
EVALUATING THE RESULTS OF THE PLATINUM SPATIAL DEVELOPMENT INITIATIVE (SDI) AFTER TEN YEARS

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1. INTRODUCTION

The Platinum Spatial Development Initiative (SDI) in North West Province was instigated ten years ago. In 2003 *Development Southern Africa* published an evaluation of this SDI (by Kleynhans *et. al*) in their December issue, (referred to as the “2003 article” in this commentary). At that time some of the authors were advisors to the provincial government and instead of providing a scientific evaluation, the article seemed to put the provincial authorities on a pedestal. The article refrained from negative commentary and seemed biased. This “commentary” wishes to indicate development since that publication and intends to set the record straight.

The Platinum SDI was identified during 1996 by the Department of Trade and Industry in collaboration with the Department of Transport to advance development in the North West Province. The principle objective was the general stimulation of economic development of North West. This entails government initiating economic activities in collaboration with the private sector, which would lead to economic growth, job creation and eventually to the alleviation of poverty in the province.

The Platinum SDI is a development belt along the N4 Highway in the North West Province of South Africa, between Gauteng and Lobatse in Botswana. It is the middle section of the Coast2Coast SDI, which centres around a trans-continental highway across Southern Africa, stretching from Maputo harbour in Mozambique to Walvis Bay in Namibia. The idea is to develop a 50 km stretch of land both sides of the road and attract industry to the SDI, which would have many forward and backward linkages with other firms and areas in the province and promote further development and employment due to the linkage and other spill over effects.

Initially the SDIs were regarded as a priority by central government. Several research programmes were commissioned and large amounts of money were invested in these programmes. Research on the Platinum SDI was financed by the Development Bank of Southern Africa and the Industrial Development Corporation (IDC) ensured quality control. The Platinum Consortium identified about 50 potential industrial projects that were economically viable, the tourism research group identified 130 tourism ventures with potential, the agricultural team about four projects, and about 30 investment opportunities were identified in the mining industry.

By the turn of the century the responsibility of the SDIs were transferred to the provincial governments, who emphasised their commitment to the success of these SDIs (Morule, 2001). In the mean time Mmabatho (Mafikeng) was declared an Industrial Development Zone (IDZ) and some new industries settled there. It is now ten years later and no extraordinary development are in sight. It seems as if nothing came from all those inspiring plans. It seems that the accusation of Africa being a basket case where no amount of money and effort will ever lead to development (Morule, 2001), might be true. The Platinum SDI is still nothing more than an impossible dream.

This paper will consider the historical context first and then evaluate some of the arguments supporting and questioning the viability of the Platinum SDI. In this paper we will follow the outline of the “2003 article”. Starting with a historical overview, consideration will be given to the import substitution programme, which eventually developed into an export-promotion policy, followed by the development of regional industrial policy in South Africa. Then new developments in the Platinum SDI will be accounted for and finally the viability of the Platinum SDI will be evaluated.

2. HISTORICAL OVERVIEW

The authors of the 2003 evaluation utilised historical facts too liberally and applied it selectively to prove the issues that were important to them. This led to a distorted perspective of history.

The direction of causality was the inverted. It was not the RIDP, Decentralisation policies, apartheid or RDP that caused underdevelopment and poverty in the region. These policies were designed to rectify those problems that already existed. The 1991 Regional Industrial Development Programme (RIDP) paved the way for the SDI initiatives and the Reconstruction and Development Programme (RDP) because it was build on pure economic principles. The “2003 article” gave the impression that it was not the case.

What is true, however, is that the 1991 RIDP and the SDIs both neglect their responsibility to create employment for there people, because of the failure of the decentralisation. It was the intention of previous policies to create jobs where people lived, but instead people still migrated to larger locations where they thought the opportunities were better. That led to policies like the 1991 RIDP to determine where economic potential was, regardless of the availability of labour. Job opportunities where no longer taken to the people, instead the assumption was made that people will migrate to areas where opportunities existed (Le Roux, 1998). This enabled the authorities to exploit investment opportunities and growth poles on pure economic principles.

