

https://dspace.org/

Urban regeneration and small scale enterprise development

Chauke, Mikateko Hazel

2011-03-28
http://hdl.handle.net/10539/9262

Downloaded from a DSpace repository. https://dspace.org/

URBAN REGENERATION AND SMALL SCALE ENTERPRISE DEVELOPMENT

by

Mikateko Hazel Chauke

A research report submitted to the Faculty of Management, University of the Witwatersrand, in partial fulfillment of the requirements for the degree of Master of Management in the field of Public and Development Management.

November 2008

DECLARATION

I declare that this report is my own unaided work. It is submitted in partial fulfillment of the requirements of the degree Masters of Management (in the field of Public and Development Management) at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any University.

_____

Mikateko Hazel Chauke

November 2008

DEDICATION

This work is dedicated to the memory of my late father,
Mr. Petrus Chauke,
who passed on during the writing of the report.

ACKNOWLEDGEMENTS

I am grateful to my supervisor, Dr. Thomas Mogale, for his guidance, support and expression of confidence in my work. The research was greatly enriched by his dedication. I also wish to convey special thanks to my daughter, Langelihle, and my family for providing support, encouragement and prayers throughout my studies. Finally, and most importantly, a special thanks is due to the officials of the Alexandra Renewal Project, Stakeholders and Gauteng Department of Housing and also owners of small-scale enterprises who participated in this research project. Without their participation this report would not have been possible.

ABSTRACT

The Alexandra Renewal Project deals with economic empowerment by providing development support to small-scale enterprises in order to support local markets in job creation and sustainable economic growth. The project involves bringing disadvantaged groups into the economic mainstream and also creating sustainable livelihoods for Alexandra Township.

The study examines the Alexandra Renewal Project, the City of Jo'burg Council and the Gauteng Department of Housing as they address the challenge of managing developmental changes and implementing the Alexandra Renewal Project for Small Scale Enterprise development in Alexandra Township. The aim of the study was to determine what has happened since the ARP started in 2001 addressing small-scale enterprise development in Alexandra Township.

A structured interview questionnaire was used comprising five questions that dealt with the respondents' perceptions, knowledge and views on what has changed since the inception of ARP to small-scale enterprise. There were ten respondents from Alexandra Township. The main findings of the research revealed that small-scale enterprises have not yet benefited from the ARP as envisaged by the initiators of the project.

TABLE OF CONTENTS

DECLARATION ..... **I**

DEDICATION ..... **II**

ACKNOWLEDGEMENTS ..... **III**

ABSTRACT ..... **IV**

TABLE OF CONTENTS ..... **V**

LIST OF ABBREVIATIONS ..... **VII**

LIST OF TABLES ..... **VIII**

LIST OF FIGURES ..... **VIII**

CHARTS ..... **VIII**

CHAPTER ONE **9**

INTRODUCTION **9**

1.1 BACKGROUND 9
1.2 PROBLEM STATEMENT 12
1.3 PURPOSE OF THE STUDY 14
1.4 RESEARCH QUESTION 14
1.5 RATIONALE FOR THE STUDY 15
1.6 SIGNIFICANCE OF THE STUDY 15
1.7 SCOPE AND LIMITATIONS OF THE STUDY 15
1.8 STRUCTURE OF THE RESEARCH REPORT 16

CHAPTER 2 ..... **17**

LITERATURE REVIEW **17**

2.1 UNDERSTANDING URBAN REGENERATION 17
2.2 URBAN REGENERATION AND DEVELOPMENT 22
2.3 INTERNATIONAL EXPERIENCES 25
2.3.1 Housing project *26*
2.3.2 Pittsburgh Technology Centre *26*
2.3.3 Business Development Centre *27*
2.3.4 Lessons from Pittsburgh urban regeneration *27*
2.3.5 The British experience *28*
2.4 URBAN SSES AT THE REGIONAL LEVEL 31
2.5 CONCLUSION 34

CHAPTER 3 37

RESEARCH METHODOLOGY **37**

3.1 RESEARCH DESIGN 38
3.2 POPULATION, SAMPLING, DATA COLLECTION 38
3.3 RELIABILITY AND VALIDITY 39
3.4 PRELIMINARY DATA ANALYSIS 40
3.5 CONCLUSION 41

CHAPTER FOUR **42**

PRESENTATION OF RESEARCH FINDINGS **42**

4.1 EXPERIENCES OF THE ARP 42
4.2.1 Profile of the respondents *43*
4.2.2 Stakeholders service team of the ARP *44*
4.2.3 SSE owners by sector *46*
4.3 DEVELOPMENTAL CHALLENGES OF SSE 51
4.4 PROMOTION OF SSES BY THE ARP 54

4.5 ARP PENETRATION INTO DISADVANTAGED GROUPS 55
4.5.1 Accessing finance from the ARP *56*
4.5.2 Relocation of SSEs to Pan-Africa and Business Park *57*
4.5.3 Business growth and development since 2001 ..... *57*
4.6 CONSTRAINTS AND CHALLENGES 59
4.7 CONCLUSION 60

CHAPTER 5 62

INTERPRETATION OF RESEARCH FINDINGS 62

5.1 OBSTACLES TO SSE DEVELOPMENTS 62
5.2 FACTORS AFFECTING SSE DEVELOPMENT 63
5.2.1 Lack of education and business skills *65*
5.2.2 Land disposal for SSE *66*
5.2.3 Lack of road infrastructure and transportation *67*
5.3 ARP AND EMPLOYMENT CREATION 68
5.4 THE ARP MARKETING OF SSES 69
5.5 SSES AND EMPOWERMENT 70
5.6 GROWING AND DECLINING SECTORS 71
5.7 COLLABORATION BETWEEN THE ARP AND STAKEHOLDERS 72
5.8 POLICIES AND MUNICIPAL BY-LAWS 72
5.9 CONCLUSION 73

CHAPTER 6 75

CONCLUSION AND RECOMMENDATIONS 75

6.1 THE ARP AGENCY 75
6.2 ARP STAKEHOLDERS 76
6.3 SSE OWNERS 76
6.4 COMMUNITY 77
6.5 THREE SPHERES OF GOVERNMENT 77
6.6 CONCLUSION 78

REFERENCES 80

APPENDIX ONE: QUESTIONNAIRE FOR STAKEHOLDERS 86

APPENDIX TWO : QUESTIONNAIRE FOR OWNERS 91

APPENDIX THREE : LETTER REQUESTING INTERVIEWS ..... ERROR! BOOKMARK NOT DEFINED.

LIST OF ABBREVIATIONS

ARP	Alexandra Renewal Project
BEE	Black Economic Empowerment
CDE	Centre for Development Enterprise
CBOs	Community Based Organisations
DTI	Department of Trade and Industry
IDP	Integrated Development Plan
LED	Local Economic Development
NGOs	Non-Governmental Organisations
PPP	Public Private Partnerships
RSA	Republic of South Africa
SDA	Skills Development Act
SEDA	Small Enterprise Development Agency
SSE	Small Scale Enterprise
UN	United Nations
URP	Urban Renewal Programme
URP	Urban Regeneration Programme

LIST OF TABLES

Table 1: Biographical information analysis by gender
Table 2: The number of employees per sub-business owner and sector

LIST OF FIGURES

Figure 1: Small Scale Enterprise Owners by Sector

Figure 2: Length of services in business

Figure 3: Number of employees by sub-business owner by sector

Figure 4: Declining sectors in Alexandra

CHARTS

Chart 1: Depicts a comparison of the educational level of the respondents

CHAPTER ONE

INTRODUCTION

The Alexandra Renewal Project (ARP) is a multifaceted endeavour with economic, cultural, social and political dimensions to it. The study focused on the ARP as a project earmarked for urban regeneration and local economic development through various massive projects. The paper investigates the impact of ARP on the growth and development of these small-scale enterprises (SSE) since inception.

The ARP has a key role to play in providing an enabling environment for SSEs to grow and prosper by building an entrepreneurial spirit. The ARP should be a catalyst for economic growth in Alexandra, helping eventually in correcting specific market failures that create obstacles to successful enterprise. The study also looked at how SSE development in Alexandra can maximise their local economic position. Local economic development through the ARP was intended to facilitate household diversification of economic activity as the main means of improving people's livelihoods in a sustainable way, thereby reducing poverty.

1.1 Background

Historically, Alexandra is a rapidly urbanising township. People in search of employment in the city have flocked to the area from rural areas in South Africa and neighbouring countries, dramatically overloading an infrastructure already under strain. Congestion in informal settlements, in the hostels and along the banks of the Jukskei River has rendered life stressful, unhealthy and perfidious.

In view of this, President Thabo Mbeki announced in February 2001 that ARP would help redevelop the township; several previous efforts to uplift the township had been terminated due to apartheid linkages. The estimated budget for the ARP at the time of the announcement was R1,3 billion over a 7-year period.

The ARP was born out of the 2000 Business Plan, and its lead organisation is the Gauteng Department of Housing. It is being implemented with inputs from various stakeholders including national, provincial and local government, the Greater Alexandra community, non-governmental organisations (NGOs), community-based organisations (CBOs), and the private sector.

It was the largest and most concentrated programme of urban regeneration and service delivery ever undertaken in South Africa, intended to re-develop and rehabilitate the most pressing and critical service delivery gaps in the township, such as lack of employment opportunities, poor entrepreneurship and lack of interest from investors to invest in the local markets. The study investigated how the ARP addressed these service delivery gaps for small-scale enterprise development as part of the urban regeneration programme. On local economic development, the ARP's objectives were meant to develop institutions that are supportive to business such as Small Business Development[1] and Building Business Forums and Co-operation.[2]

The ARP has been in place for the past 6 years, since April 2001. The project has achieved considerable output such as redesigning of the Pan-African Taxi Rank and improving the township's infrastructure. It had to work through the challenges of community opposition during the relocation of people from dangerous living conditions to a place of safety.

Alexandra Township has been trapped in cycles of declining or stagnant economies with increasing populations that become poorer and poorer. SSE development was seen as an expansive process that involves different stakeholders for economic development, and SSE development was to be supported and capacitated in growing local economies and bringing competitive advantage.

---

[1] This would involve the establishment of a local business service centre; promoting small businesses by linking such businesses to institutions that provide support; undertaking a business audit in order to understand a spirit of entrepreneurship and innovation (Ref. Official source). See also www.arp.org.za.

[2] This would involve facilitating stakeholder participation so as to build relationships with existing business in order to create an environment that will encourage participation and investment into the Alexandra area; developing an overarching strategy for city improvement districts for the Greater Alexandra Region (ref. official source). See also www.arp.org.za.

The community of Alexandra Township believed that ARP implementation had also been hampered by poor institutional co-ordination and delivery responses involving various levels of government, probably influenced by the practical challenge of aligning ARP agency budget, inefficient procurement processes and information management, which is complex and yet necessary for reporting systems.

In spite of robust debate in the policy and academic literature, little was understood about what urban regeneration means in the South African context and this study seeks to explore the meaning of urban regeneration and also provide a critical analysis of the debate. Urban regeneration planners are faced with a great challenge in meeting the demands of different sectors of people living in urban areas in regenerating their environment.

There is still a need in South Africa to understand the meaning of Urban Renewal Programmes (URPs). The lack of access to resources is not only confined to physical human skills, which permit households to take advantage of economic opportunities in the townships they live in. In Third World countries, the majority of urban residents are still excluded from urban regeneration initiatives or formal markets where the informal market has become an important aspect of local economic emancipation based on the fluidity of SSEs.



Alexandra Township (Pictures: courtesy of ARP)

1.2 Problem statement

ARP began as a housing programme but later turned progressively, by both law and practice, into a major tool for subsidising and assisting small-scale socio-economic enterprise development and other governmental projects within the Greater Alexandra area.

An SSE offers traditional goods or household retail services such as grocery stores, taverns, hardware stores, barber shops and automobile repair shops, serving a predictably stable clientele. In Alexandra, SSE markets were seen as static, whose growth prospects were virtually zero.

Alexandra has experienced challenges in relation to service delivery since the apartheid era; leading to increasing unemployment and poor wages for the few

who were formally employed. The core business of the municipality was to expand service delivery to people who had not previously had services. It was expected that it would respond to people's needs by first consulting them about their needs and discussing service levels with them.

For the effective operation of SSE development in developing countries, there should be programmes in place to enhance economic participation and access to sustainable business opportunities through funding initiatives and the provision of the required business development skills.

In addressing economic hardships in the process of urban regeneration for SSE development, it is critical to note that the expenditure side of the budget will have to bear a large part of the burden for ensuring a smooth transition towards sustainable development. Stability of local economic development towards SSE will be determined by the ability of new social and economic systems to meet the needs of the people in Alexandra.

High unemployment led to serious economic deprivation and poverty in the area, and this could potentially be reduced by SSE development. The study examined how SSE as part of local economic development had been used to reduce unemployment by creating more jobs for unemployed individuals. ARP, in line with its mandate, was intended to influence SSE to create employment opportunities within their businesses and to support local people by hiring them.

The researcher attempted to understand the enormity and complexity of these particular challenges. The groundbreaking SMART partnerships between the state and the private sector should be genuine in order to find long-term solutions towards improving the quality of SSE development through urban regeneration in Alexandra.

This study examines how ARP assisted SSE development in ensuring sustainability for local economic development and give a competitive edge to local SSEs. The ARP is designed to support and facilitate a people-driven

approach to urban regeneration for better service delivery to the poor in Alexandra.

1.3 Purpose of the study

The purpose of the study was examination on how ARP assisted SSEs development in the Greater Alexandra area, where SSEs are characterised by innovation, growth and development outside the formal sector.

Business strategies were examined with regard to start-up capital problems and sustainability related to business expansion, lack of credit, increasing competition and slow demand, insufficient supply of business inputs such as machines, electricity, raw materials and business location and poor integration of investors into the ARP. The study was aimed at examining the constraints; operational problems faced by SSEs under the ARP; measuring the level of absorption of previously disadvantage groups (women, youth and people with disability) to the sector in relation to poor management and the inability of small-scale enterprise to reach the maximum potential; and investigating the extent to which the ARP through SSE development has addressed the question of employment opportunities in the Greater Alexandra area.

The ARP can be regarded as having a triple role - investor, advisor and collaborator - in the support of SSE development and initiatives aimed at improving access to resources and markets for entrepreneurs. Thus, the purpose of the study was to make appropriate recommendations on how small-scale enterprise development in urban regeneration can be utilised to grow the local market and bring a competitive advantage to the SSE.

1.4 Research question

The question that underpins the study is: What are the key factors within the ARP that promote and/or hinder SSE development?

1.5 Rationale for the study

Little research exists on challenges facing SSEs within the ARP in Alexandra, and this is also the case for the Johannesburg area and the Gauteng Province at large. Literature on this topic is scanty. This study will fill a gap in the research and literature about SSEs in Alexandra and in similar townships. Policy-makers on urban regeneration as well as project planners will be informed about the challenges of SSE development in an urban regeneration programme.

1.6 Significance of the study

The SSE business sector is a major driver of economic development in townships where formal employment is hard to secure. SSEs should command a significant policy commitment because they are the major driver of economic development in Alexandra. Given that SSEs are a potential vehicle to alleviate poverty and reduce unemployment for the Alexandra community, it is necessary for ARP to create an enabling environment for local economic growth.

1.7 Scope and limitations of the study

The key limitation was the sensitive nature of the topic being researched. Government officials were not keen to give information on the identified problems. The results represent only the contribution of the respondents who participated in the study. The study was subjective and although every effort was made to ensure honesty of response by participants in the research process, the personal views, bias and response to the researcher may affect data. The questions in the study were mostly open-ended questions, with a few closed questions. A further limitation may be the issue of language. A number of SSE owners are semi-literate with a low level of education and may have had a limited understanding of some questions or concepts. The respondents provided translation to ensure freedom of thought and expression.

1.8 Structure of the research report

Chapter 2 reviews extant literature, drawing on various scholars in the field of small-scale enterprises in urban and peri-urban areas. Chapter 3 provides the methodology, giving the background to the choice of using interviews for data collection. The chapter ends with methods of data recording, significance of the study and the limitations of the study. Chapter 4 presents the research findings. Chapter 5 analyses and interprets the research findings by reflecting critically on the basis of the literature in Chapter 2. Chapter 6 concludes the study and makes some recommendations.

