



KDC

THE DEVELOPER

NEWSLETTER OF THE KWAZULU DEVELOPMENT CORPORATION

P.O. BOX 2801, Durban 4000

FEB '82 No. 1

**KDC — YOUR
PARTNER IN DEVELOPMENT**

Most people concerned with development are agreed that the creation of job opportunities for a burgeoning black population must be the top priority. The real debate among developers centres on how this can best be achieved.

The KwaZulu Development Corporation is convinced that the development needs of a people are best served by seeking out entrepreneurs and encouraging them to create jobs through private enterprise.

There are two main reasons for this conviction. The first is that a realistic appraisal of the country's financial resources must perforce bring one face to face with the

TO PAGE 2

SITHOLE IN BID TO BUY KDC HOTEL

One of Madadeni's most successful businessmen, Mr Simon Sithole, has made application to buy the Madadeni Hotel near Newcastle from the KwaZulu Development Corporation after running it with great success during the past year.

The Corporation's Board of Directors decided to sell the hotel last year after coming to the conclusion that a black entrepreneur would be in a better

position to run the business at a profit, because he would be better placed to identify the type of service that would attract clients.

The Board was proved right and audited figures showed that Mr Sithole was able to double turnover during the first six months of operation.

Results were even more spectacular during December, when Mr Sithole managed to treble turnover and generate handsome profits. The hotel and bottle-store had previously run at a loss.

Because of the huge capital cost of the hotel — it cost the KDC over R500 000 to build — the Board originally decided that it would sell the fittings and stock while leasing the building itself to an entrepreneur at a favourable rental.

Mr Sithole bought the fittings and stock valued at R127 000 after getting a loan from the KDC. But his trading results have been so spectacular that he decided to ask the KDC to buy the hotel itself.

He plans to double the number of rooms to more than 30 and is planning a swimming pool and traditional beer hall for older customers who enjoy sorghum beer.

Mr Sithole has a very successful trading business at Madadeni.



Priorities . . .

More than anything else at this time we need employment for our people.

**Chief M.G. Buthelezi
Chief Minister, KwaZulu**



FROM PAGE 1

hard fact that there is simply not enough money to finance sufficient jobs via the classic pattern of big-scale industrial development.

Industrial development has a role to play, but this is limited by the exorbitant costs necessary to create individual jobs.

The second stems from a commitment to partnership. This implies a policy of helping people to help themselves, rather than doing things for them. Such a policy does not impair the dignity of developing nations. And it is far cheaper than any other development model.

A further pillar of KDC development strategy, that of improving the quality of life of the individual and

groups, dovetails neatly with the striving to seek out and encourage entrepreneurial skills. The Developer aims to give concrete examples of the successes achieved. It will introduce entrepreneurs helped by the KDC to a wider audience and demonstrate how small outlays of finance can bring about a meaningful improvement in the quality of life of people.



THE CHAIRMAN PAYS TRIBUTE TO DR OLIVIER

The Senior General Manager of the KwaZulu Development Corporation, Dr M.J. Olivier, died at his home at Amanzimtoti on February 9.

Although he had been gravely ill for a considerable time, he came to his office at Umlazi until shortly before his death, although he was often in great pain.

He was the driving force and inspiration behind the corporation, a point acknowledged by the chairman of the Board of directors, Dr A.H. Zulu, who said he would be very difficult to replace.

Dr Zulu said: "Dr Olivier was a man I loved and honoured. The KDC has lost a man who will be difficult to replace. Everybody in the corporation depended on him for guidance and direction."

Dr Zulu said he had been associated with English-speaking whites most of his life and that his association with Dr Olivier has given him the first real opportunity of associating with and getting to know Afrikaners.

"He confirmed for me my belief in a Christian God who made all people good, regardless of race. There is no such thing as a bad people and a good people."

Dr Zulu said Dr Olivier had the correct attitudes towards the development of black people and added: "I would never have been troubled even had he erred, because I knew that if he made a mistake it would be similar to one I might make. This was so because his ideals and hopes for black people were right.