The following section will first attend to the policy of import substitution industrialisation and then to regional economic development.

2.1 Import substitution programme

Since the 1920s South Africa has applied a strategy of import substitution to develop the industrial sector. Tariffs and quotas protected industries, which produced final manufactured goods. Industries, which delivered intermediary goods, enjoyed less protection, while industries which produced capital goods, had very low levels of protection (Suleman, 1998).

At the start of the 1970s the South African authorities realised that an outward-looking policy aimed at exports promotion would lead to higher economic welfare. This led to export-promoting incentives in 1972, which included a rebate on imported inputs used in the production of export commodities, tax concessions, compensation for financing costs, consumption of electricity and costs of air freight, as well as subsidies for foreign market expenses, in the form of tax allowance.

Although the outward-orientated trade policy is in line with the best international practices, it can exaggerate spatial inequality in South Africa, because tariff liberalisation might favour industries that had already settled in metropolitan areas (Coetzee, 1997). Saturation of local market demand is, however, soon reached following an import substitution policy, at a ceiling that cannot expand. Export orientated policies, on the other hand, can always find new markets.

export orientated policies also align local cost structures to international prices, while import substitution attempts to align international prices to local price distortions, which is not possible for small less developed economies.

Due to the sanctions campaign the country was, however, forced to continue its previous policy of import substitution. In 1983 the Kleu commission was appointed to investigate industrial development strategy in South Africa. On the advice of the Kleu commission a surcharge of between ten and sixty per cent was introduced in 1985, especially on luxuries (Suleman, 1998). In 1987 the Board of Trade and Industry suggested a Structural Adjustment programme to promote export. The programme was, however, too complex and it was replaced by the General Export Incentive Scheme (GEIS) in 1990 (Belli, 1993). The main principle thereof was to subsidise exports in relation to the amount of value added in South Africa.

Since the new political dispensation in 1994, South Africa is increasingly exposed to the international arena. South Africa signed the General Agreement on Trade and Tariffs in Marrakech in 1995, according to which quotas on imports and the general level of tariffs are to be reduced. South Africa is now a member of the World Trade Organisation (WTO) that monitors these agreements. Import substitution was gradually replaced by a policy of export promotion. Trade and industrial reform was also one of the main elements of the GEAR strategy on the supply side (see GEAR, 1996). This includes greater privatisation, the reduction of tariff protection and the phasing out of currency exchange control measures (Naudé, 1997). For the development of the different regions in the country, it meant that incentives

had to be reconsidered and that infrastructure aimed at exports in particular, had to receive more attention. This is also inline with the Accelerated and Shared Growth-South Africa (ASGISA) programme adopted by government in 2006.

The following section focuses on regional industrial development in South Africa

2.2 Regional industrial development

It is essential to optimise a country or region's resources in the spatial context and encourage well-balanced spatial economic development policies (Armstrong & Taylor, 2001). If the decentralisation policy of 1960 was successful it would improve people's living conditions and welfare, especially in the rural areas, and at the same time proved that the government's homeland policy under apartheid had the ability to benefit everyone. But it was inefficient and had to be replaced by the 1982 RIDP Regional Industrial Development Programme (RIDP).

This 1982 RIDP policy included all sectors but industrial development was emphasised. The most important short-term incentives to encourage regional industrial development were subsidies for job creation and labour expenses, interest rates, relocation and unforeseen expenses. Long-term incentives included a housing subsidies, cash training allowances, subsidies on electricity, transport rebates on all goods leaving the country and tender preferences of up to ten per cent on all tenders to state departments, as well as some public corporations and local authorities.

The intention of the 1982 RIDP was to emphasise economic considerations (Bos, 1997) and encouragement of private initiative to assist higher economic development. During 1985 a productivity support scheme was introduced that paid consultation fees in full. But the RIDP policy could not achieve sustained development and job creation in the decentralised areas in spite of the high expenditure. The migration to towns, cities and metropolitan areas could not be curbed either (Le Roux, 1996).