CHAPTER 2

LITERATURE REVIEW

The chapter reviews extant literature and looks at broad areas of theory on the theme of SSEs, at global, regional, and local levels. In 19th-century Paris, according to Jacobs (2006:5), from the 1850s into the 1870s, Haussmann "demolished large areas of slums and narrow, crooked medieval streets, replacing them with neighborhoods, plazas and traffic circles, railroad lines, sewerage, regular collections of garbage and large parks". Jacobs further stated that "Paris was changed into an urban city and large numbers of working class and poor beings were attracted to move to a suburban area".

Urban regeneration in the medieval era involved spatial planning in places such as Paris and Rome as cities of the first world, and attraction of other activities because of the physical infrastructure of the areas. Paris is acknowledged as a centre of architecture, fashion, and perfume manufacturing, which resulted in job creation.

Weaver (2001:1) stated that from the 1800s to the early 20th century, the collapse of Britain's industrial and manufacturing economy has left many inner city areas blighted by unemployment, riddled with poor housing and socially excluded from prosperous districts. Weaver further argued that Britain viewed urban regeneration as an attempt to revive the declining town by improving the physical structure, and more importantly and elusively, the economy of those areas.

2.1 Understanding urban regeneration

The researcher was of the view that urban regeneration emanates from making collective decisions and being aware of the nature of problem that a particular city has experienced. Most successful urban regeneration is based on the fact that champions of the programme know how to go about improving the situation. Urban regeneration should be based on addressing the social,

economic and physical factors, including dealing with the synergies between these particular factors.

According to Cameron and Doling (1994:1211) in the mid-1980s the Birmingham City Council produced its first economic development strategy, which focused on encouraging tourism as a business opportunity for the local economy to expand. The City Challenge policy was perceived as an integration approach to urban regeneration in solving housing problems, employment, access to the economic mainstream and community empowerment.

Therefore, one viewed urban regeneration as it evolved into a policy-based approach which was based less on infrastructural development and more on renovation and investment, and which today is an integral part of most local governments, often with small and big business incentives from strategic partners.

American policy and practice on urban regeneration changed drastically from the 1930s and 1940s. The Housing Act of 1949 marked a major move towards the demolition of all urban slums, providing a large amount of funding for slum clearance (Morris, 2001:2). One may argue that this type of Act was aimed at improving housing by offering loans to certain racial groups, which was also discriminating against poor blacks and Asians. The amendments to the American Housing Act in 1954 improved citizens' participation in renewal processes, as it were made a compulsory requirement.

However, the approach used for urban regeneration led to massive resistance, and protest action among the districts, and resulted in failure. According to Morris (2001:3) the approach to urban regeneration later changed to "neighbourhood-based efforts which seek to enhance capacity of individuals and community through education and training, social support and increased economic opportunity."

These international experiences have shown that an urban regeneration programme could have served as an economic hub for growth and development

in most of the world's cities. However, the challenge was that when urban regeneration was first introduced in the early years it excluded the third world countries and also discriminated against the black minority areas and the peasants as partners in the first and second world economies.

Urban regeneration should be positioned to support initiatives aimed at improving access to basic services, eradicating poverty, decreasing unemployment and addressing underdevelopment. The local residents must be part of urban regeneration by being involved in planning, collective decision-making and dealing with problems. Public participation must be facilitated through different forms of media or word of mouth to encourage commitment and sharing of information on urban regeneration implementation.

The improvement of physical infrastructure for the communities should be done jointly with the intention of rehabilitating the social fabric and communal networks. This new emergent post-modern approach to urban regeneration is gaining momentum.

In discussing urban regeneration, it is critical that this complex phenomenon is defined: "Urban regeneration is a mix of all activities designed to combat urban obsolescence and improve social and environmental conditions" (World Bank, 2005:5). Thus, regeneration could include anything from improving the built environment, to thriving enterprise amongst the local community and improving the cultural environment.

The abovementioned sentiment emphasises local control by using the potential effects of local human, institutional and physical capabilities. It is imperative that community members be involved in the decision-making on issues that impact on local economic development. This kind of involvement is likely to yield results such as accountability and mutual agreement on community development initiatives.

Roberts (2000:17) defined urban regeneration as comprehensive and integrated vision and action which leads to the resolution of urban problems and which

seeks to bring about a lasting improvement in the economic, environmental condition of an area that has been subject to change. Roberts further argued that urban regeneration should be based on long-term, strategic purpose, keeping in mind a strategic agenda and cross-sector integration as the main components.

The researcher is of the view that in the process of urban regeneration, a township that does not have equality in infrastructure investment, service delivery and job creation by the SSE, will in turn present a dilemma in addressing issues that affect the poor in urban areas like health, education and other social services.

In the early 1980s, the Castleford project in the United Kingdom established a process of urban regeneration which enabled local citizens to have greater control and ownership of the direction of their community and the way in which it could overcome market failure (see www.uk.go.za). They viewed urban regeneration as participatory, sustainable and trustworthy and believed that government must act as an advocate rather than an instrument of command and control.

Weaver (2006:2) stated that over the past 20 years Britain had launched numerous funds, mainly in communities and neighbourhood renewal funds. Weaver further argued that the effectiveness of regeneration schemes has yet to be proved, as there are doubts about the impact it has, particularly on the challenging area of economic and social renewal.

The researcher was of the view that urban regeneration is denoted as a multiple-layered concept with different themes: political participation, social, economic and physical factors in decision-making processes and management.

Rogerson (2004:38) states that the central issues of urban regeneration can be synergized in two interrelated areas of concern: First, a principal objective of urban regeneration should be enhancing the productive contributions of cities of

broad economy. The second prong of urban regeneration activities must relate to mitigating urban poverty.

In addressing urban regeneration, policies should be used as guidelines and regulate the approach to improving the living conditions of the disadvantaged groups within a context of local economic development. In the South African context of urban regeneration, it is critical to recognize the effectiveness of SSE development is necessary in order to leverage urban regeneration initiatives. Urban regeneration can be defined as a redistribution of socio-economic activities with suitable support structures for effective and sustainable livelihoods.

Dewar (1990:57) said that in the restructuring of urban process "the challenge was to create a place where poor people can manufacture and trade, at very low overheads, in the economically better located parts of the cities; markets, industrial hives and metered service points" as part of the strategy. Dewar's argument clearly outlined the importance of good facilitation of urban regeneration for SSE development with a specific focus on marketing, financial access, transportation and infrastructure in order to access participation in the local economy. It is therefore necessary to have potential markets identified for small-scale enterprise development; and strengthening of private sector partners to invest in the local markets as part of empowerment and capacity-building.

Evans and Shaw (2004:2) defined urban regeneration as a concept that deals with neighbourhood renewal, social inclusion and community cohesion, reducing crime levels, improving levels of health and well-being, increasing educational attainment, reducing unemployment, greater community cohesion, better environmental quality and improved quality of life. This implies that bridging the resources gap within communities by facilitating urban regeneration and empowering SSE development could exacerbate economic growth.

Bailey (2005:1) viewed partnerships in urban regeneration as the mobilisation of a coalition of interests drawn from more than one sector in order to prepare and

oversee an agreed strategy for the regeneration of a defined area. Urban regeneration is characterised by a shared vision of the strategy among partners, limiting the burden to local government, sharing resources and eliminating working in silos as urban regeneration facilitators.

Todaro (1994:480) defined small-scale enterprise as industry which operates with a smaller environment, with low employment and hence small output capacity. Economies of scale do not normally exist for such firms but they often tend to utilise their limited physical, human and financial capital more efficiently than large-scale firms do.

An urban regeneration programme is supposed to be an integrated approach in addressing challenges of physical, social, and economic revitalisation of decaying neighbourhoods or townships for sustainable local economic empowerment. Therefore, there should be synergies between urban regeneration and small-scale enterprise as SSE contributes to economic emancipation and growing local markets for local residents.

SSE development was seen an expansive process that involves different stakeholders for economic development and competitive advantage in townships. Therefore, team players must ensure that they deliver as promised and within the set timeframes of the project. Identifying the correct indicators and measures for development is crucial in order to achieve the expected outcome of the project.

2.2 Urban regeneration and development

Rogerson and Rogerson (1996:178) explains that in order to increase the capacity of the informal economy to contribute to the regional economy and the resolution of the problems of urban poverty, the major focus areas for policy intervention on urban regeneration include:

1. Finances and credit ;
2. Infrastructure and service provision;
3. Training;

4. Urban management; and
5. Expanding business linkages development through sub-contracting arrangements.

Rogerson and Rogerson definition relates to urban regeneration as increasingly defined to encourage investment, service delivery, jobs and most importantly sustainable local economic development. This means that urban regeneration is aimed at assisting those people previously marginalised in accessing finance and benefiting from local economic growth initiatives. Urban regeneration was seen as the key strategy to counter the legacy of uneven development and poverty alleviation in third world countries by attracting local markets and boosting local economies.

Dewar (1990:90) stated that the role of the state in urban regeneration processes was not only funding the housing components but to a large extent promoting the training and development of extensive networks of small builders; the promotion of labour-intensive public works programmes to provide and maintain infrastructure; and the use of sub-contracting to promote small business, for example, making school furniture or uniforms.

This type of proposal can play an enormous role in creating an environment for SSE development, most especially in deprived communities. From the above definition, the key identified elements of urban regeneration are local leadership that inspires confidence in the local economy, exploiting local opportunities, available resources and skilled citizens to run thriving enterprises.

Evans and Shaw (2004:20) underscore the economic rationale that has underpinned public intervention in urban regeneration since the late 1970s, particularly in relation to employment, training and inward investment, targeted at particular areas and communities. They further argued that the economic effects also feature as indirect outcomes of environmental and social regeneration as social costs are reduced and taxation and other revenue increases.

Urban regeneration in South African had been perceived as a platform for creation of local economies, innovation and equity distribution. However, most communities remain poor even though this programme has been introduced throughout the country. It is critical to have partnership in addressing the inequalities in society. Equally important is a coherent and cohesive approach to fostering local economic development, and a key objective of urban regeneration is to assist in creating an enabling environment for SSEs to reach maximum potential and economic growth.

According to Dewar (1990:111), the single most important condition for maximizing employment and income generation was SSE development as it is largely easily accessible to local markets, and tends to promote economic diversification within the community.

Urban regeneration as a catalyst can be used to harness local business growth, and assist emerging new enterprises. However, in order to achieve the objectives of the urban regeneration programme, local government has a role to ensure that the programme is linked to local economic development and that there is proper facilitation at implementation and monitoring level.

Molotch (1976:134) was of the view that urban regeneration must influence growth distribution emanating from local government. In contrast, Elkin (1987:70) viewed local government as having an interest in the economic performance of the industries in their jurisdiction and attracting new investments. However, it goes beyond the ownership and accountability aspects in facilitating urban regeneration programmes by identifying innovations and opportunistic markets that will continually improve the community.

According to Mills (1996:191), with regard to urban regeneration, local governments must focus on policies facilitating clustering to ensure that educational systems train students for emerging jobs, developing transportation systems to provide accessibility to jobs, reducing crime, eliminating undue land-use controls and maintaining reasonable tax rates. This definition can be interpreted as a mechanism to balance the distribution of wealth and resources

within the community in order reach the untapped market for SSEs development.

According to Leitner (1990:50) local political action and discourse can and does affect the formulation and implementation of the economic development agenda in an urban regeneration environment. In the true sense, urban regeneration and economic development are complex tasks, ideally merging strategies for attracting finance and building the types of systems and organisations that can take advantage of capital development. It is evident that when there are linkages between urban regeneration and local government, this contributes to local economic development and small-scale enterprise development.

The partnership between the urban regeneration planners and the community members must be strong enough to implement the programme. For instance, when urban planners build a shopping complex in a particular area, they must know the economic viability of the residents and also local entrepreneurs in order for the shopping centre to be profitable and provide appropriate goods and services to the community.

2.3 International experiences

Beginning in the late 1970s and early 1980s, “the steel industry in Pittsburgh began to experience structural adjustment, followed by economic recession from 1981 to 1982 because of the mills’ trade-offs. The steel mills closed, with a negative impact on railroads, mines and other factories across the region. The local economy suffered through a depression, marked by high unemployment and underemployment, as laid-off workers took lower-paying, non-union jobs. Pittsburgh also lost citizens as they migrated to other cities. A large sector of the white population also moved to the suburbs” (www.wikipedia.org).

In 1980, the Pittsburgh economy began to shift from heavy industry to services, medicine, higher education, tourism, banking, corporate headquarters and high technology. Pittsburgh’s urban regeneration was managed through the establishment of the urban redevelopment authority as an agency aimed at

generating, stimulating and managing growth and development in the city of Pittsburgh. The agency had been established in 1946 to facilitate major projects, programmes and activities by creating jobs, increasing the city's tax base, and improving businesses, neighbourhoods and the City's culture as a whole. Urban regeneration in Pittsburgh has been implemented through several projects, as described below.

2.3.1 Housing project

Crawford Square is an "18-acre residential development located on the eastern side of downtown Pittsburgh that forms a gateway between the downtown business district and the nearby Hill district". Crawford Square is part of a new vital area which provides quality mixed-income housing in a friendly, pedestrian neighbourhood to residents with a wide range of incomes. The Square is also pedestrian-oriented

The houses included 426 rental units as well as sale units. Approximately half the rental units are subsidised and are indistinguishable from the sale units. The houses were designed to reflect the character and scale of a traditional Pittsburgh residential neighbourhood and do not include commercial development.

2.3.2 Pittsburgh Technology Centre

Pittsburgh as a community involved with urban regeneration had identified the need for transferring of technology skills through the University of Pittsburgh and Carnegie Mellon University, together with business organisations. These universities have established inter-disciplinary research focused on developing and applying new technologies in the fields of biotechnology, bioengineering, artificial intelligence, robotics and computer applications.

2.3.3 Business Development Centre

The mission of the centre was to help businesses grow and succeed. It offered a variety of products with a network of service providers. The programmes offered included a business growth fund and urban development fund, tax exempt financing for manufacturers and staff support for small businesses. All procurement transactions for professional services, construction and commodities were done in open and free competition. The agency also had a goal to provide equal opportunities for business growth to minority and female entrepreneurs. Pittsburgh's urban regeneration goal around small businesses was eighteen per cent (18%) to minorities and seven per cent (7%) to women's participation in construction contracts and purchases where they managed to achieve an adequate percentage against the set goals. However, the standard of services was not compromised even though contracts were awarded to qualifying emerging small businesses. They also had as a goal to monitor the minorities and women labourers on projects through site visits to the projects to ensure employment goals were achieved.

2.3.4 Lessons from Pittsburgh urban regeneration

Pittsburgh has made huge gains in urban regeneration by "cleaning up old factories and warehouses and replacing them with museums, clubs and restaurants" (www.wikipedia.org). Pittsburgh is now an attractive low-cost high quality city. The city has a collection of diverse ethnic neighbourhoods and also recreation centres and parks. Pittsburgh urban regeneration also promoted the city as a tourist attraction with a history linked to the steel industry. In addition, in 1992 "a new terminal was opened at Pittsburgh International Airport"; which made it more accessible and viable as a destination.

The revival experience of a decaying town means that Pittsburgh today has clean air, a diversified economy, low-cost living and up-market construction infrastructure for education and culture. Pittsburgh has been ranked as one of the world's most liveable cities, largely as a result of urban regeneration.

2.3.5 The British experience

The metropolitan Borough of Wigan in the United Kingdom has a population of 310,000 and occupies an area of 77 square miles. Wigan was once a mill town with cotton production and coal mining. There was a structural adjustment made to these productivity activities, which left the town in a slump and saw people moving to better areas. The employment rate of the town dropped because of the shut-down of the firms and the situation in the surrounding areas deteriorated.

In 2001, the Wigan Council introduced urban regeneration in order to improve the living conditions of Wigan town. Wigan Council in England has been involved in promoting urban regeneration with the aim of dealing with unemployment, pockets of social deprivation, derelict land and poor environment. They further defined "urban regeneration as a means of improving the physical, economic and social well-being of the neighbourhood. They are also involved in major programmes with a wide range of partners and play a leading role in physical regeneration" (Wigan Council, 2001:1).

