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The effects of the land use management process on small and micro enterprises: A case study of the Rand West City Local Municipality

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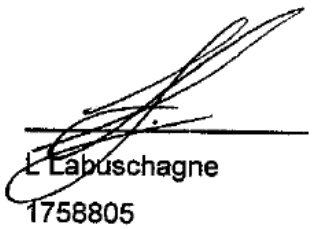
A research report submitted to the Faculty of Engineering and Built Environment, University of the Witwatersrand, Johannesburg in partial fulfilment of the requirements for the degree of Master of Science in Development Planning.

21 September 2018

Declaration

I declare that this research report is my own unaided work. It is being submitted for the Degree of Master of Science in Development Planning to the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree for examination to any other University.

Signed on the 21st day of September 2018.



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Acknowledgements

Words of appreciation and gratitude are conveyed to the following people and institutions, who through supervision, criticism, advice, and support made this study a success.

- The German Academic Exchange Service together with the Federal Ministry for Economic Cooperation and Development (Germany) for the financial support via the Wits-TUB Masters Scholarship Programme.
- My supervisor, Ms Amanda Williamson for her professional support, guidance, contributions and patience during this time.
- My mentor, Adv PJ Steyn for his support, encouragement and valuable inputs regarding my studies. Thank you for being an inspiration and mentor in my career; it is a privilege to be able to learn from you.
- To my parents, sisters and grandmother for their unconditional love, support and encouragement during this time. Thank you for always believing in me.
- To Carmen, for her love, support, patience and motivation throughout this journey. Thank you for always being willing to help and share your knowledge right till the very end.
- To everyone who contributed to the study in any which way.

"Ek is tot alles in staat deur Hom wat my krag gee"

Filippense 4:13

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ACRONYMS AND ABBREVIATIONS

CBD	Central Business District
CBD	Central Business District
CJMM	City of Johannesburg Metropolitan Municipality
ECDC	Early Childhood Development Centre
EIA	Environmental Impact Assessment
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
GIS	Geographic Information System
GVA	Gross Value Added
IDP	Integrated Development Plan
IUPF	Integrated Urban Development Framework
LED	Local Economic Development
LM	Local municipality
LUM	Land Use Management
LUMS	Land Use Management System
LUS	Land Use Scheme
MM	Metropolitan Municipality
NDP	National Development Plan
NGP	New Growth Path
NUA	New Urban Agenda
RDP	Reconstruction and Development Programme
RWCLM	Rand West City Local Municipality
SA	South Africa
SAAPAM	South African Association of Public Administration and Management
SARB	South African Reserve Bank
SDF	Spatial Development Framework
SDG 11	Sustainable Development Goal 11
SDG	Sustainable Development Goals
SMEs	Small and Micro Enterprises
SMMEs	Small, Medium and Micro Enterprises
SPLUMA	Spatial Planning and Land Use Management Act, 2013
TUB-WITS	Technical University of Berlin – University of the Witwatersrand
UN	United Nations
WITS	University of the Witwatersrand
WLM	Westonaria Local Municipality

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ABSTRACT

Despite various efforts to promote inclusive economic growth and sustainability, by means of local and global policies, it is not clear whether SMEs are either being supported or obstructed by land use management processes, especially at a local level. This study explores the effects of land use management processes on small and micro enterprises (SMEs) in the Rand West City Local Municipality (RWCLM). Although SMEs are drivers for productive and inclusive economic growth and development in South Africa, they face various regulatory burdens that are limiting their potential.

Various efforts have been made to promote inclusive economic growth and to ensure that cities are safe, sustainable, resilient and inclusive. On a national level it is stipulated in the *Spatial Planning and Land Use Management Act*, 2013 and globally it is encouraged through the UN Habitat's New Urban Agenda and Sustainable Development Goals. Even though these local and global policies complement each other, it is not clear whether SMEs are either being supported or obstructed by land use management processes at the local level.

A qualitative research methodology was used to determine the effects of land use management processes on SMEs within the case study area. This was done by investigating the extent to which the current land use management processes facilitate establishment and growth of SMEs. The objective was to understand how it influences inclusive economic growth, local economic development, small and micro enterprises and the role of urban planning and regulatory frameworks. Data were collected through interviews, focus group discussions, desktop analysis and visual aids, such as photographs and maps. This approach made it possible for the researcher to explore the data within a realistic environment and assisted in explaining the complexities of real-life situations, contrary to experimental or survey research.

In order to determine how said processes influence SMEs in their developing phase, three themes were explored. The first theme deals with the understanding of inclusive economic growth and local economic development followed by the second theme that relates to small and micro enterprises and economic development. The third theme explores urban planning and regulatory frameworks for the global South.

The study discovered that the current land use management processes, in a local municipal context, creates certain challenges for SME owners, in terms of onerous land development requirements. Finally, a few recommendations were made towards an alternative approach for land use management in the RWCLM.

CHAPTER 1: INTRODUCTION AND BACKGROUND

1.1 Introduction

The importance of promoting economic growth and inclusion is not only essential within the South African context, but it is also of vital importance on a global scale. In South Africa (SA), economic development is promoted by various policies and legislative frameworks, including the *National Development Plan* (NDP) and the *Spatial Planning and Land Use Management Act* (SPLUMA) (DRDLR, 2013; NPC, 2011). In turn, international economic progress is endorsed through programmes such as the *New Urban Agenda* and the *Sustainable Development Goals* set out by the United Nations (UN) during the Habitat III Conference in 2016 (UN Habitat, 2012). Even though inclusionary economic growth is prioritised in policy frameworks, there is still a great deal of work to be done to achieve this goal. This gap, however, provides an opportunity for the planning profession to make a valuable contribution towards the promotion of inclusionary economic growth in SA.

This study focuses on the land use management process and its effects on small and micro enterprises (SMEs) within the Rand West City Local Municipality (RWCLM) on the West Rand of Gauteng, South Africa. The main goal is to establish how the current land use management process affects upcoming SMEs, and particularly their establishment and initial growth. Small businesses play a significant role in South Africa's economy (IFC, 2017; Department of Economic Development, 2011:22; BER, 2016:5; NPC, 2013:32; UN-HABITAT, 2016b:7; Burns, 2016:16). The government however, acknowledges their importance by developing strategies, programmes and policies to aid in creating an enabling environment for SMMEs, especially in their developmental phase (Nieman, 2006:12; BER, 2016:5). Their developmental phase is significant because this is the phase in which most start-ups fail, therefore missing the opportunity to grow and ultimately contribute to the formal economy (BER, 2016:7).

1.2 Background

SMEs have been identified as drivers for productive and inclusive economic growth and development in South Africa and across the world (IFC, 2017; Department of Economic Development, 2011:22; BER, 2016:5; NPC, 2013:32; UN-Habitat, 2016b:7; Burns, 2016:16). Researchers estimate that small businesses make up 91% of all formalized enterprises in SA and they provide employment to 60% of the labour force (Nkwinika and Munzhedzi, 2016:77). The total economic output of SMEs contributes approximately 42-45% to the Gross Domestic Product (BASA, nd; BER, 2016:19; DSBD, 2016:20; Nkwinika and Munzhedzi, 2016:77).

SMEs already contribute significantly to the economy and may also have the potential to provide a platform for local, regional and international growth (BASA, nd; Nkwinika and Munzhedzi, 2016:76). Not only are SMEs seen as key contributors to the economy, but they are also regarded as drivers for addressing unemployment (BASA, nd; Nkwinika and Munzhedzi, 2016:76; Entrepreneur, 2016; Burns, 2016:12).

In 2015, Francois Groepe, Deputy Governor of the South African Reserve Bank (SARB), stressed the vital role of small businesses within the economy. He explained that if one looks at small businesses through a development lens, they provide two important contributions to the economy. The first is that small business plays an essential role in the renewal process that defines a market economy, and secondly, small businesses are an important channel for people to enter the economic mainstream of a society. In other words, small businesses can create various opportunities within society (Groepe, 2015).

The NDP is a plan that strives to eliminate poverty and reduce inequality in the country by the year 2030. To achieve this, an inclusive economy should be cultivated (NPC, 2011:1), and small businesses should be supported by the government. The *New Growth Path* (NGP) aims to generate 5 million new jobs between 2010 and 2020, by creating a supportive environment for business growth, as well as economic development (Department of Economic Development, 2011). Furthermore, rooted in both these policy frameworks the *Integrated Urban Development Framework* (IUDF) aims to set out practical meaning to the vision of the NDP by guiding the development of inclusive and resilient urban settlements whilst addressing the unique challenges and urban fabric of the cities and towns in South Africa (COGTA, 2016:8). The establishment of SMEs plays a key role in the execution of these governmental policy frameworks.

However, the survival rate and future success of SMEs is not promising, as the developing phase has proved to be the most vulnerable stage for SMEs to survive (BER, 2016:10; Entrepreneur, 2016). This is confirmed by Kgosana (2013), reporting that the former Trade and Industry Minister, Rob Davies, said that five out of seven upcoming small businesses fail within the first year of operation. This statement is especially concerning considering the fact that 68% of South Africans are employed by businesses with less than fifty staff members (i.e. a small business) (Entrepreneur, 2016). Furthermore, the financial requirements to start a small business are limiting SME growth (Entrepreneur, 2016). Therefore, the provision of financial and administrative support is key to stimulate growth and establishment of SMEs (Entrepreneur, 2016). Support for SMEs in their initial developing phase should be prioritised in order to ensure they survive the first one to three-year failure-hurdle. This will, in turn, allow

them to focus on sustainable business growth, the main cornerstone of small business success.

According to the NDP, the compliance obligations for small businesses, created by various laws, are one of their main burdens (NPC, 2011:135). Emerging entrepreneurs argue that they do not necessarily have the financial or administrative resources to fully comply with all the regulatory requirements (NPC, 2011:135). According to Petersen (2017:3) and the Department of Small Business Development (2016:20), one of the difficulties faced by SMEs is that they continue to operate informally and at a micro-scale, due to the regulatory burdens which ultimately limits the growth and investments in SMEs. In addition, the Sustainable Livelihoods Foundation (2016:31) found that some SMEs fail and subsequently close down due to socio-economic constraints such as state regulation and competition.

While small businesses form part of the backbone of a successful society, their survival requires support (Groepe, 2015; Entrepreneur, 2016; Burns, 2016:12; Kgosana, 2013). Beneficial conditions should be created to encourage the establishment of start-ups and promoting them to enter the market (NPC, 2011:142). The collaboration between the government and the private sector is therefore imperative to create an environment for SMEs to enter the market and flourish (NPC, 2011:143; DSBD, 2016:20). In order to do so, the rules for small businesses should be relaxed (NPC, 2011:41).

1.3 Problem Statement and Rationale for the study

A *Land Use Management System* is defined in SPLUMA (2013:9) as “the system of regulating and managing land use and conferring land use rights, through the use of schemes and land development procedures”. In other words, land use management is seen as an important municipal function that aims to control and manage the different residential and economic activities of an area (SA Affordable Housing, 2012). Furthermore, one of the main objectives of SPLUMA is to ensure that the system of land use management promotes economic inclusion (DRDLR, 2013:1). On a global scale, the *New Urban Agenda* (NUA) and especially the eleventh *Sustainable Development Goal* (SDG) aims to make cities more inclusive, safe, resilient and sustainable (UN Habitat, 2012). The UN-Habitat is working towards a future that ensures that cities become more inclusive and affordable drivers of economic growth and social development (UN Habitat, 2012). Nationally, SPLUMA's principles and objectives, in conjunction with the *New Urban Agenda*'s goals, are to promote economic growth, social and economic inclusion, as well as sustainability in cities and communities.

The motivation for this study arose from the TUB-WITS Urban Lab Interdisciplinary Bilateral Postgraduate Studies Programme and scholarship, which is shaped around the United

Nations' programme - *the UN-Habitat that works towards a better urban future* (UN Habitat, 2012). This action-orientated document aims to set global standards of achievement in sustainable urban development. The call aims to encourage relevant stakeholders and urban actors within all spheres of government, as well as the private sector to implement the *New Urban Agenda* and *SDG 11* in order to make cities more inclusive, safe, resilient and sustainable (UN Habitat, 2012).

Even though these recent global and local policies complement each other and create new opportunities for change, it is not clear whether SMEs are being supported or obstructed by local land use management processes. As a result, there is a need to explore the effects of municipal land use management processes on SMEs and especially, the extent to which they assist in supporting the establishment and growth of SMEs. The research aims to address this gap, by exploring town planning systems at a local scale to determine how town planning is involved in supporting SME establishment and growth. The contribution to literature will be based on the empirical investigation focusing on the extent to which current land use management systems contribute towards realising the policy goals. These goals are aimed at inclusive economic growth, by means of supporting SME establishment and growth in South Africa.

1.4 Research Question

To what extent does the current land use management process facilitate the establishment and growth of SMEs within the Rand West City Local Municipality?

1.4.1 Sub-Questions

- What are the relationships between land management systems, SMEs and the promotion of inclusive economic growth?
- What do the land use management processes at the RWCLM involve?
- How have current land use management processes affected the growth of SMEs in the RWCLM?
- What do these findings suggest for land management processes that support inclusive economic growth?

1.4.2 Aim and Objectives

The aim of this study is to explore the effects current land use management processes have on SMEs within the RWCLM, in order to;

- Understand the elements of the land use management process and what it requires from the SMEs.

- Understand the ways in which SMEs are contributing to inclusive economic growth, inequality, poverty, and sustainability.
- Investigate the local experiences and perceptions within the land use management process and highlight factors that affect the growth of small and micro start-up businesses.
- Determine to what extent the current land use management process accommodates and facilitates the establishment and growth of SMEs.
- If necessary, suggest ways in which land use management processes may support the facilitation of SMEs and work towards achieving SDG 11.

1.5 Research Methods

This study takes an empirical form because information is collected through direct and indirect observation. Empirical research entails that data is "derived from actual observation or experimentation" (Burns, 2007) rather than from theory. In this study, a qualitative research methodology is followed because qualitative research is used when “we don’t know what to expect” (Mora, 2012). Qualitative research is an approach that allows the researcher to examine people’s experiences in detail by using a set of methods, such as in-depth interviews, focus group discussion, content analysis and other visual methods (Hennik *et al*., 2011:9). This approach is relevant to the study because it allows the researcher to identify issues from participants' perspectives (Hennik *et al.*, 2011:9).

1.5.1 Data collection

The qualitative research strategy will entail the collection of data through a case study. A case study method also makes it possible for the researcher to explore the data within a real-life environment. Furthermore, a case study is used to explain the complexities of these real-life situations, which is not possible to capture through experimental or survey research (Zainal, 2007:4). A case study enables the researcher to explore and investigate current real-life occurrence through detailed contextual analysis (Zainal, 2007:2) at the local municipal scale. According to Zainal (2007:4), there are three different types of case studies, namely; intrinsic, instrumental and collective. This study is an instrumental case study as a small selection is used "to examine a certain pattern of behaviour" (Zainal, 2007:4).

A convenience sampling technique was used to select the RWCLM as a case study. Convenience sampling is when a sample or case is chosen due to its close proximity and accessibility to the researcher (Etikan, *et al*., 2016:1). Due to the fact that Randfontein is the hometown of the researcher the ease of access to information sources and data-gathering is present. The initial intention was to compare the RWCLM with the City of Johannesburg

Metropolitan Municipality (CJMM) because it would enable the researcher to make meaningful comparisons. Unfortunately, after numerous efforts to contact them by email and telephone, little to no cooperation was forthcoming from the CJMM officials. After careful deliberation and in view of the time constraints, the decision was made to exclude the CJMM from the study.

As land use management is a municipal function, regardless of the scale of a municipality (i.e. local or metropolitan), the focus on one case study still provides a sufficient basis for the study. The data can be analysed through a local lens, which allows the researcher to reveal and understand the multiple facets of the processes (Baxter and Jack, 2008:544) limited to the local scale. Moreover, the findings from the study will still be equally significant, as it can be considered as a sample study, not only providing specific information on the selected area, but it can represent common parallels to similar contexts elsewhere.

1.5.2 Interviews

The main method of data-collection is done through interviews, which are the most common method of data collection used in qualitative research (Gill *et al*., 2008:291). The semi-structured type of interviews used, consists of a range of key questions that aid in defining the areas to be investigated, but also allow the interviewee and/or interviewer to deviate from the topic, in order to pursue an idea or response in more detail (Gill *et al*., 2008:291). The purpose of research interviews is to explore the views, experiences, belief and/or motivation of individuals on specific matters (Gill *et al*., 2008:292).

Three sets of interviews are done according to the participating stakeholders, all of which are led by the same pre-selected themes. The in-depth interviews are conducted with the selected SME owners and consulting town planning firms, while the RWCLM's town planning officials are interviewed in an organised focus group session. The reason for the arrangement of the interviews is to be able to cover the main concepts of the study. Firstly, respondents deliberate on the approaches to land use management and the regulation thereof and secondly the influences of the land use management process on SME owners are discussed. Lastly, the different approaches to urban planning and development are addressed.

Both SME owners and the RWCLM officials are included as relevant stakeholders in the study, in order to draw from the relationship between them. It is crucial to include the applicants' experience, without excluding the perspective of the local authority that is responsible for the managing of land use. However, a third stakeholder, the consulting town planning firms, should be included in the study as they act as mediators between the applicant and the local authority. Equally, their inputs, views, and experience are also important to this study. Through this, triangulation is made possible. Triangulation can be defined as the use of more than one

approach in an investigation and it enhances the confidence in the ensuing findings (Bryman, 2012).

1.5.2.1 SME owners

Six in-depth interviews are conducted with various respondents owning SMEs. These interviews are designed around the settlement type, in which each business operates, as well as the type of business they run as it was assumed that each business experiences different dynamics with relation to the settlement and business type. In other words, each SME operates in a different market, particularly with regards to the settlement typology and business type, which will subsequently have a unique influence on their financial, infrastructural and logistical challenges. Therefore, the study aims to interview various types of SMEs within different settlement types; low-density townships, high-density townships and agricultural holdings.

This means that each business to be investigated is first identified based on its location within the settlement (e.g. on main access roads/spines and within the residential areas), and secondly, the type of business is taken into account. Another condition to consider is based on the Sustainable Livelihood Foundation's research, which indicates that the most common SMEs in SA include house shops, shebeens, spaza shops, takeaway restaurants, crèches, hair care and recycling (Sustainable Livelihood Foundation, 2016:21). Selection will also depend on the availability, accessibility, and willingness of respondents.

The in-depth interviews consist of semi-structured questions grouped into three encapsulating themes that focus on the overall experience of the business owner in relation to land use process. The first theme includes the business story of the owner, including the business rationale, type of business, the duration of its operation, its performance thus far, the business rationale as well as the strengths and weaknesses of the business. The second theme will focus on the spatial location of the business, including information related to proximity to transport spines, nodes and the overall reasoning behind selecting that specific location. The third theme explored why, how and when the SME owner started with the LUM-process, as well as the various unique experiences each of the SME owners had during the LUM-process, as well as the challenges and benefit each of them encountered during the process.