"He believed in them and was convinced that there is nothing they cannot achieve. His method of helping black people was right, because it was based on confidence in them.

"Dr Olivier was a good and noble person. It was a pleasure and delight to work with him," Dr Zulu said.

In his tribute to Dr Olivier, the president of Inkatha and KwaZulu Chief Minister, Chief Gatsha Buthelezi, said: "It is with great sorrow that we have learned of the passing away of Dr Marti Olivier. Black people of KwaZulu have lost a true friend and ally.

Every since he came to KwaZulu, before the KwaZulu Development Corporation attained its present semi-autonomy, it was clear that he was determined to do all that was possible for the development of the KwaZulu people.

He was on the same wavelength as the KwaZulu Government in supporting our people's development strategy. He was concerned with real grass roots development.

Although he has died at the prime of his life we thank God that he has left us with a solid foundation on which our Development can continue to grow.

He was a true friend who did not mind being unpopular even with his own people when it came to fighting our battle for the progress of Black people in KwaZulu.

Through him I have learned that there are Afrikaners with whom one can commiserate as fellow countrymen as far as the backlog we face as blacks is concerned, in spite of the ideology of apartheid, which separates our various peoples. He was a great soul and may he rest in peace."

Although the Buffalo Flats near Newcastle are generally regarded as good agricultural land, few would argue that conditions are tough and that it requires skill and determination to succeed as a farmer.

This is particularly the case for black farmers, who have in the past lacked access to capital and who did not have efficient agricultural extension at their disposal.

It is perhaps ironical that one of the areas goes by the name of Thirst, symbolising, perhaps, a thirsty landscape with a people thirsting for knowledge and hoping for a better future.

Much of the land in question is freehold and it was the Buffalo Flats Landowners' Association that came to the KwaZulu Development Corporation and asked for help to improve farming methods and increase agricultural output.

Unfortunately the planting season had already begun when the appeal for help was made, but it was decided to go ahead with an aid project despite this.

A committee was formed and each participant was required to pay in R50 per ha and subject himself to the rules of the scheme drawn up jointly by the committee and officials of the KDC's territorial office at Madadeni.

These rules included stipulations that all cultivated lands were to be kept free of weeds and that herbicides, pesticides and fertilizers be applied according to specifications worked out by experts.

Because of the lateness of the season a white contractor was brought in to do the ploughing, but KDC staff are confident that local black farmers will do the job during the next season.

Records are kept by KDC staff, who work out how much each participant must pay for the services provided. The maximum advance to farmers was fixed at R250 per ha cultivated.

The total amount advanced to the farmers this year is R64 000 and loans are secured by way of cession of crops, which are also insured against hail and other natural disasters.

Just under 260 ha has been cultivated this year and 127 farmers are involved.

The chairman of the Buffalo Flats Landowners' Association, Mr Nkabinde, is confident that the scheme will succeed despite the drought that has plagued the area this year.

"The yields look promising despite the drought and I am sure that we will make a success of the venture," he said.



KDC extension officer, Mr S.B. Dimba, in a field of mealies on the Buffalo flats.

THIRST_{ING} FOR HELP IN A HARSH AND THIRSTY LANDSCAPE

KDC staff are planning to extend the scheme considerably this year and aim to have about 1000 ha planned on a partnership basis with the local people.

Although there was scepticism about new agricultural methods in the beginning, particularly from older people, farmers have flocked to join the scheme and over 450 have applied for financial help and technical aid for the coming growing season.

The fact that the farmers are scattered over a wide area has made communication difficult and severely taxed the KDC's limited manpower.

But KwaZulu's department of Agriculture and Forestry has come to the rescue and will be helping out with manpower by providing agricultural officers to do all necessary fieldwork.

One of the most important elements of the scheme is that no handouts are made. There is no intention to farm for the people. They have to do all the work themselves.