Education has remained a priority for the Wigan Council as it poses a challenge for minority groups and people from rural areas. The Wigan education system introduced new ways of teaching and as a result the pass rate has improved.

SSEs are a critical component of urban regeneration in Wigan through synchronising and harmonising by:

1. Encouraging business start-ups through the provision of advice and support;
2. Assisting the growth of established SMMEs;
3. Export initiatives;
4. Technology support; and
5. Provision of appropriate premises.

Urban regeneration in Wigan recognised the need for access to basic resources by the society. Problem areas were identified around social inclusion such as

increasing crime and fear of crime, poverty, underachievement, joblessness, and poor health.

The primary employment areas were perceived potential areas for employment opportunities for local residents of Wigan, and included modern business parks, and older industrial estates. They brought advantages like:

1. Increased employment opportunity;
2. Emphasising land reuse and redevelopment;
3. Balanced geographic spread throughout the Borough;
4. Accessibility for workers and potential workers to working areas, e.g. public transport;
5. Accessibility for goods either to and from local markets and suppliers and from the national road network, including a number of locations with potential for rail connections.

The Borough had lost significant quantities of business land for other usage, especially housing. This happened because of the legacy of derelict land, which was left by the industry and mining activities, and created a demand for housing land. However, the supply of land had balanced out with the increased need to retain the business land for growing the local economy. Wigan Council understood urban regeneration as an ongoing priority for local economic development. The urban regeneration priority included sourcing and market requirements such as access for goods, and employment requirements, which included the type of job, skills required and the employment needs and requirements of the workforce and job seekers.

Wigan Borough experienced structural adjustment from the traditional industries, which were in a long-term decline. It needed to attract more businesses, including the “knowledge-based’ sectors in order to diversify the economy through fostering creation and expansion of knowledge-based employment opportunities for Wigan residents. Urban regeneration in Wigan required that offices be close to the town centre where staff can take advantage of retail and leisure activities during lunchtime, before and after work. The

offices areas also had to accessible for people to use public transport, and walking and cycling could reduce travel costs.

Wigan Council then located similar businesses in the same areas, such as motor vehicle servicing, repairs, hire and sales. All these type of business were located in one suitable commercial area. Development in the area was restricted in order to eliminate traffic jams caused by heavy goods vehicles which were not allowed to drive through the residential area. Housing development had first to be approved through the Council by legal agreement in order to control the property developers. Roads were improved and continuously maintained.

Wigan Pier Quarter acted as the gateway to the Wigan town centre and is close to the two railway stations and retail and leisure amenities. The Quarter had a diverse character and range of uses including the Wigan Pier tourism and heritage attraction area adjacent to the Leeds and Liverpool Canal, older industrial and mill buildings, post-war industrial and commercial building and small pockets of housing. The approach was based on conservation-led regeneration that allowed new high quality developments that will enhance the character of the area. They emphasised the financial viability of the existing tourism attractions.

Tourism in Wigan Borough was seen as having potential to further enhance leisure opportunities for both local people and visitors by improving the environment and quality of life and generating employment. The jobs created in the tourism-related industries were in hotels, restaurants, cafes, travel agencies, museums, cultural, sports and recreation centres. This approach accordingly assisted in sustainable ongoing economic, social and physical regeneration in Wigan Borough. For example, the Wigan sporting clubs have become well-known world-wide with the construction of a new stadium.

The British urban regeneration movement had contributed and succeeded through:

1. Improved level of education and training;

2. Increase in the pass rate in mathematics and science for both male and female learners;
3. Inward investment (public-private sector leverage;
4. Higher resident and visitor spend;
5. Job creation (direct, indirect, induced) and wealth creation;
6. Employer location and retention;
7. Retention of graduates in the SSEs;
8. A more diverse work force (skills, force);
9. A driver in the development of new business, retail and leisure areas;
10. More public-private-voluntary sector partnerships;
11. More corporate involvement in the local economic development sector; and
12. Increased property prices (residential and business).

(Evans and Shaw, 2004:20)

2.4 Urban SSEs at the regional level

According to Kirchick (2006:1) in Zimbabwe urban regeneration was experienced in an unusual style whereby hundreds of thousands of destitute Zimbabweans saw neighbourhoods destroyed in what the government termed "Operation Murambatsvina" or "Operation Wipe Out Trash". Mugabe claimed the operation was a revolutionary new method of urban regeneration, but families had 30 minutes warning before their houses were bulldozed. Kirchick further argued that this vigorous clean-up campaign was for the purpose of restoring the city of Harare as the programme implemented by President Mugabe had not shown any improvement on urban regeneration.

The researcher was of the view that Zimbabwean urban regeneration was more a matter of ethnic cleansing and abuse of political power by the leaders. Urban regeneration in a poverty-stricken country like Zimbabwe was seen as critical for economic revival of the country through SSE development.

Post-apartheid South Africa viewed urban regeneration through, among others, SSE development as a key instrument for attaining several different objectives, viz. employment generation, income redistribution and the enhancement of

competitiveness. Thus, local government through the urban regeneration programme has been described as the 'hands and feet' of effective service delivery of the government programme of action.

The success of urban regeneration also includes the accountability of the local authorities by forming regional partnerships with the private sector, community and educational institutions within the region. Urban regeneration can also be a "white elephant" in instances where the role of stakeholder partnership and the buy-in of the community members are sidelined. The researcher argued that the private sectors can be the most influential player and driver for urban regeneration if roles and responsibility are defined and bureaucracy was minimized at all cost. This served as balancing the skewed ladder between the first economy and second economy for effective job creation and for bringing the poor into the economic mainstream. In the following section, the report looks into urban regeneration, SSE development and local governance.

Local government has a role to play in addressing economic inequality by enabling people previously denied opportunities the chance to participate in economic activity and start and grow businesses. One element of urban regeneration is to support informal and community sector ventures in stabilising and growing businesses, and to access market opportunities. Thus, linkages between local economic development and urban regeneration are value-adding in nature and SSEs could gain a competitive edge by mentoring programmes from local authorities as champions of urban regeneration.

South African urban regeneration will elevate poverty, eradicating the legacy of apartheid within communities. The urban regeneration programmes are used as tools for better spatial planning, local economic development, housing, institutional restructuring, safety and security and urban renewal. Urban regeneration has also to include economic development, which aims at BEE, skills development for SSEs and poverty alleviation.

President Thabo Mbeki announced the urban renewal programme in February 2001, during the State of the Nation Address. The aim of this nodal programme

was articulated as being: "to conduct a sustained campaign against rural and urban poverty and underdevelopment, and bring in the resources of all three spheres of government in a co-ordinated manner."[3] The urban renewal programme has a ten-year life span, which started in 2001 and has the following objectives:

1. To address poverty alleviation and underdevelopment ;
2. To achieve increased equity;
3. To attain social cohesion;
4. To enhance local government capacity to deliver;
5. To promote innovation in approaches to planning, design, implementation and financing.[4]

In 2001, the South African state introduced an urban regeneration project as a pilot project called the ARP in Alexandra Township. The project concept was replicated in other provinces. The main aim of the ARP was to find a solution to the infrastructure crisis on housing. However, the focus of the project expanded to other fields like health, sport and recreation, job creation and SSE development. The integrated approach was aimed at sustainable human settlement under urban regeneration.

The Constitution of the Republic of South Africa (1996) section 152(1) mandates local government, among others,

1. To promote social and economic development;
2. To promote a safe and healthy environment; and
3. To encourage the involvement of communities and community organisations in the matters of local government. (www.gov.za).

Further, the White Paper on local government (1998) introduced the new concept of developmental local government and outlined public participation, and accountable and responsive local government by community members for local economic development. Urban regeneration formed part of the White

[3] See www.gov.za. (20 October 2006)
[4] See www.dplg.gov.za. (05 July 2006)

Paper as it also attempted to address socio-economic matters that impact in a particular region and on a specific group.

The White Paper (1998) on Local Government provides the context and the direction for the role of municipalities in economic development. It stated that "Local Government is not directly responsible for job creation. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities (www.salga.org)". Further legislation was introduced to give effect to the policy issues including the Municipal Structures Act of 1998 and the Municipal Systems Act of 1998.

The study concurred with the fact that accountability on financial expenditure for urban regeneration plays a role in effective and sustainable economic development and growth. Local government in general does not have funds to run the majority of programmes. Urban regeneration programmes funded under the Gauteng Department of Housing require stringent financial accountability mechanisms in line with government reporting requirements. It is thus imperative to understand the financial flows of urban regeneration and the logic behind this exercise.

2.5 Conclusion

The relationship between urban regeneration and municipality financial expenditure can be influenced through co-operation and co-ordination of the budgets in order to facilitate effective local economic development. As previously indicated, urban regeneration processes need to have "informed and transparent financial management as it helps to build the credibility of the local government sphere with citizens, businesses, and investors, through establishment of world-class financial management, and provides for clear accountability and transparent decision-making regarding all local government financial matters."[5]

[5] See www.gov.za. (20 September 2006)

President Thabo Mbeki (2001a) during the launch of the ARP indicated that there was a need for revival and improvement in community living standards through economic empowerment and community development. Therefore, one questioned how the ARP has achieved these objectives and ensured sustainability.

The Gauteng Provincial Government through the Department of Economics and Finance Affairs introduced the Gauteng Propeller, an agency to capacitate small businesses, with the aim of assisting and building capacity for SSEs in order to sustain the local economies. In order for the ARP to function effectively, the linkages between the SSEs and Gauteng Propeller were to be grounded in a robust economic effectiveness in order to sustain community development in Alexandra Township.

In Alexandra Township, SSEs includes self-employed individuals and family labour in productive small-scale production and marginal activities, which range from peripheral low-productivity work such as small grocery shops, hardware, auto repair works, spare parts suppliers, shoe- shining and bottle stores, to semi-legal and illegal activities. This type of grouping embraces a great variety of businesses, from informal enterprises to SSEs.

This discussion on policies is seen as the thrust in addressing the disadvantaged groups as they contribute an increasing share to national revenue and how they are perceived to lack capacity when compared to the more formal organised businesses in the Sandton area. However, proper guidelines and service standards on facilitation of service delivery to SSE development within urban regeneration are necessary. The South African urban regeneration process also formed part of the discussion.

Finally, for effective urban regeneration, local authorities must ensure that the following are noted: return potential, active local community, clear planning

process, political advantage, and support, training and capacity-building for SSEs. Urban regeneration practitioners need to have a broad understanding and expertise on local and regional development matters. They have to be proactive and consider the interests and needs of the community that they serve.

CHAPTER 3

RESEARCH METHODOLOGY

Leedy and Ormond (2001:114) argue that case study research includes in-depth data gathered relative to a programme or event, for learning more about an unknown or poorly understood situation. Thus, this research effort is qualitative in nature and involves in-depth study. The intention of the researcher is to share the knowledge gained about urban regeneration as it links with SSE development under the ARP in Alexandra Township.

This research seeks to understand the link between the ARP and SSE development. The study is exploratory. It describes analyses and interprets urban regeneration vis-à-vis SSE development in local economies through community economic empowerment, and is a qualitative study.

Leedy and Ormond (2001:103) argue that "The qualitative research process is more holistic and 'emergent' with specific focus, design, measurement instruments and interpretations developing and possibly changing along the way" (Leedy and Ormond 2001:103). They are of the view that the "researcher enters a setting with open minds, prepared to immerse emerge from the data, leading to" context-bound" information, patterns, and theories that help to explain the phenomenon under study".

Therefore, the study was based on theories, case studies and themes from the ARP and international context, in evaluating the effectiveness of practices on urban regeneration and SSEs at international and local level.

The purpose of this research was examination on how ARP assisted SSE development and its contribution to sustainable local economic development. The ARP, in line with its mandate, has to support and facilitate a people-driven approach to urban development for better service delivery to the poor.

3.1 Research design

The research specifically focused on five selected ARP stakeholders and five SSE owners. The particular individuals were selected solely for analysis and expression purposes on the linkages for local economic growth between urban regeneration and SSEs development.

According to Kerlinger (1985:231) research designs are the plans, structures and strategies of investigations, which seek answers to various questions. This means that researchers must do identification, planning, implementation controlling, evaluation, and propagation of findings.

The researcher also conducted the fieldwork because of the nature and time frames of the study by visiting the respondents' offices or operational sites. The researcher first wrote a letter of permission to gain access to the operational site of the SSE in Alexandra from the Alexandra Business Trust and ARP in order to have the full co-operation of the participants.

3.2 Population, sampling, data collection

The target population comprised of the individuals who are involved into fulfilling the mandate of government to facilitate the urban regeneration in Alexandra, and the business association and the owners of the SSEs. The total population from which the respondents were chosen is not large and may be seen as a co-operative team on information, knowledge and experience on facilitation of urban regeneration in Alexandra under the local economic development cluster. A survey sample was conducted for the study. The criterion used for selection of the respondents was based on their knowledge of, and involvement with, SSE development in Alexandra under the ARP.

The researcher used open-ended interview and questionnaires in investigating how the ARP had benefited the SSEs community. The respondent's size was categorised as follows:

1. Five owners of SSE in Alexandra, three women and two men. Participants were selected from the ARP database of SSE
2. Manager of Alexander Development Forum
3. Project Manager of ARP, LED
4. Ward Councillor, LED
5. President of Alexandra Chamber of Commerce chief executive officer of the Alexandra Business Trust
6. Community Liaison Officer from Region 7.

The aim of the qualitative interviews was to provide a framework for participants to speak freely and on their own terms about a set of concerns in relation to the ARP and SSE development. Sample questions included: Do you know anything about the ARP? When did you start your business? Where do operate from? Did you receive support from the ARP since it started?

The researcher conducted open-ended, face-to-face interviews, and these were done individually and were formally structured. The aspect of anti-bias was avoided by focusing on prepared questions. The interview questionnaires used in the study had to be pre-tested to safeguard the researcher against making an incorrect analysis. During the interview, a tape recorder was used to check the information being collected.

The permission to collect data was obtained from both ARP champions and participants. The researcher used both verbal and non-verbal methods of collecting information from the participants. Interview scheduling was done with respective participants, for dates that were in line with their time schedule. In line with the agreed dates, the researcher handed out the questionnaires, and was present during the completion to assist those semi-literate and literate people to complete the questionnaire.

3.3 Reliability and validity

Leedy and Ormond made a distinction between validity and reliability: “Validity is a measurement instrument which is the extent to which the instrument

measures what it is supposed to measure", and defined it as (2005:31): "Reliability is the consistency with which a measuring instrument yields a certain result when the entity being measured has not changed" (Leedy, 2005:31).

The researcher used both the questionnaire questions and the information gathered to validate the collected data. .

Reliability is the consistency with which a measuring instrument yields a certain result when the entity being measured has not changed (Leedy& Ormond, 2005:31). Commitment to interview appointments and follow-up demonstrated commitment and trustworthiness for the research. The information collected was to investigate the linkages between literature review and data analysis of the ARP.

The researcher used the interview guide as the checklist against which sub-topics within the area of inquiry were covered. This assisted the researcher as it serves also as a checklist against which sub-topics may be ticked off as they are covered. The researcher continually checked the reliability and validity of data as collected, since new questions may emerge or unexpected patterns.

3.4 Preliminary data analysis

Blanche and Durrheim (1999:140) were of the view that "data analysis involves reading through your data repeatedly and activities of breaking the data down (thematising and categorising) and building it up again in novel ways (elaborating and interpreting)".

The researcher, during this process used field notes, material, and interview transcripts by reading through these repeatedly in trying to looking for meaning and familiarity with the data. The researcher categorised the data according to the research themes and questions. This was to assist in brainstorming about data and not to lose the focus of the study.[6]

[6] For Yin, "The researcher must possess or acquire the following skills: the ability to ask good questions and to interpret the responses, be a good listener, adaptive and flexible so as to react

After data collection was coded systematically and categorised according to the clustered research questions and practical findings, the collected data was used as a comparison with the intention that both must blend into each other.

For Mouton and Marais (1988), “The researcher during the data analysis will continuously make exploration of the themes in order to safeguard against the sampling redundancy” (Mouton and Marais, 1988:234). This assisted the researcher to manipulate the data until the final structuring was achieved. It has also opened up a discussion with individuals who have been involved with people who know much about the Alexandra Renewal Project and who have a lot of experience to share with those less experienced.