1.5.2.2 Municipal officials

The second set of interviews is conducted with the RWCLM town planning officials by means of a focus group interview. A focus group is “a group discussion on a particular topic organised for research purposes” (Gill *et al*., 2008:293). A focus group is "a standalone method for research, relating to group norms, meanings, and processes" (Gill *et al*., 2008:293). The group

format allows the researcher to gather a more representative set of views and a holistic opinion of how the land use management process is implemented and executed in practice. An organic conversation between all possible role-players at once can also aid in extracting unforeseen and truthful information for this study.

To complement the focus group interview with the RWCLM, a desktop review of grey literature is also done. Grey literature is "written material or information that is unpublished or not published commercially" (PHCRIS, 2015). Grey literature is non-conventional publications and includes, among others, reports, theses, conference proceedings, technical documentation, and official documents not published (GLR, nd). The grey literature that the study drew on included reports, schemes, mechanisms and/or official documents relating to the land use management process. This is done in order to explore whether there are documents to assist the municipality's land use management process and to what extent they facilitate the land use process. These include among others, the Land Use Management Schemes and/or Town Planning Schemes, the Spatial Planning and Land Use Management by-law for the RWCLM, the LED strategy, and other related documents.

1.5.2.3 Town planning consultancies

The final set of data will be obtained from two consulting town planning firms located in the West Rand area. Selection criteria included that the firms should have at least ten years' experience in professional urban planning practice, in order to make sure that their experience in the field can produce valid and reliable results for the study. In-depth interviews are done with the professional town planner(s) employed by these firms, to collect data on why SME-owners contact town planning consultants and how they subsequently go about with town planning processes, especially the LUM-process.

All the interviews conducted will be compared and carefully interpreted, in order to effectively capture the experiences and real-life effects of the LUM-process on SMEs.

Finally, in addition to the desktop analysis of grey documents, the researcher also investigates the spatial context of the businesses themselves in a visual manner. Photographs are included to capture the urban fabric and character of the direct neighbourhood and settlement type for each SME.

Information wanted (What?)	**Source of information (Where?)**	**Method / tool(How?)**
Perceptions of role-players within the land use management process	SME-owners	Interviews Focus group interviews

	Consulting Town Planning Firms Municipal officials	
A regulatory framework for LUMS and LED at the RWCLM	Municipal officials and other role-players Land use documents/schemes/reports used at the RWCLM	Focus group interviews Desktop analysis
Spatial context of businesses	Interviews with SMEs	Photographs collected in front of the businesses to illustrate the different contexts explored Desktop analysis

Table 1.1: Summary of data collection, methods and tools

The study's limitations are mainly related to its scope. Because the results are drawn from one case study, a concern may arise that the sample is too small for broader extrapolation, or that the findings are not representative of a larger sample. However, the individual case and the limited number of participant's presents an opportunity to do incisive and intensive research given the time- and resource constraints of the researcher. This would not undermine the validity or value of the study. While the selection of the case is not intended to be representative, the instrumental type of case study allows for generalisation of findings to the larger population (Zainal, 2007:4).

1.6 Ethical Concerns

The study was carried out within the geographical area of the Rand West City Local Municipality with further participants (town planning consultants) located in the greater West Rand area. One of the key ethical issues with this study is based on the fact that the researcher is currently employed as a professional town planner at a town planning consultancy firm located in the West Rand. The researcher acknowledges that this may represent a conflict of interest, as the participant-researcher-trust relationship can be questioned, as well as the academic objectivity regarding the study. However, the researcher addressed this concern by conducting the research as a student of the University of the Witwatersrand and not as a professional town planner employed by one of the interviewed planning consultancies in the field.

Other ethical issues include, firstly, protecting the identity of the participants as well as safeguarding their anonymity and their involvement, which were carefully and sensitively

addressed by the researcher. Secondly, the researcher was required to follow the Wits protocol, by obtaining an ethics clearance certificate prior to undertaking the fieldwork.

Therefore, a Participant Information Sheet was prepared to inform potential participants firstly, of what the study is about, why they have been chosen to participate and that the interviews (should they agree) will be audio-recorded. The second clause informs them that their anonymity will be guaranteed (e.g. their names and identification will be protected) and that the information they shared will be kept confidential (e.g. only accessed by the researcher through a password protected computer). Lastly, the researcher stated that the research is for academic purposes only. If they agreed to proceed, each participant was required to give their formal consent, which was be obtained through consent forms issued before the interviews or focus group discussions commenced.

The consent form also includes the use of photographs of SME participants. The form asked for their permission to take photographs of the interviewees in front of their businesses. The researcher explained the purpose of the photographs and guarantees the participants that their personal and business-related information will be kept anonymous on a password protected computer only accessible by the researcher. The consent forms for the study informed the participants of the purpose and procedures, as well as their rights as a participant in the research.

The study also required formal permission to be obtained from the Executive Manager: Corporate Support Services at the RWCLM to conduct a focus group interview with town planning officials from the town planning department, as respondents are being interviewed in their official capacity. Although the RWCLM does not require anonymity of their officials, the researcher kept the focus group anonymous, in order to comply with the Wits protocol as well as safeguarding the officials from possible identification. Lastly, the same approach was followed regarding the identity and anonymity of the two town planning consultancies.

1.7 Chapter Outline

Chapter 1: Introduction and background.

This chapter introduces the research question and sub-questions, including the research method, concepts and theoretical framework that underline the study. Furthermore, the chapter introduces the key concepts such as *inclusive economic growth* and *safe, resilient, sustainable and inclusive cities*, relating it to the national as well as the global scale. Lastly, the importance of SMEs in South Africa is emphasised and this notion is connected to the key concepts mentioned above, in order to justify the reason and necessity of this study.

Furthermore, the research presents the research question and sub-questions and sets out the aims and objective accordingly. The research method is discussed followed by the ethical issues concerning the study.

Chapter 2: The land management system and SMEs: towards achieving inclusive economic growth and development.

The literature review chapter draws on relevant scholarship to understand the relationships between the *land use management process*, *SMEs*, and *inclusive economic growth*. The chapter specifically reviews three themes; understanding inclusive economic growth and local economic development by drawing from global and national scholarship and policy frameworks. The second theme is structured around the importance of small and micro enterprises in achieving economic development. Lastly, the urban planning and regulatory frameworks are set out to understand the various roles of urban planners and the local government. These roles are linked to cultivating an alternative approach to local urban planning and regulatory frameworks that can provide promotion and facilitation for small business development.

Chapter 3: Case study: The Rand West City Local Municipality.

This chapter explores what the land use management process in the Rand West City Local Municipality (RWCLM) entails. A broad background of the case study area will be given, especially focusing on the rise of unemployment and the loss of primary jobs in order to contextualise the history and current economic conditions in the area. Further to this, the chapter will introduce the department responsible for the land use management, together with other influential role-players involved in municipal planning. Equally, the key land use management mechanisms, schemes, policies and relevant documents used within the RWCLM, will be discussed. Therefore, this chapter serves as the desktop analysis of the grey literature concerning the regulatory framework for land use management within the RWCLM.

Chapter 4: Presentation of findings.

The chapter explores how the current LUM-process affects SMEs in the RWCLM, by drawing data from various stakeholders. The chapter displays the data collected from all three stakeholders involved in the study within the RWCLM. This is done by drawing on the themes used to guide the interview relating to; small business realities, spatial location and the engagement with the land use management system in the RWCLM. The chapter further comprises of two components that discuss the methods used for data-gathering, after which

the findings collected during fieldwork, are presented. The chapter includes a summary of the presented findings that will be analysed in the following Chapter.

Chapter 5: Analysis of findings.

This chapter not only explores how the current LUM-process affects SMEs in the RWCLM, but it also deliberates on what these findings may suggest for LUM-processes that facilitates inclusive economic growth in the RWCLM. The chapter presents the analysis of the findings as viewed through the lens of the three themes set out in Chapter 2. It also includes concluding remarks that suggests appropriate approach for land use management in the RWCLM in order to promote the establishment and growth of SMEs in their developing phase.

Chapter 6: Conclusion and Recommendations.

The chapter addresses to which extent the current LUM-process facilitates the establishment and growth of SMEs within the RWCLM. The chapter summarises the main findings of the study and also puts forward some recommendations and future research possibilities.

CHAPTER 2: THE LAND MANAGEMENT SYSTEM AND SMEs: TOWARDS ACHIEVING INCLUSIVE ECONOMIC GROWTH AND DEVELOPMENT

2.1 Introduction

This chapter investigates the relationship between land management systems, small businesses and the promotion of inclusive economic growth and development. Firstly, it explores the concepts of inclusive economic growth and local economic development by drawing from global and South African scholarship and policy frameworks. Then it investigates the role of small businesses in achieving these concepts and the various challenges they face. The LUMS in South Africa is discussed to understand the role of urban planners and the local government towards urban planning and regulatory frameworks that can provide promotion and facilitation for small business development. Various approaches to land management are set out to understand the current planning system in South Africa and its limitations. Finally, alternative approaches to land management are considered, which could accommodate SMEs in cities of the global South.

2.2 Understanding *inclusive economic growth* and *local economic development*

The New Urban Agenda (NUA) focuses its global partners on a path towards sustainable urban development. Sustainable Development Goal 11 (SDG) is to make cities more inclusive, safe, resilient and sustainable (UN HABITAT, 2012, 2013, 2016b; UN, 2012, 2016). This is important because since 2016 the UN-Habitat has explicitly recognised the contribution of planners in achieving these urban goals. In addition, it is also working towards a future that ensures that cities become more inclusive and affordable drivers of economic growth and social development (UN HABITAT, 2012, 2013, 2016b; UN 2012 and UN, 2016).

UN Habitat (2012) states that by 2030, 60% of the global population will reside in urban areas and 90% of this growth will take place in Africa, Asia, Latin America, and the Caribbean. Therefore, it argues that effective urban planning is needed in order to address the severe consequences that urbanization can cause. In order for this to happen planners (or government) have to change their mindsets, policies, and approaches towards urbanization in order for the growth of cities and urban areas to be turned into social and economic opportunities that will leave nobody behind (UN-HABITAT, 2016a:5; UN-HABITAT, 2012, 2013). This entails ensuring sustainable and inclusive urban economies through innovation and creating equal access for all to economic and productive resources and opportunities (UN-HABITAT, 2016a:5).

2.2.1 Inclusive economic growth

The concept, *inclusive growth*, is a relatively new and ill-defined term that is debated globally and locally (Fourie, 2014:3). Its different meanings include, (a) increased employment and labour intensity, (b) better social outcomes, and (c) the increased integration of the second economy with the first economy. Internationally most proposals involve two or more components that are related to income, poverty, employment or equity (ibid.). The European Commission (2010:17) states that *inclusive growth* means;

> empowering people through high levels of employment, investing in skills, fighting poverty and modernising labour markets, training, and social protection systems so as to help people anticipate and manage change, and build a cohesive society.

Ifzal and Juzhong (2007:10) however specify that *inclusive growth* is centred on creating opportunities as well as making the opportunities accessible as possible to every citizen. They state that "[g]rowth is inclusive when it allows all members of a society to participate in and contribute to the growth process on an equal basis regardless of their individual circumstances" (Ifzal and Juzhong, 2007:10). However, Anand *et al.* (2013:3) argue that *inclusive growth;*

> combines the increased *participation* of poor and marginalized people in growing economic processes (via employment) with increased *sharing in the benefits* of growth (via rising incomes as well as increased benefits from social expenditure, including human capacity building).

In SA, *inclusive growth* is commonly seen as a way to address the most crucial economic problems; this is because it appears to incorporate issues such as unemployment, inequality, and poverty (Fourie, 2014:1; NPC, 2011:1).

2.2.1.1 Inclusive economic growth against the global backdrop

The NUA document, signed at the UN Conference on Housing and Sustainable Urban Development in 2016 (UN-HABITAT, 2016b), aims to set global standards of achievement in sustainable urban development. The UN-Habitat commits their partners to work towards an "urban paradigm shift" that readdresses the manner in which cities are planned and managed (UN-HABITAT, 2016b:3). In other words, the crucial role local governments play in the implementation of effective and inclusive urban policies and regulations must be recognised (UN-HABITAT, 2016b:3). This should produce a sustainable and integrated approach to urban development that can be an essential tool to drive change (UN-HABITAT, 2016b). Furthermore, UN-Habitat acknowledges the fact that in order to implement the NUA

successfully attention should be directed at the unique urban realities and changing urban development challenges that both developed and developing countries face (UN-HABITAT, 2016b:4).

Regarding the transformative commitment towards sustainable and inclusive urban opportunities for all, the UN-Habitat argues that inclusive economic growth is a crucial component in achieving sustainable urban development and subsequently cities too (UN-HABITAT, 2016b:7). They also commit to creating an enabling environment for businesses through fostering inclusive urban economies. The importance of the relationship between the local government, private sector, and civil society is encouraged in the interests of ascertaining and identifying the challenges and emerging opportunities for urban economic development (UN-HABITAT, 2016b:8).

The vision of the NUA is to encourage inclusivity in order to foster the livelihoods of people (UN-HABITAT, 2016b:2). Clause 13(d) of the NUA document envisages cities to address the current urban opportunities and challenges through inclusivity, economic growth and recognising the huge contribution of township[1] economies and at the same time supporting "a sustainable transition to the formal economy" (UN-HABITAT, 2016b:2). By supporting the formalisation of businesses it creates access to legal income-earning opportunities, which can aid in business growth and competitiveness (UN-HABITAT, 2016b:8). This process is understood as a pro-poor growth approach that supports SMMEs competing in the formal economy. The centrality of the market is therefore reinforced and the public sector has a role to play in facilitating and promoting these processes. Clause 58 in the NUA document further states that on a global scale, the challenges faced by small businesses operating in either a formal or informal economy is recognised and must be supported (UN-HABITAT, 2016b:9). Another aim of the UN-Habitat, captured in Clause 94, is that they strive towards flexibility in urban plans to adapt to the ever-changing economic and social urban conditions (UN-HABITAT, 2016b:13). This is important to note because South Africa should learn and also strive towards flexible plans and policies, especially when it comes to the land use management system.

2.2.1.2 Inclusive economic growth against the national backdrop

Within SA policy frameworks, the NDP, IUDF and the NGP appear to reinforce approaches to urban development by recognising that socio-economic development is beginning to make significant inroads in reducing poverty and unemployment (NPC, 2013:215) and suggesting

[1] In relation to this chapter the term township refers to the previously known black townships under the apartheid regime.

rebuilding support for successful partnerships in order to stimulate employment and economic challenges in South Africa (Department of Economic Development, 2011:65; COGTA, 2016:13).

The NDP aims to address poverty and unemployment through an inclusive economy (NPC, 2013:14). It is submitted that the most jobs will come from either a domestic-orientated business or from small businesses (NPC, 2013:29). This increase in employment created by these businesses will lead to productivity and a faster-growing economy (NPC, 2013:29). In other words, an increase in employment and productivity leads to an increase in income which will ultimately lead to improved livelihoods of the people (NPC, 2013:29). Not only does the NDP emphasise inclusive economic growth but also stresses the fact that SMMEs must be supported and encouraged by both the private sector and the local government (NPC, 2013:32). Transforming the economy in South Africa to achieve sustainable employment opportunities and a faster economic growth requires amongst others to reduce the cost of regulatory compliances for small businesses and reviewing the regulations for them (NPC, 2013:30).

The NGP is also based on inclusive economic growth and transformation of productive business sectors (Department of Economic Development, 2011:2). However, the measures in the NGP situate SMME development, amongst others at the centre of the battle against inequality and poverty (Department of Economic Development, 2011:22). Regarding the micro-economic package in the NGP, there are five key areas identified in order to help achieve the goals and objectives of this economic framework. One of these five components is "[e]nterprise development: promoting small business and entrepreneurship; eliminating unnecessary red-tape" (Department of Economic Development, 2011:48). Initiatives to support small businesses must be consolidated and promoted by reducing red-tape in regulations and specific zoning requirements (Department of Economic Development, 2011:48-49).

Reflecting on both the NDP and NGP, the IUDF also supports the focus on inclusive economic growth as it can stimulate employment opportunities for enterprises which in return will increase incomes and create viable communities in SA (COGTA, 2016:76). The framework sets out nine policy levers which is grounded on the understanding that integrated urban planning is the core of achieving integrated urban development (COGTA, 2016:8). Policy lever six is of importance in this paper as it sets out the importance of inclusive economic development as a key driver in addressing unemployment (COGTA, 2016:83). Short term

priorities which serves as a practical guideline to achieving inclusive economic development and growth are set out in the IUDF and they are;

- Strengthen the economic role of municipalities: Local municipalities should take on a leadership role in directing strategic policies (COGTA, 2016:86).
- Strengthen the municipality's institutional capacity within economic development: Local municipalities should engage with external role-players which can bring economic literacy, strategic leadership and partnerships to the table. This can be done by appointing economists, project facilitators and people with business expertise (COGTA, 2016:86).
- Create supporting local conditions for enterprise development and growth: Locally, economic development requires services, infrastructure and efficient building and environment regulations to unlock economic growth. Therefore, the municipalities should develop joint action plans to achieve combined effort economic stimulation (COGTA, 2016:88).
- Progressively improve inclusive economic infrastructure and services: Municipalities should be aware of suitable land for economic development and ensure that such land is prepared to be able to unlock the growth potential. This should be emphasised as priority and reflect in the IDP and SDF's (COGTA, 2016:88).
- Supporting urban livelihoods as a core principle of inclusive urban management: There is a need for progressive approaches towards the informal economy. All entrepreneurial activities should be supported by government by not imposing unnecessary policy restrictions. Municipalities will then be able to manage their informal economy and enhance their local economic potential. Furthermore, informality should be considered in spatial planning and land use policies by considering all types of economic activities and find alternative ways to accommodate sustainable livelihoods (COGTA, 2016:89).

The IUDF therefore does not only contribute practical meaning towards the national policy frameworks but also responds to the global expectations set out by the UN Habitat's NUA addressing the SDG 11 specifically (COGTA, 2016:7).

2.2.2 Local Economic Development

The crucial role local economic development (LED) plays in the alleviation of poverty, the creation of new jobs and the overall livelihoods of the people is applauded by development practitioners and academics all over the world (Meyer, 2014:1; Nkwinika and Munzhedzi, 2016:75). LED is a global concept that is used in the South African context to address poverty

and unemployment in both rural and urban areas (Meyer, 2014:3; Nkwinika and Munzhedzi, 2016:75).

2.2.2.1 Defining LED and development economics

Helmsing (2001a:3) defines LED as a process where partnerships between the local government, the community, and the private sector are established in order to utilise the existing resources to create job opportunities. In other words, LED is the constant process of identifying local skills, ideas and resources to stimulate economic growth and development (Urban-Econ, 2009:2). It is also defined as "an approach towards economic development that allows and encourages local people to work together to achieve sustainable economic growth and development" (Urban-Econ, 2009:13).

According to Meyer (2014:3) *development economics* includes political, economic and cultural requirements to bring about institutional reform to expand the benefits of economic progress to the widest population. *Development economics* is described by the World Bank (1991:4) as a process to increase the quality of life, especially for the poor. William Trousdale, the principal author of the *Trainers Guide for Promoting Local Economic Development through Strategic Planning* done for the UN-HABITAT, (2009:1) defines LED as 'a participatory process in which local citizens from all sectors work together to stimulate local commercial activity, resulting in a resilient and sustainable economy' (cf. Nkwinika and Munzhedzi, 2016:76). Jörg Meyer-Stamer (2003) makes a crucial point by saying that LED aims to resolve the market failures by removing barriers for small business to enter the market. Therefore, it is apparent that there is an inevitable link between LED and small businesses (Nkwinika and Munzhedzi, 2016:75).

