Facilitate the provision of assistive devices to Disabled Persons

10. Local Economic Development Strategy

Goal:
GROWING AND THRIVING ENTREPRENEURSHIP AND INNOVATION

KEY AIM:
TO CREATE AN ENABLING ENVIRONMENT IN WHICH BUSINESS CAN GROW AND THRIVE LEADING TO INCREASED JOB CREATION AND POVERTY REDUCTION

10.1 ECONOMIC DEVELOPMENT

101.1 REGIONAL ECONOMIC DEVELOPMENT

The role of the Cape Winelands District Municipality in terms of economic development is clear. The district municipality fulfils the role of a strategic facilitator for economic development in the Cape Winelands District. Simply put, a facilitator helps things get done.

As the facilitator for economic development in the District, the municipality bring sectors together: government, business, labour and civil society. It assist by providing a structure to a process enabling cooperative decision-making. In the simplest terms, the municipality is a consensus builder.

As the District municipality, we understand that economic growth can only be achieved through the ongoing co-operation and collaboration of all sectors:

- the leading and enabling role of government;
- a thriving and innovative private sector;
- and the active involvement by civil society.

To this end, the Cape Winelands District Municipality have tirelessly work to build and strengthen our strategic partnerships and collaborations.

10.1.2 ENABLING BUSINESS ENVIRONMENT

It is understood that local economic development is based on the concept that wealth in localities is created not by government but by the private sector. Businesses depend on having favourable local business environment to create that wealth and prosperity. Municipalities have a central role in creating the favourable business environment for business success.

10.2.1 GOAL

Growing and Thriving Entrepreneurship and Innovation

10.2.2KEY AIM

To create an enabling environment in which business can grow and thrive leading to increased job creation and poverty alleviation.

10.2.3 KEY PRIORITY AREAS AND KEY DRIVERS OF THE ECONOMIC DEVELOPMENT PLAN

OVERARCHING PRIORITIES OF THE CW-SEDS

PRIORITY 1: BUILD AND STRENGHTHEN PARTNERSHIPS AND COLLABORATION

DRIVER 1: MOBILISING RESOURCES FOR SOCIAL, ECONOMIC AND RURAL DEVELOPMENT IN THE CAPE WINELANDS

- Continue to work with business chambers, sakekamers and business associations/federations to strengthen business networks and facilitate joint project implementation within the Cape Winelands region
- Work with business chambers/sakekamers to facilitate networking opportunities for up and coming local businesses to connect and share ideas.
- Partner with local business chambers' programmes that support new and emerging entrepreneurs.

ECONOMIC DEVELOPMENT PRIORITIES

PRIORITY 3: INCREASED BUSINESS GROWTH THROUGH FACILITATING INCLUSIVE ECONOMIES

DRIVER 6: SUPPORT FOR SMALL BUSINESS

Encouraging entrepreneurs to start businesses gives people power over their own lives. It also lets them build wealth in their own communities. It is generally acknowledged that business owners who also live in the community tend to spend more on local business services and keep more of their earnings in the local economy.

Supporting and expanding existing businesses and attracting new businesses contribute to economic development in several key ways:

- including helping businesses create jobs;
- encouraging entrepreneurship and innovation;
- enhancing fiscal sustainability by expanding and diversifying the tax base; and
- improving quality of life with new services and amenities.

The Cape Winelands District will endeavour to create a premier location for innovation and new firm creation by both encouraging entrepreneurship and innovation from local residents and attracting aspiring entrepreneurs from outside the region. By:

- **Accurate and up to date information project.** Businesses need information to make informed decisions. Some of the information that businesses need sits with government institutions. Providing business with information related to:
  - Provide information on the latest government programmes aimed at supporting businesses, including grants and incentives;
  - Make accessible latest demographic, social (health, education, crime), economic (GDP, sectors, trade, labour);
  - Work with communication division to create a communication plan to connect with business and investors; and
  - Develop an e-newsletter to communicate to business.

- Continue with **Entrepreneurial Seed Fund Project.** Investing in small business by 'Grow your own' through provision of seed funding for small businesses. The Entrepreneurial Seed Fund programme has been a partnership programme between the CWDM and its five local municipalities. Through a selection process promising and locally-driven start-up SMMEs working primarily in historically disadvantaged areas within the District are selected.

- Continue with **Training and mentorship project.** The CWDM training and mentorship programme was developed to assist the SMMEs that were receiving Entrepreneurial Seed Funding from the municipality through providing business training and one-on-one mentorship to these SMMEs.

- **Support Informal Sector Project.** Support local municipalities in their work with informal traders. Furthermore, investigate and facilitate programmes in support of formalising the informal sector.

- Continue with **Red Tape Reduction Project.** Continue to work with the RED Tape Unit of Western Cape provincial government to find ways to cut red tape in order to ease the way of doing business in the Cape Winelands.

- **Procurement Project.** The Western Cape Provincial Treasury has actively driven the process and discussion with municipalities on how Supply Chain Management can be utilised as a strategic enabler for economic development. This theme was carried through at the Supply Chain Management Indabas held in the West Coast and Cape Winelands Districts. The LED Unit will work with the SCM Unit to enable government expenditure to support government socio-economic objectives.

DRIVER 7: SUPPORT SECTOR DEVELOPMENT

There is a need to develop targeted sector strategies with relevant stakeholders and roleplayers to that identify investment opportunities, trade development needs, research and commercialisation potential, workforce needs in the Cape Winelands District. A few strategic sectors have been identified during the strategy development process.

ACTION PLAN: SUPPORT WINE TOURISM IN THE CAPE WINELANDS

VinPro has commissioned a wine tourism strategy that outlines a number of interventions to grow wine tourism. According to VinPro (2017) "Wine Tourism, which is about the delivery and experience of a variety of tourism related activities within or around wine producing regions or routes, is a significant revenue generator for the South African economy and has the potential to provide many new business and employment opportunities. Wine Tourism already contributes in excess of R6 billion to the GDP annually and with a national wine tourism strategy and coordinated plan, the aim is to increase that to R16 billion by 2025".

The Cape Winelands District is ideally placed to exploit the economic opportunities that wine tourism presents.

- **Wine Tourism Collaboration Programme.** Continue to work with organisations such as VINPRO, WESGRO and Wines of South Africa (WOSA) to support innovative developments and programmes in wine tourism.

ACTION PLAN: GROW THE CREATIVE ECONOMY

In an increasingly globalised and urbanised world, uniqueness and authenticity are key competitive advantages for tourism destinations. At the heart of cultural tourism is a deep commitment to the splendour of place, genuineness of its communities and the tales that gives it life and differentiate it from other places. Tourism related to or driven by cultural interests and activities is a robust and growing subset of the tourism industry as a whole.

- **Grow the creative economy.** The Cape Winelands is home to many artists, writers, dancers, designers, musicians, chefs, and all sorts of talented and interesting people who have chosen to live, create and play in the District. The District and its community's benefits from having these creatives in our midst. The Cape Winelands needs to support this cultural ecosystem that enables creativity to prosper. We need to promote the Cape Winelands District as a **cultural destination** of note.

- Identify the art and cultural assets of the Cape Winelands;
- Grow the creative economy – grow the creative sector entrepreneurs, organisations, institutions and businesses;
- Continue to fund non-profit cultural production to deliver interesting content, experiences and images in support for promoting the Cape Winelands as an interesting, lively and colourful cultural destination on an ongoing basis;
- Expanded tourism value chain that includes HDIs in the creative sector;
- Include and promote university and higher education assets, expertise and scholars to broaden the Districts' visitor audience. For example, Stellenbosch University's WoordFees; Chamber Music Festivals, etc.
- Invest in existing and future cultural and historic areas (zones) of Cape Winelands that celebrates its diversity;
- Develop a District programme for arts and culture focused on attracting families and children especially during school holidays to attract new audiences; and
- Advocate that art, culture and creativity is integrated into future public space improvements.

DRIVER 8: PROMOTING INNOVATION AND DIVERSIFICATION

It is understood that the most successful businesses continually strive to improve on their products and services and continually also search for new markets for their products and services. It is important for governments to recognise this business creativity and support business innovation. It is therefore crucial that municipalities support services to promote diversification (when businesses develop new markets) and innovation (when businesses design new products/services).