Help is limited to technical advice, extension work and the provision of "soft" loans. Interest is at the rate of 6½ per cent, of which ½ a per cent is paid to the controlling authority as an administration fee.

THEY'RE BUILDING THEIR OWN AT FOLWENI

BLACK HOUSING SCHEME SUCCESS

The acute housing shortage for blacks is rapidly reaching crisis proportions. In Natal alone the shortfall is estimated at R170 000. KwaZulu's Planning, Co-ordinating and Advisory Committee has estimated that it would cost at least R976-million to get rid of the backlog.

About 31 000 families are on official waiting lists for houses and to house these people would cost a minimum of R325-million, which is more than KwaZulu's entire current budget.

And the housing shortage will escalate dramatically in the years ahead. The Bureau for Economic Research, Co-operation and Development (Benso) estimates the demand for housing will rise by about 250 000 additional units by 1990 and by a further 305 000 between 1991 and 2 000.

The Durban Chamber of Commerce, in conjunction with the University of Natal, has calculated the effective demand for housing in Durban alone at 93 000 units. This is considerably more than the entire existing housing stock of 84 597 built by the state in the whole of KwaZulu.

Figures like these show beyond doubt that it is going to be impossible to house people in the formal type of township built to date and this impossibility is

dramatically demonstrated by the hundreds of thousands of people living in shanty towns around the major cities.

Self-help housing has not been allowed in established townships in the past. This prohibition, coupled with an insistence on the maintenance of unrealistically high standards of construction, has had the effect of placing the cost of housing beyond the reach of the majority of people.

But policies are changing and one of the most exciting developments in housing is taking place at Folweni in the Umbumbulu district just south of Durban.

It has been initiated by the KwaZulu Government and is designed to rehouse people living at Malukazi, where about 60 000 people are living under some of the most appalling conditions to be found anywhere in Natal.

To date just over 1600 sites measuring roughly 12 metres by 16 metres have been made available to people wishing to move from Malukazi.

Since land is in tribal ownership, new residents have to pay allegiance to the chief of the area, Chief A. Makhanya, and submit to the authority of the tribe.

Basic facilities have been provided by private contractors with funds made available by the Department of Cooperation and Development. The work is being supervised by KwaZulu's Department of Works.

The cost of providing the infrastructure has been remarkably low. Basic services were made available at R830 000, which means that the cost of services per site was a mere R500, compared with R3 500 per site in the standard townships built in black areas.

Gravelled roads were built, stormwater drains laid and piped water supplied to communal taps in front of the houses. Each site is provided with a toilet and a bucket system is in operation.

People build their own homes. They can build whatever type of house they wish, the only proviso being that no shacks are allowed.