2.2.2.2 Understanding LED

Conventional economic policies were not successful in creating that much needed enabling environment for local businesses to flourish in as they mainly focused on macro-economics. The introduction of LED is now providing an alternative to development at a local level (Meyer, 2014:1; Rogerson, 2009). According to Nel and Rogerson (2005), both concepts of 'pro-poor' and 'pro-growth' should be used as the main approaches to an integrated LED policy. Meyer (2014:2) agrees that the reason for this is that policies with a 'pro-poor' approach are associated with poverty alleviation through job creation whereas a 'pro-growth' approach is associated with creating an 'enabling environment for economic development' (cf. Meyer-Stamer, 2003). Similarly, Meyer (2014:2) calls for an integrated LED strategy that should increase the employment opportunities as well as expand the economic activities.

Trousdale (2005 as cited in Meyer, 2014:5) argues that the success of LED implementation is dependent on six issues which include (1) local leadership, business and communities, (2) an

enabling economic environment must exist along with potential employment opportunities for all, (3) the local youth should partake through programmes, (4) potential sustainable job creation must exist, (5) good governance, and (6) there must be available capacity and skills in the local economy. Meyer (2014:12) then also highlights the fact that simply having a policy, framework or strategy does not necessarily guarantee that the LED process or implementation will be a success.

The advantages of LED are that 'local people can play an active part in planning their own economic future' (Rodriques-Pose, 2001 as cited in Meyer, 2014:2) by being actively involved in the process which renders partnerships in local communities. LED also ensures that local development is locality specific with a focus on comparative advantages which then allows for local economies to be more resilient (Meyer, 2014:2; Trousdale, 2009). Resilience is concerned with the ability to withstand and adapt to changes over time (Department of Development Planning, 2016:80). The strong local level focus is considered to be the most appropriate level for economic intervention to take place (Urban-Econ, 2009:13). Therefore, LED essentially aims to create job opportunities for local residents and in the process alleviating poverty to ultimately improve the livelihoods of the residents (Urban-Econ, 2009:2; Meyer, 2014:2).

2.2.2.3 LED in the South African context

Section 152 of the *Constitution of the Republic of South Africa of 1996* require LED as an obligation for all local municipalities (South Africa, 1996b; Nkwinika and Munzhedzi, 2016:76). Together with this, the White Paper on Local Government (1998) introduced the concept of LED as a key mandate and states that a local authority can be a crucial role-player in promoting job creation and improve the local economy (South Africa, 1998; Urban-Econ, 2009:36). Furthermore, the LED concept is introduced in South Africa as a programme to help municipalities to improve their economic performances in their area (Urban-Econ, 2009:13). In other words, it is the responsibility of the local municipalities to ensure that social and economic development is promoted (South Africa, 1996b; South Africa, 1998; Nkwinika and Munzhedzi, 2016:75).

Furthermore, LED in South Africa is mainly concerned with facilitating strong and inclusive local economies that can develop local opportunities and contribute to poverty eradication and economic growth (Meyer, 2014:5). However, the challenge in South Africa is that local municipalities not only lack sufficient economic growth strategies but also struggle with implementation (Meyer, 2014:5; Nkwinika and Munzhedzi, 2016:76). For instance, the establishment of integrated relationships between the LED unit, the settlements unit and the

town planning unit (Meyer, 2014:12). This interaction is crucial and should be driven by the LED unit to ensure that it is functional at all times (Meyer, 2014:13; Nkwinika and Munzhedzi, 2016:76).

Local municipalities in South Africa, therefore, should play the central role in creating and facilitating an economic environment for their local businesses to enter the market and flourish (Meyer, 2014:10). It was not until 2000 when the Department of Provincial and Local Government released a series of LED manuals that local municipalities were guided on how to successfully go about their LED strategies and implementation (Nel and Rogerson, 2007:3). These manuals shed light on the responsibilities of local municipalities to develop, implement, enforce LED strategies. According to Helmsing (2001b:63), local municipalities should create the right environment to economically advance their local economies. However, local municipalities are not the sole driver when it comes to LED (Helmsing, 2001b:63). LED rather relies on the partnerships with private enterprises, community-based organisations, unions and non-governmental organisations to help stimulate the needed economically enabling environment for SMMEs (Helmsing, 2001b:63). However, the IUDF states that municipalities barely communicate with their business communities or possible economic stakeholders (COGTA, 20168:84).

Hindson (2001:8) states that LED vehicles, such as the local municipalities must conceive a LED programme or strategy. The local municipality should then ensure that the strategy is aligned with the general development of the area and guarantee the effective implementation thereof through coordination, oversight, and monitoring (Hindson, 2001:8). The LED vehicle should strike the balance between supporting human capacity building through training employees to become employers who create job opportunities for others and building institutional capacity through providing a continuous support base for workers and work seekers (Hindson, 2001:9).

A LED strategy that is based on both ‘pro-growth' and ‘pro-poor' concepts and that they should ensure that LED becomes a cross-cutting issue in local governments (Meyer, 2014:10). A pro-growth policy is related to generating an enhancing environment for economic development while pro-poor policy relates to addressing poverty through job creation (Nel & Rogerson, 2005; Meyer 2014:2). In other words, only focussing on pro-poor or pro-growth will not ensure a successful implementation of LED but rather the fine balance between the two approaches will assist in the success of implementation for local municipalities (Meyer, 2014:14). However, the reality is that the difficulties faced by local municipalities in implementing LED as a distinct municipal policy are due to lack of technical capacity, resources, institutional depth and

understanding of how to facilitate LED or support SMEs (COGTA, 2016:84; Meyer, 2014:14; Nkwinika and Munzhedzi, 2016:75).

2.3 Small and Micro Enterprises and economic development in South Africa

SMMEs have featured largely in SA's economic strategies ranging from the RDP in 1994 (ANC, 1994), National Development Plan (NPC, 2011) to the New Growth Path (Department of Economic Development, 2011) (BES, 2011:4). Small, micro and medium enterprises (SMMEs), also referred to as small businesses, were initially documented in the 1995 White Paper and an action plan was put in place through an Integrated Small Business Development Strategy that aimed to focus on increasing financial support, fostering demand for products and reducing regulatory restrictions (BER, 2016:5).

2.3.1 Defining small businesses

According to South Africa's National Small Business Act (102 of 1996), there are four categories of small businesses[2]: microenterprises, very small enterprises, small enterprises and medium enterprises (South Africa, 1996; Von Broembsen, 2003:2). Each of these are categorised by certain set of criteria; (1) *survivalist enterprise* – generate just enough income to provide for the minimal needs such as food; (2) *micro enterprises* – is categorized by the annual turnover (R300 000/year), the lack of formality regarding the registration and also consists of less than 5 employees; (3) *very small and small enterprises* - comprised of between six and fifty employees and is operating the formal market; and (4) *medium enterprises* – is a manager operated business with a complex management structure that consists of fifty to one hundred employees (Von Broembsen, 2003:3; BER, 2016:5). However, for the purposes of this study, only the micro to small business categories will apply as the study focus on small and micro enterprises in their developing phase, therefore, referring to SMEs. It is argued that the survivalist enterprise has no intentions to engage in the LUM-process and the medium enterprise has completed their developing phase and is focused on becoming a large enterprise.

According to Business Environment Specialists (2011:3), the Global Entrepreneurship Monitor (GEM) confirms that 8.9% of South Africans are involved in early-stage entrepreneurship. This means that they are in the phase of setting up a business or operating a new one. In general, this percentage tends to be higher for developing economies. South Africa compares satisfactorily with countries such as Mexico (10%), Brazil (17%) and China (14%) (BES, 2011:3). However, the GEM reported in 2008 that there is a high failure rate among start-up

[2] The term SMMEs is referred to as *small businesses* which include micro, very small, small and medium businesses. However, due to the scope of the study only small and micro enterprises will be included and the SMME abbreviation was adjusted to SMEs.

SMMEs in South Africa (BES, 2011:2) and that five out of seven upcoming small businesses fail within the first year of operation (Kgosana, 2013). In South Africa, a large proportion of SMMEs are micro-enterprises as they are survivalist in nature and found mostly under lower income groups, whereas medium-enterprises are larger in size, more established and has more employees (BER, 2016:5). However, micro-enterprises do not have a high growth rate and are more likely to fail. According to the Bureau for Economic Research (2016:10) in order for start-up SMMEs to grow, they need to access to sufficient funding (BER, 2016:10).

2.3.2 Small businesses: the formal and informal sectors

According to the statistics gathered by Bureau for Economic Research (2016:15), 69% of all employers work in the formal sector whereas 80% of own-account workers operate in the informal sector. Own-account workers are described as self-employed workers who work on their own account. They often have one or more partners and they do not have a continuous structured basis for employing people even though they do employ from time to time (OECD, 2003). Therefore, the number of small businesses operating in the informal sector is greater than the number of small businesses operating in the formal sector in South Africa with Gauteng hosting the most formal (46%) and informal (31%) operating SMMEs (BER, 2016:17). Planact's study, on *Land Management and Democratic Governance in the City of Johannesburg* (2007:9) found that "[l]ow income groups are active in creating their own economic opportunity informally" even though this might only be of a survivalist nature (Planact, 2007:9). Thus, it is argued that SMMEs in the informal sector offer a living for a large number of people in South Africa (BER, 2016:32).

2.3.3 Township economies and small businesses

The township economy can be described as an organic emerging economy of which the entrepreneurial activities are conducted by the marginalised society and are mostly considered to be survivalist in nature (Petersen, 2016:2). Reference is made to this term because it plays a significant role in the South African landscape and aids in alleviating poverty and creates opportunities which increase the overall livelihoods of the people (Petersen, 2016:2). It can be argued that the most of the businesses within a township may be considered informal (Petersen, 2016:2). This is because many of these businesses operate from their private residential properties to serve the local market close by and they have few or no official permits or licenses (Petersen, 2016:2). Petersen (2016:2) argues that this informality and/or lack of permits are often due to the significant challenges that are required to formalise a business (Petersen, 2016:2). It is difficult to comply with the complex regulatory frameworks, the failure in meeting the minimum requirements and standards and limited resource and administrative capacity to act on the regulatory requirements (Petersen, 2016:2). In other

words, business growth and entrepreneurship in the township or informal economies is being hindered by the legal-institutional framework (SLF, 2016:1). However, there is a need to formalise former informal businesses as formalisation facilitates small businesses to grow in size and to create employment opportunities (SLF, 2016:1), and thus the obstacles presented by the current regulatory framework need to be overcome.

2.3.4 Institutional framework for small businesses in South Africa

According to the Bureau for Economic Research (2016:6), most of the literature on small businesses focuses on the practicalities around SMME development policies. The three focus areas are; (1) the assessment of various strategies and policies implemented by the government to support small businesses, (2) the examination and role private and public sector plays in facilitating small business growth and development, and (3) the consideration of the governments culture of entrepreneurship which has been a driver of job creation in developing countries (BER, 2016:6). Therefore, small businesses play a significant role in our economy as they can be "key drivers of economic growth, innovation, and job creation" (BER, 2016:5). The government acknowledges their importance, to such extent that they established the Ministry of Small Business Development in 2014 to facilitate the development of small businesses (BER, 2016:5; DSBD, 2016:20; Nieman, 2006:12). The unemployment rate in South Africa is extremely high at 26.6% (Trading Economics, 2017) and the government aims to address this by putting strategies, programmes and policies in place to create an enabling environment for SMMEs (Nieman, 2006:12; BER, 2016:5). The foundation for small businesses to start and continue to grow is set out by these government policies (BER, 2016:9). However, these very policies hinder the business and entrepreneurial activities in South Africa (BER, 2016:9). One of the reasons for this is that there is limited or little inter-departmental coordination and cooperation and this leads to various departments not making any effort to be innovative in addressing these issues (BER, 2016:9).

2.3.5 Concerns, challenges and risks for small businesses

Although challenges for small business can be listed it should be noted that not all local SMMEs face the same ones as they are strongly location specific and can therefore vary (BER, 2016:7). However, the common challenges can be narrowed down to eight listed as; limited access to finance, poor infrastructure, lack of research, onerous labour laws, uneducated workforce, inefficient government systems, high crime levels and limited access to markets. The challenges that mostly burden small businesses are, among others, regulation, lack of skills, financial constraints and bad economic conditions, (BES, 2009:4; BES, 2011:21). Modise (2014) argues that to address these challenges there is a need for stakeholders in small business development, including policymakers, academia and the public

sector to create an environment in which SMMEs flourish, and in particular, much more support needs to be provided by government (Modise, 2014; DSBD, 2016:20).

The risks associated with small businesses in South Africa deals with the fact that the development phase is the most vulnerable and the failure rate is high, having a lifespan of three years (BER, 2016:10). Equally, the entrepreneurial opportunities are the lowest in developing countries due to the fact that there are more necessity-driven entrepreneurs as opposed to the opportunity-driven entrepreneurs that are the majority in developed countries (BER, 2016:10). Necessity-driven entrepreneurs are those people who are involved in business activities as a result of no better employment options whereas opportunity-driven entrepreneurs are those who might have a job but seek better opportunities (BER, 2016:10). In other words, the necessity-driven entrepreneur shares the same characteristics of the survivalist or micro business whereas the opportunity-driven entrepreneur shares the values of growth and economic advancement of the small businesses.

2.4 Urban planning and regulatory frameworks in the global south

According to Watson and Agbola (2013:2), planning is the main tool that governments can use to manage rapid urban growth and expansion in Africa. Yet, some of the conventional urban planning systems and/or practices used in Africa still remain trapped in the past, and do not address these challenges or do so in a highly problematic manner (e.g. clearances of small business and informal activities, etc.). An example is that informality is one of Africa's most significant planning issues, which is often equated with illegality, inefficiency or unproductive chaos (Watson and Agbola, 2013:7). In 2006, the UN Habitat's executive director, Anna Tibaijuka, pointed out that planning promotes 'anti-poor' views and this could increase social and economic exclusion in cities (Tibaijuka, 2006:5).

Current-day planning is highly political and supports the interests of the economic and political elites (Watson and Agbola, 2013:2). This means that current planning systems and/or practices contribute to increasing social, economic and spatial inequality in African cities (Watson and Agbola, 2013:5), and serve as obstacles to the achievement of global development goals. They argue that if an inclusive and sustainable planning approach replaces these redundant, controlling and punitive approaches, it would set the base for a more just and economically productive urban development in Africa (Watson and Agbola, 2013:2). A more appropriate response would be to emphasise a more inclusive approach to urban informality (Watson and Agbola, 2013:8).

2.4.1 The role of urban planners towards inclusive cities

While community organisations and civil society have viewed urban planners as a key obstacle to achieve inclusive cities, they can also be recognised as part of the solution to facilitate inclusive cities (Watson and Agbola, 2013:10). An inclusive city is achieved by diversifying land uses and bridging the spatial and economic hurdles (Department of Development Planning, 2016:73). Tibaijuka (2006:6) called for planning practitioners to develop a different approach to planning, one that is sustainable, pro-poor and inclusive, to place the establishment of livelihoods at the centre of practice. A global network of community organisations also shares this purpose to promote plans, policies, and initiatives which support pro-poor and inclusive cities in Africa (Watson and Agbola, 2013:10). For example, it is encouraging to see that at the 2016 UN-Habitat conference the importance of the planning profession is recognised and the responsibility is placed in planners' hands to ensure that planning is no longer viewed as 'anti-poor' in Africa (UN-HABITAT, 2016a and 2016b). Emphasis is placed on inclusive, safe, resilient and sustainability specifically within cities (HABITAT, 2016a, 2012, 2013). In other words, UN-Habitat is working towards planning cities and other human settlements in such a way that it promotes unified communities while stimulating innovation and employment (UN, 2016:8).

2.4.2 The role of local government in facilitating small businesses

According to Petersen (2016:3), most of the municipalities in South Africa are yet to address land use management and planning concerns to align them with the reality of increasing micro enterprises and especially those in townships. By not regularising land use management in an inclusive manner, the businesses are forced to stay micro-scale and informal in nature (Petersen, 2016:3). This restricts their possible growth and investment to a large extent (Petersen, 2016:3).

The reality is that the business owners face bureaucratic and financial obstacles when it comes to rezoning a property to allow for formal business rights, especially in townships (Petersen, 2016:3). In other words, the lack of appropriately addressing land use management by the local authorities, especially with respect to zoning presents real concerns for the competitiveness of micro enterprises (Petersen, 2016:3). According to the Sustainable Livelihood Foundation (2016:2), the countless laws of the government such as by-laws, regulations, land use laws and national standards are hindering businesses from entering the formalised regulated economy. Business Environment Specialists proposes that in order to facilitate the growth of small businesses the cost and complexity of regulatory compliances need to be reduced and administrative efficiency within the government is required to cut red tape (BES, 2009:37).

2.4.3 The role of planning law

Berrisford (2013:2) argues that “[p]lanning law is deliberately wielded in an exclusive, not inclusive manner”, and represents a regulatory obstacle that limits opportunities to enter formal land markets and worsens inequality (Berrisford, 2013:2). Berrisford (2013:1) together with Watson and Agbola (2013), argue that planning law is often an obstacle for urban planning in Africa. While planning law plays a key role in shaping the social, economic and political life of towns and cities, legislation in South Africa has often been used by governments to enhance the already wealthy citizens and as a result penalising the disadvantaged people (Berrisford, 2013:1). Planning law, in the context of insecure and/or unpredictable land use rights, is seldom implemented as initially intended and is seen as a major split running through society (Berrisford, 2013:1). Private rights and interests have not been mediated by an inclusive legal framework (Berrisford, 2013:1).

In light of the above, planning law in Africa needs to be adapted. The UN-Habitat, Cities Alliance, and World Bank have also been committed to this legal reform and the view is that this "reform should focus on cutting superfluous red tape and regulation" (Berrisford, 2013:3) and it is the responsibility of policymakers and practitioners to address these shortcomings in the reform process (Berrisford, 2013:4). Berrisford (2013:6) argues that the positive change with regards to how planning law is conceived and implemented lies with the citizens, both in households and businesses, because they determine the characteristics and growth of African cities. He also states that the change depends on an assessment of what is practical and realistic (Berrisford, 2013:9). This view supports the fact that inclusive, fair and economically productive cities cannot be achieved solely by the legislation (Berrisford, 2013:9). Furthermore, the UN-Habitat supports this change of approach by stating the need to address the restrictive requirements for planning (Berrisford, 2013:9-10). Appropriate regulatory and legal frameworks should support this change and include elements of formalisation to be enabled at all levels of government (Fourie, 2012:7).

2.4.4 Land Use Management in South Africa

The term *land management* is quite broad but can be described as a “system of legal requirements and regulations that apply to land in order to achieve desirable and harmonious development of the built environment” (Zack and Silverman, 2007:2). It also includes processes of land acquisition, land rights, the regulation of the land use and development as well as the trading of land (Planact, 2007:1). *Land use regulation* is a component of land management and comprises of the legislation, by-laws and town planning schemes that manages how land is used (Zack and Silverman, 2007:2). A land use management system or process as referred to in this report is defined as "the system of regulating and managing land

use and conferring land use rights through the use of schemes and land development procedures" (South Africa, 2013:9). In other words, the purpose of the land use management systems is to ensure that all land parcels' land use corresponds with its land use and zoning rights (SA Affordable Housing, 2012:1). The image below describes the land use management system in South Africa.