The study aimed at matching even-handedness, comprehensiveness and sensitivity in the final analysis and interpretation of data. The researcher also highlighted how her personal involvement in the research study may have coloured the collection and analysis of the data. The interpretation of the data was narrative in a systematic format according to the theoretical framework and practical findings of the data of the study.

3.5 Conclusion

The research methodology was intended to help build a rapport with stakeholders as well as to better understand their expectations of the ARP - what is positive and works well and what needs to be improved and changed in Alexandra. The purpose was to discover linkages on creation of new possibilities, translate these into reality through dialogue and participation, and to facilitate effective implementation of the ARP in order to develop SSEs.

---

to various situations, have a firm grasp of issues being studied, and be unbiased by preconceived notions”(Yin, 1994:12).

CHAPTER FOUR

PRESENTATION OF RESEARCH FINDINGS

This study presents the findings on how the ARP has assisted the SSEs in gaining access to finance; skills development, job creation, business expansion and promotion of SSEs, and other external support. The findings also highlight challenges faced by SSE owners and stakeholders. The study also captures contributions made by the ARP in supporting the SSEs to grow their local markets and how these particular SSEs in turn assisted in reducing unemployment in Alexandra through job creation. The researcher examined how the ARP has succeeded in assisting SSE business development earmarked for marketing and growing local economies for better quality of life and human settlement. Urban regeneration is an inter-related, integrated approach in sustaining the local economic growth of a particular urban setting.

4.1 Experiences of the ARP

Information presented was collected through interviews conducted on a one-on-one basis between respondents and the interviewer. The key question asked was: *What were the key factors that facilitated and hindered SSEs within the ARP?*

The findings are presented according to interviews scheduled. The themes of the research question are demographic details of the respondents: gender, type of business they are involved in, type of partnership with Alexandra, position or title, population, age range, job experience and educational level; Respondents' business development sectors and roles in their portfolios; Respondents' perceptions about how ARP has facilitated small-scale enterprise development for local economic growth; and respondents' knowledge and understanding about urban regeneration and implications it had on small-scale enterprise development.

4.2.1 Profile of the respondents

The researcher interviewed ten respondents for the study, and of these, five respondents were small-scale enterprise owners from the following sectors: construction, retail and wholesale (butchery,shops and distribution) and motor repairs within Alexandra community. The SSE owners operated their businesses from the Alexandra community. The other five respondents were ARP stakeholders (business, government, NGOs, politics) in implementation of the ARP (project) initiatives. These particular respondents belong to stakeholders who were responsible for local economic development in Alexandra Township. The majority of respondents are also residents of Alexandra and also partners in growing local economies, and they have sufficient knowledge and understanding about the ARP.

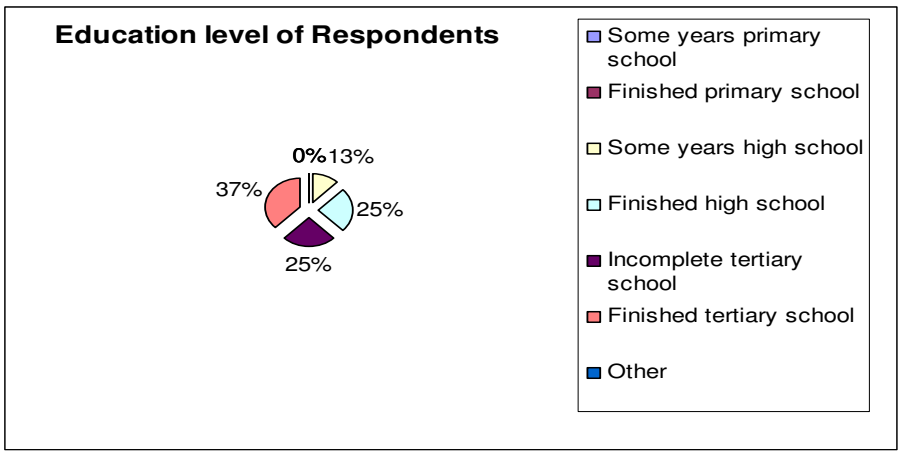
Table 1: Biographical information analysis by gender

CATEGORY OF RESPONDENTS	MALES	FEMALES	TOTAL
Business owners	**5**	**0**	**5**
ARP Stakeholders	**3**	**2**	**5**

One of the ARP objectives regarding the economic sector was “to empower women, youth, and people with disability and also encourage them to participate in the economic mainstream.”[7] Only two of the women beneficiaries participated as respondents, clearly indicating that there was still a need for more involvement of the disadvantaged groups in local economic devlopment. For the ARP to be successful it must include the disadvantaged groups by supporting and empowering them through access to finance to start new business development opportunities within the community of AlexandraThe researcher found that the ages of the respondents ranged from 20 to 60 years. According to the research findings it is clear that the entire spectrum of active people were also included as beneficiaries of the ARP as reflected by the respondents age cohort. The age differecences indicated that the ARP is a non-discriminatory and inclusive programmme for all members of the community .

[7] See www.arp.org. (07 May 2006)

Chart 1: Educational Profile of the Respondents



Research findings on educational profile revealed that respondents' educational levels varied, starting from primary to finishing tertiary level. This meant that their understanding of urban regeneration also had different meanings which positively and negatively impacted on their commitment to facilitate objectives of the ARP. The focus on educational background of the respondents was identified as critical by the researcher to also educate the community and stakeholders on what the ARP is and the benefits it has for Alexandra Township.

The educational backgrounds give a good picture of the respondents' understanding of socio-economic challenges in their environment and also the positive contributions they can offer because they are not completely illiterate.

4.2.2 Stakeholder service team of the ARP

The study further investigated how the ARP in collaboration with stakeholders had supported SSE development in Alexandra Township since 2001. Carely (2000:275) stated that "urban regeneration success and effectiveness in a partnership depends on strong, competent leadership, skilled staff, clear, fair and manageable formal partnership arrangements, a shared agenda with a common long-term vision and workable medium-term objectives backed up by commitments to finance, human resources, targets and monitoring as well as an organizationally culture supporting partnership".

The stakeholders interviewed occupied positions such as

- Community Liaison Officer: ARP employee, based in the ARP office in Wynberg. The CLO was involved since 2001 but only started in 2006 to work with SSE on a secondment basis to assist with SSE development;
- Project Manager: LED is the champion of the ARP on SSE development. The Project Manager has been involved with SSE development since 2003 in creating the database and business linkages;
- Alexandra Development Forum: The agency is solely responsible for development of business in different industries or sectors in Alexandra. He ADF became involved with the ARP three years earlier;
- The Councillor responsible for local economic development issues, including marketing SSE in Alexandra and outside markets; and
- the President of the Alexandra Chamber of Commerce responsible for all the business development activities of the Greater Alexandra area. The role of the Chamber is to assist with regulations issues and new information sharing and linkages with established business and investors to SSE.

Two (2) out of five ARP stakeholder respondents indicated that they were involved in ARP facilitation and implementation of SSEs three (3) years ago. Of the other three stakeholders one of the respondents – the Community Liaison Officer - indicated being involved with the ARP for the past four (4) years on implementation and facilitation of SSEs development. One of the respondents, an official of the ARP, was involved in the ARP since its inception in 2001 and he indicated that nothing much had happened for SSE development thus far due to red tape and bureaucracy on implementation of the programme. One respondent from the Chamber of Business indicated that stakeholders added no value to the ARP because they had been sidelined when ARP officials make critical decisions and implement SSE development initiatives. The researcher observed that ARP partnerships bear a high risk if partners or stakeholders are not involved in decision-making and also if they are less committed on implementation of objectives for SSE development.

4.2.3 SSE owners by sector

An SSE owner from the wholesale and retail sector under distribution of goods and services indicated that the business was started in 2005 as a distributor of ice cream to Alexandra Township businesses from manufacturers in Olifantsfontein in Midrand. It had expanded to new markets of distribution of mineral water around the northern suburbs and Alexandra. The ARP had assisted with training in business skills and some information on networking with big business owners. The business had two full-time employees who manage the business, namely administration clerk and driver. They use one vehicle to transport goods to clients and this was a challenge that affected turnaround time for delivery of goods and services, and where support was needed.

An SSE owner from the wholesale and retail sector who owns four (4) shops started the business 20 years ago after identifying the need for household goods and services around Alexandra. The owner has four shops in Alexandra, with four employees. The business currently makes a profit as the goods are in demand around the area. The new emerging business around Alexandra, which operates illegally, was indicated as the challenge for SSE development. It was indicated that one meeting was attended on networking through the under ARP on networking. However, there was still poor support on access to funds and providing land for the proper operation and expansion of the business.

An SSE owner from the wholesale and retail sector owns butchery, started 12 years ago upon resignation from full-time employment. The business sells meat and has a restaurant for tourists, which provides good economic opportunities in Alexandra. The business had a good reputation for hosting tourists and the ARP had assisted in bringing in tourists. The owner felt that the ARP was not fully supportive of the business. The goods that the business sells are in demand on a daily basis. The business at one stage did not comply with the requirements of the Occupational Health and Safety Act. Therefore, the spatial infrastructure remained a problem for SSE development and supply of, and demand for, land remained a challenge inherited from the apartheid era.

An SSE owner from the construction sector is a trained civil engineer and started the business 10 years ago after identifying the need for construction services in Alexandra. The owner works closely with the Motswedi Training Centre, which trains in construction-related courses. This training centre was recommended by the ARP to train emerging contractors on construction skills and other skills related to the construction industry. The business depends on the contracts that are managed by the ARP under the spatial infrastructure development unit. The challenge experienced by the owner was the capacity to manage big contracts and the ARP support is critical in the mentoring programme. The owner indicated that marketing skills are greatly needed in marketing the business, for example, the Department of Public Works in order to register on a national database of contractors for accessing more government contracts.

According to the ARP annual report (2005-2006 financial year) the "construction cluster provided management and business training to 71 contractors, mentorship for 30 construction companies, tender advice services, recognition of prior earning for 50 learners, skills upgrade for 100 labour workers, business training for 30 entrepreneurs in materials production and distribution, and 50 learnership placements."

The challenge was the complexity of tracing individuals who benefited from such initiatives. Therefore, it was seen as imperative to have a track record of beneficiaries and ensure that such people are placed within the ARP infrastructure projects, in order to gain experience, and extend the pool of relevant skills that are needed to uplift the economy.

An SSE owner from the motor industry is a qualified motor mechanic with working experience from the motor industry before deciding to open his own business 12 years ago. The start-up capital was acquired by selling his first car. The owner operated his business from a small space initially and had seven full-time employees. The SSE owner was registered only with the Department of Trade and Industry as a company, not with the other regulatory bodies that control and monitor the motor industry sector. The owner was also faced with

the challenge of illegal operations according to the municipal by-laws of trading sites.

The Johannesburg Metro Police continuously interrupted business by removing cars that are parked on the pavement due to lack of space. The business has since started operating from the residential area, which is against Occupational Health and Safety regulations. The owner indicated that the ARP does not support the business in finding new premises in order to properly operate and comply with the regulations. The business makes a profit but it needs space to grow and comply with regulations. The owner was willing to employ more youth and women in the business but operational space, which involved land, presented a challenge.

Figure 1: Small Scale Enterprise Owners by Sector

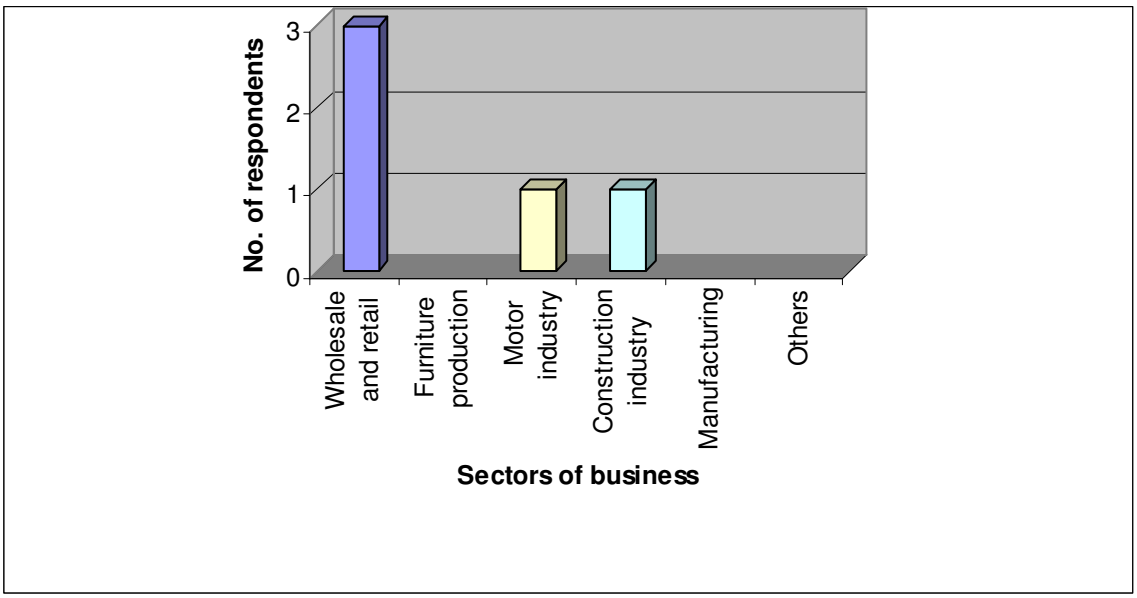
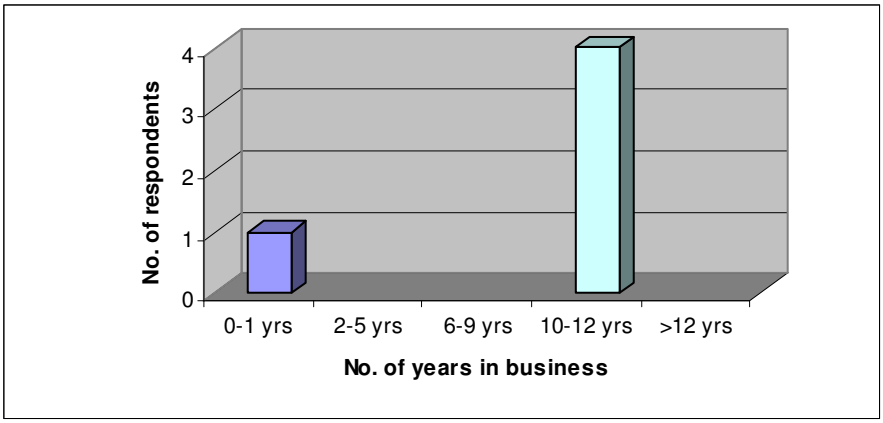


Figure 2: Length of service in business

Figure 2 below serves to shows the respondents' length of service in managing and operating their business in Alexandra community.



The ARP was launched in 2001 as an integrative approach to urban regeneration in the declining Alexandra Township. Therefore, the study also covered six years of ARP implementation and examined the knowledge respondents had acquired concerning SSEs development as a turn-around strategy.

One respondent from small-scale enterprise owners had working experience of less than one year in running a business sector. Four of the respondents who are small-scale enterprise owners had working experience of between 10 to 12 years. This shows that most of the respondents had been working and managing their own business for several years before the inception of the ARP. The challenge was that even though respondents had been working and managing their established businesses for a long period before the inception of the ARP, their businesses still needed expansion and distribution of income.

The respondents also highlighted that they would like to participate in the ARP schemes. The research findings indicate that the ARP has done little to assist SSEs in sustaining their business and attracting more local markets. The SSE owners felt undermined and left out by the ARP officials in local economic development matters. The researcher concludes that relevant business

development skills and support by the ARP is still critical for SSEs in order to promote urban regeneration through local economic growth.

Figure 3: Number of employees by sub- business owner by sector

The table below indicates the number of employees employed by the business owners by sub-sector in Alexandra Township.