This led to the acceptance of a new RIDP in 1991. This RIDP shifted from the development of artificial growth poles with limited potential, towards an approach where natural potential and market forces enjoyed precedence. It was claimed that pure economic criteria were now accepted as the norm in place of political idealism. The way towards true economic development was now prepared and the Reconstruction and Development Programme (RDP), instigated in 1995, and the "Growth, Employment- and Redistribution" strategy (GEAR), accepted in 1996, which easily connected as policies that would stimulate natural development.

According to Le Roux (1996) the principles of the new RIDP were:

- The provision of regional development, with the emphasis on fewer developed regions, in order to enhance the performance of the South African economy

- Development of an integrated South African spatial economy that would consist of a number of broadly defined development areas
- A Market orientated development approach
- Free mobility of the factors of production
- A multi-sector development approach, backed by regional development strategies and based on comparative costs and advantages; as well as
- A market orientated profit-output based incentive scheme

Most of the merits and weaknesses of the 1991 RIDP were described in the “2003 article” and will not be repeated here, except maybe the following: The 1991 RIDP also promoted relatively established coastal and rural areas that were excluded by the previous policy, but which could offer competitive advantages to investors. This new programme moved away from a system where investors were compensated for locational disadvantages, towards incentives that were based on the economic and financial performance of enterprises. The objective was to utilise natural competitive advantages, to lead investors to investment decisions based on pure economic principles that were aimed at sustaining economic growth (Le Roux, 1996). The 1991 RIDP, in conjunction with the National Regional Development Policy, attempted the development of the whole country, including all regions and sectors.

In conjunction with this the policy of Spatial Development Initiatives (SDIs) was accepted in 1996 to address the fragmented development patterns of the past, to promote equity, integration and efficiency. Developmental regions, axes and projects identified by their inherent under-utilised economic potential, aimed at sustainable employment creation in those regions, by identifying and facilitating new investment opportunities. Private and public investments are stimulated through infrastructure, manufacturing, mining, small business (SMME), tourism, agriculture, housing and the provision of water in certain areas to achieve the advantages of agglomeration (Wiese, 1996). The SDIs, the GEAR and current ASGISA strategies supplement faster economic growth and stabilisation of the economy. It unlocks economic opportunities, employment and prospects of previous disadvantaged sectors of the community (DoT, 1997).

The objectives of the RDP, GEAR and ASGISA are the transformation of the South African economy into a sustainable, fast growing, internationally competitive, labour absorbing, outward orientated economy. To achieve this, the government developed an industrial policy that supports local manufacturing (DTI, 1998) – as was mentioned in the “2003 article”. Current industrial policies are focused on the development of internationally competitive industries and clusters with an emphasis on job creation. This implies a movement away from demand side interference towards supply side supporting criteria, which are developed to decrease unit costs and speed up advancement in adding value, as imagined by the ASGISA programme.

The next section indicates the potential of the North West Province and the developments that followed the introduction of the Platinum SDI.

3. INDUSTRIAL DEVELOPMENT IN THE NORTH WEST PROVINCE

SDIs and IDZ have become government's policy response to the spatial economic development challenges of South Africa. In the North West province large sections are still underdeveloped, with people living in poverty. The "2003 article" indicates the necessity of SDIs and IDZ as spatial economic development policy instruments to succeed, where the former RIDPs could not.

This implies that the province has the potential for development, but it is now ten years later, following its initial start in 1996 and very little success due to the SDI programme can be seen. At a seminar in 2001 the provincial governments reaffirmed their commitment to the success of the Platinum SDI, but very little development followed. New businesses that established in the area was not more than the natural growth that would have occurred without the Initiative.

The Platinum Spatial Development Initiative (SDI) was identified and officially launched in 1996. The N4 toll road between Pretoria and Botswana was chosen as the anchor project. The "2003 article" provides ample information on the location, and most important research conducted on this SDI, as well as the benefits, opportunities and rationale behind it.