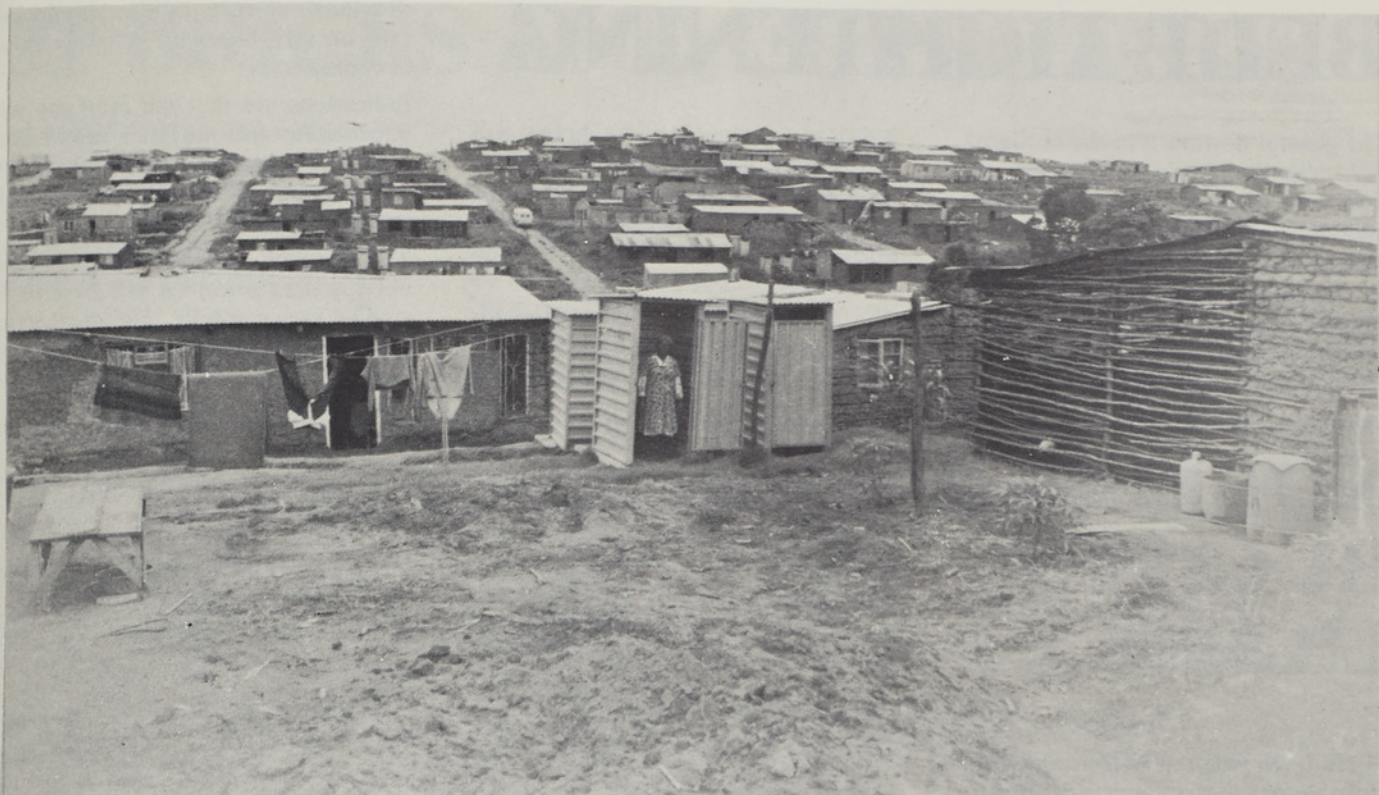
Most build with wattle and daub and the standard of construction is fairly high, with the settlement looking like a proper township.

It is possible to put up a reasonable house for as little as R500, but most seem to be building houses that cost in the region of R1 000. All materials are available from black entrepreneurs active in the area.

The total cost of house equivalent to the standard 51/9 township house is thus about R1 500, compared to a cost of R10 500 for state-built houses.

The KwaZulu Development Corporation has decided to help the people of Folweni and has already granted 22 individuals small cash loans to enable them to complete their houses.





A general view of the settlement

A further 46 loans are being processed. The total commitment will stand at just under R50 000 when these have been dealt with, which means that individual loans average just over R700.

People are flocking to Folweni and there is already a waiting list of 2 000. The main attraction is security of tenure and the existence of proper facilities.

KwaZulu is planning to make a further 5 000 sites available and there are indications that the central Government will make funds available to provide the infrastructure.

The KwaZulu Development Corporation is also investigating means of training local people to build superior homes for themselves.



A typical house at Folweni built of wattle and daub. If proper care is taken to keep termites away and stop seepage, a house like this can last for decades. Refuse is removed regularly by the KwaZulu Government service. Night soil is taken to the Umlazi sewage works for treatment.

QUOTE

“Since it (housing) is a developmental issue it must principally be guided by the aim of fostering human development and improving the quality of life.” — David Dewar



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BELT-TIGHTENING

The general downturn in the economy will mean that Development Corporations too will have to do some rather painful belt-tightening.