- **Support business innovation and diversification.** There are a number of ways in which the municipality can support business innovation and diversification.
  - **Mayoral Award for Business Innovation.** Working together with the business chambers, sakekamers and business associations to hold an annual prize giving for innovative companies
  - **Giving media exposure to good businesses.** Local newspapers and radio stations are usually eager to feature businesses that are creating new jobs. The municipality can facilitate that these businesses get good media exposure.

11. Investment Attraction, Retention and Opportunities Strategy

GOAL:
FACILITATING INVESTMENT ATTRACTION, RETENTION AND OPPORTUNITIES

KEY AIM:
TO CREATE AN ATTRACTIVE ENVIRONMENT FOR INVESTORS BY PROMOTING OUR KEY STRENGTHS AND OPPORTUNITIES

11.1. INVESTMENT

11.1.1 INTRODUCTION TO INVESTMENT

The Cape Winelands District is well known for its desirability as a leisure destination, and much has been made of its beautiful scenery and culinary experiences. The area should be marketed to potential investors as a sought-after destination to work and play. The District already boasts an industrial hub in Paarl and a knowledge and technology hub in Stellenbosch, and the areas enjoy relatively high levels of investment. Worcester is also the focus of new developments. The challenge is therefore to attract investment to local municipal areas in order to accelerate economic growth and enhance growth potential.

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

This Sector Plan builds on the Cape Winelands Investment Attraction, Retention and Opportunities Strategy of 2011. The Investment Sector Plan retains the key driver of Business Retention and Expansion and attraction. An enabling environment will ultimately lead to business retention, expansion and attraction, and thereby increase competitiveness.

11.2.1 GOAL

Facilitating Investment Attraction, Retention and Opportunities

11.2.2 KEY AIM

To create an attractive environment for investors by promoting our key strengths and opportunities.

11.2.3 KEY PRIORITY AREAS

OVERARCHING PRIORITIES OF THE CW-SEDS

PRIORITY 1: BUILD AND STREGHTHEN PARTNERSHIPS AND COLLABORATIONS

Driver 1: Mobilising Resources for Social, Economic and Rural Development in the Cape Winelands District

- Strengthen the partnership that already exist with WESGRO and explore new ways of collaboration
  - Work towards becoming Investor ready destination
  - Working in partnership with WESGRO to attract Foreign Direct Investment into the Cape Winelands
  - Diversifying exports – exporting represents an important means of improving economic growth and competitiveness

PRIORITY 4: COMPETING IN THE GLOBAL MARKET

DRIVER 9: FACILITATING INVESTMENT ATTRACTION

New investment can be attracted by rolling out a district marketing initiative, supported by an effective Marketing Plan.

Developing the Cape Winelands District's competitive profile will depend on leveraging existing strengths, building on the area's existing assets and seeking out high-impact opportunities in identified sectors.

ACTION PLAN: ESTABLISHING AN INVESTMENT DESK

- **Establishing an investment desk.** Establishing a "One Stop Shop" to deal with potential investors is a popular option for many investment destinations. A "One Stop Shop" is an investment service that aims to facilitate seamless investment and reduce red-tape and inefficiencies for potential investors. Such a "One Stop Shop" to promote and facilitate investment and the establishment of new businesses, could be set up in the Cape Winelands District/Cape Winelands Local Municipal area. A key component of the one-stop-shop service is the creation of a post for a dedicated investment facilitation professional. The investment facilitator's main responsibility would be to provide a single contact for investors wishing to do business in Cape Winelands. The skills of such an investment professional can be leveraged to engage potential investors on a one-on-one basis.

ACTION PLAN: INVESTMENT ATTRACTION MARKETING PLAN

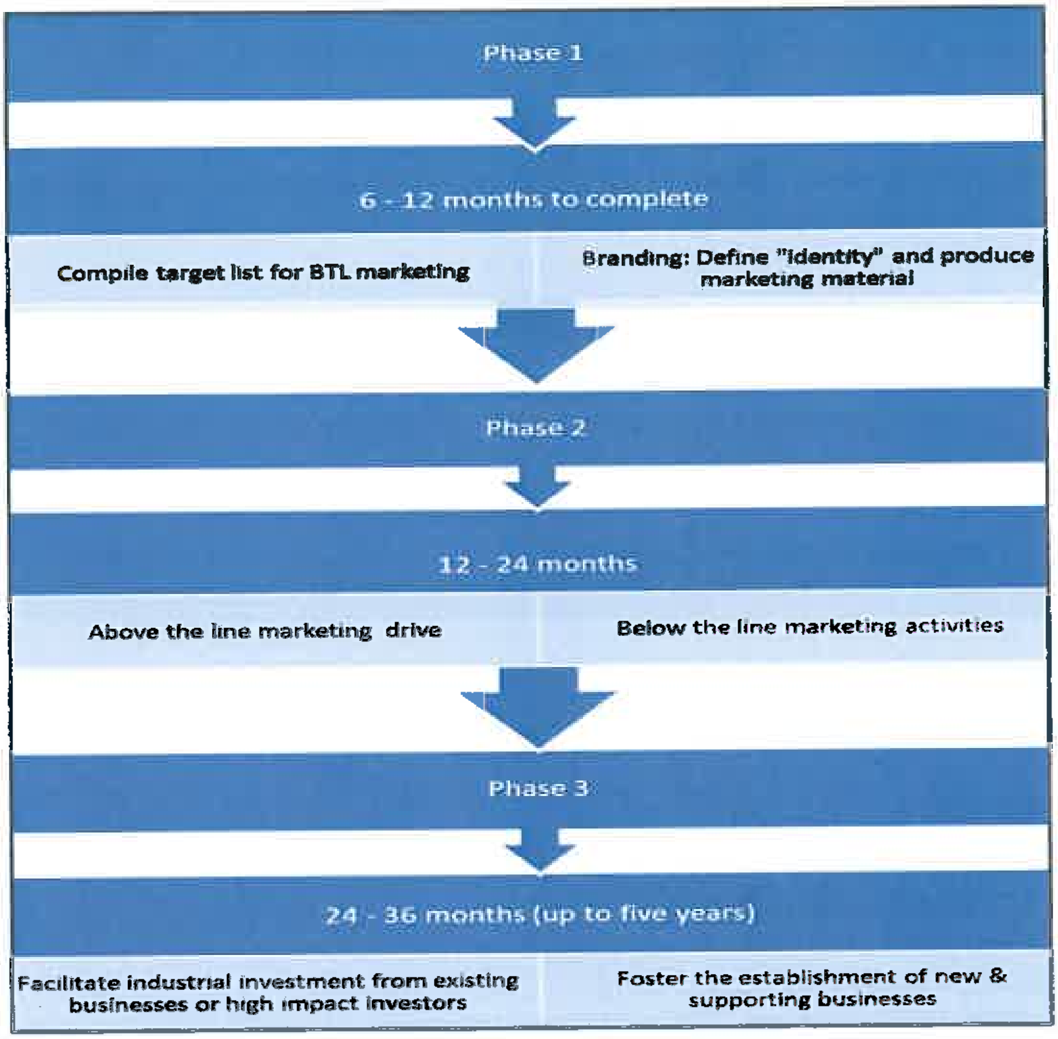
The **first phase** of the marketing plan will be to draw existing, larger businesses and high-impact investors to Cape Winelands to anchor the industrial development and create as many job opportunities as possible for residents in the Cape Winelands area.

The **second phase** will be to foster the establishment of new businesses in Cape Winelands. In this respect, the one-stop shop incentive should prove to be especially valuable. The reasons why the first priory is to draw larger, established investors to the market are:

- Big business brings bigger factories, which leads to more job opportunities over a shorter period of time
- Established businesses are less risky than new businesses, and therefore the exposure to the risk of job losses is lessened
- Bigger industry can act as anchors and provide opportunities for supporting businesses in the industry
- Existing infrastructure and resource can be fully leveraged and utilised.

New and existing businesses should grow into a stable and secure industrial community that will be sustainable over the long term.

Before the destination can be marketed to potential investors, the facilitation vehicle ("One Stop Shop") and investment drawing cards (land, incentives and infrastructure) should be in place. This preliminary phase of the initiative can take one to two years before the actual marketing can be rolled out as follows:



ACTION PLAN: TRADE INVESTMENT

The Cape Winelands District Municipality is fulfilling its role as the facilitator of creating an enabling environment for business participates in trade shows/expos/missions as a means to provide a platform for businesses within the District to market their products and services to buyers/consumers and investors and thus creating competitiveness.