It also noted the advantages of declaring Mafikeng as an Industrial Development Zone (IDZ). These are quite similar to the old Export Processing Zones (EPZs) without the negative aspects associated with the latter. The Mafikeng airport can, for instance, serve as a dry dock, being the second largest airport in Southern Africa. The "2003 article" indicated that the Mafikeng IDZ could boost the economies of scale of both road and rail transport infrastructure and lead to higher provincial exports.

The "2003 article" indicated the industrial development potential of the Platinum SDI, highlighting linkages, clusters and the competitiveness of industries in North West, as well as its ability to attract local and international investments. It also stated that the province has the potential to become one of South Africa's prime tourist destinations. Mention was also made of rural development and the development strategy for the small business sector, as well as the establishment of a provincial investment promotion agency, known as "Invest North West" at the end of 2000, which illustrated the provincial government's support of the SMME sector and direct foreign investment.

By 2006 the N4 road along the Platinum SDI was built, the toll roads are functioning and the Mafikeng Industrial Development Zone (Pty) Ltd Company (MIDZ) was established. At the Mafikeng IDZ a large shopping centre was built and the construction of the first dedicated nursery aimed at supplying saplings of oil-bearing trees to produce Bio-Diesel at Setumo Dam was initiated by the MIDZ. The project is supposed to include the development of an industrial node that will offer investment opportunities for commercial activities. The MIDZ was also seeking a project management firm, which would manage a portfolio of infrastructure projects, which included roads, water and electrification (<http://www.mbendi.co.za/orgs/cz5f.htm>). The

impression is that the provincial authorities regard the building of the road and the establishment of the MIDZ as the conclusion of the Platinum SDI.

The following section evaluates the feasibility of the Platinum SDI.

4. VIABILITY OF THE PLATINUM SDI

In this section the various arguments concerning the viability of the Platinum SDI are evaluated. The “2003 article” considered the potential of the development axis principle and the positive aspects of the growth poles in the Platinum SDI, progress made by the provincial government concerning the coordination and cooperation by the authorities, and the section on anchor projects and the multisector approach was presented excellently. There were, however, aspects regarding the Platinum SDI which did not receive adequate treatment and that will be discussed in the following paragraphs.

4.1 Policy objectives

The 1982 RIDP aimed to provide employment near people’s homes, taking jobs to the people (Le Roux, 1998). As large scale unemployment and poverty are prevalent in remote areas, creating opportunities in those regions would be ideal. The rationale behind the 1960 decentralisation policy was also to create border industries near the homelands where most people stayed, in order to curb migrant labour and to induce happy family lives (Van Jaarsveld & Scholtz, 1966). This was also the objective of the homeland policy and success in this regard would also serve as justification for apartheid policies.

The RIDP policy was, however, inefficient. People still migrated to the areas with the highest economic potential and that led to the introduction of the 1991 RIDP, which created employment and other opportunities where economic potential exists, disregarding the labour potential – as people would migrate automatically. Naudé & Krugell (2003) imply that, as rural development is to efficient anyway and that the focus on development of rural areas with little economic potential, should rather be replaced by development of larger South African cities. (Perhaps there is some contradiction in terms here, if compared to the “2003 article” under examination).

With the establishment of the SDIs in 1996 the objective moved back to the earlier policies of 1960 and 1982. The aim is now, ones again, to create employment near peoples homes, especially in the rural areas to ensure balanced development throughout the province – with all the associated linkage benefits.