This has been made clear by the Minister of Cooperation and Development, Dr P.J.G. Koornhof, during talks with senior executives of the KwaZulu Development Corporation.

A KDC delegation led by the chairman of the board, Dr A.H. Zulu, met Dr Koornhof and his town deputy ministers in Cape Town earlier this month to discuss the corporation's financial position.

The Minister made it clear that his department's budget had been cut to the bone by the Treasury and that the

development corporations should not rely on any financial relief in these circumstances.

Indications are that the economy will improve towards the latter half of 1983 and in 1984 and that the corporation's will have to wait until then for possible increases in their budgets.

The shortage of funds will mean that development priorities will have to be studied very carefully. The shortage of funds could thus prove to be a blessing in disguise.

NOT LURED BY CITY'S LIGHTS

Of all development problems there are probably few that are more difficult to solve than those of agriculture. And yet, it is probably not an exaggeration to assert that development policies are not likely to succeed in the long term unless a breakthrough takes place in peasant agriculture.

Urban drift has become a very serious problem in South Africa and the numbers of people now living in makeshift dwellings around the major cities of the country are counted in hundreds of thousands.

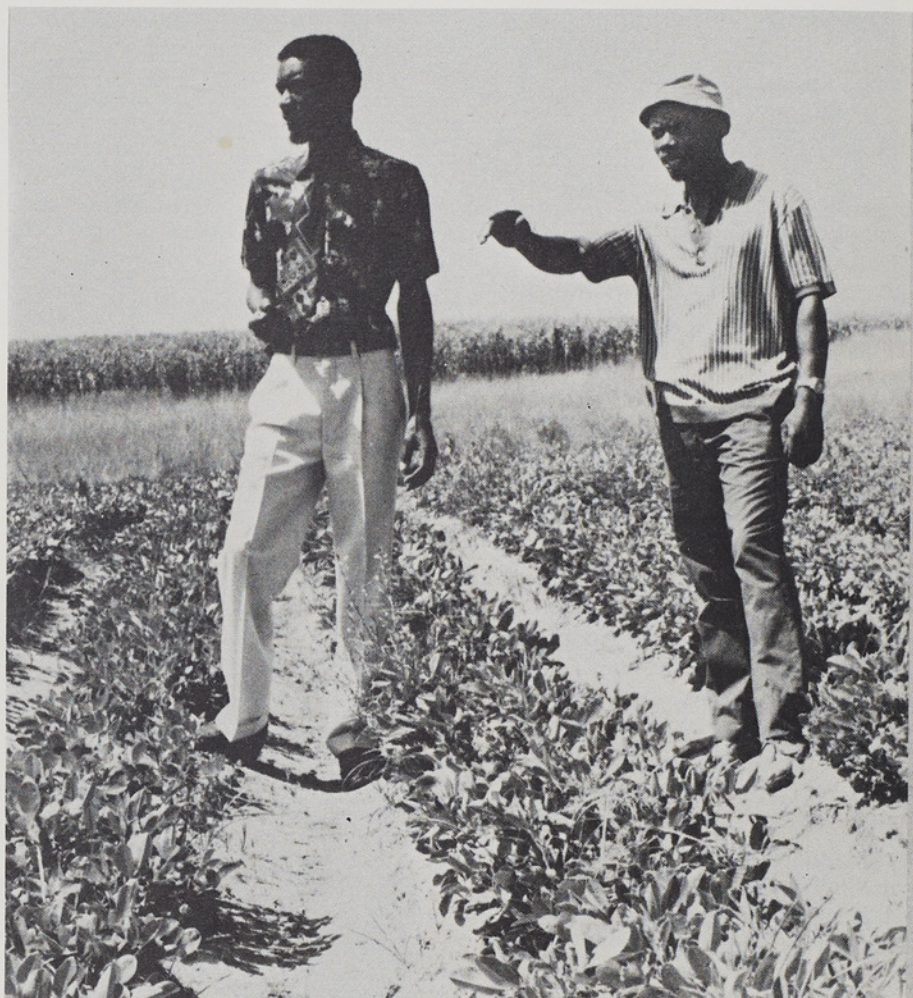
The socio-political problems that this causes are bad enough in themselves. But as the late senior general manager of the KDC, Dr M.J. Olivier, pointed out last year, unless better use is made of the agricultural potential of the rural areas, we will be faced with a serious food shortage and famine in a decade or two.