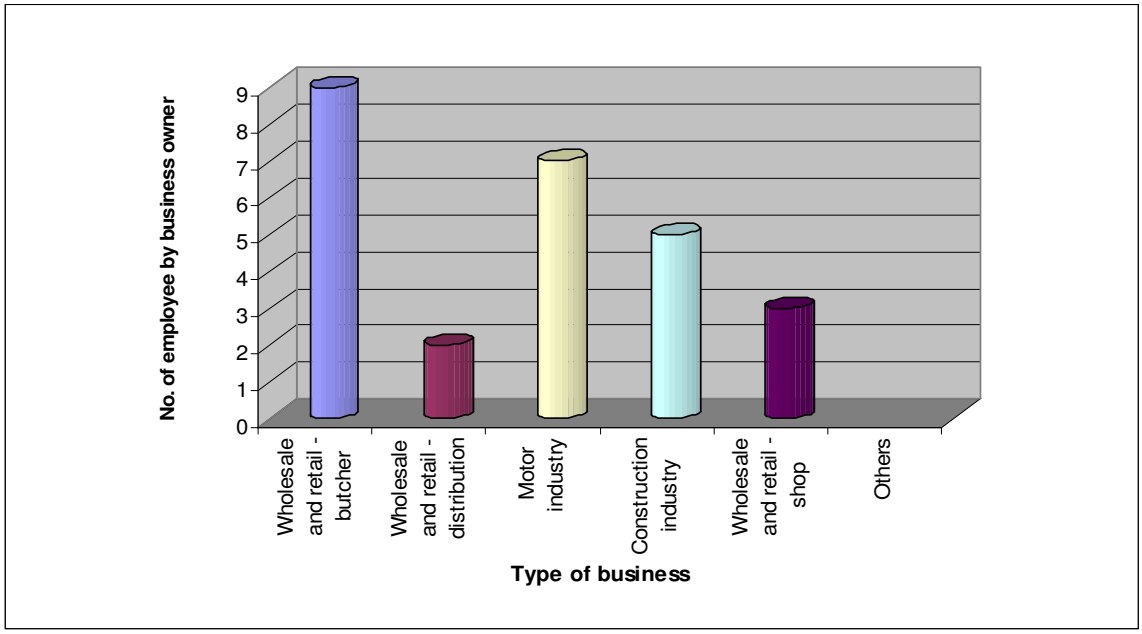


Table 2: Number of employees by sub-business owner by sector

Wholesale and retail -butcher	Wholesale & retail distribution	Motor industry	Construction industry	Wholesale and retail shop	Others
9	2	7	5	3	

The study also focused on how ARP has assisted SSE owners with the absorption of unemployed individuals as employees or business newcomers. Geddes (1998:136) stated that "urban regeneration partnership included supporting job creation, training of local enterprises, social services and facilities as well as local communities and excluded groups in general." The number of employees by sub-business by sector demonstrated the willingness of SSE owners to hire more employees and to be part of successful urban

regeneration that had penetrated affluent local markets. The respondents indicated that this inability to hire more staff had impacted negatively on their business expansion and also in helping the community as part of social responsibility.

4.3 Developmental challenges of SSE

The study focused on what developmental changes had taken place since the inception of ARP in 2001 concerning the small-scale enterprise development for local economic development as the broader question. The ARP agency objectives of SSE development stated that the intention is to "develop and change the status of SSE to more effective business partners in improving the state of affairs" in Alexandra Township. According to the study, nine out of ten respondents from small-scale owners and ARP stakeholders indicated that they have knowledge about the objectives of ARP in Alexandra. However, they also highlighted that they are less involved in strategic planning and identification of local economic development options as stakeholders and as enterpreneurs.

One SSE owner from the motor industry indicated that he had no knowledge of the ARP role and also no information was communicated concerning business development for the individual's business growth and development.

The study examined the constraints, and operational problems faced by small-scale enterprise owners under the ARP and what ARP officials had done to mitigate the situation. "Urban regeneration should be seen as a multi-dimensional and multi-faceted process, aimed at improving the quality of the urban fabric and the natural environment as well as reconstructing the local economy" (Bennett, Beynon & Hudson, 2000:45).

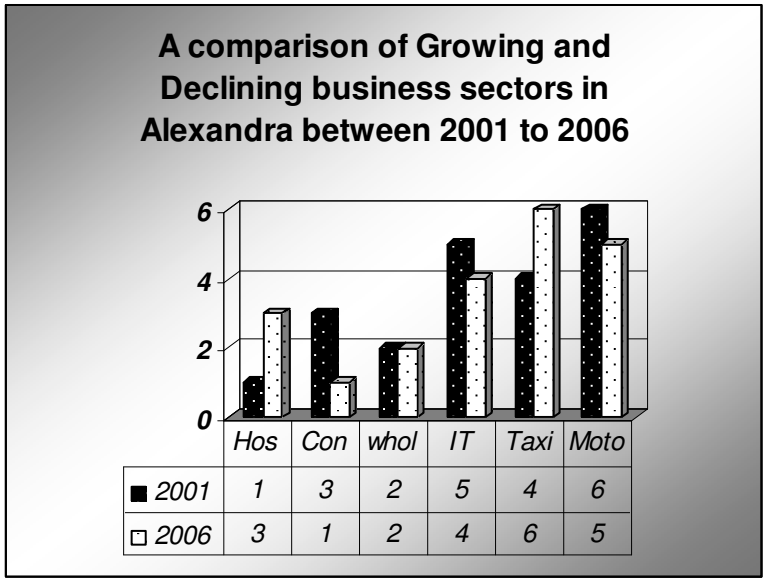
Four of the five small-scale enterprise owners and three respondents from stakeholders said that no changes had taken place with SSEs with regard to business growth, expansion and also support by the ARP for their business. The five respondents of the small-scale enterprise owners said that they were not involved in planning or otherwise facilitating the urban regeneration process

as owners of the business on local economic development matters. Two of the respondents as stakeholders said that little had been done since the inception of the ARP in 2001. They further indicated that a database for SSEs had been created and also a business centre at San Kopano Resource Centre (Business Support Centre) in 8th Avenue; this did not, however, address the needs of businesses other than providing information.

Seven out of ten respondents indicated that the ARP had facilitated training in business management to the SSEs but there was no positive impact on their business because training was of poor quality and evaluation was not done. Respondents highlighted that there was a need to provide effective and long-term urban regeneration programmes that would yield good results for SSE development.

Figure 4 Declining sectors in Alexandra

Figure 4 below provides comparisons of the declining and growing sectors of business in Alexandra from 2001 to 2006.



The study investigated how the Alexandra Township ARP supported economic sectors that were growing and declining in Alexandra for the purpose of identifying local economic growth as a component of urban regeneration. This section looked at how respondents view or recognise the growing and declining

sectors and they were tasked to make comparisons from 2001 to 2006 when the ARP started. The respondents were asked to do the ratings between 2001 to 2006 of the highest growth and the lowest growth sectors. The purpose was to depict if anything towards the development of SSEs has happened thus far and to check if the ARP and stakeholders are clear on the declining and growing sectors in Alexandra.

The construction industry was identified as the sector with the most growth, with the building of houses, roads, offices and commercial sites in Alexandra. The ARP must use this opportunity of growing the sector in addressing the issues of unemployment, entrepreneurship, crime reduction, and poor education by attracting individuals to become contractors who will benefit from the construction work in Alexandra. This in turn will make residents proud because they have contributed and they will be more supportive of the environment as a whole, which will hopefully make Alexandra a safe and clean place to reside.

All ten respondents indicated that in 2001 the hospitality industry was the fastest growing sector whereas in 2006 it was the second fastest growing sector after the construction sector. Respondents mentioned that tourists are flocking to Alexandra seeking to experience township life. The hospitality and tourism industry is also a growing sector but the challenge was the stigma of crime in Alexandra. Respondents were of the view that Public-Private Partnerships had a critical role to play in making this industry a success. The respondents highlighted that Alexandra Township historically was of great significant as one of the first freehold native townships established for black people during the apartheid regime; many freedom fighters also began their political or activist careers as residents of Alexandra.

Ten respondents indicated that in 2001 the information technology and telecommunications sector in Alexandra was below average as a growing sector but by 2006 was regarded as the most promising sector because of internet and cellphone demands, which were high. This makes the IT and communication sector the third fastest growing sector with more business opportunities and job creation prospects. However, it was indicated that the

ARP agency failed to identify this prospect due to the fact that most IT and communication shops or outlets (facilities) are situated in crumbling infrastructure and are poorly managed.

Respondents indicated that the motor industry is the fifth fastest growing sector, the reason being the demand for transport and mobile services around Alexandra. There is a growing number of car owners in Alexandra. Six respondents indicated the need for more professional motor mechanic candidates due to the growing number of cars. They also indicated that building of petrol garages would save time and money which they spend travelling to get this service elsewhere.

Respondents indicated that the taxi industry is the sector with lowest growth and is ranked sixth, as there are too many taxis operating within the community and more people are buying cars. The high number of cars also creates a problem of traffic flow because of the poor roads infrastructure. The researcher identified the need for investment and capacity-building for local economic markets in order to for the ARP to have competitive economic indicators and to grow the already existing SSEs.

The ARP agency through public-private partnership initiatives can also learn from the Manchester experience, which has an integrated urban regeneration approach and acts as a benchmark for the facilitation of the urban regeneration programme in Alexandra Township.

4.4 Promotion of SSEs by the ARP

The purpose of this section was to understand the key facilitating factors that the ARP earmarked for the promotion of SSE development since the ARP started. Three respondents from SSE owners and two respondents from stakeholders indicated that there were no promotional activities concerning small-scale enterprise. They further indicated what they can do to help improve living conditions in Alexandra Township through the SSEs. Four of the respondents indicated that they had attended information workshops but these

were about services that government offers to big business rather than advice on promoting their own businesses, which were not easily accessible for them as SSEs.

Respondents from both small-scale enterprise owners and ARP stakeholders indicated that there was a fragmented co-ordination by ARP on marketing-related activities because of a lack of websites advertising their business or products and few publications explaining what Alexandra's small-scale enterprise can offer to the community at large. Noon et al (2000:62) argued that "the marketing for developing business in urban regeneration areas relates to low expenditure in terms of low labour costs and low property values". Noon and his colleague further explained that local authority and enterprise agencies must frequently offer grants, subsidies and other kinds of support in deprived areas, including staff recruitment and training for competitive advantage.

The researcher observed that the ARP agency must be seriously involved in fast-tracking an integrated approach to addressing small-scale enterprise development in Alexandra Township. This would, in turn, improve small-scale enterprise profit and also encourage inward investment.

4.5 ARP penetration into disadvantaged groups

The research further aimed to measure the level of absorption of previously disadvantaged groups (women, youth and people with disability) to the SSE sector. According to the research findings, eight out of ten respondents, five small-scale enterprise development owners and three ARP stakeholders, highlighted that there was no support for disadvantaged groups in their business activities, or financing to start their own business with the start-up capital from the ARP (see Table 1). Two of the respondents indicated that they were not sure if the ARP was assisting disadvantaged groups or not. Such responses are not good indicators of the positive impact of the ARP as an urban regeneration programme.

As noted by Noon (2000:62), “There must be investment in people and appropriate training and support for ideas. This investment in people has to be in the disadvantaged areas, right where social and economic problems concentrate. Investment in people means also to work with people.” (Noon et al, 2000:62).

Effective training in business administration was perceived as critical and urgently needed by the small-scale enterprise owners as the ARP had not offered any long-term training intervention so far to SSEs and disadvantaged groups. It was indicated that they preferred to be trained in order to expand and manage their business sufficiently and hire more staff.

4.5.1 Accessing finance from the ARP

The study also examined how best to maximise development potential in order to minimise poverty in Alexandra for sustainable urban regeneration and small-scale enterprise development. Respondents from both small-scale enterprise owners and ARP stakeholders indicated the need for the ARP to assist with funding for their business as well as support through the creation of networking channels with the established business people. Bennett, Beynon & Hudson (2000:45) stated that “urban regeneration should be seen as a multi-dimensional and multifaceted process, aimed at improving the quality of the urban fabric and the natural environmental as well as reconstructing the local economy”. The researcher argued that the ARP faces serious challenges in acting as financier for small-scale enterprise development, as one ARP official indicated that “financial budgets and allocations of the ARP were administered from the Gauteng Department of Housing and also City of Jo’burg which controls the allocation of funds”.

The ARP agency should be geared to facilitate capacity-building for SSEs and also play a critical role in creating synergies between improving entrepreneurial spirit and leveraging more return investment that will benefit the whole of Alexandra Township.

4.5.2 Relocation of SSEs to Pan-Africa and Business Park

This section looked at how the ARP has assisted SSEs with business development and management by providing more space for expanding business. The Pan-Africa and Business Park areas were earmaked to give SSEs more space and to formalise SSEs for competitive advantage.

According to the research findings, the ARP was supposed to assist SSEs in attracting more markets and improving their facilities through relocation and providing premises within the Alexandra community. Of the ten respondents, five small-scale enterprise owners and four ARP stakeholders indicated that they are not aware of the relocation to new premises or to the newly built Alexandra Mall.

One respondent from the ARP, an official (politician) indicated that it was difficult for the ARP to implement the relocation strategy for small-scale enterprise development to the new Alexandra Mall because the ARP had become a political weapon for local politicians which hampers service delivery. The researcher was of the view that urban regeneration for disadvantaged groups should be high on the government agenda at local, regional and national level in order to stimulate employment and provide socio-economic opportunities with programmes that focus on training, retraining to improve skills levels and promote employability for the unemployed individuals; improving the household living standards; and encouraging inward investment by supporting and encouraging organisations to locate for regional development.

4.5.3 Business growth and development since 2001

The study investigated the impact of ARP initiatives on the business growth of SSEs development. According to the ARP annual report for the 2005/2006 financial year, underspending on businesss development and employment creation had been a common feature. It was further highlighted that 20% of the allocated budget has been spent only on administration not directly related to

the SSE development. It was further stated that R1,9 million was allocated for the three years between 2005 to 2007. Of R1,9 million allocated, only R300 000 had been spent on establishing the business development centre. The respondents from SSE owners complained that the business centre only provides them with pamphlets on how to start a small business but provides no in-depth consultation on SSE development. All respondents indicated that the centre is not really addressing their needs as a business sector.

Respondents to the interviews from both small-scale enterprise owners and ARP stakeholders indicated that there were no changes pertaining to business growth and development for small-scale enterprise in Alexandra, due to a lack of understanding from the ARP on SSE business needs, and no effective communication and support from the ARP officials on rolling out projects earmarked for SSE development.

All five respondents from small-scale enterprise owners indicated that they started their business from their “own pockets”, financing the day-to-day running activities even before the ARP inception. Therefore, respondents felt that the introduction of the ARP as an urban regeneration programme in Alexandra had not been helpful for them, because their businesses remained the same.

Granvotter notes that the impact of urban regeneration on economic outcomes is realised through “cooperation, functioning of labour markets, price levels of suppliers, productivity and innovation” (Granvotter 1982:12). Findings revealed that small-scale enterprise owners could make a fair profit which could lead to growing local economies and uplifting living conditions of unemployed persons in Alexandra by employing more staff, if there was more support from the ARP. However, this remains a challenge because of the lack of ARP involvement in maximising the unforeseen potential of small-scale enterprise. In Alexandra Township, economic transformation remained a challenge because of a lack of focus from ARP officials in directing small-scale enterprise to diversify the local economies.

4.6 Constraints and challenges

The study also examined the constraints and operational problems faced by SSEs under the ARP. Nine of ten respondents, of whom five were from small-scale enterprise owners and two were ARP officials (CLO, politician), two business stakeholders indicated that factors hindering business growth are land ownership, resources, lack of skills in business management, operational funds, and lack of information, networks and support by ARP officials. One respondent from political office further indicated that the ARP official responsible for LED was not interested in assisting and involving the SSEs in Alexandra.

All five respondents from the stakeholder group indicated that several factors hindering business growth in Alexandra were transport, infrastructure and poor occupational health practices by SSEs. All these factors were highlighted as impedimentsfor SSEs in attracting local markets as the community prefers to travel and buy outside Alexandra because of the quality of both service and products.

Research findings indicated that SSE owners and stakeholders were not involved with the ARP employment centre because the offices are not based in Alexandra Township but located outside in Balfour Park. The respondents from small-scale enterprise owners were of the view that it is time-consuming to visit or source unemployed persons through the database because there are no linkages between the centre and needs of the community at large. Three of the respondents indicated that they have used the centre but not as frequently as it could be used, as it did not address all their needs as SSE owners.