The CWDM objectives in participating in trade shows/expos/missions is to engage in generic marketing of the Cape Winelands as an investment and tourism destination. For participating SMMEs it is to:

- Increase sales of products/ services represented on the Cape Winelands District Municipality's stand by participating SMMEs;

- Obtain market intelligence and gauge response to the District as an Investment destination as well as to the various products/services on offer; and
- Penetrate new markets for the District's products and services by the participating SMMEs on the Cape Winelands District Municipality's stand.

Trade Investment Project. Continue to explore in collaboration with WESGRO new markets for Cape Winelands products and services. Continue to provide a platform for SMMEs in the district to penetrate new markets for their products and services.

DRIVER 10: BUSINESS RETENTION AND EXPANSION FOR HIGHER GROWTH SECTORS

The Cape Winelands District Municipality understand that existing businesses are the foundation of any economic growth strategy. By building on what already exists, the district can support current businesses and create a strong foundation on which to attract new businesses, residents, and employment.

ACTION PLAN: CONTINUOUS MULTI-SECTORAL BRE PROGRAMME IN CAPE WINELANDS

Wesgro BRE unit to run a multi-sectoral BRE programme in Cape Winelands where CWDM (and possibly Local Municipalities) funds this continuous BRE programme.

The BRE programme needs to focus on 2-3 appropriate objectives which could include any combination of the following:

1. Initiate investor aftercare activities to make sure that new investors to the District are not experiencing problems in their establishment phase
2. Defensive: avoid company relocations
3. Defensive: preventing closures and down-sizing
4. Pro-active: encourage and assist company expansion projects
5. Pro-active: anchor companies in the regional economy by strengthening linkages with local suppliers and the local labour market
6. Pro-active: develop cluster network interactions between related companies behind joint initiatives
7. Pro-active: target additional suppliers that can fill gaps in the supply chain.
8. Pro-active: identify ambassadors and testimonials as part of the FDI marketing strategy
9. Pro-active: identify needs for product development.

The following best practices have been identified from a review of international experience:

Stage	Do's	Don'ts
Objectives	Stay focused on most important needs.	Don't try to copy best practice from world class IPAs

	Create realistic expectations.	
Targets	Start with small, manageable number; extend when under control.	Don't try to serve all industries/ companies with after care.
Contacts with investors	Ensure senior staff involvement; Meet regularly, as needed and acceptable (min 2 per year)	No juniors! Not too frequent meetings

Wesgro, the Provincial Trade and Investment Agency, has a limited BRE Programme, however, this is severely under-resourced and needs to be supplemented by District BRE financial support capacity. A District-WESGRO MOA should be developed to outline the BRE partnership and cooperation, communication, and operational protocols.

This means that WESGRO will conduct the BRE programme for the CWDM which the CWDM in collaboration with Local Municipalities will fund.

The implementation of a BRE Programme requires the following dedicated resources:
- Senior Aftercare Coordinator (and ideally 1-2 aftercare officers)
- Formation of Public-Private task team to:
- Enhance access to support measures (e.g. skills initiatives, access to finance) as well as opportunities
- Prioritise the Aftercare strategy objectives (see above)
- Define the Aftercare services to be offered to companies and review task team membership/ composition (to include ECDC, Border Kei Chamber, relevant FET and HE institutions, IDC and others)
- Decide how to Brand and market the Aftercare Strategy required (what is the main benefit or promise?)
- Decide how to select companies to be included in the Aftercare Program. It is proposed that the initial focus is on the agriculture and clothing and textiles sectors. In addition, the spatial location priorities must be agreed.

ACTION PLAN: LOCALLY DRIVEN BRE PROGRAMME FOR TOURISM SECTOR

Cape Winelands BRE for the Tourism Sector Project.
Since the CWDM did not have the resources necessary to implement a continuous approach, the locally driven was utilized which placed the implementation in the hands of the community. The Local Tourism Associations (LTAs) were chosen by the tourism

community to be the implementing agents for the CW BR&E programme for the Tourism Sector.

The CW-BRE Programme for the Tourism Sector was implemented in 2013/2014 in partnership with Local Tourism Associations, Local Municipalities, Business Chambers/Sakekamers and individual tourism businesses in the towns of Worcester, Ceres, Tulbagh, Wolseley, Stellenbosch, Dwarsriver and Franschhoek. The programme was then rolled out to Drakenstein and Langeberg local municipal areas in the 2015/2016 financial year.

In 2013, the CWDM engaged with Local Tourism Associations, Local Municipalities, Business Chambers and tourism stakeholders in their Integrated Development Plan (IDP) process around the development and growth of tourism in the Cape Winelands District. Niche tourism development areas (i.e. sport/outdoor (sports events, cycling, mountain biking, canoeing, running, etc.) tourism; accessible tourism and multi-generational tourism) were identified by tourism stakeholders and role-players as tourism niche areas to be exploited for further growth.

In response, the Cape Winelands has developed a Cape Winelands Tourism Niche Strategy (CW-TNS) focussing on these three niche tourism areas. The Cape Winelands acts as a catalyst for showcasing the opportunities in these tourism niche areas and therefore BR&E projects in these three niche areas are also supported under this programme. The Cape Winelands District Municipality in collaboration with the private sector has implemented 84 co-funded business retention and expansion projects in the tourism sector since 2013/14.

Some of these successful BRE programmes are:

- Stellenbosch 360 Dine with Locals – one of the hostesses is booked out a year in advance by international tourist groups
- Franschhoek Hospitality and Learning Academy – trains about 20 students a year in hospitality and students do in service training at restaurants in Franschhoek. Ambassadors for the programme are Ruben Riffle; Margot Janse; Matthew Gordon, JP Smith and Chris Erasmus
- Danscape South Africa – ballet dancing in Zolani that have produced talents that are currently dancing all over the world
- AmaWolseley Marimba Band - This group of eight teenagers was formed in September 2012 and after just one year are now performing at weddings, corporate functions, festivals, markets and celebrations. They have been filmed by Fiesta of Kyknet.
- Tulbagh Community Garden - Dream Tulbagh has initiated a large scale community kitchen garden at the end of Church Street in the historic village. The garden an added tourist attraction to Church Street. The garden acts as an educational tool which reconnects people to their produce and traditional growing techniques.
- Basic Sign Language Poster for Tourism Industry - CWDM views the initiative of the sign language tourism poster as ground breaking. CWDM strives towards inclusiveness of all individuals in experiencing what the Cape Winelands can offer. The services of a linguist

were specifically used for the formulation of the tourism signs and an international interpreter also assisted in teaching the deaf community the specific tourism signs.

- Cape Winelands Braille Menu Project is done in partnership with Worcester Tourism, Breede Valley Local Municipality, and the Institute for the Blind. Braille menu's are now found at a few restaurants in Worcester
- The BRE has also supported various route development and marketing initiatives such as Dwarsriver Freedom route; Franschhoek rond en bont route; Route 62 MTB Meander; Paarl and Wellington historical routes; Play witzenberg, Proudly Ceres, Celebrate Breedekloof campaigns, etc

12

Rural Economic Development Strategy

Goal:

ENVIRONMENTAL PROTECTION THAT PROMOTES SUSTAINABLE DEVELOPMENT AND ECONOMIC GROWTH

Key Aim:

TO FACILITATE THE ECONOMIC, SOCIAL AND ENVIRONMENTAL SUSTAINABILITY IN RURAL AREAS OF THE CAPE WINELANDS DISTRICT.

12.1 RURAL ECONOMIC DEVELOPMENT

12.1.1 RURAL ECONOMIC DEVELOPMENT

The draft Framework for LED (2018) highlights the NDP imperative of improving living standards and ensuring dignified existence for all South Africans and advocates in the Framework that the economy must create decent work and sustainable livelihoods. This means that the most vulnerable must be prioritised in government programmes. According to the draft framework for LED, government programmes should therefore include programmes such as "support for the informal economy, sustainable livelihoods programmes, inner city economic revitalization, small town regeneration, township development, revitalisation of distressed and declining mining towns, youth and women empowerment and leveraging economic opportunities from the Expanded Public Works Programme, including the Community Work Programme" (2018, p20).