Dr Olivier believed that the priority should not be the production of agricultural crops per se, but rather the training of black farmers.

"Through the provision of extension services and facilities such as ploughing, seeds fertiliser, harvesting, marketing and training a much higher level of production can be achieved with the co-operation of the people.

"In addition, more people can be fed better and many of them will progress into the market economy," Dr Olivier said.

Mr Lucas Mkhwanazi, a young farmer who farms on a small portion of Ennis Farm at Osizweni near Newcastle, is a striking example of what the late Dr



Mr Mkhwanazi (right) seen in a groundnut land with Ronald Cele.

Olivier had in mind.

Although a young man, the city lights hold no attraction for him and his burning ambition is to get hold of more land to farm.

At present he leases 41 ha of land from the KwaZulu Government. A R5 092 loan from the KwaZulu Development Corporation made it possible for him to plant 31 ha to maize and 10 ha to groundnuts, making use of the most sophisticated agricultural techniques available.

Although he had an old tractor of his

own, he has bought a second one with a R5 000 loan from the KDC.

He is a stickler for correctness and staff at Madadeni say he seeks the advice of extension officers the moment he notices a problem with his crops.

"My ambition is to get hold of more land. I shall be making application for more land to lease during the coming season," Mr Mkhwanazi said.

His crops are marketed through the local co-operative and indications are that he will be making a handsome profit despite the drought in the area.

OF BRICKS AND CUPBOARDS

Mr Tom Luvuno has called his newly-established and highly successful furniture business Ikhayalesizwe Furnisher. And, strangely, he has gone into partnership with a businessman whose job it is to make blocks and bricks.

Strange, because, in Zulu, Ikhayalesizwe means the "home of the nation" — and one can hardly have a home without bricks and mortar.

Mr Luvuno has established his business at Madadeni outside Newcastle with the help of a R49 500 loan from the KwaZulu Development Corporation. Turnover has already reached R7 500 a month and he employs 15 people on a full-time basis.

His main line is the manufacture of kitchen units and furniture designed for breakfast nooks and he has been so successful that, like Mr Mkize of Mpumalanga (See story, page 8), he is attracting lucrative orders from white businesses all over northern Natal.

He is also getting a steady income from the repair of desks used in KwaZulu Government schools. Mr Luvuno is holding thumbs right now because he is negotiating for an order amounting to R360 000 for the making of a special type of pallet.

His partner in the block- and brick-making business is Mr M.I. Mabele, a local builder who has established his new business with the help of a R14 600 loan