Of the five SSE owners interviewed, two respondents indicated that they comply with the legislation and they are registered with the Department of Labour. Three of the respondents are not registered with any institution because it is too costly to comply, for example, they would then have to pay their employees the minimum wage which would reduce their profit margin.

The respondents also highlighted the fact that they need to comply with the trading by-laws of the City of Joburg Municipality, which forcefully removed them from some of the buildings and pavements where they operate due to lack of space and land in Alexandra. The ARP does not provide alternative venues for them. The respondents also noted that they needed to comply with tax requirements on Value Added Tax, personal income tax, and skills development levies, and were unsure of these requirements and of any possible exemptions for which they could apply.

Of the five respondents from the ARP officials and stakeholders interviewed, four respondents indicated that they assisted SSEs on information-sharing on the implications of employment and labour conditions through workshops, training, and monthly meetings and had also invited Department of Labour officials for briefing sessions on labour legislation. One of the respondents from a small-scale enterprise said they had never been involved in such activities around SSEs and labour conditions.

4.7 Conclusion

The researcher found it difficult to distinguish the respondents' recommendations per category because responses have common characteristics. The respondents indicated that in order for SSEs to grow their economies and improve the living conditions of the unemployed individuals in Alexandra, the ARP must empower SSEs through greater facilitation of development.

The alignment of urban regeneration strategies to the interests of local people also played a role in generating local economies and in the creation of employment. One key lesson for urban regeneration was that local economic growth could be realised through the small-scale enterprises within the region by forming partnerships with all the economic participants. The ARP should emulate similar initiatives in other countries for effective implementation of the project. Benchmarking of urban regeneration programmes could also assist in

assessing the relevance of the programme to the South African urban environment.

CHAPTER 5

INTERPRETATION OF RESEARCH FINDINGS

Having presented the findings in the previous chapter, this chapter analysed and interpreted data obtained from questionnaires from small-scale owners and stakeholders. The intention of this chapter was to highlight areas investigated which were considered critical in providing a strong urban regeneration economic base for SSE development in Alexandra. The researcher conducted formal interviews using structured questionnaires, and information was gathered on several features that provided background to the ARP and SSE development.

The research findings are presented in sub-topics, and analysed in reference to research questions and problem statements proposed. The ARP supported and promoted SSE development for local economic development in Alexandra. The chapter begins with analysis of the issues raised that delayed SSE development and also provide insight into lessons learnt for more effective urban regeneration programmes. This is followed by analysis of information on, and policies of, urban regeneration in relation to the ARP programme. The information and opinions expressed by the respondents during interviews are also analysed. This chapter concludes with a short summary and discussion on the situation of SSEs in Alexandra and their challenges.

5.1 Obstacles to SSE development

Based on the research findings, it was very evident that the following challenges emerged strongly and require the urgent attention of the ARP in order to ensure sustainability and development of SSEs. These are:

1. Lack of support from the ARP;
2. Poor communication for business networking;
3. Poor training on business skills;
4. Lack of land parcels for infrastructure development;
5. Insufficient resources for SSE development;

6. Lack of support from partners outside Alexandra;
7. Poor records of profit and operational cost by SSEs;
8. Safety and health standards of operating a business;
9. SSE inability to hire more employees in order to reduce unemployment; and
10. No information available from the ARP for small-scale enterprise development.

In growing local economies, urban regeneration officials should work together with local government (ARP agency) in establishing a shared vision for services like planning, project management, financial management and reporting on projects earmarked for SSE development. The alignment of urban regeneration strategies to the interests of local citizens also plays a role in generating local economies and creation of employment for the jobless.

From the international urban regeneration experience, cities like Pittsburgh became the "top American city for business expansion, work force quality and ease to work with the local political and economic development community and the smartest place to live in America." (Pittsburgh Awards and Recognition by Mayor Luke Ravenstahl, 2007:1). The ARP should have long-term goals in order to plan, implement and monitor the impact of the programme.

International experience on urban regeneration shows that the strategic goals of those urban regeneration programmes were achieved after a period of more than 10 or 20 years of implementation. In comparison, the researcher observed that the ARP had set goals and objectives to be achieved. During the writing of this research, Gauteng Premier Shilowa extended the ARP to the 2010 financial year.

5.2 Factors affecting SSE development

Urban regeneration programmes like the ARP must have an integrated approach. According to the ARP officials, meetings were held continuously but it was difficult to make effective decisions due to the fact that the ARP as an

urban regeneration initiative was highly politicised and became a battlefield for power.

In Alexandra there are serious challenges of inequality and discrimation for SSE business initiatives and opportunities that will be of benefit to poor people. Thus, it was acknowledged as an imperative for urban regeneration programmes to be inclusive and dynamic in addressing SSE development for local economic growth. The reseacher further observed that in order for SSEs in Alexandra to grow and reduce unemployment there must be a joint effort in working together to achieve a common goal, while not working in silos as communities and the business sector. Government policy markers must produce documents that are inter-related and also aimed at addressing disadvantaged groups, not the emerging middle class only, as has been the case.

According to the ARP agency annual report for the 2005 to 2006 financial year, the local shopping mall was built at a cost of R120 million and includes a transport hub, retail shops, post office, clinic and pharmacies. This was built close to an up-market shopping mall just a few kilometres away from the Pan African Taxi Rank, which aimed at attracting the local markets to buy from their local suppliers.

The shopping mall was supposed to involve the local SSE by providing space for the owners to sell their goods from the mall. However, the challenge was that the rates at the mall are too high for local business owners and they cannot afford to pay the rentals. Another shopping mall was proposed on the pipeline along London Road to the value of R250 million. This was a clear indication that communication and problem-solving remains a challenge in co-ordinating partners and voicing the purpose of the ARP. This also meant that in addressing socio-economic challenges of individuals' and relevant stakeholders, it would be important to conduct a feasibility study to assess the viability of local markets.

SSE owners indicated that they were not informed about the decision to build the nearby mall. This meant recognition of critical stakeholders was not

regarded as crucial by the ARP. The researcher argued that the ARP sidelining of role-players in the business sector in Alexandra had led to shopping areas occupied by well-established businesses monopolising the market. The local business people were still not part of the occupants in the mall, only outsiders, meaning that ARP officials had a lot to learn in strengthening partnerships and sharing the same vision and goals for urban regeneration.

5.2.1 Lack of education and business skills

Poor educational qualifications of the respondents signified a great need to improve the educational culture of the Alexandra community. In comparison with international practice on urban regeneration, Pittsburgh for example, regarding SSE development, had "identified a need for collaboration between government and learning institutions like universities". The SSE owner respondents specified that even though they had a business before the ARP, they still require quality training and capacity development on business management, marketing, accessing financing, and tendering in line with government requirements.

The study had also recognised the need for the ARP to have linkages with the agencies like JIPSA, SETA, colleges and universities in equipping the SSEs with crucial skills in order for them to attain a competitive advantage. The researcher observed that SSEs must be proactive in running their business and not relying on outside people only. The education system in Alexandra Township was integrated with the entrepreneurial skills training in order to inform the youth on SSEs. For instance, learnerships and the apprentice programme were not part of the SSE development, which can help with information on business gearing, marketing, and financing a business. Because of this particular programme, the SSEs would get recognised formal qualifications in order to be innovative and creative SSE owners when running their own business.

According to Roberts (2000:20) "urban regeneration actions have five categories which are: neighbourhood strategies, economic development,

training and education, physical improvements and environmental action". The study also revealed that ARP officials are individuals who have no good understanding and knowledge about what Robert described as "categories of urban regeneration" which in turn hinders the ARP to attain it objectives on SSE development.

Therefore, the researcher recommends that the ARP must focus on investing resources in cutting edge high technology sectors and improving business services for SSEs to enable broader market penetration. The Gauteng Provincial Government has good agencies like Blue IQ, Gauteng Propeller and GEDA who can be useful partners in addressing employment through incorporation of projects with the relevant required skills needed by individuals in Alexandra. The ARP can be a vehicle of growth and employment by increasing the number of SSEs, which would attract investment and encourage proactive policies. The researcher was of the view that urban regeneration must also aim at improving the representation of women and disadvantaged groups on SSE development.

5.2.2 Land disposal for SSE

According to the objectives of the ARP on human settlement and land re-usage, "Accommodation for housing will be provided to different households and also land for business use". However, it seems that nothing has materialised since the statement was issued on renovations and reuse of old buildings. The researcher was of the view that as Alexandra had several dilapidated buildings that can be renovated for SSE owners to use for their operations, the real problem would be if people were removed from Alexandra they would lose their customers who relied on them for goods and services and in turn, they would also risk their profits being lowered. It was crucial for the ARP to find an approach to address this.

The relocation of SSE owners can improve the infrastructure, which is skewed, lower the risk of health hazards and reduce crime levels in the Alexandra community. Land ownership remains critical for proper implementation and

development of urban regeneration as committed to by government. The researcher observed that the new buildings of a housing project excluded the SSE premises as this would create a problem of mushrooming illegal or informal businesses like street vendors and spaza shops.

5.2.3 Lack of road infrastructure and transportation

According to the ARP annual report for the financial year 2005 to 2006, an amount of R2 586 546 had been allocated to the automotive cluster to train auto technicians. However, candidates were trained but never placed in suitable jobs as required by the training programme. This had caused frustration and lack of trust from the youth in Alexandra Township around the ARP activities. This indicated a lack of accountability and proper co-ordination of the programme. Youth as economically active individuals have a big role to play in making the ARP a success, therefore better collaboration should be a high priority.

The ARP had also promised accessible roads to the business park in Marlboro. Thus, maintenance of the road and creation of space for pedestrians remains crucial for SSE development. In order for the ARP to succeed in building a business park, separation of industrial from residential access was seen as critical for business development and reduction of illegal tenants in the business park area. This can be done by limiting residents' access to the business park and reducing the traffic congestion along Vasco da Gama Street. Furthermore, street lights must be installed to improve the safety and enhance development of the area as a Business Park.

Small Scale Enterprise as the key driver of the second economy had to be integrated into the mainstream of growing local economies in townships. Urban regeneration as a catalyst for urban regeneration has a critical role to play in ensuring that small enterprise creates job opportunities and promotes self-reliance at household and community level, while contributing to growth at local and national levels.

5.3 ARP and employment creation

The ARP was also earmarked to assist Alexandra residents with employment opportunities through establishment of the employment centre in Balfour Park. This centre was aimed at sourcing employment opportunities from the employers around the Johannesburg northern suburbs. The centre also had linkages with the Department of Labour under the Marlboro Labour Centre and works with the SETAs in sourcing learnerships for unemployed youth for further development. The centre was also intended to assist small-scale enterprise in sourcing employees from Alexandra at no cost as compared to private recruitment agencies who are normally expensive to use.

Respondents in the SSE owners sector indicated that they are very interested in employing more people in their business but they lack support from the ARP to do so. This confirms that SSE owners are committed to reducing the level of unemployment in Alexandra but if they are not guided and supported this is unlikely to happen.

The Reserve Bank of South Africa stated that (2005:23) South Africa's economy has a marked duality, with a sophisticated financial and industrial economy having developed alongside an underdeveloped informal economy. Therefore, the ARP must be of help in capacitating SSEs to grow through job creation. This would reduce the level of street vendors and illegal spaza shops that make it impossible for SSEs to effectively compete and make even marginal profit at local level.

Thus, the ARP had a key role to play in enabling the environment, and ensuring that proper conditions are in place for enterprises to flourish across the economy, by building an entrepreneurial spirit and customer-oriented SSEs. The researcher further argued that the ARP must be a catalyst in correcting specific market failures that create obstacles to successful SSEs in growing local economies in Alexandra.

5.4 The ARP marketing of SSEs

One of the study questions was to know how best the ARP had assisted SSEs to maximise their potential on local economic emancipation in addressing inequalities. It was recommended that both the ARP and SSEs acknowledge the emerging sectors, which can contribute to reducing the gap between rich and poor. Thus, SSEs must be involved in conceptualisation, implementation and monitoring of progress according to ARP objectives.

Participation of stakeholders in information-sharing sessions remains weak and fragmented. This had created a gap in administration of urban regeneration for thriving SSEs. Public-private partnerships are critical in addressing urban regeneration as they cut across all sectors. Collaboration plays a big role, especially at the strategic planning and initial phases of urban regeneration projects by sharing resources and ensuring effective service delivery for SSEs.

The study had identified the need for creation of IT and websites for marketing of SSEs goods and services, in particular making the Alexandra Community aware of new products and sales. The online services and internet can benefit both the ARP and SSEs in attracting more people. Marketing tools can also give better services to the community on business chat networking, starting your own business, running a business, funding and venture capital, trade mark or brand name development, business schools and careers. The researcher was of the view that the ARP can support SSEs by advertising their goods and services through networking, word of mouth, yellow pages directories, television, radio, and billboards, which are all effective forms of marketing.

The findings confirmed that the relationship between the ARP agency and SSEs can be strengthened by infrastructure improvement such as the ARP engaging in renovating of buildings, pro-active marketing and financial participation which will can enhance business viability and strengthen community living conditions in a *particular area.*

5.5 SSEs and empowerment

Women-owned enterprises (as an example of the disadvantaged groups) contribute an increasing share to national revenue, although they are perceived to lack the capacity of their male counterparts in Alexandra. The ARP must make a concerted effort to assist in assisting previously disadvantaged groups to generate an income to meet their basic needs through SSE venture creation.

Thus, urban regeneration involves financial accountability and good budgeting measures in order to facilitate the implementation of the targeted sectors. Therefore, on retention of existing SSEs in Alexandra there should be physical infrastructure and positive marketing tools such as gateways, identity signage, and access to finance provided as they play a critical role.

The United Nations Commission on the Status of Women (2006:1) noted that women are faced with large gaps in sectors that were critical for both poverty reduction and economic growth. It further stated that "Women globally needed improved economic opportunities, including access to quality employment and access to and control over productive resources, such as credit, land and technologies." In addressing the inequalities in Alexandra through SSE development, it was viewed as critical that the expenditure side of the ARP budget must bear a large part of the burden of ensuring a smooth transition towards sustainable development.

For Rogerson and Rogerson (1996:178), to increase the capacity of the informal economy to contribute to the regional economy and resolution of the problems of urban poverty, the focus areas for policy intervention on urban regeneration are financial and credit, infrastructure and service provision, training, urban management, and expanding business linkages development through sub-contracting arrangements. Rogerson's definition interrelates with the ARP as increasingly defined to encourage investment, service delivery, jobs and most importantly sustainable local economic development. Thus, the ARP must aim to redress the previously marginalised in accessing finance and benefiting from the local government initiatives for local economic growth.

This suggests that the ARP should aim at ensuring that there are linkages between growing the local economies and individual empowerment, e.g. spatial infrastructure, education, business, health, and socio-economic factors, for strategic local economic development. Thus, partnerships between the ARP and relevant stakeholders who are involved in SSE development was seen as vital in order to achieve the objectives of the ARP.

5.6 Growing and declining sectors

The study also identified the growing and declining business sectors in Alexandra. Alexandra is surrounded by industrial areas like Linbro Park Wynberg, Bramley, Kew and Marlboro. The researcher was of the opinion that urban regeneration for SSE can only be realised if demand and supply of goods and services was relevant to the local markets. The respondents strongly echoed that the ARP was not helping much in identifying thriving markets for SSEs. The researcher strongly recommends that new local markets must be recognised and further development through proper research be conducted in order to enhance local economic growth. The ARP must act as a change agent in addressing the declining sectors through campaigning and awareness workshops on weak and failing sectors.

It seems that in an urban regeneration process, SSEs have the potential to leverage the economic disparities into local economic development and also the ability to attract investment from investors and the business community. This argument was supported the ODPM (2003:18) as they defined “Urban regeneration as a reaction on decay, decline and spatial imbalance in urban areas addressing bundle measures to support the economic sector”. Indeed, it is very critical for the ARP to jointly look at the declining and growing sectors in order to identify and advise SSEs on how to grow their businesses, make more profit and also be more innovative.