In the rural areas of Cape Winelands the economic realities differ widely where some communities are prosperous and others struggle to make ends meet. The Cape Winelands Rural Economic Development Strategy has specific action items to help the most vulnerable of communities.

12.2 RURAL ECONOMIC DEVELOPMENT STRATEGY

The Rural Economic Development Strategy sets out the Cape Winelands District Municipality's unwavering support for rural communities and businesses in the Cape Winelands. The district municipality is committed to working with rural communities, businesses and organisations to strengthen their resilience, facilitate job creation and help build economic opportunities while enriching the unique lifestyle advantages that rural Cape Winelands has to offer for residents and visitors alike.

The purpose of the Rural Economic Development Strategy is to seek new ways in which rural communities can share in the available resources and services no matter where they live in the District. It outlines the steps that we as government, industries, businesses and communities can take to increase economic development capacity, improve on the current range of initiatives/programmes and facilitate new opportunities to enable rural Cape Winelands continued success.

12.2.1 GOAL

Environmental Protection that Promotes Sustainable Development and Economic Growth

12.2.2 KEY AIM

To facilitate the economic, social and environmental sustainability in rural areas of the Cape Winelands District.

12.2.3 KEY PRIORITIES

12.3 OVERARCHING PRIORITY OF THE CW-SEDS

PRIORITY 1: BUILD AND STRENGHTHEN PARTNERSHIPS AND COLLABORATION

DRIVER 1: MOBILISING RESOURCES FOR SOCIAL, ECONOMIC AND RURAL DEVELOPMENT IN THE CAPE WINELANDS

- Continue to support rural organisations as they play an important role in increasing the resilience of rural people through their social development programmes
- Continue to advocate for the Cape Winelands Biosphere Reserve and the balance between conservation and industry

12.4 RURAL DEVELOPMENT PRIORITIES

12.4.1 PRIORITY 5: INCLUSIVE ECONOMIC GROWTH

According to the UNDP (2015) there are many definitions of inclusive economic growth however within these definitions there are common traits, such as: "Growth is inclusive when it takes place in the sectors in which the poor work (e.g. agriculture); occurs in places where the poor live (e.g. undeveloped areas with few resources); uses the factors of production that the poor possess (e.g. unskilled labour); and reduces the prices of consumption items that the poor consume (e.g. food, fuel and clothing)... [therefore] ... inclusive economic growth is not only about expanding national economies but also about ensuring that we reach the most vulnerable people of societies".

The Cape Winelands District Municipality will strive through its rural development programme of action to foster, promote and facilitate inclusive economic growth.

12.4.1.1 DRIVER 11: UPLIFTING RURAL PLACES, ECONOMY AND PEOPLE

The key driver of the Cape Winelands Rural Economic Development Strategy centres around uplifting **Rural Places, Economy and People.** Continued support for projects that improve competitiveness, encourage diversification of the rural economy to improve community resilience, improve quality of life in rural areas and that protect and enhance the natural environment.

There is a need for balanced rural development that not only takes into account support for agriculture but also the non-farm rural economy to achieve better pro-poorest outcomes.

RURAL PLACES

ACTION PLAN: WATER RESOURCES MANAGEMENT

Water is an essential resource for the economic development of rural communities. The continuous improvement of water management practices and technologies as well as decreased consumer usage can help ensure the availability of reliable, quality water supplies over time. Maintaining strong partnerships with landowners, farmers, industries, businesses as well as communities, is key to sustaining our rural economy.

- **Water Resource District Coordination.** Continue to enable partnerships, district-based solutions and information sharing to enhance effective water management practices and promote long-term sustainable water supplies.

RURAL ECONOMY

ACTION PLAN: DIVERSIFYING OUR RURAL ECONOMY

- **Support small farmers project.** Continue to support small farmers within the district.
- **Support Small and Medium Agro-Enterprises (SMAEs) Project.** Value-added processing and manufacturing gives Cape Winelands producers and agri-businesses exponential benefit from the raw products and services they produce. Facilitate rural diversification through small and medium agro-enterprises (SMAEs) and employment in the rural non-farm economy can help to build resilient livelihoods in rural areas. Value-addition for agricultural products will seriously be considered to advance diversification of the rural economy.

- **Trade Export Project.** Assist rural businesses with capitalising on opportunities in new local, domestic and international markets.

- **Support Green Enterprises Project.** Empower environmental entrepreneurship by enabling commercialisation of "green" technologies and implementing improved waste-management practices.

- **Supporting Cultural Projects.** Increase creative and culture-based business opportunities in rural communities – support economic opportunities resulting from cultural industries such as film and television, arts, music, dance; literature, festivals and heritage.
    - **Cultural Event funding project.** Funding was provided to support cultural organisations in implementing mass participation in cultural events. The programme provides opportunities to vulnerable groups to advance to local, provincial and national cultural programmes.

    - **Arts Cape Rural Outreach Programme – Cape Winelands Drama Festival project.** This facilitated the growth of the drama programme at various levels and provided the youth with opportunities to learn from and be guided by professionals in the field.

    - **Support Rieldans regional competitions project.** Rieldans is one of the oldest dance forms in South Africa and it is only appropriate that we celebrate it through a festival. The riel is mostly done by Khoi/brown children and adults, because it has its origins amongst the Khoi and San. The dance is a thanksgiving, but also for action and entertainment. ATKV goal of creation of platforms for culture, the creation of talent exhibition, nation building, and cooperation was successfully achieved.

RURAL PEOPLE
ACTION PLAN: STRENGTHEN OPPORTUNITIES IN RURAL AREAS

- **Skills Development – Trades training project.** A major need is to increase the individual and collective capabilities of rural people in order to increase their employability and therefore capacity to access decent jobs in the farm or non-farm economy.
  - Strengthening trades training in rural communities, so local residents can acquire skills to compete for local jobs;

- **Social assistance Project.** Social assistance initiatives are crucial for reducing the likelihood of households to revert to detrimental coping strategies.
  - Nutritional projects

- **Rural Youth Entrepreneurial Project.** Young adults and young families are the lifeblood of rural communities. They offer the promise of growth for the future. Young entrepreneurs bring energy, passion and innovation
  - Support for youth entrepreneurial programmes

ACTION PLAN: FACILITATE THE IMPLEMENTATION OF INCOME-GENERATING ACTIVITIES TO ADDRESS FINANCIAL DIMENSIONS OF POVERTY

Social enterprise is an important business model to build entrepreneurial capacity and community wealth and equity, leading to greater business and economic development in disadvantaged communities.

- **Income-Generation Project**
  - Income-Generation Programmes must be established for Adults and Parents of the community, including people with disabilities. Silk-screening printing, weaving, linoleum printing, fresco painting, collaging and beading are all income-generation programs that have been successful at the Philani Project in Khayelitsha.
  - Devising policies to support youth entrepreneurship in particular, and to increase the productivity of micro and small informal enterprises is a priority for increased resilience.

ACTION PLAN: BUILDING CAPACITY OF RURAL DWELLERS THROUGH SPORTS AND RECREATION

- **Sports and recreation Programme.** Sports Statistics have shown that sport and recreation participation plays a big role in the decrease of the crime rate and crime activity in communities who regularly participate in sport and recreation. Community based mass participation recreation, cultural and sports development programmes focus more noncompetitive fun rather than competitive sport so as to create and build social cohesion among youth and in communities. The objectives of these programmes are to promote social development, youth empowerment, social cohesion and community upliftment. Sports, recreational and cultural programmes provide opportunities for vulnerable groups to participate in mass participation programmes. It allows children, families, senior citizens, disabled, men and women to participate in and attend numerous events that would have otherwise been denied.