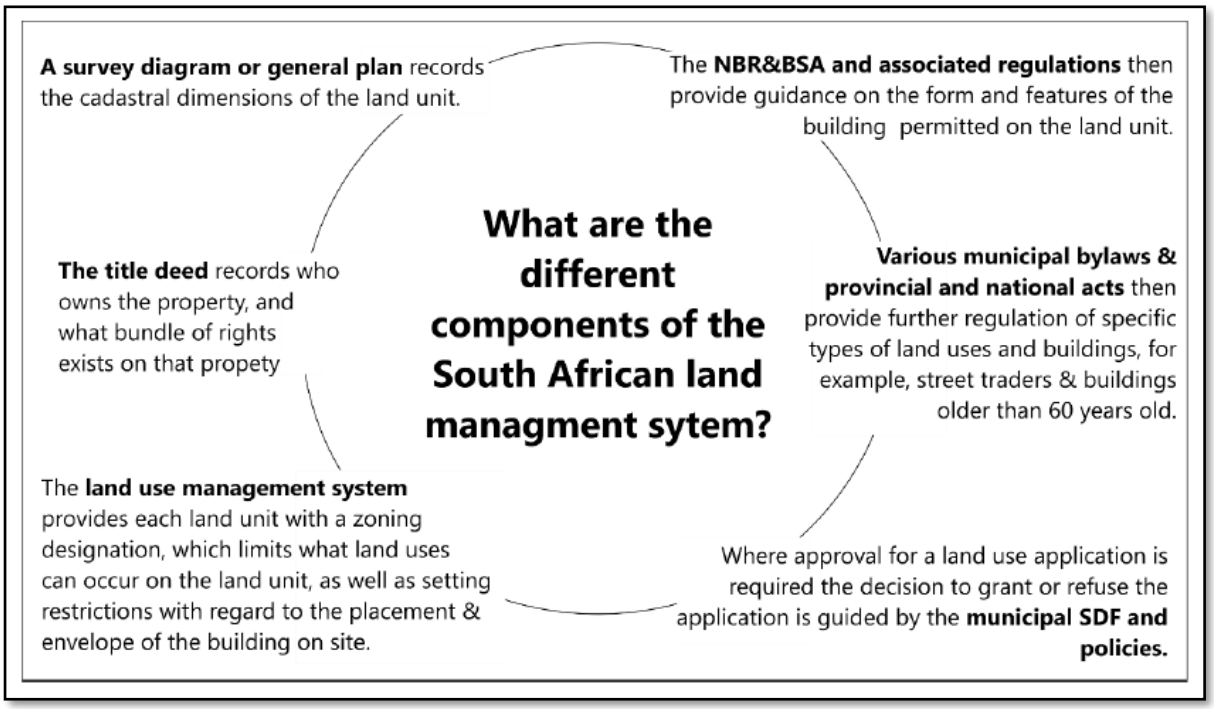

Figure 2.1: The components of the land management system in South Africa (Denoon-Stevens et al., 2017:12).

After 1994, land use planning also changed together with the new legislation introduced by the democratic government (Nel, 2016:1). The Development Facilitation Act of 1995 introduced innovations relating to development principles and strategic planning, however, the Act did not change the planning landscape (Nel, 2016:1). Therefore, despite the planning efforts and progress made after the apartheid era, the LUMS has largely remained fragmented and disjointed. Planact (2007:1) argued that practice and innovative thinking has not been evident, and it is still perceived as over-regulating the development process and creating unnecessary and expensive delays of the land development process (SA Affordable Housing, 2012:1). The consequences of the fragmented and disjointed nature of the post-1994 LUMS, according to Planact (2007:1) are that “South Africa’s towns and cities continue to develop without an adequate framework for managing land in a way that supports the goals of democracy, equity, efficiency, and sustainability”.

The current land development application procedures differ between municipalities due to the newly introduced by-laws. This inconsistency between municipalities together with the regulatory requirements can be challenging for applicants to understand as they do not necessarily have the relevant knowledge to understand the process or consist of the relevant resources to fully comply with these requirements. Typically, the applicant will consider appointing a consulting town planner to assist which results in additional costs. What complicates the system, even more, is the fact that there are various stakeholders involved and these relationships vary (Zack and Silverman, 2007:8).

Nevertheless, Zack and Silverman (2007:7-8) outline the fact that the regulatory framework for land use planning is a very important tool used by the government to manage land use planning. This tool can, however, be ineffective in that it is viewed in a negative light due to the fact that it prescribes what can and cannot be done (Zack and Silverman, 2007:7). It should also be noted that this all happens within the capacity constraints of municipalities in South Africa (Zack and Silverman, 2007:7). According to Zack and Silverman (2007:6), there are two aspects that require additional attention with regards to land use management in South Africa. They are; the flaws in the existing land use a legislative framework and lack of institutional capacity in municipalities to apply the inclusive and integrated ideals of the system (Zack and Silverman, 2007:6).

This lack of planning capacity in our municipalities is a great concern. Berrisford (2006), in Zack and Silverman (2007:7), observed that

> the substantive scope of what planners should do, in terms of various policy prescriptions, has grown rapidly, [and] the ability of the profession to respond to this re-definition of its work has been weak

This lack of capacity causes skilled planning professionals to be used for other municipal functions and this leads to an absence in the land use planning functions with regards to the understanding the importance thereof (Zack and Silverman, 2007:7). As a result, people without planning qualifications are doing a lot of the required planning work (Berrisford, 2006 in Zack and Silverman, 2007:7). This essentially means that in most municipalities the planning officials do not have appropriate skills in spatial planning and land use management (Zack and Silverman, 2007:7). This lack of understanding leads to officials only conducting the minimum requirements of regulations as they are unable to achieve integrated and strategic planning successfully (Zack and Silverman, 2007:7).

The objectives of post-apartheid land use management in South Africa are to address the previous spatial inequalities (Planact, 2007:1). Therefore, the objectives of the current land use management system must address the apartheid-model's segregated land use patterns, promote economic and social integration to transform the "development policies into appropriate and realistic on-the-ground development" (Planact, 2007:1). Eggers (1990:16) argued that the system should rather concentrate on supporting economic development by being sensitive and flexible to the market and increase the certainty for investment to limit the unpredictability of decision-making. Similarly, Watson (1993) argues that land regulation should rather focus on enabling livelihoods and income generation as a primary aim, than concentrating on strict regulatory compliances (Denoon-Stevens *et al.,* 2017:9). The land use management responsibility should be carried out in line with the global and national commitment to sustainability and fair development (SA Affordable Housing, 2012:1). Ideally, the system should be executed in such a way that it promotes the interests of the general public and the livelihoods of civil society (SA Affordable Housing, 2012:1).

Inter-dependence exists between enterprise formalisation and land use management systems, as formalisation facilitates enterprise growth and investment (Denoon-Stevens *et al.,* 2017:10, Webb *et al.,* 2013:604). The benefits of formalisation for the government, besides protection of the people and environment, lies in the fact that it enables them to regulate businesses, ensure tax revenue, and limit the production of illegal goods (Denoon-Stevens *et al.,* 2017:9). Largely, these objectives are associated with the notion of inclusive economic growth (Denoon-Stevens *et al.,* 2017:9). The benefits of formalisation for small businesses relates to the adequate access to funding, business and social security and favourable business conditions (Bashe, 2012:74). As a result, it can be argued that the formalisation of businesses should promote inclusive economic growth.

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

Land use management in South Africa is now framed by the Spatial Planning and Land Use Management Act, 2013 (Department of Rural Development and Land Reform 2013). SPLUMA "seeks to provide an overarching framework for spatial planning, policy and land use management for the entire country" (Nel, 2016:257). According to Van Wyk and Oranje (2014:361), SPLUMA's provisions represent spatial planning principles and the idea of an 'inclusive spatial planning system'. The term inclusive does not only concern land but also development features within the act such as policies, SDFs, land development applications and development regulations through town planning schemes (Nel, 2016:257). One of the objectives of SPLUMA is to ensure that land use management promotes social and economic inclusion (SPLUMA, 2013:12). However, even though this need for legal reform led to the

commencement of SPLUMA and that it is dedicated to economic inclusion, it is not clear how it will reflect in practice or at a grassroots-level.

Every local municipality must have a municipal land use management scheme or commonly refer to a town planning scheme or land use scheme. According to City Scope (2012) a town planning scheme is a '[s]ystem of land use management' that allocates certain rights to land in order to develop, erect and use the land and/or buildings within the range of particular conditions and control measures. Such a scheme includes; (1) definitions; (2) a detailed map of the municipal area that portrays each stand / erf within the municipal boundaries; (3) different zoning codes and (4) annexures to indicate the particular conditions and control measures for each individual stand / erf (City Scope, 2012). The management and administration of these schemes are done by the municipalities themselves (City Scope, 2012). Zoning codes are also referred to as land use zoning is 'a method of development management that designates property for a particular development or use category or zone' (GSCID, 2015:3). There are various zoning categories with interrelated sub-categories that consist of provisions and instructions which indicate the purpose and manner for which the property may be used and/or developed (GSCID, 2015:3).

The purpose and content of a land use scheme are set out in Section 25 (1) and (2) of SPLUMA (South Africa, 2013: 35). The main purpose is to determine land use and development within the boundaries of the municipality whilst being consistent with the spatial development framework (South Africa, 2013: 35). A land use scheme should promote social inclusion, efficient land development, economic growth and ensure the protection on the environment and the people from the externalities of development (South Africa, 2013: 35; Nel, 2016:258). Nel (2016:258-259) further adds to this by saying that economic development can be achieved by maintaining investor confidence, social inclusion can be ensured through social sustainability and that flexibility of the system is key to accommodate the everyday changes.

Municipal planning is a function assigned to local municipalities in terms of Section 156 of the Constitution of the Republic of South Africa Part B of Schedule 4 (Forbes, 2011:4; Afesis-corplan, 2013:1; South Africa, 1996b:1331). In other words, municipalities have the power to regulate land use and building control (Denoon-Stevens *et al.,* 2017:16). The municipalities have a wide collection of control measures including regulations, by-laws, plans and policies (Denoon-Stevens *et al.,* 2017:10). Equally, these plans and policies stipulate spaces and places where businesses and other uses are situated (Denoon-Stevens *et al.,* 2017:10). It

goes as far as stating the type of trade allowed, the acceptable trading hours and all specifics related to the trade (Denoon-Stevens *et al.,* 2017:10).

Denoon-Stevens *et al*., (2017:10) further highlight that the costs associated with the administrative and timeous process requirements are considered the most hindering aspects of the land use management system. When a land use application is submitted to a municipality, they consider the application based on the existing policy documents (spatial development framework, local spatial plans, precinct plans or any other policy that the municipality adopted for a specific area or land use type (for example self-storage policy, crèche or daycare policy etc.) (Denoon-Stevens *et al.*, 2017:22). These plans together with the development principles of SPLUMA is used as guidelines to arrive at a council resolution (Denoon-Stevens *et al.*, 2017:22) and Watson (1993) argues that this leaves little room for discretion when it comes to the decision-making due to the fact that it struggles to represent the diversity, unique characteristics and business dynamics of small businesses (Denoon-Stevens *et al.*, 2017:19). This argument is based on the fact that categorising enterprises does not work in developing countries as most of these businesses are forced to be adaptive to the market (Denoon-Stevens *et al.*, 2017:19). Therefore, especially in townships, small businesses are dynamic in order to ensure success and survival. Unfortunately, planners created a fixed set of business categories into which small businesses have to fit for the purposes of land use management (Denoon-Stevens *et al.*, 2017:19).

2.4.5 Approaches to land management

Land can be managed either formally or informally (Planact, 2007:2). A formal system can be described as a system biased towards owners of land but the use of land is regulated and managed by governmental authorities (Planact, 2007:2). Along with the formal system comes a great deal of bureaucracy, delays in processes, high costs and inflexibility towards issues that fall outside of the existing policies and/or regulations (Planact, 2007:2). An informal system is characterised as a system that is more flexible and responsive towards people's needs (Planact, 2007:2). The system uses extra-legal channels to accommodate the people with an immediate need for land but does not have the financial capacity to acquire land in any form (Planact, 2007:2). However, this system also deals with the disadvantage that often it can be an unstable system where land use rights are less secure and not always acknowledged by the formal system (Planact, 2007:2). Together with the formal and informal systems, there are several other approaches to land management. (Zack and Silverman, 2007:3).

2.4.5.1 The code approach

The code approach is centred on a development plan that dictates what land uses and building regulations are allowed in which areas (Zack and Silverman, 2007:3). In other words, it is a procedural approach intended to introduce an 'efficient' system (Zack and Silverman, 2007:3). However, one of the critiques of this approach is that it is not designed to be effective or responsive to specific individual cases (Zack and Silverman, 2007:3). It is an administrative laden approach which is considered to be bureaucratic in nature (Zack and Silverman, 2007:3). The decision making is also based on the codes within the development plan and can, therefore, be accused of not being flexible and adaptive to current-day situations which do not necessarily fit into these developed codes (Zack and Silverman, 2007:3). Jane Jacobs (1961:303) also believed that this approach cannot comprehend or cope with the complexity of the urban system and can, therefore, be considered irrelevant to the urban realities, especially those in developing countries.

2.4.5.2 The performance approach

A performance approach is an area-based approach that consists of a qualitative and quantitative measurement related to the impact of a certain development or land use on the direct surroundings and environment (Zack and Silverman, 2007:3; Nel, 2016:260). It entails that a set of performance standards, within specific goals and objectives, be developed which is acceptable to the local community (Zack and Silverman, 2007:3).

2.4.5.3 The free market approach

The free market approach allows any land use development, considering the fact that it is subject to general laws with regards to health and safety (Zack and Silverman, 2007:3). In other words, location is not a factor as long as the relevant health or safety licence or approval is obtained the land use is considered in order.

2.4.5.4 The plan-based approach

The plan-based approach is where the LUM system is based on spatial plans that relate back to the British masterplans (Nel, 2016:260). These conventional masterplans received a lot of criticism around their inflexibility and inability to adapt to change (Nel, 2016:260). SPLUMA, on the other hand, includes both land use zoning and spatial plans, however, the strategic plans must be done in great detail in order to be a transparent LUM tool that upholds sustainability and community confidence (Nel, 2016:260). It is vital that plans should be in some sense stable and not change drastically with every review in order to uphold the community confidence which stimulates economic development (Nel, 2016:260).

2.4.5.5 The form-based approach

The form-based approach derives from the new urbanism concept where compact and sustainable urban forms are emphasised (Nel, 2016:261). This encourages diversity which leads to the reflection of local values and create more socially appropriate spaces (Nel, 2016:261). Equally, with the form-based approach the land uses are "subservient to building forms" (Nel, 2016:261). This calls for much stricter building regulations and enforcement which ultimately require skills and capacity that is so often missing in South African municipalities (Nel, 2016:261). Even though this approach is based on principles of mixed uses, the function and quality of public spaces and a people-before-cars concept, it is still doubtful to what extent this approach will benefit informal settlements (Nel, 2016:261).

2.4.5.6 The discretionary system

Lastly, the discretionary system requires land use applications for all development taking place and allows decision-makers to have a lot of power in the process (Nel, 2016:261). This approach relies on technical and/or professional planners to engage in the process (Nel, 2016:261). The approach is believed to be plan-led however, these spatial plans are not mandatory which then fosters uncertainty due to the fact that there are no guarantees given prior to a formal decision (Nel, 2016:261). The benefits of a discretionary approach are that it is a very flexible system that can accommodate a wide range of settlement types and forms (Nel, 2016:261). Nel (2016:261) argues that this system cannot fully be viable in South Africa because we do not have the skilled staff to implement such system and smaller municipalities do not have the capacity to begin with (Nel, 2016:261).

2.4.6 Suggested approaches towards land management in South Africa

Zack and Silverman (2007:3) note that there are two trends governing the current approach to land use management in South Africa, which depends on context. The first is the traditional modernist context which is rooted in the code approach (Zack and Silverman, 2007:3). This approach is based on the order, certainty and clarity that the authority can ensure outcomes due to the fact that everything is coded in the town planning schemes (Zack and Silverman, 2007:3). The second is the post-modernist approach that leans towards a performance-based approach (Zack and Silverman, 2007:3). However, Verna Nel (2016:263) suggests in her article '*A better zoning system for South Africa'* that the more appropriate approach to land management should be a combination of a plan-based and discretionary system, especially with regards to the informal settlements. The reasoning behind this combination is that the plan-based approach will help to guide land use management and further future development whereas the discretionary system will allow for much needed flexibility (Nel, 2016:263). Nel (2016:263) suggests that for formal urban settlements a combination of the form-based

together with the performance system is a more appropriate approach to land use management. The reason is that the form-based codes are sensitive to local urban realities and helps to manage densities and other zoning functions (Nel, 2016:263). However, broader zoning codes are required to encourage inclusivity, diversity and urban resilience (Nel, 2016:263). The form-based approach also serves as the best approach to regulate the built environment as it centres on the boundaries between spaces and buildings (Nel, 2016:263). Nel concludes by saying that efficiency, sustainability and economic development should also be key goals of urban land use management (Nel, 2016:263).

Nel's (2016) suggestion of two different approaches for two different settlements or urban areas echo the characteristics of the transect model. This model is an analytical tool based on the principle of the natural transition of zones from a rural to urban core (Flagstaff, 2009; DPZ, 2016). The model assumes people thrive in different contexts and should be planned for differently (Bohl and Plater-Zyberk, 2006). The transect model is a key component of the New Urbanism and smart growth movements (Flagstaff, 2009; DPZ, 2016; Bohl and Plater-Zyberk, 2006).

Nico Kriek the Director of Rural and Urban Development for a leading engineering and architecture consulting company, GIBB states that the purpose of LUMS is rather to manage and guide development and land use in relation to the vision, policies, and strategies of the Integrated Development Plans and the Spatial Development Frameworks (SA Affordable Housing, 2012:1). The advantages of a LUMS should ensure safe and healthy living conditions and promote sustainable land management (SA Affordable Housing, 2012:1). Therefore, there it is important for authorities to adjust the LUMS to suit the current-day requirements of rapid urbanisation in such a way that it ensures sustainable development (SA Affordable Housing, 2012:1). This will require a combination of free-market and plan-based approach.

Even though SPLUMA aims to address the injustices of the past land use management system, Nel (2016) argues that it still reinforces the modernist planning ideas such as the code approach and the use of town planning schemes (Denoon-Stevens *et al.,* 2017:10; Nel, 2016). Therefore, according to Denoon-Stevens *et al.* (2017:8), the current character of land management in South Africa does not include the poor and does not take their unique nature of living conditions into account. Land management should serve as an instrument for "facilitating and regulating a complex lattice of relationships among diverse urban actors in a particular place" (Zack and Silverman, 2007:8).