4.2 Similarities of previous strategies

It may be asserted that there exist several analogues between the policy of Spatial Development Initiatives and the old RDIPs. The former policy of decentralisation is now replaced by SDIs with many similarities. The RIDPs of 1982 and 1991 aimed at industrial development on pure economic grounds, but in fact it served racial political ideals. SDIs are now also conducted on pure economic principles. It is not clear how it will be ensured that other

political motives will not be served again. In previous years, decentralisation nodes like Mmabatho, Sun City and areas west of Pretoria were developed, while development centres are now developed at Mafikeng, Pilansberg and Rustenburg – Which are the same places! In the past, growth poles were developed, for example at Mmabatho. Today industrial development zones (IDZ) are being developed at places like Mafikeng. Attempts were made in the past to prohibit urbanisation through a policy of decentralisation. Today this is pursued through Rural Development and Local Economic Development (LED). Development axis's are now replaced by Spatial Development Initiatives (SDIs), which have a broad spatial meaning, but in effect it also comes down to development along an axis or a road, with the intention of starting development in a region. Previous policy programmes developed the road between Mmabatho and Pretoria as a development axis – today development along the Platinum SDI is the target. It sounds like a game of words. The same places and similar policies are developed, while it is called something different. The focus should be on sound policy, giving direction and leading towards development.

Manufactured metal products, basic metals, food processing and chemicals were the largest industries in the former Western Transvaal (mining excluded). These industries experienced the highest growth during the decentralisation policy. Today the same industries are identified as industries that possess comparative advantage and which should be extended as industrial clusters.

It seems that history is repeating itself. Some assert that the policy of decentralisation had never worked in the past and therefore question the viability of developments along the N4 highway in North West. Or could it be that the previous policies were so effective that industries which had comparative advantage grew to be the largest industries in the region? SDI policies differ, however, in the sense that it is outward orientated though, aimed at the supply and demand of commodities of which South Africa has a comparative advantage. Businesses, which have large backward and forward linkages, are encouraged so that more industries can develop in a centripetal action and create much more employment. The identification of possible clusters also plays an important role in the development of SDIs. In the past, government was accused of establishing industries in the homelands without supplying the necessary infrastructure. However, projects are now developed wherever potential exists and the authorities ensure that the necessary infrastructure are provided and developed.

Furthermore, the fact that Bophuthatswana no longer exists provides some important definition and potential to the Platinum SDI. The proximity of two governments along a artificial boundary that was created for ideological reasons, was inevitably a dissipation of energies with Bophuthatswana pulling northwards and the old Western Transvaal pulling southwards. As that divergence no longer exists, this should now contribute towards the natural development of what is, in both the South and Southern African context, a sustainable transport axis with notable assets to industry, minerals and tourism.

4.3 The development axis principle

As was indicated by the “2003 article”, a problem with the Platinum SDI is that the development axis principle requires a high volume of traffic between the growth points (Geyer, 1998). The Platinum SDI only has a development growth point in the area of Rustenburg and Pretoria, with the other end disappearing somewhere in the desert. The idea is, however, to develop many strategically chosen industries, mining, agriculture and tourism destinations along the Platinum SDI and surrounding districts to increase traffic and linkages. The declaration of Mafikeng as an IDZ near the other end of the Platinum SDI does provide a second growth pole, but traffic in that vicinity has not increased significantly yet.

The idea to use North West Province as a thoroughfare and entrance point to Africa assumes that those traffic volumes along the SDI will increase as trade of the SADC counties and others rises. The road do not really disappear somewhere in the desert, however, it runs through to Walvis Bay and is already operational. Since 2001 traffic on this road had increased annually by one third. Economic development in Botswana is also expanding. The Platinum and Trans-Kalahari corridors are becoming part of the regional canvas and the shorter route to Namibia is already starting to have a detrimental effect on the local economy of Upington. Hence the corridor is beginning to work and in tandem the SDI might begin to follow.

4.4 The number of growth nodes

The RIDPs were criticised for its lack of concentration because of the large number of growth points that were developed. The large number of projects of the SDIs are, however, regarded as a point of strength in the “2003 article”. The difference might lie in the fact that no artificial growth points are developed.

The insufficient number of anchor projects and the multisectoral approach of SDIs were adequately dealt with in the “2003 article” and will not be duplicated here.