- **Sports Event Funding project**. Funding was provided to support sports organisations in implementing mass participation in sporting events. The funding maximized the participation of healthy lifestyles impact of community organisations across the Cape Winelands Municipal district. The programme provides opportunities to vulnerable groups to advance to local, provincial and national sport programmes.
- **Cape Winelands Sports Awards project.** The Cape Winelands Sports Awards Ceremony is annually held in partnership with DCAS, Cape Winelands Sport Council and Federations. At this ceremony persons who have achieved exceptional achievements in the various sports codes are honoured.
- **Business Against Crime Tournaments Project.** CWDM in partnership with Breede Valley Municipality, SAPS Department of Education, De Jagers Outfitters and other local businesses joined hands in the fight against crime that is consuming the Youth of today. Rugby and Netball tournaments are implemented as an alternative recreational programme where learners of gang infested areas could participate in a safe environment.
- **Cape Winelands Dominoes and Tug of war tournament Project.** The purpose of the tournaments is to provide an opportunity for the respective farming communities to participate in sports and to socialize. These programme promotes social cohesion and strengthen relations between farmers and farm workers.
- **Easter Tournaments Project.** These tournaments enhance social cohesion and aim to address crime in the respective communities.

13

Tourism Sector Plan

Goal:

CULTURE, DIVERSITY AND VIBRANT PLACES

KEY AIM:

TO INCREASE THE ECONOMIC IMPACT OF TOURISM THROUGHOUT THE CAPE WINELANDS DISTRICT.

13.1 CAPE WINELANDS TOURISM

13.1.1 DESTINATION MANAGEMENT

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

The experience offered by the destination is greatly dependent on the capabilities of the local tourism businesses, but is largely influenced by the proper functioning of municipal services, the cleanliness of the area, and the safety and security of residents and visitors to the area. The municipality's duty in this respect is to provide the backdrop against which local tourism can prosper through excellent service delivery.

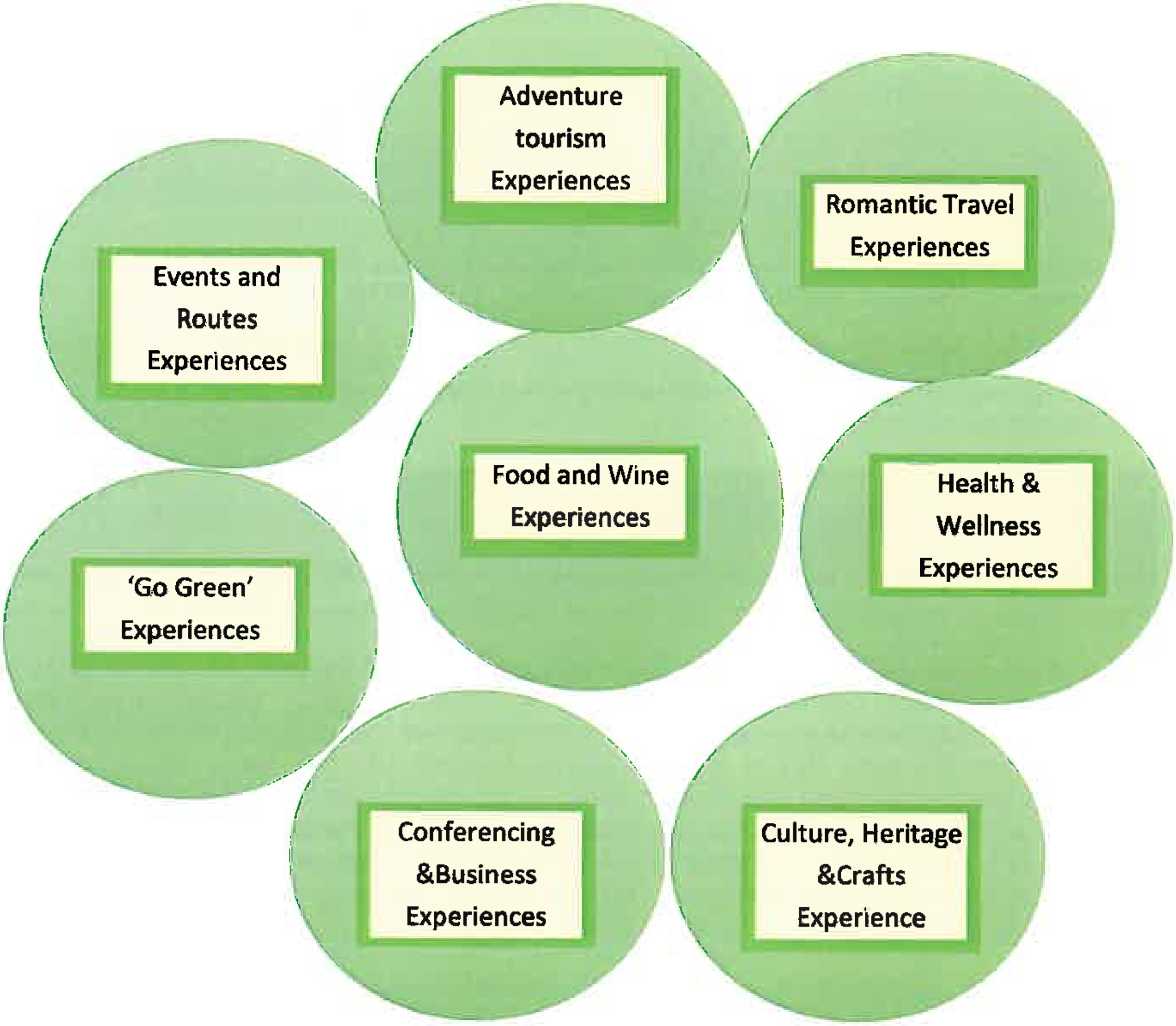
13.2 CAPE WINELANDS REGIONAL TOURISM STRATEGY

The Cape Winelands Regional Tourism Strategy is comprised of two plans:

- Marketing Plan; and
- Tourism Development Plan

Marketing Plan

The tourism marketing plan retains its eight strategic themes and continue to build and strengthen these themes through proactive marketing. The themes, being:



Tourism Development Plan

- Continuous Product Development
- Tourism education, training and skills development
- Tourism Infrastructure

- Inclusive Tourism
- Niche Tourism

13.2.1 GOALS

Promoting Culture, Diversity and Vibrant Places

13.2.2 KEY AIM

To increase the economic impact of tourism throughout the Cape Winelands District.

13.2.3 KEY PRIORITIES AND DRIVERS

12.3 OVERARCHING PRIORITIES OF THE CW-SEDS

PRIORITY 1: BUILD AND STREGHTHEN PARTNERSHIPS AND COLLABORATIONS

- Strengthen the partnership that already exist with WESGRO in tourism promotion.
- Strengthen the partnerships that already exist with the 14 Local Tourism Association through collaborative planning and joint project implementation.

12.4 TOURISM PRIORITIES OF THE CW-SEDS

12.4.1 PRIORITY 5: INCLUSIVE ECONOMIC GROWTH

According to the UNDP (2015) there are many definitions of inclusive economic growth however within these definitions there are common traits, such as: "Growth is inclusive when it takes place in the sectors in which the poor work (e.g. agriculture); occurs in places where the poor live (e.g. undeveloped areas with few resources); uses the factors of production that the poor possess (e.g. unskilled labour); and reduces the prices of consumption items that the poor consume (e.g. food, fuel and clothing)... [therefore] ... inclusive economic growth is not only about expanding national economies but also about ensuring that we reach the most vulnerable people of societies".

DRIVER 12: TOURISM PLANNING AND MANAGEMENT

The Cape Winelands District Municipality is the Regional Tourism Organisation for the Cape Winelands Tourism Region. As a RTO, the CWDM plays an important role in supporting this competitive and sustainable tourism region. It is expected that the CWDM provides regional leadership and coordination and works with industry partners, such as the Local Tourism Associations, to grow tourism through activities like strategic planning, research, product development, training and marketing. It also acts as a facilitator amongst tourism role-players and stakeholders in order to advance a more coordinated and collaborative tourism approach that maximises resources, encourages strategic planning and tourism investment, and results in stronger marketing.

ACTION PLAN: EFFECTIVE FORUM MEETINGS

- **Provide the Tourism Voice at RTO meetings** at provincial level. Continue to promote tourism interests within the province by being at the table when discussions take place about provincial and regional tourism initiatives.
- **Review of Cape Winelands LTA Forum meetings.** The Cape Winelands Local Tourism Forum meeting sets the platform where government officials and Local Tourism Officials discuss and plan collaborative to market and develop tourism in the Cape Winelands. It is recommended that a review be done to enhance the functioning and effectiveness of the forum in order for tangible results to emerge from actions.
- **Champion Linkages to other RTO Regions.** Identify projects where a cross-regional approach would be beneficial to enhance visitor experience. For example, in developing new routes that cross municipal boundaries.