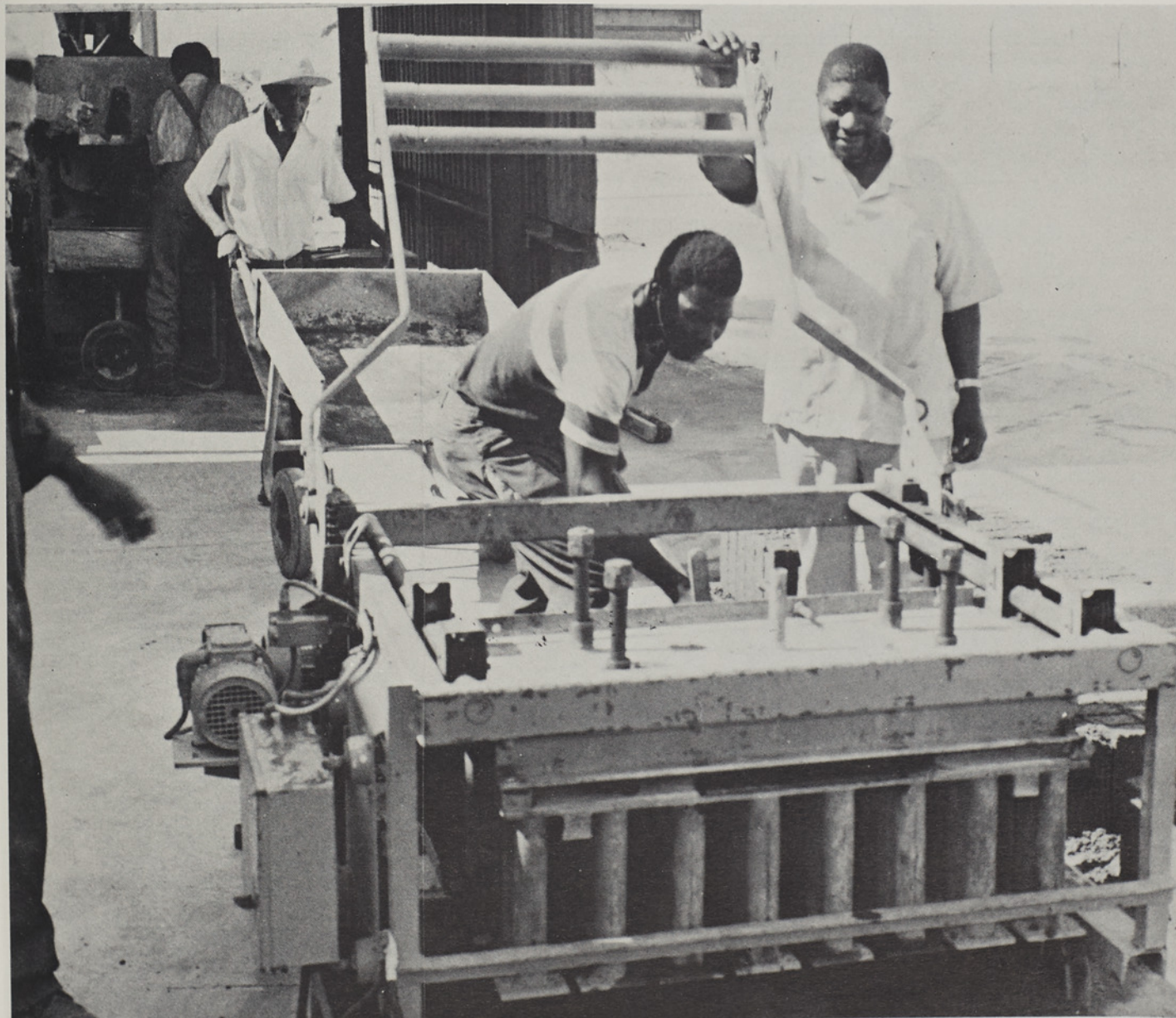
from the KDC.

The partners are selling 92 000 bricks and 1 500 blocks a month and have received several lucrative orders from the KwaZulu Government, which is building houses in the area.

The brick-making plant has a full-time staff of six and a further four people do the deliveries.

The modern brick-making machine bought at a cost of about R10 000 can produce almost 10 000 bricks a day, so there is scope for considerable expansion of the business.

Mr Luvuno formerly worked as a recreation officer at Newcastle and Mr Mabele was a chef at a hotel at Standerton before venturing into business.