2.5 Concluding comments

The relationships between land management systems, small businesses and the promotion of inclusive economic growth and urban development have been explored in this chapter. The global urban goals aim towards calls for a more sustainable integrated approach towards urban planning and development that can serve as a driving tool to ensure that cities become more inclusive and affordable drivers of economic growth and social development (UN HABITAT, 2012, 2013, 2016b; UN, 2012, 2016). Inclusive economic growth is pointed out by the global and national worlds to be a key tool to address the key economic problems faced as it is focused on ensuring inclusive economies by creating equal access for all citizens (Anand *et. al*., 2013:3; Fourie, 2014:1; Ifzal and Juzhong, 2007:17; NPC, 2011:1). Innovation and the creation of equal access to economic and productive resources and opportunities are needed in order to promote inclusion that increases the participation of the poor and empowers people regardless of their circumstances.

The implementation of effective and inclusive urban policies and regulations must be recognised by municipalities (UN-HABITAT, 2016b:3). Here, the land use management system should invest in a great deal of attention towards the urban realities and the constant changing of urban development (UN-HABITAT, 2016b:4). Municipalities must commit to creating an enabling economic environment by supporting formalisation, especially in the township economies. Furthermore, it is brought forward that the urban plans and policies must be more flexible, responsive and adaptive towards these realities (UN-HABITAT, 2016b:4).

Municipalities should promote small businesses by reducing the regulatory requirements and eliminating unnecessary red tape, especially in zoning requirements. In order for this to happen institutional reform is needed. In other words, small businesses, LED and municipalities should work together to remove barriers for enterprises to enter the market. The local economic development also plays an important role in facilitating local economies and is welcomed by national and global practitioners (Helmsing, 2001a:3; Jörg Meyer-Stamer, 2003; Meyer, 2014:1; Nkwinika and Munzhedzi, 2016:75; Urban-Econ, 2009:13). However, the success of implementing LED lies within the leadership, the fostering of an enabling economic environment, the creating of opportunities, good governance and the available capacity and skills within the municipality. Municipalities in SA struggle to implement the LED beyond the actual strategy and calls for an integrated relationship between LED, LUMS, and SMEs to aid in addressing this problem.

Small businesses play a significant role in South Africa's economy (IFC, 2017; Department of Economic Development, 2011:22; BER, 2016:5; NPC, 2013:32; UN-HABITAT, 2016b:7;

Burns, 2016:16). It is argued that small businesses are at their most vulnerable in their start-up phase as the most SMMEs fails within the first 3 years of establishments. The informal sector consists of the highest number of small business in South Africa as opposed to the formal sector (BER, 2016:17, Petersen, 2016:2). In order to unlock the growth potential for small businesses in the informal or township economies, formalisation needs to take place. However, entering the formal market proves to be a difficult task due to the legal institutional frameworks hindering the process. Other than the institutional challenges, the lack of skills and/or knowledge together with financial constraints, the insufficient government system and the crippling economic conditions also proves to be hindering for small businesses to enter the market and grow (BES, 2009:4; BES, 2011:21; Modise, 2014; Petersen, 2016:2). Therefore, more support is needed from the municipalities in coordinating the interdepartmental relationship to address these issues.

In Africa, urban planning is seen as the main tool to manage urban growth and expansion but the planning systems are still largely trapped in the past and fail to successfully address the challenges of rapid urbanisation and informality (Nel, 2016:263; Zack and Silverman, 2007:3). Due to its anti-poor approach and political undertone, the land use management systems contribute towards social, economic and spatial inequalities as it supports the elites. A more inclusive approach to urban challenges, especially informality is needed (Tibaijuka, 2006:5; Watson and Agbola, 2013:7). Urban planners and the planning profession play a role in achieving inclusive cities by bridging the past spatial and economic hurdles and diversifying land uses in order to achieve inclusion (UN-HABITAT, 2016a and 2016b). Local government also plays a significant role in addressing land use management and planning concerns by aligning it with the urban and economic realities to facilitate small business growth (BES, 2009:37; Petersen, 2016:3). Planning law is also argued to be an obstacle for small businesses due to its anti-poor approach and need to be reformed to cut red tape and regulation (Berrisford, 2013:1). The perceptions of how planning law and regulation is perceived by citizens are crucial in evaluating the success of the urban system.

SPLUMA acknowledge that the land use management system must promote social and economic inclusion and stipulates that the land use schemes should promote inclusion, economic growth and the livelihoods of people (Department of Rural Development and Land Reform 2013; Nel, 2016:257; Van Wyk and Oranje, 2014:361). However, it is argued that the flexibility of such scheme is key to achieve the above objectives set by the Act (Nel, 2016:260; Planact, 2007:2).

Due to the lack of innovative thinking, the LUMS still remained fragmented and disjointed post-1994. Various approaches to land management were discussed and Nel (2016:263) argues for two combination approaches; (1) for the informal townships a combination of plan-based and discretionary approach which will provide guidance to land use management but at the same time allow for flexibility and (2) for the formal urban settlements a combination of form-based and performance-based approaches are suggested as it is the best way to manage the built environment and be sensitive towards the urban realities at the same time. A case was also made by Kriek (SA Affordable Housing, 2012:1) for a combination of plan-based and free-market approach as it only focuses on general laws regarding the health and safety of the surrounding community and sustainability through spatial plans. Zack and Silverman (2007:3) however argue that the LUMS approach in SA leans towards a post-modernist approach (performance based) but the reality is that our system is still modernist (code approach) in nature, especially at a local level through the town planning schemes. The modernist approach is highly criticised with regards to implementation and success in developing countries.

From the above, it is clear that there is a perception that LUMS in SA is still over-regulating the development process. Together with this, the cost and duration with regards to the process are also pointed out as hindering, especially towards small businesses. The reality is that due to the social, economic and spatial uniqueness of our cities in South Africa, a single approach won't be fit to fully address the urban realities and challenges faced by current urban planning. As Nel (2016) suggested South Africa needs a more complex system that includes various combination approaches for different urban fabrics in order to ensure that nobody is left behind.

In the light of the above, it is argued that that the relationship between LED, SMEs, and LUMS has been disjointed and often exclusionary (anti-poor), but recent policy and legislation have called for their interdependent to address urban challenges in developing countries (UN-Habitat, SDG11, NDP, NGP, IUDF and SPLUMA). However, what this means for practice is still unclear. The challenges facing LUMS at the local level together with the consideration of what is the most appropriate approach(es) for municipal LUMS that promotes inclusive economic growth still need to be considered (Nel, Zack, and Silverman, Kriek etc.).

CHAPTER 3: CASE STUDY: RAND WEST CITY LOCAL MUNICIPALITY

3.1 Introduction

This chapter explores what the land use management process in the Rand West City Local Municipality (RWCLM) entails. A brief background of the case study area is given, to contextualise the history and current economic situation in the area. The department that manages land use in the RWCLM is introduced, followed by a desktop analysis of the official land use management regulation used within the RWCLM. These include the draft *Randfontein Local Economic Development strategy* (2009), the *Rand West City Local Municipality Spatial Planning and Land Use Management By-law* (2017) and other relevant policies, licenses and certificates.

3.2 Rand West City Local Municipality

The RWCLM is located in the Gauteng province and falls under the jurisdiction of the West Rand District Municipality. The municipality is newly established, by means of a merger between the former Westonaria and Randfontein local municipalities. After the local government elections in August 2016, the Rand West City was formed, primarily to better manage the poor financial administration of both municipalities. Rand West City measures 1,115km^2 in extent and has a population of 265887, which is ranked the fourth most populated municipality in Gauteng (RWCLM, 2016a).

Figure 3.1: The position of the Rand West City Local Municipality within the Gauteng Region.

3.3.1 Background

Settlements: Rand West City consists of two main urban centres, of which the one in Randfontein is the largest. Westonaria is mainly characterised by fragmented urban areas and mining villages throughout the region. Westonaria was established in 1938 as a result of the increasing mining activities that took place since 1910. The town lies at the centre of the five surrounding gold mines. It is also located approximately 45km from Johannesburg, with access roads, such as the R28 and the N12, as well as a railway line (WLM, 2012).

Randfontein was established in 1890 when JB Robinson bought the farm Randfontein and started the Randfontein Estates Gold Mining Company (RWCLM, 2016a; DRDLR, 2013:54). The town, similar to Westonaria, is located 40km west of Johannesburg via the R41 and the R28 also serves the town all the way from Vereeniging. The Randfontein Local Municipality is approximately 47513ha in extent, of which 67% is developed (Housing Development Agency, 2013:1; DRDLR, 2013:8). Even though Randfontein consists of many informal settlements, the majority of the people live in urban areas (Housing Development Agency, 2013:3).

Demographic profile: According to the Rand West City IDP 2016/17-2020/21, the population in the Rand West City shows definite growth between 2010 and 2015 (RWCLM, 2016b:12; StatsSA, nd). However, during this period the population for Randfontein increased with 12 682 people (1,47%), whereas Westonaria showed a much smaller increase of only 2 342 people (0,18%) over the period of 5 years (RWCLM, 2016b:12; StatsSA, nd). The average population growth per annum is, therefore, 2 536 people for Randfontein and 468 people per annum for Westonaria (RWCLM, 2016b:12). The RWCLM as a whole only showed a population growth rate of a mere 0,2% (3004 people per annum) (RWCLM, 2016b:13), which is considered low, in comparison to the rest of the Gauteng Region, which had a growth rate of 1,84% (StatsSA, nd).

The RWCLM has the second lowest population growth rate in this province, compared to its neighbouring local municipalities. Merafong City, holds the last position with a negative rate of -0,64%, while Mogale City, neighbouring Rand West City to the east is the highest, with a rate of 2,04% (StatsSA, nd). It should also be noted that the RWCLM's low population growth rate is mainly due to poor growth in Westonaria, which can be drawn back to the decline in the mining sector and the subsequent drop in job opportunities in the area.

The youth, also referred to as the *working age group*, between the ages of 15 to 34 years, occupy the largest part of the population in the RWCLM (StatsSA, nd). In conjunction with these statistics, the RWCLM IDP (RWCLM, 2016b:16) also shows that most residents of this area, are between the ages of 25 to 29. However, Stats SA (nd) found that 35,8% of the residents representing the working age group of Randfontein are unemployed, while 39,3% of the working age group residing in Westonaria, are without jobs. These percentages are alarmingly higher than South Africa's national unemployment rate of 26,6% (Trading Economics, 2017).

With unemployment, comes poverty and even though the RWCLM IDP (2016b:19) indicates a slight alleviation in poverty within this region, inequality remains a challenge and a great number of the residents are still considered "very poor".

Socio-economic characteristics: The latest census data in 2011, shows that the two original municipalities (Randfontein and Westonaria) had the lowest incomes rates of all nine local and metropolitan municipalities in Gauteng (StatsSA, nd). In Randfontein, 39,4% of households are functioning on an income below minimum standards, with 27,7% of households being classified as poor (DRDLR, 2013:72; SatsSA, nd). Overall, the residents of Randfontein are considered to be very poor with almost 56% of the active economic population receiving no income at all (Housing Development Agency, 2013:4). In Westonaria 21% of households receive no income whatsoever (WLM, 2014:43; StatsSA, nd).

While the RWCLM IDP (2016b:25) states that the overall economically active population showed an increase between 2010 and 2014, the 2011 census data indicated that there is a high unemployment rate in the area; 27,1% of the economically active population in Randfontein and 29,5% in Westonaria are unemployed (StatsSA, nd). In other words, more people are actively searching for employment opportunities, but unemployment still prevails. As a result, the residents of Rand West City are ranked second in terms of unemployment in Gauteng (RWCLM, 2016a). According to the RWCLM IDP (2016b:26-27), the unemployment rate for the Rand West City increased by 13,2% between 2010 and 2014 (calculated by the averages of Randfontein and Westonaria). The overall unemployment rate in Randfontein and Westonaria is as follows;

		Randfontein LM	**Westonaria LM**
Overall unemployment rate		24,0%	29,5%
Settlement type	High density residential	6,1% - 12,8%	14,5% - 14,6%
	Low density residential	1,2% - 3,4%	3,1% - 3,2%
	Agricultural Holdings	4,6% - 8,5%	9,1%

Table 3.1: Unemployment rate in Randfontein and Westonaria (GCRO,2018).

Table 3.1 above indicates that Westonaria suffers under a higher unemployment rate than Randfontein, but both show a very high unemployment rate, regardless. Together, this amounts to an overall of 53,5% unemployment in the RWCLM, which relates poorly to the surrounding local municipalities, such as Mogale City (24,2%), Merafong City (27,2%) and Emfuleni LM (34,7%) (GCRO, 2018).

From the above table 3.1, it is also noteworthy that the majority of the unemployed residents, stay in the high-density residential areas, such as Simunye, Mohlakeng, and Bekkersdal (DRDLR, 2013:72). The second highest unemployment rate occurs on agricultural holdings such as the West Rand Agricultural Holdings, Ten Acres Agricultural Holdings, and Loumarina

Agricultural Holdings. In contrast to the proportion of people without a job, live in lower density residential settlements such as Randfontein, Helikon Park, Westonaria, Greenhills.

Local economic performance: The decline in gold mining activities in the region has led to high unemployment and poverty levels in the Rand West City area (RWCLM, 2016a; DRDLR, 2013:8; WLM, 2014:51). Despite the rapid decline in the mining sector, the primary sector in Westonaria is currently still responsible for about 60% of the local GDP, followed by the government sector (WLM, 2014:51). In Randfontein, the secondary and tertiary economic sectors dominate the primary sector, which mainly relies on the mining industry (RWCLM, 2016b:40). The tertiary sector, business, services, retail, and transport, now shows the highest growth rates, while the mining and manufacturing segments are experiencing a massive decline since 2007 (RWCLM, 2016b:40). In other words, the overall Gross Value Added (GVA) percentage of this region only experienced a small growth rate. Employment in the business services and trade sectors also showed some growth, whilst mining declined.

Westonaria's economy is driven by the mining sector, which provides 48% of the employment opportunities in the area (RWCLM, 2016b:41). Nevertheless, the trade, community and government sectors also contribute to the local GDP. The leading contributing sectors in Westonaria is the mining sector (54,1%), community service (10,2%), manufacturing (10%) and trade (7,3%) (RWCLM, 2016b:21). However, the RWCLM shows an overall decline of 5% in all leading sectors, such as mining (DRDLR, 2013:51; WLM2014:51).

However, Randfontein had an economic growth rate of 2,41% in 2011, of which only Ekurhuleni and Johannesburg Metropolitan municipalities showed higher economic growth rates, but after 2011 the economic growth rate started to decline again (Housing Development Agency, 2013:6). In conjunction, the Gauteng Region's economic growth rate was 3,48% in 2011 but did not show a decline after 2011, as in the case of Randfontein (Housing Development Agency, 2013:6). Therefore, the initial economic growth rate for Randfontein can be considered high, in view of the Gauteng Region's rate, but the high unemployment rate in the RWCLM is still a heavy burden on the area.

Municipal policy: The Westonaria Local Municipality identified twelve key performance areas (WLM, 2012) that the municipality aimed to prioritise. The fourth and fifth outcome is quite striking, as it indicated that inclusive economic growth should be used as a driver for decent employment. Furthermore, a skilled and capable workforce is needed to support this inclusive growth path (WLM, 2012). This is echoed in the RWCLM IDP's strategic goals (2016b:93), where Westonaria's goal is to "promote local economic and social development" and Randfontein's goal is to "[a]ccelerate an inclusive growing economy", in order to address the

third national key performance area namely; LED. Together, the Rand West City's strategic goal is, therefore, to promote and accelerate a sustainable and inclusive growing economy (RWCLM, 2016b:93).

The municipality's LED unit, together with Supply Chain Management, is responsible for the development of policies to support local SMMEs in the area (RWCLM, 2016b:45). The RWCLM IDP (2016b:45) states that the economic foundation for the RWCLM must be diversified, by focussing on agriparks, transport nodes, and industrial hubs. According to the IDP (2016b:44), the LED Directorates are supporting, promoting and developing SMMEs and prioritising emerging farmers and the local goods they produce.

However, the IDP (2016b:89-90) then also acknowledges that SMMEs can help to alleviate unemployment, as it indicated that SMMEs should be supported and encouraged in Wards where unemployment prevails. In this case, the higher density residential areas followed by the agricultural holdings should be assisted by encouraging entrepreneurship in these parts. The incongruity, however, arises with the IDP mentioning the importance of supporting SMMEs in these areas, but in reality, the focus is still exclusively on the primary sector (mining and agriculture). Instead of relying on the rapidly declining primary sector, the LED-policies should be shifting the focus to encourage and develop activities in the secondary or tertiary sectors (retail, commercial and trade) that essentially shows positive growth (DRDLR, 2013:67).

Both the Randfontein LM's SDF (DRDLR, 2013) and the Westonaria SDF (WLM, 2014) acknowledge that joblessness should be conquered through SMME development strategies. Westonaria specifically states that they should focus on SMME development in areas such as Bekkersdal and Simunye, both high-density residential areas (WLM, 2014;99-104). Therefore, the Westonaria SDF correlates with the RWCLM IDP by focusing on the areas where unemployment is a challenge (RWCLM, 2016b:89-90). It is also indicated that SMMEs must be stimulated in the Westonaria CBD, by providing space for small enterprise owners to operate and as a result diversify the Westonaria economic base (WLM, 2014:97).

The Randfontein SDF, together with the RWCLM IDP, also share a development objective stating (DRDLR, 2013:105);

> to create an investor-friendly town with constant economic growth, sustainable developments and a variety of tenure options through the provision of integrated, sustainable and safe human settlements.

From the above, it is clear that the municipal policies, in the form of the IDP and SDF's, speak to Goal 11 of the SDG's. By promoting SMMEs, unemployment and poverty are alleviated, while economic growth is stimulated (DRDLR, 2013:68,105; RWCLM, 2016b:115). Equally, the IDP and SDF's at local level are also embedded in the NGP and NDP, as they emphasise the creation of an enabling environment in for SMMEs to thrive. These plans aim to increase employment and household income while ensuring safe environments. This is key in the development and economic integration and to densify cities, by ensuring environmental sustainability and resilience to future shocks (RWCLM, 2016b:115). In other words, the municipal policies do not only echo the UN-Habitat's SDG 11 on a global scale, but it also correlates with the NDP's focus on poverty and unemployment at a national scale and to SPLUMA's norms and standards on a local scale.

3.3.2 Department: Economic Development, Human Settlements, and Planning

The Rand West City's Local Municipal offices are still divided, due to the recent amalgamation of the two municipalities. Therefore, the head office of the newly formed municipality is currently located at the former Randfontein LM offices in the town's CBD, with a satellite office located in Westonaria, just outside of Westonaria's CBD, where the former WLM offices were situated. The department at the RWCLM that deals with land use management, housing, and local economic development is called Department of Economic Development, Human Settlements, and Planning. Their head offices are located in Randfontein, as well as a satellite office located in Westonaria. The department deals mainly with land use management, housing and local economic development within the municipal boundaries. It mainly deals with land use applications, land use schemes, land use control, spatial and strategic planning as well as public inquiries with regards to the use of land and illegal land use, development facilitation and GIS.

Diagram 3.1 illustrates how the Department of Economic Development, Human Settlements and Planning should be structured, with four managers within the Department. One is the Spatial Planning and Land Use Management Manager, who manages the senior town planners, town planners, assistant town planners and land use inspectors. However, in reality, the Department only consists of one senior town planner, three town planners, and one assistant town planner. From this, it is clear that according to the intended structure, the office is in fact severely understaffed. It is also important to note that there are currently no appointed land use inspectors in office, as indicated on the organogram.