ACTION PLAN: TOURISM STATISTICS AND INFORMATION

Strategy relies on cutting-edge research and market intelligence to inform and guide decision-making. The quality of the decision-making is directly linked to the accumulated intelligence from markets, insights from partners and stakeholders. Information and analysis to inform insights and strategy need to be very current.

- **Assist in gathering reliable tourism statistics.** Local Tourism Associations and individual stakeholders need to collaborate to obtain statistical data needed for more effective tourism planning, implementation and development.
- **Tourism Research.** Engaging in tourism research is expensive but it is needed to stay ahead of the competition. The Cape Winelands District will as far as possible look at how research can be done in partnership with the private sector.

ACTION PLAN: EASE OF ACCESS

Ease of access primarily refers to the ability of potential tourists to travel to and within a tourist destination (NTSS, 2017). Challenges with regards to access, both to and within a destination, detract from visitor rates even in the face of effective branding and marketing efforts. Services most highly rated in the tourism sector include internet access (ICT infrastructure), roads and signage, and a high level of basic service delivery.

The Cape Winelands district will as far as possible work with the private sector to facilitate the following:

- **Access to ICT.** Access to telecommunications and connectivity (high speed Wi-Fi access) is an important component of the product package for tourists.
- **Tourism Signage.** Clear and appropriate tourism signage is important to guide and enhance ease of travel within the destination. The CWDM and it partners will continue to try and resolve problems arisen from tourism signage approval process through engagement with the relevant authorities.
- **Safety and security.** Safety and security is vitally important as being victims of crime can be a deterrent for tourists to visit an area.

It is the responsibility of the local municipalities to ensure that basic services such as roads, transport and electricity promote tourism, and do not distract from the tourist experience.

DRIVER 13: CHAMPIONING TOURISM GROWTH, PRODUCT DEVELOPMENT AND INNOVATION

The first step in developing a tourism plan is developing a suitable product that would be attractive to the market, whilst capitalising on the area's unique strengths and capabilities. One of the goals of a tourism strategy is to develop the right package of product offerings for the most attractive market segments . The products offered to the market should be tailored to market preference and expectations. If the product offering does not appeal to the market, no amount of marketing will attract the desired results. There is no use in trying to push products onto people who do not want the products at all.

Therefore, the starting point of product development is market intelligence: knowing who the target market is and what their preferences are.
Effective marketing is dependent on four important factors:

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

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

ACTION PLAN: CHAMPIONING PRODUCT DEVELOPMENT AND INNOVATION IN THE CAPE WINELANDS

The Cape Winelands should commit to new, independent, innovative product development that will confirm Cape Winelands as a leading tourism destination not only in South Africa but globally. It is therefore of crucial importance to drive value through world class visitor experiences.

The adoption of a proactive approach to product development and the creation of new immersive experiences, particularly cultural experiences that showcase the Cape Winelands diverse heritage.

We should continue to facilitate the integration of poor communities into the tourism value chain through supporting and developing active entrepreneurial participation. One of the approaches would be to commit to providing every tourist with the opportunity to have an authentic cultural and/or heritage experience in the Cape Winelands.

- **Support introduction and development of new products.**
- **Continue to develop agri-tourism.**
- **Build an online resource for tourists/travellers/visitors.** It is important to develop an online resource for tourists that they can access while they are in their consideration and planning phase of their trip. Therefore, a greater regional presence online initially through mass-market utilities (e.g. Google, Facebook, YouTube, TripAdvisor, etc) whilst building functionality online via a website, app and Wi-Fi hotspots that provide visitors with the digital tools to plan, communicate, way-find and share their experiences online. We should:
  - Continue to refine the Tourism Town Apps and Cape Winelands Routes and Events app;
  - Developing a user experience strategy that will inform the development of an online resource.
  - Content development is also crucial for the online resource.
- **Assist Small towns in the Cape Winelands.** Giving support to smaller towns in their efforts to attract a larger share of the visiting tourists.

ACTION PLAN : INVEST AND GROW NICHE TOURISM

Product development should be suited to customer needs and preferences and therefore, marketing starts with developing the right products.

Niche products have the potential to fill rural tourism's strategic gaps; however, it is important to be cognisant of the fact that infrastructural changes to cater for niche markets can be costly and ultimately have to be financed by each individual private sector tourism business. The expenses incurred in adapting to niche market needs have to be viable, i.e. the resulting increase in revenue must justify the expense and it is ultimately up to the discretion of the owners of each tourism enterprise to spend funds on attracting niche markets.

Tourism is primarily private sector driven, and infrastructure expenditure is therefore mostly at the discretion and account of the various privately-owned enterprises in the area. This means that niche strategies, such as positioning an area as a destination specifically accessible for persons with disabilities (mostly with wheelchairs) can be problematic as the individual enterprises may not all choose to adapt their facilities accordingly, negating the effect as a wheelchair-friendly destination. Niche markets are by definition smaller, and any infrastructural adaptations have to be justified by a corresponding increase in revenue (volume of additional tourists attracted).

It is understood that in order to establish the destination in its entirety as catering for a niche market, a high-level of buy-in from all the individual enterprises is required.

- **Support niche product development.** Foster and maintain existing markets while expanding emerging markets. Additional growth can be gained from adding niche markets such as Sports, Adventure and Outdoor tourism, universal accessible tourism and multi-generational tourism to the existing market base.
    - **Sport, Adventure and outdoor tourism**. Sports tourism is the sporting experiences that are done out of the formal environment, out in the open spaces. It is an activity that brings people together. Sports tourism is one of the fastest growing sub-segments of the tourism industry worldwide. Cycling and mountain biking has become a favourite for domestic tourists in the Western Cape. In response the CWDM has worked with private sector partners to build a number of MTB trails in the District. The CWDM and its partners will continue to invest in sport, outdoor and adventure products in the district.
    - **Multi-generational tourism.** Multi-generational tourism is often defined as a travel party made up of at least one traveller over the age of 60 years and one under age 18. Get-together options include cruises, safaris, guided genealogy tours and reunion activities for all ages. The industry even has a demographic category identified as PANK (professional aunts with no kids)—single career women who collectively spend billions when they travel with nieces and nephews (Euromonitor International, 2013). Multi-generational tourism is considered to be one of the fastest growing market segments and hottest trends in travel, with 15% of multi-generational travellers indicating an interest in visiting Africa in the next two years. This offers huge economic growth opportunities for South Africa, particularly since the country is predominantly malaria free and offers high quality medical facilities. The multi-generational traveller seeks to reconnect with the family and to create lifelong memories through holidays that are often organised around milestones and major events, such as birthdays, anniversaries, and family reunions. They are interested in scenery, wildlife, adventure (e.g. hiking, biking, watersports), history & culture, beach, and food, and like to

include an educational component however, authenticity is key. The multi-generational traveller seeks value for money and allows children to be more influential in the planning of these trips. The CWDM and its partners will continue to invest in family-friendly products in the district.

- **Accessible tourism.** Tourism products are designed with the sole purpose of being enjoyed by all tourists i.e. young, elderly and people with disabilities. Statistics from the United Nations Social and Economic Council (UNESCAP) indicate that the potential global market for Universal Accessible Tourism (UAT) is 650 million people with differing disabilities and 600 million elderly people. Many elderly people, families and people with disabilities are keen to travel, but wide variation in the level of access within destinations, combined with poor information and negative experiences, discourage potential customers. In South Africa, the potential market for Universal Accessible tourism represent around 30% of the population and a portion of the 30% has adequate disposable income to travel which represent an untapped segment of the market. The Cape Winelands and its partners will continue to explore ways in which to make the destination more accessible for tourists with special needs.

ACTION PLAN: CONTINUED FOCUS ON ROUTE DEVELOPMENT PROGRAMMES

The development of themed tourism routes is an important tourism tool in attracting visitors. Joining a number of tourism attractions into one themed route leads to a better offering for tourists whereas each individual attraction does not have the same potential to draw tourists.