4.5 Incentives

Incentives to investors are now fewer than in the past, which implies that entrepreneurs would have to be absolutely certain that their recourses are allocated optimally in order to gain efficient profits and to reach Pareto optimal welfare for the community. The lack of incentives is advantages as incentives can distort the free market mechanism. At national level the most important remaining incentives are the Manufacturing Development Programme (MDP), the Small and Medium Manufacturing Development programme (SMMDP) for new businesses with assets of up to R3 million, and a tax holiday of up to six years. The tax holiday is determined by the type of industry, the location and the share of labour remuneration to value added (Hirsch, 1998); grants by the Department of Trade and Industry and export incentives (Erwin, 2000).

Several manufacturers stand antagonistic towards SDIs as it increased their cost outlay, especially along the N4 toll road. There were substantial increases in the costs of raw materials and other supplies and the erection of tollgates increased transport costs of firms. In several instances firms now pay to use roads that were there in the past and which were build with their taxes. Producers feel that the tollgates also deteriorate business and would like tollgate tariffs to decline.

Some manufacturers indicated, however, that SDIs should make secondary industries more attractive to investors but the costs of the connecting routes on the N4 are pushing possible investors away. Poor communication from government and their agencies is evident and this merits well planed information and propaganda campaigns from government in order to inform the public and improve the image of government (Kleynhans, 2003).

Very few manufacturers are aware of SDI developments in their vicinity, highlighting the inefficiency of government's communication network in the country. Firms feel that the government should provide all kinds of subsidies, aid, incentives, loans and other support, including managerial skills and investment support, if the government is sincere in its effort to stimulate industrial development, economic growth and job creation. Currently respondents indicate that such assistance is lacking. With the General Agreements on Tariffs and Trade (GATT) and stipulations of the World Trade Organisation (WTO) this is a major problem and to some extend unfair criticism, but manufacturers feel that government has to assist in levelling the playing field (Kleynhans, 2003).

4.6 Transferable incentives

The abundance of incentives enjoyed previously, do not exist any more and this reduces the number of potential investors. Some economists believe that it was only the incentives like GEIS and those of the RIDPs that made those past projects profitable, while very little true profits were realised (Drewes, 1995; see also Hirsch, 1998; Batchelor, 1998 & Dunne, 1998). Incentives should be a well-designed set of advantages, chosen in such a way that it would attract direct foreign investments efficiently, without distorting local economic development. The rising tax burden that accompanies it also deserves attention as it adds a cost burden to the welfare of the community, which it is supposed to help through the proposed investments, as every one is paying taxes directly or indirectly. The location of the Platinum SDI in the regional scheme of transport movements does, however, provide the SDI with some competitive advantage regardless of any incentives.

4.7 Poor coordination and duplication in SDIs

It is alarming that key projects in the SDIs are identified with little consideration of the other SDIs. Mafikeng airport is for instance being developed as a dry dock, while the same is intended at Johannesburg International airport, Bloemcom and Fickscon in the Freestate (Rayn, 1998 & Horn, 1998). The same can be said about leather products, motor vehicle components, citrus products, steel and several others.

The Coast2Coast SDI was initiated to co-ordinate all the development initiatives between Maputo and Walvis Bay. It is important that such co-ordination should also consider other SDIs. In some instances it could lead to problems. Developments at the harbours of Maputo, Richards Bay and Durban, for instance, all focus on the same markets, like Gauteng,. Some co-ordination is essential.

4.8 Coordination and cooperation by the authorities

At the moment an inadequacy is the lack of capacity, readiness and motivation from the North West government to exploit the opportunities of the Platinum SDI optimally (Kleynhans, 1998). The way in which the Mpumalanga Province employs institutional means to maximise the advantages of the Maputo Development Corridor, can be used as an illustration of how it can be done (See for example Ryan, 1998). Fundamental to the future success of the Platinum SDI is the institutional capacity of particularly the North West Province to take advantage of the opportunities that the SDI presents. This capacity is currently weak. The provincial administration could, for example, allocate specific personnel to the development of the SDI, set up tender procedures, launch demonstration and pilot projects, provide financing, organise investors' conferences, and disseminate information to potential investors. A development company, Invest North West (INW), was established, which is a step in the right direction.