Diagram 3.1: Organogram of the Department of Economic Development, Human Settlements and Planning (Diagram provided by RWCLM, 20 September 2017)

3.3.3 Randfontein Local Economic Development Strategy (Draft), 2009

The Rand West City Local Municipality does not have a Local Economic Development strategy in place, due to the newly merged structure. However, the Randfontein Local Economic Development Strategy (Draft), 2009 remains in operation. It was prepared by Urban-Econ and is designed to facilitate and identify potential local economic development and encourage private investment and job creation (Urban-Econ, 2009:2).

Six strategic focus points were identified to make use of the existing economic opportunities, and subsequently to create feasible programmes (Urban-Econ, 2009:2). These focus points aid in addressing key issues regarding job creation, economic expansion and enhanced business environments (Urban-Econ, 2009:7). Among these six points, the one that has relevance to this study is the *Comprehensive Small, Medium and Micro Enterprises (SMME) Support Structure.*

3.3.3.1 Comprehensive SMME Support Structure

The LED sector is characterised by its ability to create employment, therefore SMME support and development strategies are considered to be key aspects of this sector (Urban-Econ, 2009:134). The Comprehensive SMME Support Strategy aims to support existing and upcoming SMMEs, to facilitate their development as well as creating an enabling environment for new SMMEs to develop in their start-up phase (Urban-Econ, 2009:134). To achieve this, the strategy entails the establishment of a stimulating environment for enterprises to grow, specifically through financial support, skills development and information networks:

Programme 1: *Development of Financial Support Structures and Utilisation of Government Programmes*

This programme is based on funding and financial resources. A lot of SMMEs lack initial start-up capital to start, grow and support a small business. Then again, there are quite a few initiatives that do support local businesses, especially with funding and financial resources. However, the challenge is for the municipality to inform the SMMEs of these initiatives and provide them with assistance to prepare the relevant documents and plans to apply for funding. The municipality must also source alternative funding resources for SMMEs (Urban-Econ, 2009:137);

Programme 2: *Training and Business Skills Development*

This programme is focussed on training and the development of business skills, due to some SMME-owners' lack of skills. Sustainable, competitive and successful businesses can be developed through training and improved skills. Thus, the municipality should address the lack of skills, in order to ensure that the SMMEs increase and expand by implementing training

programmes, mentorship programmes and business development centres. However, even though there exists a variety of programmes and projects to assist local municipalities to support the SMMEs in their area, they are mostly unaware of and ill-informed about these programmes. Therefore, it is also important for the municipality to establish a relationship, by creating a structure to inform and to provide the SMMEs with all the possible opportunities created by the private sector, non-governmental organisations and national government (Urban-Econ, 2009:137-139).

Programme 3: *SMME networks, Business Support and Information Channelling*
This programme is firstly based on the significant value of networks in the SMME sector. The programme states that the municipality should forge professional networks between SMMEs, as it can lead to the successful exchange of knowledge, market infiltration and decreasing costs. Even more, effective networks create a viable and competitive environment for SMMEs. Secondly, the programme suggests that the municipality should develop a platform to share information and make it available for SMMEs in the form of information kiosks or hubs. Lastly, the programme urges the municipality to create and keep a detailed up-to-date database of all the SMMEs in their jurisdictional area. This will enable them to evaluate the skills and partner them with upcoming opportunities, to ensure sustainability in the sector (Urban-Econ, 2009:139).

From the above, it is clear that the LED strategy for Randfontein Local Municipality strives to assist small businesses through various projects and programmes. However, these projects and plans make no reference to overall spatial planning or LUM, but rather invest their focus on financial aspects, training and networking support for SMMEs.

The LED-strategy discussed above, reflects what Nkwinika and Munzhedzi speak of in their paper on *The Role of Small Medium Enterprises in the implementation of Local Economic Development in South Africa*, delivered at the SAAPAM Limpopo Annual Conference Proceedings (2016:75). They explain that the Randfontein LED-strategy tends to list a wide range of statements, such as SMME development, skills improvements and creating business conditions, it does however not go into much detail. The strategy is only based on a few projects, which express the absence of diversity in the strategy. Despite the fact that the LED-strategy's formulation is enthusiastically accepted, there aren't any set plans or structures in place for the implementation thereof. Without implementation, the chance for it to succeed is diminished and even obsolete.

3.3.4 Rand West City Local Municipality Spatial Planning and Land Use Management By-law, 2017

Regulation 14 of the Spatial Planning and Land Use Management Regulations: Land Use Management and General Matters (2015) requires that all municipalities must decide on the manner and format of land use applications. This means that each municipality can regulate their own fees applicable to each application, the extent of the public participation process and set out all the land development procedures in detail (DRDLR, 2015). As a result, the *Rand West City Local Municipality Spatial Planning and Land Use Management By-law (2017)* was prepared. Two components of the by-law are relevant to this study namely; land use schemes, and application procedures for land development applications.

3.3.4.1 Land Use Schemes

Every municipality should approve a single land use scheme for the entire municipal area, and it should replace all existing schemes. The single scheme should serve to determine the land use as well as the development of land within the municipal area to encourage economic inclusion and efficient land development, amongst others (DEDHSP, 2017). However, due to the transition phase, planning currently finds itself in limbo. The land use schemes are still being prepared by all municipalities in Gauteng and it will only be realised by 2019. This means that the current town planning schemes must be used until such land use scheme is completed and approved (DEDHSP, 2017).

There are currently three town planning schemes used in the Rand West City, while in the transition phase, namely the *Peri-urban Areas Town Planning Scheme*, 1975, the *Westonaria Town Planning Scheme* of 1981 and the *Randfontein Town Planning Scheme* of 1988. These schemes differ from each other, for example, the *Randfontein Town Planning Scheme*, 1988 includes 32 different zoning categories, while the *Westonaria Town Planning Scheme*, 1981 includes 30 and the *Peri-urban Areas Town Planning Scheme*, 1975 only make use of 15 categories. The zoning categories relevant to this study include Residential 1, Business 2 and Agricultural. The dynamics between managing three different town planning schemes all within one municipal area can be a difficult task for municipalities, as they all represent their own set of definitions and zoning categories. However, all three of these town planning schemes have been amended at some stage to include or improve certain definitions or regulations that are more applicable to the area's urban reality. In other words, efforts have already been made to include new development trends and community needs by including an annexure to the town planning scheme.

There are also some similarities across all three schemes of the RWCLM. There is a flexible zoning category included in all three schemes, which is called ‘Special'. This zoning allows for any uses that may not be included or mentioned in the scheme definitions or other zoning categories. In other words, if none of the definitions captures what the owner needs, the ‘Special' category can be used for a tailor-made definition (GSCID, 2015:3; City Scope, 2012). For example, if a landowner wishes to apply for rights that cannot be found in the relevant town planning scheme, they can opt for the ‘special' zoning and stipulate the exact use with development controls set out clearly in the annexure. However, a rezoning application is required for this zoning, which can result in a longer and more expensive procedure to follow than that of a consent use application, due to the various stakeholders that become involved in such a scenario, i.e. Environmental Impact Assessment, Traffic Impact Study etc.

3.3.4.2 Application procedures for land development applications

In order for a landowner to change, amend, apply for any land use rights on their property or remove any restrictive title condition, a land use application must be submitted to the relevant local authority (GSCID, 2015:3). This application then follows a specific procedure in order to arrive at a council resolution. However, there are various types of application that can be lodged with the local authority and each of them follows a specific procedure. This is due to the complexity of the application submitted as there are time, cost and administrative differences that can occur between the various applications.

The timeframes for land development applications are outlined in Table 3.2 below:

ADMINISTRATIVE PHASE	CONSIDERATION PHASE	DECISION PHASE
≤ 12 months Section 16(6) The administrative phase is the phase during which all public participation notices must be published and responded to, parties must be informed, public participation processes finalised, intergovernmental participation processes finalised and the application referred to the Municipal Planning Tribunal or authorised official for consideration and decision-making.	≤ 3 months Section 16(7) The consideration phase is the phase during which the Municipal Planning Tribunal or authorised official must consider the application, whether it be a written or oral proceeding, and undertake investigations if required.	30 days from last Municipal Planning Tribunal meeting Section 16(8) If a decision is not made within the said 30 days – it is considered as an undue delay and the applicant can report such delays to the council and mayor.

Table 3.2: Timeframes for land development applications (DRDLR, 2015:25)

The different land development applications that can be lodged in terms of the *Rand West City Local Municipality Spatial Planning and Land Use Management By-law*, 2017 are divided into six parts and listed below;

- written consent, consent use and building line relaxation applications;
- amendment of a land use scheme (rezoning) and related matters, such as the post-decision procedure, corrections, parks and services contributions and the lapsing of the rezoning;
- township establishment applications, the division of an approved township, the extension of existing boundaries and related matters;
- consolidation and subdivision of an erf in an approved township as well as the consolidation or subdivision in any other land;
- the approval of the alteration, amendment or cancelation of a General Plan; and
- the amendment, suspension or removal of restrictive conditions, servitudes or reservations and other related matters.

For the purpose of this study, only applications for a consent use and a rezoning are relevant, as small businesses are unlikely to engage in the other application procedures in their

developmental phase. It is possible that a removal of restrictive title conditions can be requested, but such application can be done with a rezoning application simultaneously.

Written Consent / Consent Use Application

A consent use application is lodged when a landowner needs to extend a property's primary land use rights. Each property has its stipulated primary land use, as set out in the town planning scheme. These primary land uses also have secondary rights for that specific zoning and it is considered to be complementary uses to the primary rights (BvZ Plan, 1999; GSCID, 2015:5). Consent use applications are necessary when secondary land uses are added to the primary land uses. A consent use application is considered to be less complicated, as the primary use of the land remains the same and only rights for any secondary use (complimentary use) is granted but connected to a limited area.

However, a written consent application is an application lodged to the local authority for special permission for a temporary use of the land which will lapse after 12 months of approval, unless an extension of time application is also lodged (DEDHSP, 2017). This means that considering the circumstances, the local authority will grant any land use for a limited time only.

In the case of Rand West City Local Municipality, Figure 3.2 and 3.3 summarises the application procedures for written consent and consent use. Figure 3.2 illustrates the written consent procedure, shows that the process is uncomplicated. However, this application type is considered to cater only for special circumstances, such as applying for land use rights for a guest house for the purposes of the Soccer World Cup or any other temporary event. It is unlikely that a planning official would advise a small business owner to opt for the written consent, as opposed to the consent use application. Yet, Figure 3.3, concerning a consent use application, is a more detailed process and is commonly used for complementary uses such as nursery schools, crèches, granny cottages, churches etc. (GSCID, 2015:5).

Rezoning Application / Amendment to land use scheme Application

Figure 3.4 summarises the application procedure that applies to the amendment of the land use scheme (rezoning) application. A rezoning application must be submitted to the local authority when a landowner wishes to utilise their property for purposes, other than what is allowed for, according to the existing zoning as stipulated in the relevant town planning scheme. A rezoning application is also necessary when the owner wishes to increase or decrease the density, floor area ratio or coverage of the property in terms of the existing zoning regulations (GSCID, 2015:3). The procedure, as seen in Figure 3.4 is a much more complicated and timeous process than the consent use procedure as it can require more technicality in terms of density, floor area ratio, and coverage to fully comply. Due to the fact

that with a rezoning application the land use scheme is amended, the applicant is also required to submit Map 2 documentation. These maps must be done in relation to specific standards which require professional expertise. Furthermore, after approval of a rezoning application, the applicant is also required to publish an approval notice in the *Provincial Gazette* on behalf of the local authority. These are only a few lesser details not contained in Figure 3.3 that can further complicate the process administratively, financially and timeously.

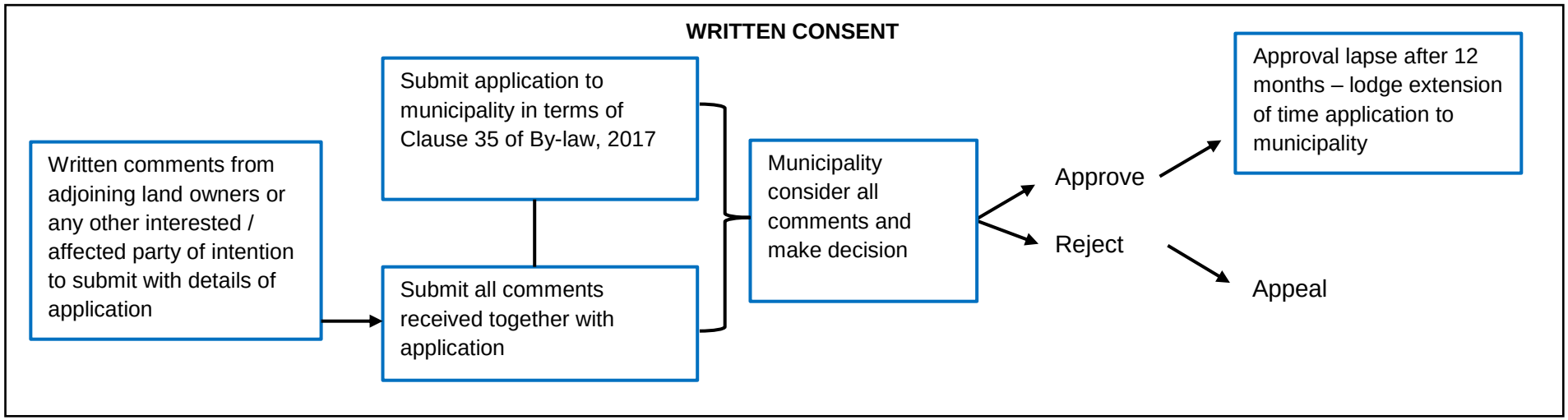

Figure 3.2: Written consent land development application procedure

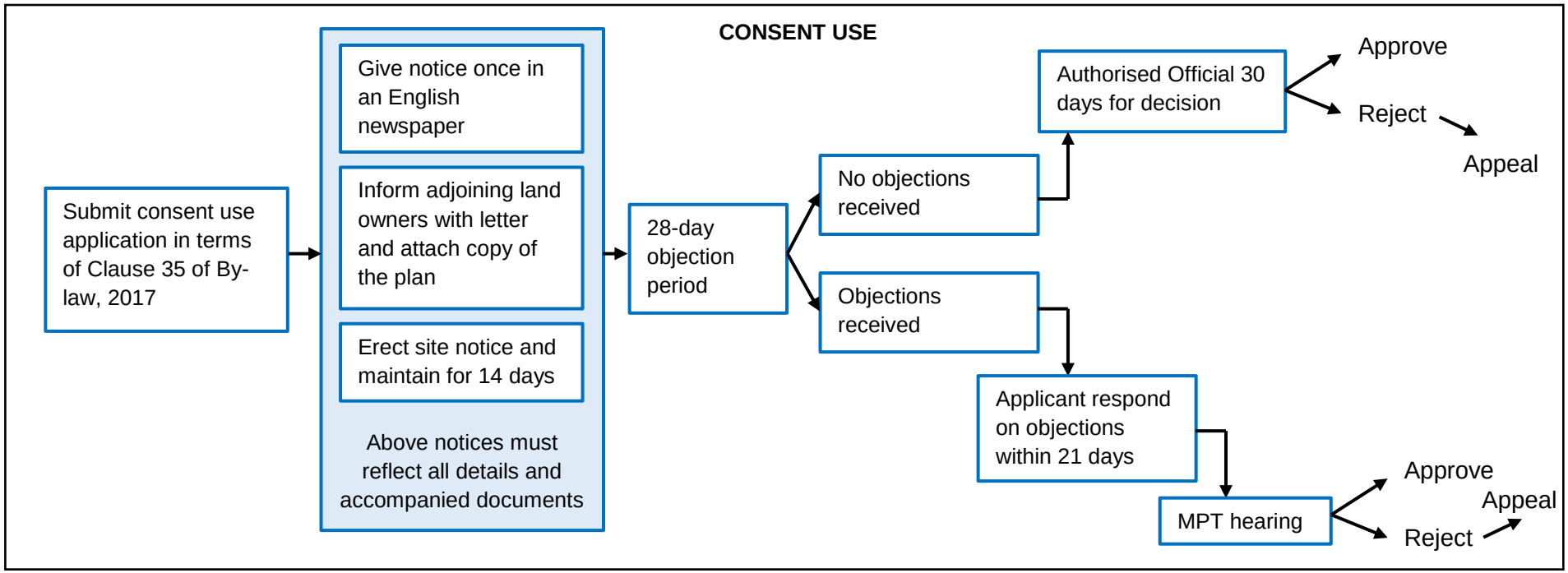

Figure 3.3: Consent Use land development application procedure

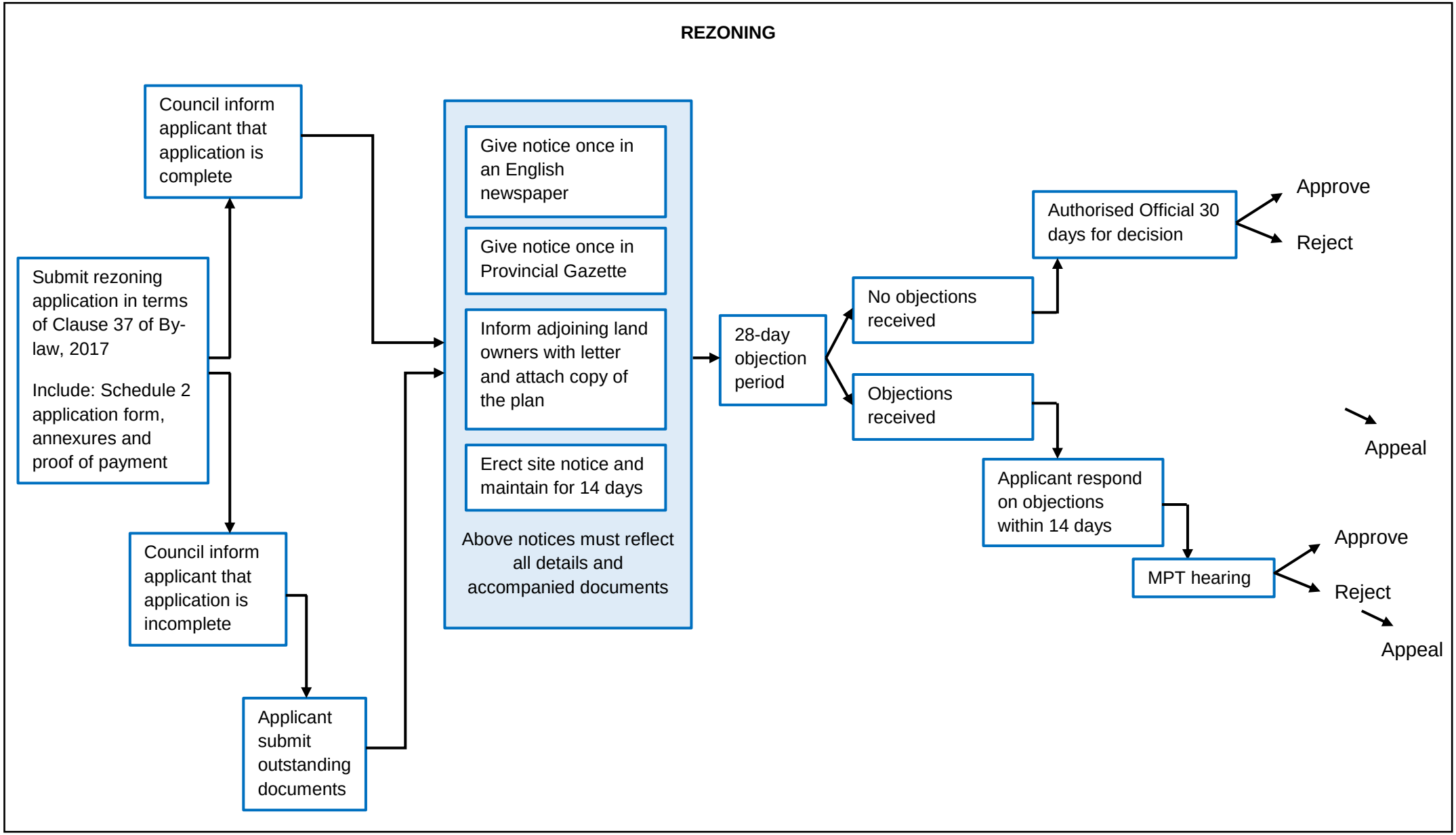

Figure 3.4: Rezoning land development application procedure

Tariffs for land development applications and other financial implications

The last point that has to be discussed under the application procedures for land development applications is the financial implications, associated with land development applications. The local authority is responsible for determining the fees annually (DRDLR, 2015) and those for 2017/2018 are described in Table 3.3 below;

Application Type	Application fee
Special Consent Use and Written Consent in terms of Section 35 of the Rand West City By-law, 2017	R 800-00
Rezoning to amend the Town Planning Scheme/Land Use Scheme in terms of Section 37(2) of the Rand West City By-law, 2017	R 5 500-00
Issuing of a zoning certificate to confirm land use rights	R 80-00
Appeal against a decision of the Council on any land development application	R 1 500-00

Table 3.3: Development application fees for 2017/2018 (RWCLM, 2017)

Table 3.3 indicates the fixed fees for the RWCLM and applies to all settlement types, income groups, and business sizes. These fees may place a disproportionate burden on smaller sized businesses or lower income groups in high unemployment settlement areas than on those with a higher income.