DRIVER 14: INVEST IN TOURISM SKILLS AND TRAINING

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

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

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

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

ACTION PLAN: PROMOTE SERVICE EXCELLENCE

- ***Enhance visitor experience and address skills gaps through training programmes aimed at specific- as well as general tourism skills.*** Utilise the CWDM database to identify community members that require assistance with training and product development. Skills training are essential for the development of tourism. Computer training, First Aid training, Introduction to wine, Customer care training, Events Management and Culinary training has all been identified as being beneficial for the tourism industry and will be offered by CWDM to enhance the skills level of the unemployed and the youth.
- Tourists are increasingly demanding online access and the capacity to engage through social media and high service standards is a part of their visitor experience. Many tourism businesses are lagging behind in terms of digital excellence. Continue to **support training and advice that encourages digital excellence** across the Tourism sector in the Cape Winelands.
- Developing training kits for small businesses in targeted marketing sectors, such as "Marketing 101" for microbreweries, heritage, arts and culture providers, NGOs in voluntourism, etc.

DRIVER 15: EFFECTIVE DESTINATION MARKETING

Marketing management is the process of identifying, anticipating and satisfying customer requirements profitably. The four P's of marketing, also known as the marketing mix concept, was developed to identify certain characteristics involved in marketing.
Product: What products or services do customers need or want? How does your product fit into their needs or wants? Why would consumers choose your product over the alternatives available?
Place: How does your product reach your customers? What is the best platform to reach potential clients and how should the product offering be communicated to them?
Promotion: How should the product be promoted? In other words, how will the tourist destination be branded and positioned in the market, and what would be the best message to convey the attractiveness of the destination.

Traditionally the fourth P refers to **price**, however, in the case of marketing a tourist destination, prices are determined by the individual (often privately owned) establishments in the region. Therefore, in the case of marketing a tourism destination, the third P should represent the People as the people have a significant impact on the customer experience. The people aspect of tourism promotion is dealt with under Destination Management below.

ACTION PLAN: REFRESH THE CAPE WINELANDS BRAND

Market preferences are constantly changing and the Cape Winelands needs to remain ahead of the game. Communication efforts should be co-ordinated and coherent to promote the Cape Winelands District as a brand. This will entail agreement on a brand image and core message to be communicated by all stakeholders and across all platforms. When developing a brand for the tourist area, the unique features (USP) of the area and authentic characteristics should be key determinants. The NTSS (2017) acknowledges that a coherent approach improves conversation rates about the destination and more effectively promotes a destination. Smaller rural tourism enterprises can benefit from prime tourism attractions in the area through strategically expanding tourism experiences to include more than just the regular tourism hot-spots in an area.

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

- ***Refresh brand image in collaboration with all stakeholders*** - A consistent marketing message will enhance brand recognition in the market. Combine the strengths and capabilities of the individual towns to build a distinctive brand that can be promoted to the mutual benefit of all towns and stakeholders in the area. All stakeholders should work together to plan, execute and assess the profile of the tourism package offered by the destination.

ACTION PLAN: MARKETING THE CAPE WINELANDS

Destination marketing is important because tourism regions, like any other business, needs a good marketing strategy that will enable it to build a brand, attract new tourists and hopefully encourage and maintain repeat visitors. Furthermore, destination marketing is important since competition in tourism is between destinations and not individual tourism products. It therefore important to invest in marketing of the destination utilising all partners as an extension of our marketing effort.

- **Marketing Campaign.** The last fully-fledge marketing campaign was done in 2006. A new marketing campaign needs to be created based on what makes the Cape Winelands different from other regions in South Africa and what makes it different from other wine and food regions in the world. Differentiation is an increasingly important element in tourism competitiveness.

- **Cluster existing experiences** in new combinations to create new appeal and demand. Coordinate pilots projects to determine workability of developing packages around themes and bring regional assets together as one experience e.g. agri-tourism; art and cultural tourism; etc.
- **Increase length of stay project.** Focus first on developing and selling new overnight experiences targeting the leisure traveller. Identify partners e.g. accommodation sector, and new markets to explore, in developing overnight packages
- **Address the seasonality of tourism to the region.** Counteract seasonality through specific campaigns and events offered during the off-peak seasons. Develop lesser-known destinations through special packages that are more affordable and aimed at the domestic market.
  - **Events Calendar.** Cape Winelands is a leading major events destination in South Africa. Building an iconic events calendar though targeted private and public investment is needed to remain a leading events destination. The Cape Winelands should continue to use events to encourage off peak visitation and geographical spread. The CWDM and LTAs should explore how to attract additional major events to the Cape Winelands District. The CWDM will continue to support and develop existing events with tourism stakeholders.
- **Increase business tourism.** Work with Local Tourism Associations to increase the number of conferences and events to improve business tourism.
- **Chinese Tourist.** Creating marketing tools specific for the Chinese market and thus exploring new ways in attracting the Chinese tourist to the Cape Winelands. Utilizing twinning agreement to market the Cape Winelands specifically in China. Designing specific marketing collateral with Chinese-friendly activities and food in their own language. Encourage LTAs to identify which wine estates most closely link to the Chinese palate.

- **Utilise different marketing tools.** Continue using traditional media to market the Cape Winelands but also look to newer marketing tools.
  - **Continue with Tourism Media Educationals project.** Working in collaboration with Local Tourism Associations to market the region and its hidden gems. Concentrating not only on places and attractions but also specific themes.
  - **Tourism Month project.** Expand Tourism Month to acknowledge the importance of tourism in the region. Encourage the involvement of emerging businesses in developing products with regional appeal and showcase them on the various platforms during the month of September.
  -

ACTION PLAN: DIGITAL EXCELLENCE IN TOURISM MARKETING

In line with global trends, technology plays an increasingly important role in tourism. Technological advances have altered how travel services are procured and consumed (NTSS, 2017). Visitors are increasingly turning to the internet as a source of information and using travel blogs and travel advisory websites (NTSS, 2017). Tourists also communicate with other travellers on various online platforms. Due to the preferences of the current market, online marketing of the region is very important and should enjoy priority. Service delivery of local Visitor Information Centres are also important, especially in enhancing the experience of visitors already in the area. Visitor information Centres (Tourism offices) should be positioned as knowledgeable and informed centres, and be easy to find through clear signage and directions.

- **Digital Excellence in tourism marketing project.** Increase focus on digital marketing of the Cape Winelands district.
    - **Content** is key tool for success. We can establish a win-win relationship between Local Tourism Associations, tourism businesses and industry. Using your businesses as an extension of your marketing team will lead to greater content generation.
    - **Hashtags.** The hashtag in front of words and phrases that is now so much a part of social media is one of the key elements for engagement. This symbol enables interaction on social media channels. Hashtags should be use to give content a presence and identity by creating keywords preceded by a hashtag to boost conversations around cape winelands tourism products and services.
    - Driving exposure through **Influencer programmes** - Using online influencers as a way of marketing for hospitality and tourism agencies is becoming more and more popular. These influencers are bloggers, YouTube vloggers, Instagrammers, etc. These influencers market products/services directly to their followers who they have a direct connection.
    - Create amazing short **destination videos**. In the last few years the world has been moving toward videos. Videos are great because they convey a huge amount of information in a small amount of time just like a picture tell a thousand words.
    - Support and/or create a **web TV series,** hosted by a local celebrity, that is a video road show in which every episode pairs to one of the Cape Winelands tourism themes and leads the visitor to an undiscovered area/attraction/experience in the Cape Winelands.
    - Creating an **Instagram campaign** with side-by-side images of the tourism themes. Campaign should also be repurposed for Facebook. Showing the diverse tourism assets throughout the district.
    - **Mobile technology** – from numerous surveys conducted internationally, it is now generally known that the majority of millennials would rather text than make a call. From tourism trends we know that they travel more frequently than any other generation before them. It becomes therefore crucial that we need to make the

most of mobile tourism marketing. It is important to tell our marketing story where consumers want to see it the most and that is on mobile. Continued support and innovation for the **Tourism Town mobile Apps and the Cape Winelands Routes and Events App.**

DRIVER 16: PROMOTE INCLUSIVE TOURISM

Full participation of disadvantaged people in the tourism economy will provide meaningful opportunities for partnerships and collaboration, creating new economic development and growth.

Inclusive tourism seeks to integrate poor and marginalised communities in the tourism value chain through active entrepreneurial participation. Reducing poverty by developing value chain linkages between the tourism industry and local producers of goods and services in the district.