The ARP can learn from classical urban regeneration examples such as Wigan Municipality where “declining sectors were replaced by other growing and relevant sectors of the time. For instance, the construction sector is currently

booming in South Africa, more especially in Alexandra with the new housing developments. The ARP must encourage more people to be involved in the housing project, for example, as contractors and employees. They also need to provide training, mentorship programmes, access to funds and subcontracting opportunities that are value-add for individuals.

5.7 Collaboration between the ARP and stakeholders

According to the research findings, it is evident that the Sandton Business Chamber of Commerce and other potential partners were not involved in working mutually with the ARP in creating an enabling environment for small-scale enterprise in order to unleash the business potential of Alexandra enterprises. Although there was broad contribution from stakeholders for ARP implementation, the findings reflected that stakeholders had a limited role in the process. This indicates that there was a need to build local capacity by strengthening the urban ARP to support SSE development.

5.8 Policies and municipal by-laws

Alexandra was a key political base of the current ruling party in the apartheid struggle, and is now home to affluent senior government officials and black business entrepreneurs. Yet it has been constrained by poor service delivery and lack of co-ordination and co-operation within the ARP as an urban regeneration programme.

The ARP officials still need to learn that urban regeneration and political buy-in plays a role in effective and successful urban regeneration. The political battle in Alexandra also affected the service delivery of the ARP. However, one argues that the lack of holistic approach in dealing with urban regeneration would lead to more discrepancies in facilitating the socio-economic factors for Alexandra residents.

Municipality by-laws also have a negative impact on the operation of business by SSEs. Proper consultation and good communication channels on the

purpose and reason of by-laws was seen as imperative, rather that forceful removal of SSEs. According to the South African constitution, Section 162(1) on by-laws states that these should be made available to the public and officials must inform the public about the by-laws. Networking and continuous workshops are necessary in order to identify gaps in adhering to the municipality by-laws. The most worrying fact was that in Alexandra land is scarce and SSEs are left with no option but to also use pavements as part of their operation sites when necessary.

The researcher recommended that the ARP as a catalyst and inter-related discipline must aim for the success and sustainability of small-scale enterprise development. Based on the research findings on poor policy co-ordination, it was recommended that the policy-makers and urban regeneration planners and officials consider the integrated approach in addressing urban regeneration, particularly on SSE development.

5.9 Conclusion

The Gauteng Department of Housing has been mandated to control budget allocations for the ARP agency and the utilisation of funds. The City of Johannesburg had been mandated to administer, implement and monitor allocations by the Gauteng Department of Housing with certain specifications for the ARP. The researcher observed the limitations of ARP officials in conducting proper capacity-building and facilitating the necessary tools for SSEs.

The study revealed that government has fragmented public administration as it emerged from urban regeneration failures in Alexandra. The study recommends that the ARP agency and City of Johannesburg must be empowered to better ensure the smooth progress of prospective growth sectors, as well as fostering new sectors and sustaining SSEs through loans, grants, research, community consultancy and PPPs. This meant that it would help in making ARP officials accountable and responsible for their functional performance around SSE development. Institutional arrangements within the ARP suffer from “disjointed”

and “undefined” and “indefinable” structure, which remain difficult to co-ordinate, and management as an urban regeneration programme. Therefore, the ARP senior top management must establish effective broad networks of stakeholders.

The Department of Provincial and Local Government should be responsible for administration and management, and implementation of the ARP because national DPLG was mandated to deal with urban regeneration and the City of Johannesburg (ARP agency) reports to the DPLG. This implies that urban regeneration practitioners from the DPLG would be better placed to assist as they understand urban regeneration programme challenges better than Gauteng Department of Housing who are mandated only to build houses for Alexandra citizens.

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

The study looked at how the ARP managed to transform the status of SSE in Alexandra Township through urban regeneration as an element of local economic development. The previous chapter which discussed the findings had revealed several shortcomings and gaps by the ARP in sustaining SSE development. Therefore, the researcher categorically recommends the following approaches that will make the implementation of SSEs for urban regeneration a success.

6.1 The ARP Agency

The researcher identified the need for the ARP agency to ensure that a thorough analysis was conducted before any individual was considered who has the potential of becoming SSE. This would help both the ARP agency and SSE to penetrate appropriate sectors relevant to the Alexandra demand and supply markets. This also meant that the ARP Agency must identify relevant markets and improve levels of understanding in growing the local economy and improving living conditions in Alexandra. The ARP agency must also conduct a customer survey in order to check if they are aligned with what SSE expects from them.

The research findings had revealed a need for the ARP Agency to provide meaningful and quality training programmes that are value-adding and that would improve the SSEs business management. Training programmes for SSE must be on relevant skills needed for viability and sustainability and creation of employment opportunities. For Alexandra Township to thrive, it was suggested that restructuring and planning of spatial infrastructure, transport and road networks will assist in promoting sustainable economic development. Urban regeneration must also aim at marketing and promoting the services of SSE development.

The ARP Agency must spearhead the economic reinforcement that focuses on business investment for effective urban regeneration facilitation, and must furthermore identify strategic development alternatives to any of objectives that they failed to implement.

6.2 ARP stakeholders

The findings revealed a gap around ARP and stakeholders with regard to communication channels. The researcher suggests that collaboration of stakeholders in SSE development must include working in multidisciplinary teams through effective prioritisation. External investors must be attracted to invest in the local markets around Alexandra in order to enhance the economy of the area. The researcher recommends that the ARP Agency and stakeholders must be in a position to answer the following questions if SSE development has indeed been achieved:

1. How well did ARP deliver on the mandate of SSE development? ;
2. How effectively did the programme respond to SSE owners' needs and the community?;
3. How cost-effective was ARP in delivering the service to SSE development?;
4. How ARP had managed to achieve the desired or expected outcomes?

6.3 SSE owners

The findings revealed a gap around SSE and the ARP agency regarding their mutual understanding of urban regeneration matters and partnering for local economic development and growth. The researcher suggests that Alexandra should have an affluent and diverse local economy in order to reduce poverty and be a good resource-based community. Thus, local entrepreneurs must be supported and encouraged in creating jobs, more especially for women and youth. The researcher was of the view that SSE owners must have expertise, experience and capability in managing their businesses in order to effectively benefit from ARP.

The researcher observed that it is crucial for SSE owners not to fold their hand and wait for ARP official but to be accountable and proactive in channelling ARP for their own development. The researcher recommends that SSE must be proactive in attaining business intelligence in order to unlock ARP excellence on SSE development that will ensure better customer care and improved local economic growth.

6.4 Community

The findings highlighted the oversight in the ARP Agency of not consulting when designing, planning and implementing initiatives. The Alexandra community must take ownership of the ARP programme in order to safeguard the implemented development of SSE. The ARP Agency as a government entity must design and implement urban regeneration programmes that collectively promote community participation in the economic mainstream.

The ARP Agency must contribute to improving the Alexandra environment for sustainable livelihoods and basic services for the poor. The Alexandra community must have access to employment opportunities, which implies inclusive provisioning of business space, skills programmes, access to finance and job creation and the empowerment of disadvantaged groups.

6.5 Three spheres of government

The findings revealed a lack of proper co-ordination and administration of the ARP on SSE development. Therefore, it was seen as imperative for the three spheres of government (local, provincial and national) to put into practice integrated development planning in order to ensure uniformity and best practice. The researcher recommends that in order for the ARP to function effectively there must be linkages established between the SSE and other government public entities that focus on SSE development. These linkages must be grounded in robust economic effectiveness in order to sustain community development in Alexandra Township.

The administration of the ARP must be based on problem-oriented research and user-driven policy. The government must promote the use of government expenditure in order to create more jobs and improve the status of SSE. The researcher recommends that leadership and guidance on the implementation of SSE development by the ARP Agency to stakeholders and other officials is of paramount importance. This would assist in effectively monitoring and evaluating the progress and success of the programme.

6.6 Conclusion

This study attempted to examine how the Alexandra Renewal Project as a catalyst of urban regeneration had assisted the SSE development in revitalising local economies in Alexandra Township. The researcher observed that there was a need to review the ARP performance in line with their mandate on urban regeneration. This was done by conducting a comprehensive study that would focus on urban regeneration and SSE development in Alexandra in order to address the socio-economic challenges as a collaborative effort. The study has shown that even though there was some visible progress on ARP, urban regeneration programme discrepancies in Alexandra were increasing at an alarming rate.

The implementation of the ARP has been gradually happening since it started in 2001 until 2006 but nothing significant or tangible has been achieved for SSE development. This research study observed the failure of the ARP to support small-scale enterprises and improve their business management and growing local markets. Thus, it is clear that there are no effective mechanisms and measures for evaluating performance of ARP officials.

The researcher concludes by highlighting the need for public-private partnership involvement and also clearly defined roles and responsibilities for every stakeholder. This would minimise confusion about roles and time lines because individuals would be more accountable and responsible for their mandate. From the discussion presented in this report, there can be little doubt that small-scale

enterprise development remains a catalyst for sustainable and viable local economic growth in Alexandra.

REFERENCES

Bailey, N. (1995). Partnership agencies in British Studies. London: Urban Policy.

Beauregard, R. (1993) Constituting economic development: A Theoretical Perspective in Theories of Local Economic Development. In Bingham. R. D and Miner, R. (eds.) California: Newbury Park: Sage Publications.

Beresford, P. and Hoban, M. (2005) Participation in anti-poverty and regeneration work and research: Overcoming barriers and creating opportunities. United Kingdom, Joseph Rowntree Foundation.

Brebbia, C.A, Marchettini, N., Tiezzi, E. Wadhwa, L.C. (2004) The Sustainability City 111: Urban Regeneration and Sustainability. Wit Press. Southampton, Boston.

Bingham, R.D., and Mier. R. (1993) Theories of Local Economic Development: Perspectives from Across the Disciplines. California, Thousands Oaks: Sage Publication.

Cameron, S. and Doling, J. (1994) Housing Neighbourhood and Urban Regeneration**.** United States, Urban Studies, Vol. 31, No.7.

Carey, H. (1981) "State Policy and New Enterprise Development." In Robert Friedman and William Schweke (eds). Expanding the Opportunities to Produce: Revitalizing the American Economy through New Enterprise Development. Washington D.C, Corporation for Enterprise Development.

Carley, M. (2000) "Urban Partnerships, Governance and the Regeneration of Britain's Cities". International Planning Studies, Vol. 5, No. 3.

Carter, A. (2000) Strategy and Partnerships in Urban regeneration. London, Oxford Publishers.

The Castleford Project (2006) An innovative program of urban renewal in Yorkshire, U.K. Retrieved from http/www.salford.gov.uk/publications/papers, November 06, 2006.

Centre for Development and Enterprise (1996) Cities and the Global Economy: New Challenges for South Africa. CDE Research No.3 Johannesburg.

Couch C. and Fraser, C. The European Context and Theoretical Framework. Europe, Blackwell Publications.

Dabinett, G. (2005) Partnerships and Transformation of the State in Urban regeneration in Britain. Great Britain, Aldershot.

Domhoff, G.W. (1997) Who Rules America Now? USA, Waveland Press.

Department of Provincial and Local Government (2006) Urban Regeneration Strategy. Retrieved from (http//www.dplg.gov.za/document/urban regeneration strategy/html)

Dewar, D. (1990) .South African Cities: A Manifesto for Change. Cape Town. University of Cape Town Press.

Education and Training Unit. Local Government in South Africa. (2005). South Africa. Retrieved from (http/ www.etu.za/publication/papers/html)

Elander, I. (2002) Partnerships and Governance. International Social Science. United Kingdom, Sage Publication, Inc.

Elkin, S. (1987). City and Regime in the American Republic. Chicago. University of Chicago Press

Evans and Shaw (2004) The Contribution of Culture to Regeneration in the UK. London. Oxford.

Geddes, M. (1998) Local Partnerships: A Successful Strategy for Social Cohesion. Retrieved from (www.eurofoundation.ie/urbanregeneration/article/html).

Granvotter, M.S., (1982) “The Strength of Weak Ties: A Network Theory”. American Journal of Sociology (78) Vol. United States of America.

Helmsing, A.H.J (2001a) Externalities, learning and Governance perspectives on local economic development. Netherlands, Institute of Social Studies.

Hirschman, A. O. (1958) The Strategy of Economic Development. New Haven, Yale University Press.

Hoerr, J.P. (1988) And the Wolf finally came: the Decline of the American Steel Industry. United States, University of Pittsburgh.

Jeppesen, S. (2005) Enhancing Competitiveness and Securing Equitable Development: Can Small. Micro and Medium-Sized Enterprises (SME) do the Trick? Development in Practice, Vol.15, No.3 and 4 June, Routeledge Taylor and Francis Group.

Kerlinger, F. N. (1985) Practical Assessment Research and Evaluation. University of North Texas, USA.

Khan, F. (1996) Local Economic Development - Reflections on the International Experience and Some Lessons for the Reconstructions of South Africa's Cities. Cape Town, Juta Publishers.

Kirchick, J. (2006) Urban Renewal: Mugabe Style. Washington, The Weekly Standard. Vol.11.

Lang, T. (2005) Insights in the British Debate about Urban Decline and Urban Regeneration. Regional Development and Structural Planning. London, Oxford Publishers.

Lawless, P. (1993) Partnership in Urban Regeneration in the UK: The Sheffield Central Area Study. United Kingdom, Centre for Regional Economic and Social Research, Sheffield Hallam University.

Leedy, P.D. and Ormond, J.E. (2001) Practical Research: Planning and Design

New Jersey. Merrill Prentice Hall.

Leedy, P.D. and Ormond, J.E. (2005) Practical Research: Planning and Design. New York. Upper Saddle River. Pearson Educational International.

Leitner, H. (1990) Cities in Pursuit of economic growth: local state as Entrepreneur. South Africa, Political Geography Quarterly, 9, pp 146-170.

Levine, M.V. (1987) Downtown Redevelopment as an Urban Growth Strategy: A Critical Appraisal of the Baltimore Renaissance. South Africa, Journal of Urban Affairs 9: 103-23

Lighelm, A. (2006) Measuring the Size of the Informal Economy in South Africa for 2004/05. Pretoria. Bureau of Market Research. Retrieved from (www.moneyweb.co.za/subscribe/newsletter.html1).

Local Economic Development (2006) Urban Regeneration. Retrieved from (http//www.arp.org/ document /urban regeneration/ business/ /html)

Luke Ravenstahl (2007) July 17 Pittsburgh Awards and Recognition. Speech at Celebration Ceremony of the Best City, Mayor.

Mesialik, M. (1999) History of Pittsburgh: Galloway of American Archivists Annual conference. Pittsburgh.

Mc Arthur, A .and Mc Gregory, A. (1989) Regenerating Public Sector Housing Estates: The Role of Community Enterprise, Local Economy. 4 pp, 29-44

Mclean, B. (1996) Studying Regional Development: The Regional Economic Context of Economic Development. Economic Development Quarterly, Vol.10 No. 2, May. New York, Sage Publications.

Mills, E. (1996).The Causes of Metropolitan Suburbanisation. Journal of Economics Perspective, 7. 135-147.

Molotch, H. (1976). The City as a Growth Machine. American Journal of Sociology, 82, 309-322.

Morris, D. (2001). Self Reliant Cities: Energy and the Transform of Urban America. California, Sierra Club Books, San Francisco

Mouton, J. and Marais ,H.C. (1988) Basic Concepts in the Methodology of the Social Sciences. South Africa, HSRC Press.

Municipal Finance Management Act (1998) Retrieved from (http// **www.gov.za**/

Municipal Structures Act (1998) **www.gov.za**

Noon, D., Smith-Canham, J. and Eagland, M. (2000) Economic Regeneration and Funding: A handbook, London.

Office of the Deputy Prime Minister (ODPM) (2005) Assessing the Impact of Spatial Interventional. Regeneration, Renewal and Regional Development. Retrieved from (http/www.odpm.gov.uk/documents/urban regeneration/index/htm).

Peterson, P. E. (1981). City Limits. Chicago, University of Chicago Press.

President Thabo Mbeki. (2001) State Nation Address. Retrieved from (http://www.gov.za/documents/state nation address/index/htm).

President Thabo Mbeki (2005) State of the Nation Address, July 20. Retrieved from (http://www.gov.za/documents/state nation/address/index/htm).

Pierre, J., (1999) Models of Urban Governance. The Institutional Dimension of Urban Politics. Urban Affairs Review, Vol.40, No. 3.