3.3.5 Other relevant policies and/or licenses

Land use management and planning are not isolated from other relevant policies and/or licenses that forms part of the LUM-process. The process to amend an act or statutory land use mechanism, such as a land use scheme, is a complicated and time-consuming process. Therefore, policies that supplement such mechanisms are developed to address unique urban areas and/or trends. For example, a crèche policy, tavern policy or area based policy are used as tools to complement the town planning schemes or land use schemes. These policies allow land use management to be adaptive to the specific urban conditions and can be amended much faster.

In certain land use applications, licenses and certificates also form an important part of the process, as the license or certificate cannot be issued unless the land use rights are in place and vice versa. The next subsection will discuss the policies, licenses, and certificates relevant to the study that influenced the LUM-process with specific reference to the study.

3.3.5.1 Tavern Policy, 2004

On 1 December 2004, the Randfontein Local Municipality, through the Director of Development Planning, agreed to the amendment of the *Randfontein Town Planning Scheme*, 1988 to make provision for the definition "*Tavern*" and to allow for this land use to be included in Clause 12(1), Table 5 under Use Zone 1 (RLM, 2004:1). As a result, a "*Tavern*" is defined as;

> a place whose main business is the supply of liquor, food and various forms of entertainment, which will trade from a residential erf where the main use of the erf will be residential in nature. The tavern shall comply with Council's approved by-laws and policies (RLM, 2004:1).

With the above definition added to the scheme and the use also included as a secondary use right on Residential 1 zoned erven, it entails that a consent use application could be lodged by a landowner and considered by the municipality, for the purposes of a tavern, but subjected to a list of conditions (RLM, 2004:1).

The policy conditions match with the consent use procedure, as outlined in Figure 3.3. However, additional comments from the ward committee must also be obtained and submitted, together with the other notices. The tavern use is also limited to 40m^2 and if the owner wishes to expand the use beyond 40m^2, a rezoning application is required (RLM, 2004:2). The owner must ensure that there is a separation between the residential and tavern uses on the property, that the primary right of the property remains residential in nature and lastly, that the noise is kept within acceptable levels (RLM, 2004:2). The Council also included a condition which states that such an application cannot be lodged if the property falls within a 500m radius of a place of education, place of worship or similar licensed property (RLM, 2004:2). Furthermore, the owner must together with the consent use application, submit proof that an application has been lodged for a liquor license in terms of the *Gauteng Liquor Act*, 2003 and approval thereof must subsequently be submitted to Council (RLM, 2004:2). The owner must also, in the case of providing food on the property, apply to Municipal Health Services for a health certificate. When and if the application is approved, the documentation must be submitted to Council and the same applies to the building plan application at the Building Plan Committee in terms of the National Building Regulations and Building Standards Act, 1977 (RLM, 2004:2). The owner is furthermore also required to pay a monthly business contribution of R150-00 to the Council (RLM, 2004:3). The final condition states that if and when the owner sells the property or fails to operate the tavern use for 6 months, the land use rights will lapse (RLM, 2004:3). In other words, the rights are granted to the landowner in their personal capacity and not to the land

itself. In this way, the municipality can have better control of the use and allow the owner to operate within specific regulations.

Even though the requirements for a tavern are quite extensive, it shows that the municipality is observant towards their residents' activities ensure that the land use is still efficiently managed. The municipality did not hesitate to adapt to the urban realities, even though this meant that they had to go through a process to amend the town planning scheme. With said revisions, they arrived at a point where they can present a policy for the emerging trends to support the outdated town planning scheme.

3.3.5.2 Municipal Health Services By-laws: Child-care services

In 2011, the West Rand District Municipality published their Municipal Health Services By-laws, in terms of Section 13(a) of the Local Government: Municipal Systems Act, 2000 (West Rand District Municipality, 2011:5). The purpose of the By-laws is to allow the municipality to "protect and promote the long-term health and well-being of people in the municipal area", however, in conjunction of any other relevant law (West Rand District Municipality, 2011:7).

Chapter 10 of this By-laws deals with Child-care Services, which is defined as;

> any undertaking or institution or facility involving the custody, care or tuition or any combination of these functions, during any time in a 24-hour cycle on all or any days of the week on any premises or at any place of any number of children whether for gain or free of charge as the case may be (West Rand District Municipality, 2011:70).

In other words, any day-care centre, day mother, playgroup or after school care centre is included under the definition 'child-care services'. The By-law's *Chapter 10*, outlines numerous conditions and requirements and anyone who takes care of children in any way or form should comply with these regulations. If such an owner wishes to undertake such a facility or institution, they must lodge an application to obtain a Health Certificate for the caring of children (Annexure A) in terms of Chapter 10, Section 3(2) of the Municipal Health Services By-laws (West Rand District Municipality, 2011:70). The By-law further clearly states that a Health Certificate shall not be issued, if it does not comply with the requirements set out by the relevant Town Planning Scheme (West Rand District Municipality, 2011:70). This directly integrates the Health Certificate procedure with the land use management procedure and clearly shows that the one cannot operate without the other.

In short, the procedure to apply for a Heath Certificate entails that the owner submits an application that includes an application form, certified copy of identification, a Zoning

Certificate, approved layout plan and a Fire Safety Certificate. After the submission of these documents, an authorised official will make a site inspection to determine whether or not the owner and the premises comply will the necessary regulations, as stipulated in the By-law and the relevant Town Planning Scheme. If approved, the Heath Certificate will be issued within 14 days after submission (West Rand District Municipality, 2011:70-71). The certificate is issued in the owner's name and has to be renewed annually (West Rand District Municipality, 2011:70).

3.4 Conclusion

Regarding the background of the case study, the demographics indicated that Randfontein is growing at a faster rate that Westonaria, but that the overall population growth rate is still considered to be very low. Together with this, the population growth rate for the RWCLM is low and the largest age group (consisting of young and able workers) also holds the highest unemployment rate. Equally, the socio-economic conditions also show that unemployment is highly prevalent in the RWCLM, resulting in a very poor population, especially in the higher density residential areas.

The local economic performance discussion further specifies that the RWCLM (both towns) originated as a result of the mining industry, which is considered to constitute the primary sector together with the agricultural industry. However, the statistics show that the primary sector is deteriorating while the secondary and tertiary sectors are in turn now showing an incline, indicating a typical urban economy. This indicates business growth, especially in the retail, commercial and trade industries. The municipal policies demonstrate global, national and local alignment regarding the objectives, goals, and purpose of the SDGs, the NDP, NGP, IDP, and SPLUMA. However, the focus of the LED strategy on the primary sector may indicate that the socio-economic realities in the RWCLM and LED strategy do not align with regards to the areas that need support. Adding to this, the municipality is severely under-capacitated which has a negative impact on how the LUM-process is driven. Apart from an SDF, a town planning scheme is a very important statutory document that is actively used to engage with the LUM-process. The town planning schemes for the RWCLM are however outdated and intransigent, especially in terms of the definitions and/or zoning categories, allowing the scheme to support the urban realities and subsequently SMEs in the Rand West City. Although the complementary policies, such as the tavern policy, show some indication that the RWCLM makes an effort to be adaptive to the socio-economic conditions, there is no specific effort in addressing various settlement types by means of detailed local precinct plans. The licences and certificates which are required for certain business types intends to support the LUM-process by aiding in managing the definite linkage between land use rights and business

rights, but can also be considered as additional processes that add to the already substantial LUM-process due to the interdependence between business and land use rights.

This chapter explored the socio-economic history and current stance of the RWCLM, which clearly points to the fact that the RWCLM has a declining and poor background. This is based on the consideration of the demographics, socio-economic conditions, sectoral performance, etc. Secondly, the clearly under-capacitated municipalities are further crippled by working with plans and policies that lacks depth, detail, and context, despite it being well aligned with the goals and objectives of global, national and local plans and policies. Regardless of some efforts made by the municipality to adapt to the ever-changing socio-economic conditions, there is still a need for more flexible, detailed plans and policies as the existing policies and regulatory framework do not distinguish between different settlements types or socio-economic characteristics.

To conclude, this chapter highlights that SMEs need to be better supported through more settlement and/or area based plans, although the support for financial aid and skill development is recognised. Hence, there is a need for promoting more business activities, especially in the poor or economically depressed areas. The reason is that the lower income areas adds to the issue of affordability for the residents to engage in the LUM-process and should be considered. Lastly, the institutional responses and generic nature of the LED strategy and town planning schemes are short-sighted and hinder SMEs development in the RWCLM.

CHAPTER 4: PRESENTATION OF FINDINGS

4.1 Introduction

This chapter reports the data gathered from all three stakeholders involved in the study that operates within the Rand West City Local Municipality. This chapter comprises of three sections: the first section will discuss the methodology used to capture the data for all three stakeholders, i.e. SME owners, RWCLM town planning officials and the town planning consultancies. The second section will provide a brief introduction of the participants involved in the study, while the last section will include a presentation of the empirical data collected during fieldwork. The fieldwork consisted of in-depth interviews with six small and micro enterprise owners as well as two consulting town planning firms, in conjunction with a focus group interview with the municipal town planning officials of the RWCLM.

The data collected from the fieldwork will be presented via each SME's individual narrative, to allow the reader to understand each business' unique experience as expressed by the respondents. The data will also be reported through guided sub-themes, which first and foremost relates to the business aspects; the size and background of each SME and how it functions within the RWCLM. The second theme relates to the spatial context of each business, which explains the locality of each SME involved. Lastly, the personal experience of the participants towards the LUM-process is discussed to explain what each owner understands about this process. This will be followed by a conclusion, where the possible limitations that were experienced during the empirical research, will be discussed.

4.1.1 Methods and Data gathering

This section explains the methods of how the data was gathered and focus on the interviews that were conducted with the three different stakeholders. The three sets of interviews conducted were structured around themes that focused on the business realities that SMEs face, in conjunction with their involvement, engagement, and experience of the LUM-system and process. It is clear that the main themes allow the data to be logically organised, but with enough scope for qualitative findings to be made. The data processing will further be discussed, followed by key issues relating to the results of the data analysis. Considering that the data is highly context-specific, even though a great variety of stakeholders were involved, the chapter enables the researcher to make qualitative findings from said analysis.

4.1.1.1 Interviews

The interview approach ensures a well-rounded data gathering process, aiming to guarantee insightful findings. In-depth interviews were done with six SME owners in order to capture their unique business stories together with their own journeys relating to the LUM-process. The in-depth interviews with the two consulting town planning companies ensured that their opinions and perceptions of small businesses and the LUM-process be included from a private practitioners' perspective. A focus group interview was chosen for the RWCLM town planning officials, in order to get a holistic perspective from the different individuals functioning as one entity, with the intent to hear a unified institutional voice regarding small businesses and the local LUM-process.

The actual data collection was all done by the researcher herself. The methods used to extract information from each stakeholder are briefly explained hereunder;

SME owners – The researcher approached the RWCLM regarding in-depth interviews with small, upcoming businesses that are engaging or have engaged with the LUM-process. The officials presented the researcher with a set of participants that engaged in the LUM-process within the last few years. The researcher used specific criteria to carefully select suitable participants. The criteria included settlement type, business type, and application type. The reason for this is to firstly ensure that a variety of SMEs is selected and that they represent the main small business types of the area. Secondly, the researcher ensured that there are two participants located on agricultural holdings, two within a low-density township and two within high-density township, for comparative reasons. Lastly, the researcher ensured that there was a fair selection of consent use and rezoning applications, in order to allow a broad understanding of the application process within its different contexts.

In terms of the selection of suitable respondents, more than 20 SMEs were initially identified, but some weren't selected due to overlapping business or settlement types. In the end, from the 11 selected SMEs suitable for the study, only six agreed on participating. The other five did not agree to take part, due to personal considerations, mistrust in the researcher, rage against the municipality regarding their experience or simply because they did not understand the purpose of the study. There was even a case where the SME-owner was under the impression that the researcher was from the local authority, with the task of checking up on them and their land use rights.

The selected candidates were contacted by the researcher and the six respondents, who agreed to partake in the study, were interviewed. These interviews were scheduled at a time convenient to each and took place at the business premises associated with the LUM-

application. The semi-structured interviews were conducted and were digitally recorded with the necessary permission, for subsequent transcription purposes.

RWCLM officials – Whilst engaging with the municipality regarding SME owners, the researcher also requested the officials that a focus group interview with town planning and LED officials be scheduled. The interviews with the officials should possibly include one or two LED officials as well. One of the town planning officials then sent out an email to colleagues and all agreed to participate in the focus group interview, which would take place after one of their weekly staff meetings. In the end, the focus group interview only included five town planning officials as the LED official was unable to attend that day.

Town planning consultants – The researcher approached the RWCLM regarding their recommended town planning consultant list that they provide to their clients for assistance in applications etc. The list included various town planning companies that regularly engage with the RWCLM. The researcher contacted the first few companies and the first two that agreed to participate, were interviewed through scheduled appointments at their offices.

4.1.2 Introducing the participants for the study

4.1.2.1 Small and Micro Enterprise owners

The SMEs selected for the study is introduced in the Table 4.1 below, also see Appendix A for full profiles;

SME	Settlement type	Type of enterprise	Size of enterprise	Application type
1	High density residential	Tavern	Micro enterprise	Special Consent Use
2	Low density residential	Day Care & After School Centre	Micro enterprise	Special Consent Use
3	Agricultural Holdings	Early Childhood Development Centre	Small enterprise	Special Consent Use
4	Low density residential	Restaurant & Entertainment	Micro enterprise	Rezoning
5	High density residential	Guest House	Small enterprise	Rezoning
6	Agricultural Holdings	Wedding venue with supporting businesses	Micro enterprise	Rezoning

Table 4.1: Introduction of the 6 SMEs that participated in the study.

The Figure 4.1 below illustrates the difference in density, erf size and character of the different settlement types present in the study. The selection allowed the study to focus on businesses in various morphological environments within the case study area, rather than simply the

effects of the LUM-process on concentrations of businesses. Five of the 6 participants are located in Randfontein and one in Westonaria.

Township (Higher Density)

The image indicates the general property sizes for higher residential township.

Property sizes varies from 250-300m^2

Township (Lower Density)

The image indicates the general property sizes for lower residential township.

Property sizes varies from 750-1200m^2

Agricultural Holdings

The image indicates the general holding sizes for agricultural holdings.

Holding sizes varies from 1700-2000m^2

Figure 4.1: Various settlement types in Randfontein

4.1.2.2 Rand West City Local Municipality: Town Planning Officials

The below Table 4.2 indicates the job title and descriptions of the five town planning officials;

Town Planning Official	Job title	Job Description
Senior Town Planner	Senior Town Planner	Deals with land use management schemes, land use control and land use applications.
Town Planner 1	Town Planner	Dealing with land use applications, such as consent uses, rezoning, consolidations and subdivisions.
Town Planner 2	Town Planner	Dealing with land use applications, such as township establishment, consent uses, rezoning, consolidations and subdivisions. Also deals with public enquiries and illegal land uses.
Town Planner 3	Town Planner, development facilitator and GIS specialist	Deals with land use applications, strategic planning and all matters related to land use management.
Assistant Town Planner	Assistant Town Planner	Deals with land use applications, public enquiries and illegal land uses.

Table 4.2: Town planning officials' profiles

4.1.2.3 Consulting Town Planning Firms

The Table 4.3 below introduce the two selected consulting town planning firms.

Town Planning Firm	Location	Years' experience
Firm 1	Krugersdorp, West Rand of Gauteng	12 years of experience in the private sector
Firm 2	Magaliesburg, West Rand of Gauteng	10 years of experience in the private sector

Table 4.3: Profile of consulting town planning firms.

4.2 Presentation of findings

4.2.1. Small and Micro Enterprise owners

4.2.1.1 SME 1 – Tavern

Business story: Owner 1, a former spaza shop owner, was given an RDP house in another location, that forced him to relocate. His spaza shop was situated on a busy road in a high density township and according to him, the business was relatively successful. However, after the relocation of his home, the owner was forced to close down the spaza shop, as the new RDP house was located too far from said spaza business and that would require hours of costly traveling, which meant that the business would not be feasible anymore. The owner was consequently unemployed in his new location and it led him to observe his new

surroundings. He said that he saw the opportunity to establish a bigger tavern within his immediate community. He went on to launch a larger tavern on the northern side of the township, as the community felt that all the existing taverns were either too cramped or too far away.

The new tavern's popularity increased rapidly and the small RDP erven's limited space quickly became a challenge for the owner. Directly adjacent to his RDP house lies a large piece of open space, which was earlier used as a dumping yard by neighbouring residents. The owner explained that he went to the municipality to enquire about said open space and was informed that the property is owned by the Rand West City Local Municipality and won't be leased or sold to anyone at that stage. The owner, regardless of the risk of the business being demolished, still took matters into his own hands and expanded his tavern on his RDP land by illegally erecting a structure on the neighbouring open space. The owner furthermore continued to maintain the open space by removing rubble, planting grass and a few trees to create a favourable environment for a community tavern.