5. CONCLUSION

This article commented on the article concerning the Platinum Spatial Development Initiative (SDI) in North West Province, that was published by *Development Southern Africa* during 2003. That article praised the astounding potential of the SDI, the excellent leadership of the authority and their policy framework. The Platinum SDI was established in 1996. It is now ten years later and much were spent on research and planning, but there is still nothing tangible to show – not much development occurred following this Initiative.

The “2003 article” did not gave that impression. We now argues that they did not consider all the facts and applied historical facts liberal and selectively – having an unwarranted high esteem of the provincial government. That article was to some extend an unscientific evaluation. The authors seemed biased and refrained from negative criticism. Attempts were made to rectify these shortcomings in this paper. The paper followed the setup of the “2003 article”, considering the historical context first and then evaluated some of the arguments, which supported and rejected the merits of the Platinum SDI.

The historical evolution of the import substitution programme till the acceptance and eventual implementation of an export-promoting focus of the authorities was traced first, followed by the development of regional industrial policy in South Africa. The “2003 article” stated that with reference to spatial inequalities, South Africa is no exception. But then presumed that the policies introduced to address the spatial inequalities, caused the inequality. It was indicated above that they made a logical error in causality in that regard. The

objectives of the 1960 decentralisation policy and the 1982 RIDP were to create employment near peoples homes, curbing migration and enable normal family. These were development objectives but likewise served political objectives at that time. As these objectives did not succeed, the 1991 RIDP decided to develop areas on pure economic grounds. Labour was then regarded in the same way as any other input factor of production and assumed to migrate spontaneously to those growth points.

The “2003 article” indicated that SDI strategy differs from previous strategies such as the RIDP in that it follows a multi-sector approach, entrepreneurs are not forced to settle in a particular place and freedom of location exists. It did, however, ignore the fact that SDI policy, although taking economic viability into regard, likewise focused on balanced development, implying rural development to a large extend. What the objectives of SDI and 1960 and 1982 policies had in common are their similar reference to the creation of economic activity and employment near the places were people live. This means SDIs is a movement back to older policies in that respect.

According to the evaluation of the Platinum SDI above, it seems that the idea to develop the region as a platform to Africa and to induce economic development in the north of the North West Province in this way, is built rather on dreams, than on reality.

It can not be argued that the Platinum SDI seem to have the potential to achieve its growth targets of the province and its manufacturing sector in particular (IDC, 1998), but after ten years there are still very little evidence that the Platinum SDI will ever be efficient. Further research by the authors involve empirical investigation to determine the relationship between various indicators, like investment and employment, the relationship between economic development (HDI) and Gini-coefficients, to determine whether there are any statistical significant differences between regions where SDI development occurred and other areas. A comparisons will also be made between the Platinum SDI, Western Frontier, Treasury Route as well as those areas lying outside any SDIs, using data at municipal level.

The “2003 article” indicated that successfully developed requires a well-defined and operating institutional and bureaucratic framework, as the Platinum SDI seems to hinge on adequate institutional support and co-ordination. Improved institutional arrangements are therefore indispensable. Marketing the Platinum SDI is essential, but the capacity of the provincial government to provide leadership in the development of the Platinum SDI is relatively weak. Although Invest North West and the North West Development Corporation are doing excellent work, the situation did not improve much by 2006.

Projects of the Platinum SDI were chosen after thorough study of the region’s potential and national and international circumstances, forward and backward linkages and trends (see for instance Service group, 1997 & IDC, 1998a). After considering the criteria and criticism about the number of growth points, the principle and location of axis’s and growth points, the multi-sector

approach, the balanced growth endeavour, incentives, research, the freedom to settle, and the freedom of mobility of labour and other production factors, it seems that economic development through the Platinum SDI has some potential. But the Platinum SDI, however, has very little to offer and requires a lot more effort by all concerned and much more commitment from the authorities to succeed. So far one can not help but conclude that the Platinum SDI is little more than an “impossible dream”.

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