Republic of South Africa. (1998) White Paper on Local Government. Government Printers: Pretoria.

Roberts, P. (2000) The Evolution, Definition and Purpose of Urban Regeneration. Urban Regeneration, A Handbook, London.

Rogerson, C.M. (2004) The impact of South African Government's SMME programmes: A Ten Year Review. Development Southern Africa Vol. 21, No. 5, December 2004. South Africa, Carfax Publishing.

Rogerson, C.M. and Rogerson, J (1997) The Changing Post-Apartheid City: Emergent Black-owned Small Enterprises in Johannesburg. Urban Studies, 34, 85 -103.

Sainz, J.P.P. and Andrade-Eekhoff K. (2003) Local Development in the Global Economy. Northern American Congress on Latin American.

Schumpeter, J.A. (1983) Theories of Economic Development. New Jersey, Transactions Books.

Smith, D.M. (1992) The Apartheid City and Beyond: Urbanization and Social Change in South Africa. Johannesburg and London: Witwatersrand University Press.

Swilling, M. (1997) Deracialized Urbanisation: A Critique of the New Urban Strategies and some Policy Alternatives from a Democratic Perspective.

Teague, P. (1987) The Potential and Limitations of Community Businesses in Local Economic Development. Local Government Studies July/August.

Terre Blanche, M. and Durrheim. K. (1999) Research in Practice: Applied Method for the Social Sciences. Cape Town, University Press.

Todaro, M.P (1994) Urbanisation and Rural Urban Migration: Theory and Policy. Economic Development. New York, Longman

United Nations Commission (2006, November 06). Economic issues on status of women. United States of America, UN Department of Public Information. Retrieved from (http//www.un.org/status of women/article/html)

Urban Renewal: How Corruption Operates Locally. Retrieved November, 11 2006 from www.worldfreeinternet.net

Vosloo, W.B. (1994) Entrepreneurship and Economic Growth. Pretoria, HRSC Publishers.

Wall, K. (1983) Urban engineering in a changing society: The political role of the urban engineer in local government. South Africa

Weaver, M. (2006, June 08). Urban regeneration- The Issue Explained**.** Britain. Guardian Unlimited. Retrieved from http// www.SocietyGuardian.co.uk/.

Wigan Council. (2001, May 23). Wigan Pier Quarter Regeneration. United Kingdom. Retrieved from (http:/www.wigan.gov.uk/services/environment/built environment/wiganperquarterregeneration/htm).

Wolman, H. (1996) The Politics of Local Economic Development. Economic Development Quarterly, Vol. No.1. May, 1996. South Africa, Sage Publications, Inc.

World Bank (2006, September 19) Characteristics of Constraints Facing Black Businesses in South Africa: Survey Results. Washington D.C. Retrieved from (http//www.worldbank. org/ small business/usersurvey/papers/ html).

World Bank (2005, April 4) Enterprise and Economic Opportunities in Deprived Areas: Small Business Service. London. Retrieved from (http//www.worldbank. org/ urban development/ article.html).

APPENDIX ONE: QUESTIONNAIRE FOR STAKEHOLDERS

SMALL SCALE ENTERPRISE DEVELOPMENT UNDER ALEXANDRA RENEWAL PROJECT SURVEY: MANAGERS AND STAKEHOLDERS

INSTRUCTIONS FOR COMPLETING THE QUESTIONNAIRE

The aim of this Urban Regeneration and Small Scale Enterprise Development Survey Instrument is to obtain information on your perceptions of local conditions and regulations that affect your businesses. The goal is to highlight achievements and problems that hinder business development and identify key opportunities and issues facing local business. Your answers should reflect only your experience of the Alexandra Renewal Project enabler for business environment. Note that any information provided in this questionnaire is confidential and used for academic research report. Please adhere to the following instructions carefully:

Answer all applicable questions as accurate as possible
Read all instructions within questionnaire carefully
Provide the exact answer for all the questions
Read all the options or question before answering

SECTION A. BIOGRAPHICAL INFORMATION

1. Position of the official_____

2. Gender: Male /Female

3. Where is your office situated?

_____

4. How many years have you been working with ARP?

_____

SECTION B: WHAT DEVELOPMENTAL CHANGES THAT HAS HAPPENED FOR SSE SINCE ALEXANDRA RENEWAL PROJECT STARTED

1. How long have you been working with the Alexandra Renewal Project?

_____
_____
_____
_____

2. How many Small Scale Enterprises are in your database currently?

_____
_____
_____
_____

3. What changes happened on growth and development of SSE since the inception of Alexandra Renewal Project?

_____
_____
_____
_____

4. How are you supporting the roll-out of financing and infrastructure for Small Scale Enterprises development?

_____
_____
_____
_____

5. How are the SSE involved in planning and decision making for their development within the ARP?

_____
_____
_____
_____

6. What are the features about ARP that hinders development of SSE and investment on them?

_____
_____
_____
_____

7. In order of importance, which are the three fastest growing sectors/ industries under ARP?

_____
_____
_____
_____

SECTION C. PROMOTION OF SMALL SCALE ENTERPRISE

1. What are the key features in promoting SSE under ARP, currently?

_____
_____
_____
_____

2. Who are your partners in promoting the SSE development in order to grow their local economies?

_____
_____

_____
_____

3. In what form do you conduct monitoring and evaluation to verify the impact on promoting of SSE development?

_____
_____
_____
_____
_____

4. How many times in a year do you conduct workshops with SSE and other stakeholders to check performance?

_____
_____
_____
_____

5. Does municipality/ local government provide any LED funding for SSE development? **YES/NO** If yes, specify

_____
_____
_____
_____

SECTION D. MAXIMIZING POTENTIAL OF SMALL SCALE ENTERPRISE FOR SUSTAINABLE LOCAL ECONOMIC DEVELOPMENT

1. How many SSE have you relocated or moved to the incubators in Pan Africa Taxi Rank?

_____
_____
_____
_____

2. To what extent does Small Scale Enterprise development assist in leveraging the socio-economic challenges in Alexandra?

_____
_____
_____
_____

3. What type of support programmes do you have in place to assist Small Scale Enterprise development under ARP?

_____
_____
_____
_____

4. Do you inform disadvantaged groups on the role they can play through establishment of Small Scale Enterprise? **YES/NO**

If yes, Specify.

_____
_____
_____
_____

5. What type of exposure and motivation does the SSE receive in relation to the establish business in order to sustain their business activities? **YES/NO**

If yes, Specify

_____
_____
_____
_____

6. In your own opinion, how has the overall business enabling environment changed over the last three years? **(*Please circle appropriate number)***

Improved	**Stayed the Same**	**Deteriorated**
1	2	3

SECTION E: THE LEVEL OF ABSORPTION OF THE PREVIOUSLY DISADVANTAGE GROUPS ON SSE DEVELOPMENT

1. What are the success stories about community members turning into SSE under ARP?

_____
_____
_____
_____

2. What mechanisms is ARP using to attract and encourage disadvantage groups to participate and benefit from SSE development?

_____
_____
_____
_____

3. What are the existing linkages between the successful businesses and SSE for businesses practice benchmarking?

_____
_____
_____
_____

4. What are the challenges of SSE in accessing finance in order to sustain their business?

_____
_____
_____
_____

6. How do you conduct monitoring and verification on impact of training received in managing their businesses?

_____
_____
_____
_____

SECTION F. SMALL SCALE ENTERPRISE AS CREATION OF EMPLOYMENT OPPORUNITIES WITHIN ALEXANDRA

1. What type of assistance SSE receives from ARP in creating employment opportunities within their businesses?

_____
_____
_____
_____

2. Do you market your unemployed database to the enterprises in these areas?
YES/NO
If yes, how?

_____
_____
_____
_____

3. How do you share information with SSE on the legislation of employment conditions?

_____
_____
_____
_____

4. Are they willing to assist with improving the unemployment rate in Alexandra?
YES/ NO
If yes, specify

_____
_____
_____
_____

5. What three things could SSE do in order to contribute towards local economy development in Alexandra?

_____
_____

_____
_____

6. What are your recommendations for Job creating opportunities through small scale enterprises development?

_____
_____
_____
_____

THANK YOU FOR YOUR TIME

APPENDIX TWO: QUESTIONNAIRE FOR OWNERS

SMALL SCALE ENTERPRISE DEVELOPMENT UNDER ALEXANDRA RENEWAL PROJECT SURVEY: OWNERS

INSTRUCTIONS FOR COMPLETING THE QUESTIONNAIRE
The aim of this Urban Regeneration and Small Scale Enterprise Development Survey Instrument is to obtain information on your perceptions of local conditions and regulations that affect your businesses. The goal is to highlight policies that hinder business development and identify key opportunities and issues facing local business. Your answers should reflect only your experience of the Alexandra Renewal Project enabler for business environment. Note that any information provided in this questionnaire is confidential and used for academic research report. Please adhere to the following instructions carefully:
Answer all applicable questions as accurate as possible.
Read all instructions within questionnaire carefully
Provide the exact answer for all the questions
Read all the options or question before answering

SECTION A. BIOGRAPHICAL INFORMATION

1. Where do you stay or live

Alexandra inner	Kew, Bramely Lombard	East Bank	Marlboro	Tsutsumani	Other Areas.

2. What is your gender?

Male	Female

3. What is the highest level of education you have completed?

Some years primary school	Finished primary school	Some years high school	Finished high school	Incomplete tertiary school	Finished tertiary school	Other

4. How old are you?

Under 20 years	21-30 years	31-40 years	41-50 years	51-60 years	Over 60 years

5. How would you describe you family?

Married with one Spouse	Married with more than one spouse	Long term partner	Single	Widowed	Divorced /separated

6. How many people live in the same house as you?

1 other	2 others	3 others	4 or more others

SECTION B. ESTABLISHMENT PROFILE

1. What is sector focus of your business establishment?

Wholesale and Retail	Furniture production	Motor industry	Construction Industry	Manufacturing	Others

2. What is the ownership status?

Joint Venture	NGO	Sole proprietary	Close corporations	Cooperatives	None

3. Please estimate the number of years your establishment has been in operating? Tick one of the box

0 –1 years	2-5 years	6-9years	10 –12 years	Others

4. Please indicate the venue/place where you operate your business.

_____

5. In your own opinion which are the three fastest growing sectors/ industries in your community?

_____

_____

_____

_____

6. Please indicate the number of employees who participated in any training under the Alexandra Renewal Project.

_____

_____

_____

_____

7. Do you have infrastructure or facilities where you operate your business?

_____

_____

_____

_____

8. Do you belong to any association of business in your area or outside Alexandra?

_____

_____

_____

_____

9. Please indicated how you transport you good/services to customers or suppliers?

_____

_____

_____

_____

10. Do you pay tax, interest or any legal fees?

_____
_____
_____
_____

11. Do you have a bank account for your business currently? **YES/NO**
If no, specify how you save your money?

_____
_____
_____
_____

SECTION C: WHAT DEVELOPMENTAL CHANGES ON GROWTH AND DEVELOPMENT SINCE ALEXANDRA RENEWAL PROJECT STARTED

1. Do you know anything about Alexandra Renewal Project? **YES/NO**
If yes, specify

_____

2. Currently are you involved in meetings or planning concerning the operation of your business with Alexandra Renewal Project officials? **YES/NO**. If yes specify.

_____
_____
_____
_____

3. What changes have occurred in your business as a result of the ARP?

_____
_____
_____
_____

4. What other support do you receive for your business except from ARP on business matters?
YES / NO If yes, Specify

_____

5. Have you benefited from the Alexandra Renewal Project so far? YES/NO
If yes, Mention how

_____
_____
_____
_____

6. Are you optimistic or pessimistic about the future of your business in your community? OPTIMISTIC OR PESSIMISTIC

7. What was the state of profitability before and after involvement in Alexandra Renewal Project?

_____
_____
_____

8. What opportunities did this involvement generate for?

_____
_____
_____
_____

9. Do you intend to expand your business? YES/NO If yes, specify how?

_____
_____
_____
_____

SECTION D. PROMOTION OF SMALL SCALL ENTERPRISE

1. What information from ARP have you acquired that could help you in your business?

_____
_____
_____
_____

2. How did you receive the information about ARP as catalyst for Small Scale Enterprise development?

- Workshop
- Media, radio. TV and newspaper
- Word of mouth
- Other, please specify

3. In order of importance, which are the three fastest growing sectors/ industries in your community?

_____
_____
_____
_____

4. Which are the three most attractive businesses enabling environment features about your community for investors (three strengths)

_____
_____

_____
_____

5. In order of, importance, which are the three worst businesses enabling environment features (three weaknesses)

_____
_____
_____
_____

6. Do you think products or goods that you sell are needed in Alexandra community? **YES**/**NO**
Please specify if, No.

_____
_____
_____
_____

7. In your opinion, which are the sector/ industries that are declining the most in Alexandra?

_____
_____
_____
_____

8. If you are relocated to the new premises, will you be in a position to relocate? **Yes**/**NO**
Please specify if, NO

_____
_____
_____
_____

9. What would you recommend as the best way to promote your business activities through Alexandra Renewal Project?

_____
_____
_____
_____

SECTION E: THE LEVEL OF ABSORPTION OF THE PREVIOUSLY DISAVANTAGE GROUPS ON SSE DEVELOPMENT

1. Does your gender (male or female) affect your access to the support by Alexandra Renewal Project? **YES**/ **NO**
Please specify if, NO.

_____
_____
_____
_____

2. Does Alexandra Renewal Project provide support for women in accessing finance? **YES**/**NO**
Please specify if how, Yes

_____
_____
_____
_____

3. Are disadvantage groups participating in meeting or workshops? **YES**/**NO**
If no, specify why.

_____
_____
_____
_____

4. Are disadvantage groups making profit compare to men in business around Alexandra? YES/NO
If no, why?

_____
_____
_____
_____

5. What are your recommendations on the assisting women to benefit on local economy for urban regeneration and small scale enterprise development?

_____
_____
_____
_____

SECTION F. MINIMIZING POVERTY AND MAXIMIZING POTENTIAL THROUGH OF SMALL SCALE ENTERPRISE FOR SUSTAINABLE ECONOMIC DEVELOPMENT

1. How much money has been invested in the business?

_____
_____
_____
_____

2. What is your average of your operational costs?

_____
_____
_____
_____

3. Where did you secure start-up funding for your business?

_____
_____
_____
_____

4. How much did you generate yourself?

---

5. How much did your business receive from the Alexandra Renewal Project?

_____
_____
_____
_____

6. Do you have a bank account and how often do you bank you profit?
YES/**NO .**Please specify if, Yes.

_____
_____
_____
_____

7. Please mention what form of training have you received? **YES**/**NO**
Please specify if, Yes.

_____
_____
_____
_____

8. Has the training met your needs? **YES**/**NO**
Please specify, Yes.

_____
_____
_____
_____

11. Do you ever refer to the material after the training? **YES**/**NO**
If No, why?

_____
_____
_____
_____

12. Do you have skills to operate your business? **YES/NO**
If Yes, please specify.

_____
_____
_____
_____

13. What form of challenges do you experience in your business or project?

- Information
- Markets
- Resources
- Disability
- Skills (technology/management)
- Support /networks

14. Please list five most important factors that hinder you from expanding your business.

_____
_____
_____
_____

SECTION G. SMALL SCALE ENTERPRISE AS CREATION OF EMPLOYMENT OPPORUNITIES WITHIN ALEXANDRA

1. How many employees do your business employees each year?

_____

2. Please indicate for how long you have employed your employees?

0-3mths	4-12mths	1-2 yrs	2- 5yrs	5 –10yrs

3. Do you see your business as opportunity to assist in reducing unemployment in Alexandra? **YES/NO** Please specify if, Yes

_____
_____
_____
_____

4. Do you know of any unemployed persons in your area? **YES/NO**
Please specify if, Yes

_____
_____
_____
_____

5. How do you find prescribed labour conditions? Do they impact negatively on your operations? **YES/NO** If no, why?

_____
_____
_____
_____

6. Do you pay your employees according to the profit you made in your business or you have standard salary?

---

7. What are your recommendations on improving unemployment in Alexandra by supporting Small Scale Enterprise development?

_____
_____
_____
_____

THANK YOU FOR YOUR TIME