

FACULTY OF ECONOMIC AND MANAGEMENT SCIENCES

INTERNAL RECORD FORM IN RESPECT OF THE TITLE AND SCOPE OF A TOPIC

(The form must be typed and handed in fully completed)

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2. DEGREE REGISTERED FOR: PhD in Development Studies

Department: Centre for Development Support

Study leader/Promoter: Prof. Doreen Atkinson

Title of study: Potential mining development and local economic development in Beaufort West:
Civic response in a small town

3. DETAILS OF STUDY:

3.1 Necessity for, aims and objectives of the study

Local Economic Development (LED) is a process in which local governments 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 the area. There are distinct local factors that shape economic development of a town. These are for example tourism resources, transport links, mineral sources, and infrastructure development. In particular, civic culture can affect local economic development tremendously in an area. Putnam (1993) organizes civic culture has four dimensions: (1) civic engagement; (2) political equality; (3) solidarity, trust, and tolerance; and (4) social structures of cooperation. Therefore a community's welfare and economic development is influenced by the civic culture.

Resource based small towns are often economically dependent on what is considered a single economic sector (usually a single mineral product) and this makes them particularly vulnerable to shocks such as resource depletion, the reduced value of the product and the demand shifts. Mining towns appear to move through "boom to bust" life cycles. This usually has a devastating effect on the local economy. Civic culture is crucial to the economic future of the resource town and the fate of the mineral resource (management of these resources). Ideally, municipal officials, councillors, local citizens and mine management should embark in innovative projects to attempt to diversify the local economy. This would be a good civic culture to develop a sustainable resource town.

Uranium in the Karoo has aroused interest for more than 40 years. By 2006, uranium occurrences had been located again (after discontinued trail mining in 1970s because of price drops) in a broad belt stretching from the Aberdeen district through to Beaufort West to Sutherland in an east-west direction (Ryst Kuil Channel). Various developers also believe that “uranium is going to turn the economy of the town upside down”.

Most people view Beaufort West merely as a transit town between the north and the south, but when (or if) the uranium mining officially commences excavation, the Karoo town may have a very different character. Even the municipalities (Beaufort West Local Municipality and the Central Karoo District Municipality) have not thoroughly thought about the implications that this mining development could have on this small town in the Karoo. Therefore the following questions can be asked:

- What are the developmental questions posed by the mining industry for small towns?
- Why did the local government not understand, investigate or plan for the impending uranium mining investment?
- What impact does local business confidence have on local economic development? How do towns in the African Karoo differ from towns in Australia (business survey) that are also experiencing the same issues related to uranium mining?
- How does the prospect of the opening of a uranium mine affect the economic business climate in the town?

3.2 Research problem and hypothesis

The main aim of the research is to explore how the prospect of a uranium mine in the Karoo affects the economic climate, as well as public debate on the economic future of the town. In order to achieve the aim of the research, objectives identified for this study are:

- To integrate the theories associated with civic culture, local economic development, small towns and mining towns, and particularly determine how civic culture can impact on local economic development in resource towns;
- To assess the reasons why the municipal government did not understand, investigate or plan for the impending uranium mining investment;
- To explore the developmental questions posed by the mining industry for small towns;
- To measure trends regarding the level of business confidence, particularly in the light of an impending new mine ;
- To compare the business survey of an arid town in Australia and South Africa; and
- To determine how the business economic climate of the town can be influenced by the launching of a significant new economic investment.

3.3 Research design and methodology

In order to achieve the objectives of the research, triangulation (a combination of qualitative and quantitative research techniques) will be used. This is because qualitative research examines, analyses and interprets observations for the purpose of discovering underlying meanings and patterns of relationships and develops explanations of social phenomena. Quantitative research is an iterative process whereby hypotheses are proposed, evidence is evaluated, and theories and research questions are refined. In other words triangulation will be used not merely to validate findings but to achieve an innovative conceptual framework. Triangulation is the mixing of data or methods so that diverse viewpoints cast light upon the topic. Therefore, the results from the qualitative and quantitative analysis are not contradictory but complement each other. Not only will the questions of “how many?” and “to what extent?” be answered but also “why?” “how?” and “in what way?”

In terms of the qualitative research, an exhaustive literature review will be completed because a comprehensive and well-integrated literature review is essential to any study. The overview of the literature (on specific topics like civic culture, mining, small towns, local economic development, and business confidence) will provide an understanding of essential debates that have already been explored. Academic literature will be identified through the academic databases provided by the library of the University of Free State. In addition, semi-structured interviews will also be conducted with important role players in the government (for example department of minerals and energy, district and local municipalities) as well as in the town (business people and key informants in the town). These normally take the form of an open-ended

conversation so that the researcher can explore the ideas, views, beliefs and attitudes about an event or phenomenon. Qualitative interviewing is characterised by flexible, iterative and continuous conversation rather than prepared in advance and locked in stone. However, interview guidelines will be drafted beforehand, to guide these conversations. These guidelines will be based on the hypotheses found in the literature review.

In terms of the quantitative aspects of this research project, two surveys will be conducted amongst the businesses in Beaufort West. Surveys give the researcher a picture of what the people think. During the surveys, face-to-face interviews will be conducted with as many business owners/managers as possible. A sample will not be drawn because the sample frame is limited and as many opinions as possible are necessary. The researcher will also establish a database of businesses in Beaufort West that could be used for further studies. Two surveys will be conducted, firstly in November 2007 before the excavations of uranium officially start, and again in November 2009 just before the anticipated proposed opening of the uranium mine outside of Beaufort West. This would enable the researcher to compare the business environment as well as the confidence of the business sector in Beaufort West in the light of changes related to the opening of the mine. A questionnaire with various closed and open ended questions, covering the micro, macro and market environment of the business as well as the evaluation of the business confidence, will be formulated to be able to establish how the business community views their confidence in the business sector of Beaufort West. The Community Development Workers from the Beaufort West Municipality will be used as fieldworkers so that they can gain experience in interviewing as well as to involve the municipality in the study. In the event of the opening of the mine being delayed or cancelled, the survey will assess the impact of such an event on the economic business climate of the town.

3.4 Preliminary study

In 2006, as part of a background study in the Arid Areas Programme, six case studies were conducted of small towns in the Karoo. These case studies were developed in order to paint a picture of what local economic development takes place in the Karoo. The towns were also investigated in terms of their social, financial, infrastructural, political as well as human capital. It was during the study conducted in Beaufort West that the researcher initiated interest in the development of Beaufort West once the uranium mine is established. Interviews were conducted with the local government as well as the mining companies. The researcher was also privileged to join a South African contingent of academics to present papers in Alice Springs, Australia at the Desert Knowledge Conference and therefore meet Australian stakeholders and gained access to the information and data on the town of Alice Springs.

3.5 Key words and concepts

(Characterise the study and its subject fields in a few key words and concepts that best describe it)

Uranium, mining town, small town, arid area, civic culture, business confidence, economic potential, planning, local economic development

3.6 Expected date of completion: December 2010

Signature of student: Date:.....

A handwritten signature in black ink that reads "Oatkinson". The letters are cursive and somewhat stylized, with the 'O' being particularly large and rounded.

Signature of study leader:

Date: 31/7/2009