- ***Explore support measures to foster growth among emerging tourism enterprises.*** Negotiating with LTAs for waiving LTA membership fees for the first year, will allow emerging businesses to enter into the tourism industry and becoming sustainable, whilst receiving all the related benefits of being a member of a Local Tourism Association.

14

MONITORING AND EVALUATION

14.1 INTRODUCTION TO MONITORING AND EVALUATION

Monitoring and Evaluation (M&E) is a systematic process that evaluates the progress of projects by examining inputs, outputs and impacts of the project. It has increasingly become important that development practitioners monitor and evaluate projects in order "to learn from experience, to achieve better results and to be more accountable" (GSDRC Applied knowledge Services). A monitoring and evaluation tool is mainly implemented to review progress, identify problems in planning and to make adjustments to the current situation. A good monitoring and evaluation plan result in better decision making, since risks and challenges will be identified in the early stage of implementation.

14.2 THE LOCAL ECONOMIC DEVELOPMENT MANAGEMENT SYSTEM (EzyED.com)

The CWDM Local Economic Development Unit subscribes to the Local Economic Development Management System known as EzyED. EzyED.com is an innovative new digital platform for economic development. It is built on the internationally proven, robust and secure Concursive platform.

Local Economic Development (LED) entails systematic identification and utilisation of economic opportunities, to benefit local businesses and employment. Many of these opportunities become viable when different institutions start to cooperate. The role of the municipality as an intelligent and responsive enabler is critical. This type of institutional cooperation does not happen spontaneously - facilitation is required. By working closely with leading LED facilitators, an IT system was developed to make it much easier for facilitators to perform well. The system benefits LED leaders and stakeholders, by providing better insight.

This innovation is a world first and could change the way developing nations do local economic development. The developed nations have mastered economic development cooperation and economic development. The developing nations like South Africa however, are still struggling with many aspects. In this need context, LED Management System makes economic development easier to do, thus enabling more success in reducing poverty sustainably.

The Local Economic Development Unit will use thIS Local Economic Development tool (EzyED) as a monitoring and evaluation tool for the Regional Socio-Economic Development Strategy.

14.3 REASONS TO USE THE LED MANAGEMENT SYSTEM

Improving the impact from public investment. The need for the tool is to ensure sustained outcomes and growing impact and for more robust strategy and execution. Public investment affects the quality of life of citizens. How well the municipality manages public investment is key to achieving increased impact with limited funds.

No more management by hope. Public investment into development programmes is motivated and approved based on the promised outcomes and impact. If thereafter only outputs are verified, there cannot be certainty and confidence that the purchased benefits are actually accruing. A paradigm shift is therefore required- away from just monitoring outputs, to accountability for outcomes.

Good development practices and critical success factors for development programmes. Good practices are reliable ways to get good results. Success of development programmes depends largely on how well the critical factors are executed. Factors depends on and reinforce others. Tools need to support these factors better.

The EzyED digital platform includes features, such as:

- Efficient cross-institutional collaboration;
- Project management;
- Knowledge management tools including shared repositories;
- Event management and promotion, as well as integrated place event calendars;
- Investment promotion site (which your team edits);
- ED promotion site (which your team edits);
- Easy to add documents, photos, videos, blog, etc.;
- Built in know how to support BDS market development. Improved Business cases including Cost benefit analysis using multipliers - More efficient.;
- Local business directory - giving them all a free website with amazing tools such as project management included; and

All these features makes it easier for LED practitioners to interact and mobilise business.

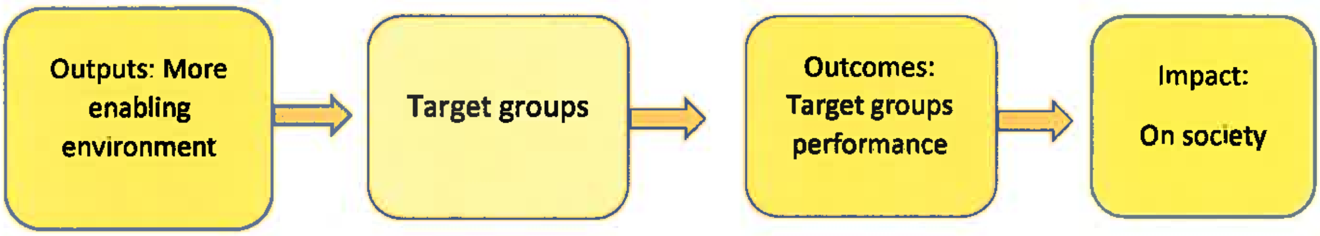
14.4 MAKING GOOD PRACTICE A HABIT

The system assists LED practitioners to become in the habit of building a business case for each project. This enable good economic development evaluation habits to be learned and practiced by using new tools and skills.

New tools and skills	Good practice becomes a habit	More effective public investment
1. Results management concepts and methods	1. Strategic information available and reliable	1. Better informed leaders including strategic information easily accessed
2. Information management communication and collaboration systems	2. Teams and stakeholders are well connected and informed	2. Deeper insight into quality gaps of programmes
3. Strategic outcomes verification process	3. Regular progress reports keep all updated	3. Better (verification of) programme quality
4. Projected results, measure actual, learn and adapt faster	4. Easy, effective meetings, dialogue and joint decisions	4. Deeper insight in quality of portfolio quality gaps
5. Portfolio management and optimisation	5. Implementation of decisions tracked to completion	5. Better (verification of) portfolio quality

14.5 THE RESULTS CHAIN

The results chain extract depicts how providing modern tools and skills results in greater impact. Implementation success can be verified when evidence shows that each of the blocks is healthy.



14.6 CONCLUSION

Cooperation and integration from all implementation teams within and outside the CWDM is important for successful implementation of the socio-economic development programmes.

It is important to note that a modern tool to address coordination challenges is incorporated within the EzyED platform. Through the interactive digital platform all stakeholders in a project can interact and be kept informed of progress on the implementation of programmes or projects. It also allows senior management to monitor project implementation.

The success usage of these tools is dependent on making sure that the capacity challenges are address and that the implementing teams are capacitated to use the EazyED platform.

15

CONCLUSION

The Socio-Economic Development Strategy provides strategies that will help the District Municipality in collaboration with its partners and communities to build on our socio-economic development efforts. Stakeholders were engaged to identify challenges and areas where the Cape Winelands District Municipality could facilitate growth and development in business; address social problems and promote the sustainable use of natural resources. They identified several key issues for ongoing socio-economic development:

- Employment creation was the overall most pressing LED need followed by training and skills development and working together in industry.
- Stakeholders most frequently responded that the role of the private sector should be to implement training and improve the relationship between the private and public sector and create employment
- Stakeholders most frequently listed the improvement of roads and parking as an infrastructural need in the Winelands District.
- Stakeholders most frequently felt that marketing and developing new and innovative tourism products were the most important development need in the tourism sector in the Cape Winelands District.
- Stakeholders reported that marketing, followed by creating a clean and safe environment, would improve visitors' perception of the Cape Winelands area.
- Skills development and additional information centres in townships were most frequently cited as the greatest resource needs in the tourism sector in the Cape Winelands District
- Better public transport, followed by more guided tours/tourist guides, were most frequently listed as services/ products required to boost the tourism sector.
- Not surprisingly, stakeholders most frequently responded that marketing was the highest priority in order to increase visitor numbers.
- Stakeholders most frequently listed skills training, followed by investment, as tools to promote out-of-season tourism.

The actions laid out in the Cape Winelands Socio-Economic Development Strategy directly respond to most of these challenges and outline practical steps that the Cape Winelands District Municipality, in partnership with Local Municipalities, other government spheres, the business sector and communities, can take to ensure that the district continue to grow and thrive. It is only through collaboration and a shared commitment between all stakeholders, that the Cape Winelands Socio-Economic Development Strategy can be successfully implemented. The Cape Winelands District Municipality therefore urges all our stakeholders, strategic partners and communities to work with us in ensuring that we implement the CW RSEDS.

The Cape Winelands Socio-Economic Development Strategy builds on the many programmes that have been put in place by other government spheres, business and civil society to reinvigorate Cape Winelands communities. It identifies new ways in which the District Municipality together with its partners and stakeholders can grow the economy and create new jobs. The strategy will continue to evolve over time so that the District Municipality and its partners can seize new opportunities and respond to emerging challenges.

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