Mr Mabele (right) at work

MKIZE STOPS THE “LEAK”

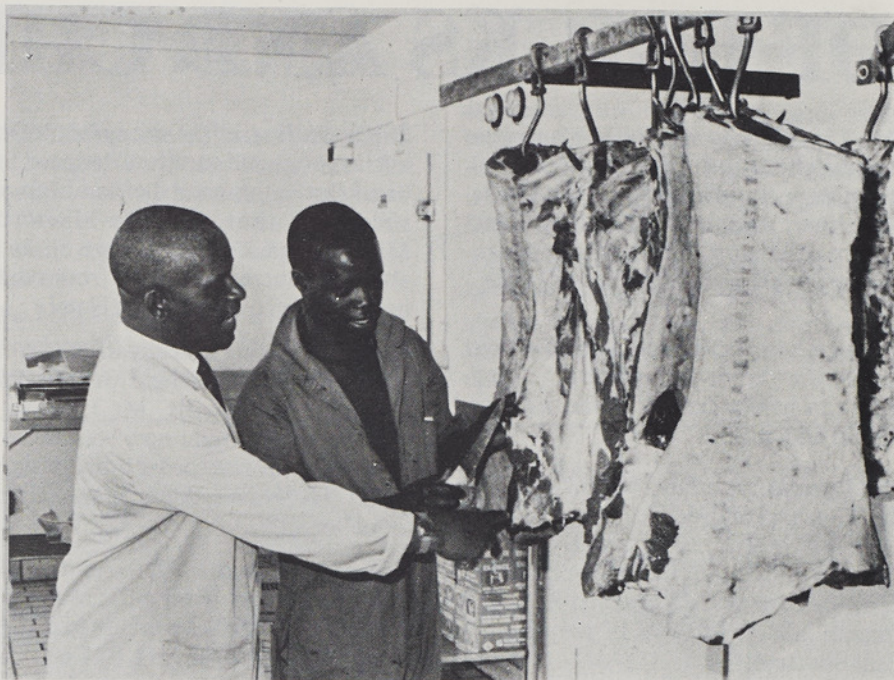
The “leakage” of money from under-developed black areas to the highly developed white areas is one of the major stumbling blocks retarding development. One man who has overcome the problem and actually managed to reverse the cash flow is Mr B. Mkize of Mpumalanga, near Hammarsdale.

Mr Mkize is a butcher and has turned his business into one of the biggest in Natal with the help of the KwaZulu Development Corporation.

His main butchery is called the Mjambo Diamond Butchery and was established in 1970 at a total cost of R123 000. Mr Mkize’s initial loan from the corporation totalled R97 000.

He has three other butcheries, two in Clermont and one in Umlazi, and turnover is now in the region of R100 000 a month. There are 41 employees, 26 of whom work at the main butchery at Mpumalanga.

Some of Durban’s top restaurants are customers of Mr Mkize’s and are supplied through the butchery at Clermont. Inquiries made indicate that the restaurants buy from Mr Mkize because of the consistently high quality of the meat he supplies at very competitive prices.



Mr Mkize in his Mpumalanga butchery

Mr Mkize does all his own buying at the Cato Ridge abattoir. He is up at six each morning to attend the auctions and buys an average of ten beef carcasses a day.

He has recently begun to make his own polony with machinery imported from Germany. The demand from black customers is so great that he is scarcely able to cope.

Another line which is proving very successful is pre-packed meat, which is sold through supermarkets.

Mr Mkize was formerly employed by a large multi-national company in Durban before deciding to set out into business. “I decided to go into business in an effort to try and better myself,” he says.

What is the formula for success? “There is simply no substitute for hard work,” Mr Mkize says.

He is about to open a major wholesale butchery at Mpumalanga to cater for the growing number of supermarkets and to supply the smaller butcheries who do not have the resources to do their own buying.

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CELE GETS HIS B.A. DEGREE

Mr Ronald Cele, a liaison officer at the KwaZulu Development Corporation’s Madadeni office, has just gained a Bachelor of Arts degree from the University of South Africa. He majored in anthropology and sociology.

Mr Cele, who is married and has been with the KDC since August 1979, is planning to study further and has now enrolled for a communications degree with Unisa.

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Ronald Cele

Mr Cele will be getting a cash payment from the KDC for getting his degree. The payment is made to all staff who successfully complete university studies.



THE DEVELOPER

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