Figure 4.2: Photographs of tavern business in a high density township (Photos taken: 26 September 2017)

After a site visit by the municipality, the owner was subsequently instructed to firstly apply for land use rights on his own RDP property and secondly he was told to demolish the illegal structure on the neighbouring open space. He did not obey to this order. The owner argues that the open space is zoned as a 'Public Open Space' to serve the residential area, and according to him, his tavern was doing exactly that. Furthermore, the owner felt that the space was previously misused as a dumping site and he contested the logic behind having a feasible open space that is underutilised as a dumping site.

The owner stipulated that he will only demolish his illegal structure on the open space, when and if the municipality promises to develop a safe and sustainable park on said lot. The local government should also remove all the refuse and prohibit dumping, that still remains a

problem, even with the tavern operating on this land. This being said, the owner is quite confident in the fact that the municipality won't come up with a plan for the open space anytime soon and for the time being he will continue to partially occupy and maintain the land for his tavern business as this is currently the only source of income for his family.

From the interview, one can assume that the owner has a clear and determined vision for his business that is highly focused on growth. He says that he did not open a tavern because he was in the hospitality industry; he doesn't even identify himself as a tavern owner, but rather as a business man with the aim to utilise obvious opportunities - first with his former spaza shop, and now with his tavern. He adds that the tavern is successful as it is located in a spacious area, while space is very limited and considered a privilege, especially in high density areas. He said he identified the large open space as a viable site for business and now people visit the business to enjoy the spacious environment.

The owner goes on to say that he wants to further uplift the community with this open space, by creating more opportunities and jobs. He wants to expand the tavern, by opening businesses such as a car wash, seamstress, spaza shop and other small enterprises. In turn he can maximise his own income, which he can then again be applied to further invest in other complementary small businesses located nearby.

Spatial Context: The subject business is located partially on the small RDP erf and partially on municipal land adjacent to his property. The business location was merely a coincidental result of the owners' residential location. Therefore, the owner did not seek an ideal location for the business, but rather started the business due to the opportunity that naturally arose in that exact locality. The business is located in a predominantly residential area with a church located nearby. The property is not located along a corridor or spine and is relatively far from the demarcated business areas. Even though these factors should probably count against the success of the business, the owner still views the location to be beneficial due to the fact that it is located in a spacious area, which allows his business to make use of the additional open space next to the tavern structure for ample parking. Even so, the reality of the matter is still that all of this is done illegally

Land Use Process: The owner initially engaged with the municipality to enquire about the open space next to his property. This subsequently triggered a site inspection by town planning officials which led to the land use process and liquor license applications exclusively for the RDP erf. Due to the ensuing alignment of the Spatial Planning and Land Use Management Act, 2013 and the Gauteng Liquor Act, 2003, the one process could not be finalised without the approval of the other (Liquor Licence application requirements – see

Annexure B). Generally, in such cases the land use process is prioritised after which the Liquor Licence follows. A town planning official explained the land use process to the owner, but he did not understand the difference between the two processes. This led to the owner starting with the Liquor License process, before the land use process was underway.

After both processes were eventually submitted and in progress, the owner was confronted with yet another challenge. Clause viii of the Tavern Policy categorically states:

> (i) that *the premises shall not be within a radius of five hundred (500) metres*, or such further distance as the Board may determine or as may be prescribed from time to time, *from a place of worship*, educational institution, similar licensed premises or public transport facility;

This Clause aligns with the requirements of the Gauteng Liquor Board and when such a case emerges, the land use rights cannot be approved. As a result, the land use application for the RDP erf was rejected and the nearby church (Place of Worship) was provided as the main reason for dismissal. Furious about the rejection, which successively led to the Liquor License process being halted, the owner yet again engaged with the municipality.

The owner argued that the church located within 200m from the owner's RDP property, was not visible with the eye, as they were located in different streets and were facing away from each other. The owner was persistent to make his case to the municipality and he engaged with the ward councillor for support. The councillor, together with the owner and the church, arranged a meeting to discuss whether the approval of a tavern will hinder the church and its community or not. They all agreed that there was no reason for the tavern to be rejected and the ward councillor drafted a letter to the municipality where the pastor gave his consent for the approval of a tavern within the 200m radius. This letter was presented to the municipality and even though an appeal with a formal hearing should have been lodged, the municipality used their own discretion to reconsider the initial application at the next Section 80 committee meeting, where the application was approved. After the land use rights were approved to allow the tavern on the RDP erf only, the owner could continue with the Liquor License process.

After a 4-year land use process, the owner emphasized that the biggest burden of the whole process, was the financial aspect. He did not attribute it to the general costs of the application process, but rather to the fact that it is big amounts that needs to be paid all at once. He felt that it would've been easier to digest the expenses if everything could have been paid in instalments. On numerous occasions the owner was forced to halt the process to save up

money for the next payment. This also added to the overall duration of the process, which was according to the owner longer than expected due to his own financial struggles.

When asked about what it means to have legal land use rights for his business, the owner cried and said that it gives him business security and it puts the business in a position to grow. With the legalities in place, the owner now has confidence in his own business and his dream to become a successful businessman and influencer within the community.

To conclude, it should still be noted that the owner of the tavern has a long term vision for the state owned land adjacent to his RDP house, but he does not have land use rights to operate his business there. The owner is in a position where he feels he cannot convey his vision to the municipality, therefore he feels that he should take the risk by illegally planting trees, laying bricks, maintaining and developing the open space into the dream he has for said space; and then to let the municipality come and see what he is trying to say. He is of the opinion that if they see what he had envisioned for the vacant, filthy public open space, the municipality might grant him the legal rights to operate there. He seeks a sustainable, inclusive and economically growing development for a piece of land that serves no other purpose to the surrounding area.

4.2.1.2 SME 2 – Day Care and After School Centre

Business Story: Owner 2, a retired woman who on occasion took care of her grandchildren, needed to earn an extra income to financially support herself. According to her, the business idea was born when community members verbalised the need for a day care and after school centre. There was an opportunity for a centre that offers a warm homey feeling, whilst stimulating and developing the children when their parents are still at work. This opportunity, in conjunction with her passion for children, brought her to the decision to start a day care and after school centre at her home. She used her home as the business premises, since it would help to lower the cost as she already resides on the property.

The owner says her intention with this venture is to deliver a quality service to the community by giving their children a solid, steady and loveable upbringing with exclusive stimulation, while their parents are at work. After six months of operation, the business grew from 4 to 18 children from all age groups (pre-school, primary school and high school pupils). The exponential growth in business over a short period of time confirmed the need for such a service in said community. It is noteworthy, that the business isn't necessarily lucrative, as the owner explains she is obliged to charge low rates as people cannot afford expensive nursery schools. This aligns with the prevailing economic circumstances in the country as a whole and the effect of

adversity in Randfontein. This jeopardises the business' sustainability and long term success. At this stage, this is a major challenge for the business, because while the centre isn't the only source of income for the owner, she admits that she won't survive without the business' supplementary income, despite the limited profit margins.

Regarding business growth, the owner explains that if she can grow from 18 to 25 children, she will generate an income which will allow her to expand and invest in the business. This will in turn lead to better service delivery and increased profitability. The owner is confident that the business will flourish and with the potential she already observed, she now has a vision to one day developing this day care centre into a fully-fledged school. Her ultimate goal is to create a business that can grow to such an extent that she can give other young members in the community the opportunity to take over the business when she is too old. Despite the owner's personal involvement and gain at this stage, she says she wants this business to uplift the community, by means of job creation to alleviate poverty and unemployment in the surrounding area. This goal is quite relevant; because while the interview took place, a young woman actually rang the doorbell asking for a job.

Figure 4.3: Photographs of day care and after school centre in a low density township (Photos taken: 16 August 2017)

Spatial Context: This business, together with other businesses in this area, such as a church, day care and hair salon, are all located along an important spine within a predominantly residential area in Randfontein. The children's centre used in this study, is located on an average to large sized property in a low density residential area. The business is located on this property, because the owner already owns it and resides there.

According to the owner, the property is very beneficial for this business for the following reasons: Because the owner lives on the premises, it allows her to optimise her time spent at the business. In terms of the high demand in the area for such a service, the property is centrally located to supply said service which will lead to guaranteed success. The need in

this area is for a day care and after school centre, where children can feel at home and the fact that this centre is established within a residential house creates a warm and homey environment. Therefore, the owner did not seek a perfect location for the business, but rather started the business in her house due to the need of that exact locality and the resources she had at that time.

The owner also views the property to be advantageous, due to the fact that it is spacious enough to still expand without having to relocate. However, running a business from home also has a few drawbacks. The owner explains that she would have liked to keep her personal life and the business separate, but due to finances and the current need of the community, for the homey feeling that is this centre's biggest drawing point, her residential property stays the best place for her business to operate.

Land Use Process: The owner's husband, a former businessman, was present during the interview and he said he knew that some sort of process must be followed to allow the day care and after school centre on the property, but did not know where, when and how they should go about to legalise the business. The owner subsequently started to engage with other similar businesses in town for some guidance and they referred them to the town planning offices. She was however warned in advance that it is a very expensive and time-consuming process. A town planning official gave the owner a set of application forms to fill out (RWCLM application forms - see Annexure C) and informed them that they will have to do a consent use application, which included public notice and advertisements.

The owner wanted to start operating as soon as possible, so she went to enquire whether or not she can start taking entries for the day care centre. The official indicated that she may do so as soon as the application is submitted to council. She explained that town planning did not foresee any difficulties with the application and from a town planning perspective the application in principle should find support. The owner then submitted the application forms, which she described as a fairly easy task to fill out and submitted the application to town planning.

Soon after the owner opened the business, she ran into some difficulties with the public notice process. The financial strain (R3 500-00) of the newspaper notices, that forms part of the application process, forced the owner to halt the land use process. She decided to first establish how well the business performed financially, before she was willing and able to pay for said notices. She explained that she then realised that starting the business and sorting out all the legalities all at once is very costly and risky, because if the business fails then she will lose a lot of money. The owner subsequently informed the municipality that she cannot

pay for the newspaper advertisements right away and she will first have to save up the money to pay the various newspapers. Because of this, the owner responded in the interview, describing how she felt about the process being dictated by money. She went on to say that a business cannot be established if you do not have enough money from the start. She said "if you are not financially capable, you cannot start the process", referring to the land development application process.

Another hindering component in the owner's opinion is the factor of time. The Section-80 committee meetings (where land use applications are considered) were not regularly scheduled and this placed another burden on the length of the process. According to the owner, she submitted her application in November and she was informed that no Section 80-meeting will be held in December and that the next meeting will only be in May the following year. In other words, the application will be pending for 6 months after submission.

Despite the above mentioned challenges, the owner still feels that she understood the process and did not find it difficult; hence she applied for the rights herself, without the help of a private town planning practitioner. The owner describes herself as a law-abiding citizen and that is why it was important for her to apply for the necessary land use rights, to ensure herself legal business security by minimising the risk of being shut down.

4.2.1.3 SME 3 – Early Childhood Development Centre and Place of Worship

Business Story: Owner 3, a previous seamstress and inhabitant of a high density township, decided to relocate to a larger property (an agricultural holding) to expand her sewing business. Her vision however changed when she engaged with her new community. The owner noticed that there are a lot of children wandering around these holdings a few kilometres outside of town during the day. These children were not attending school and are not being cared for and so her new business idea evolved. In other words, the owner identified an opportunity in the community and in conjunction with her dream to work with children, a new business venture was born.

The owner shared her vision with her prayer group, who encouraged her to start the business. When asked about the business' future, the owner enthusiastically answered that she does not only want to provide education and care for children, but develop, grow and empower all her current and future employees. These employees are currently students studying towards educational qualifications and they are given the opportunity to gain practical experience,

whilst busy with their studies. For now, the owner explains that she wants to attempt to expand the business, by hosting approximately 350 children per day, while they only have 45 children in their care now.

Figure 4.4: Photographs of early childhood development centre and place of worship on an agricultural holding (Photos taken: 16 August 2017)

Spatial Context: The subject business is located on an agricultural holding a few kilometres outside of the town centre. The owner relocated from a high residential township to said agricultural holding for the purposes of space and the opportunity to expand her previous business. The owner intentionally chose this location due to its visibility and the fact that the property had sufficient services to serve a business as well as a residential unit, as the first smallholding she occupied didn't have sufficient water supply (context on this will be given later). The business is located along the R559, which is a very busy road. Initially, this was a challenge for the pick-up and drop off of the children, but after discussions with the municipality, they donated a fence to the owner to help keep the children safe. The business is located in a predominantly rural residential area with a few other small businesses such as car wash, pet shop and small shop nearby.

Land Use Process: The owner, new to her new community, did not have much information, knowledge or resources to navigate her path to her business idea. She explained that she was under the impression that the only requirement to operate a business was a passion for the work and the will to achieve success. She first opened up her early childhood development centre on another property she resided on at that time, but she was soon after forced to relocated to a second property, the current location of the centre, due to the lack of sufficient water supply on the original property.

The owner explained that she was unaware of the legislative engagements required with various departments to authorise her business. The owner engaged with the ward councillor, who advised her to register the business and engage with social development. Furthermore, the councillor declared that she may keep the business open, but she should at least start with the necessary processes. Here it is noteworthy to mention that the councillor doesn't actually

have any authority to grant any special rights onto land owners to continue operating illegal businesses, but it is however noble that he urged her to get the legal affairs in order.

The owner subsequently approached the Gauteng Department of Social Development (hereafter referred to as Social Development) to enquire about the necessary registration and received a list of requirements (ECDC registration requirements - see Annexure D) where the town planning process was the first prerequisite on that list. In other words, it is important to note that the registration of the business at Social Development triggered the land use process. According to the owner, the town planning process was the most difficult requirement of them all, due to the costs, time and complexity of the smaller details, such as the advertisement process, bondholders consent, building plans and the neighbours consent. The owner expressed herself by stating that “it is very difficult for people who are poor; it is near impossible”.

Regarding the public notices, the owner consulted with the Department of Economic Development, Human Settlements and Planning in 2016, before their SPLUMA by-law was promulgated. Therefore, she was initially advised to do two sets of public notices in both Afrikaans and English newspapers. The owner then took 5 months to save up the money needed to submit the application. When she eventually approached the Department of Economic Development, Human Settlements and Planning to submit the application in 2017, she had to redo the application forms due to the introduction of the SPLUMA by-law. The owner was fine with that and she reports that the new process was more straight forward and easier to understand.

With the new by-law promulgated, it also meant that she only had to advertise in one newspaper and only in English, which was a relief seeing as it would be much cheaper. This however, led to some more struggles for the owner, as she was the one to explain to the local newspaper that according to the new law, only one advertisement was needed. The local newspaper insisted that the owner should still place two advertisements, in accordance with the old regulations, as they were unaware of any new legislation. The owner then had to inform the municipality that there seems to be an issue with the ad placement and the town planning official had to contact the local newspaper to clarify the misunderstanding, informing them of the new regulations.

After struggling with the lapse in communication between the municipality and the local newspaper, another challenge came about, causing her to halt the process once again. This time it was due to outstanding building plans, as her land use application should be accompanied by an approved building plan of the property. At the building plan section, she

requested the plans on file, where she was shocked to see that the last official building plan approved on her property was from 1979.

This resulted in another setback, as she now had to pay a fine of R3 500, due to the building plans that was never updated after adjustments were made to the structures by previous occupants of the property. The owner herself never made any changes to the structures on the property, but she is now being held responsible for the previous owners' illegal actions as well as the building inspector's incompetence of not picking it up. Surely the new owner should not be liable for this kind of historic debt? This meant that the owner once again had to save an enormous amount of money to appoint a draughtsman and engineer to update and sign off on the new building plans before the land use process and the registration of the business could continue.

Regarding the bondholders consent; because the property is still under a bond with the bank, a bondholder's consent should accompany the land use application. The owner struggled a further 4 months to obtain the bondholders consent, which led to yet another delay.

Lastly, regarding the neighbours, the owner found it very difficult to get hold of the adjoining land owners. The owner expressed that this was something one only experience on agricultural holdings, due to the fact that the properties are large and you do not often engage with your neighbours as one would in high density townships. She struggled for months to get hold of the owners as some do not live on the property and only use it for storage or keep it vacant. It should be noted that the town planning official, who explained the land use process to the owner helped the owner to source the owners' contact details and thereafter they could get all adjacent neighbours' consent.

The owner made it known that she does understand the land use process, because it was thoroughly explained to her by one of the town planning officials who she communicated with during the whole process. She was full of praise saying "[assistant town planner] is doing a great job, she was there from day one". The official also gave the owner her personal contact number to use whenever she needed assistance. However, despite the much needed assistance from said town planning official, the owner notes that it was the lesser details of the process that proved to be difficult. These details she mentioned, refers to the hidden processes and costs that arose as the process took place.

In contrast to the land use process, the owner states that the process as a whole, was indeed extremely challenging. The main reason being the financial strain which caused major delays in the application. Her recommendation is that "town planning needs to find a collective way

of doing all these things". She suggests that applicants must in advance be informed of all the possibilities that could arise during the process, such as updated building plans, neighbours consent, bondholders consent and advertisement costs. The owner expressed herself by saying with this process "there always seems to be something popping up around each corner".

She furthermore suggests that town planning should be the starting point where everyone must begin, to align with all the other relevant departments, as none of them can give approval or grant a certificate or permission, unless the land use rights are authorised. She also feels that Social Development should play a bigger role in assisting ECDC owners and they should work closely together with town planning and all relevant stakeholders to help the owners through the process. The owner believes that it should have been their responsibility to drive the process.

To conclude, the owner said she was judged by the community for formally applying for land use rights, as they were of the opinion that she could have operated her business without any rights or additional costs. Despite this, she applied for all the necessary certificates and permissions anyway, because she felt that in the end her business would benefit from the legal security and be in a better position to grow. If the land use process is successful, it will pave the way for all the other parties involved, such as social health, social developments, the fire department and any site inspector, which will lead to a better business future. The land use rights will also allow the owner to apply for a grant that will help to expand the business.

4.2.1.4 SME 4 – Restaurant and Entertainment

Business Story: Owner 4, a man with a lifelong dream to open an Indian inspired restaurant pursued that dream early in 2016. The owner observed that there was no other Indian restaurant in Randfontein and he took the opportunity to open one himself. The owner started to look for possible properties to do that. He wanted to open his restaurant in a developing business district, where the restaurant would be visible and where customers already visit often. He bought the property that is located on the main road with various businesses on both sides. When asked about the property's rights, the owner said he presumed that a property in a demarcated business area should have the necessary business rights and the fact that the previous owners operated a business on the property strengthened his assumption.

Although the business is currently not the only source of income for the owner, he did invest all of his savings into this venture. He took this risk, with the hopes of one day resigning from his day job and only having the restaurant as his sole, but sufficient source of income. The ultimate goal for him is to grow and expand the business to such extent, that the business can become a franchise.

Figure 4.5: Photographs of restaurant and entertainment business in a low density township within a demarcated business area (Photos taken: 20 September 2017).

Spatial Context: The business is located on a property within a business strip alongside a busy main road. The business area is not within the central business district, but rather serves a predominantly residential area. In other words, a business node in town. The owner decided to purchase said property, because of the visibility and character of the area. He believes that there is an array of advantages to the location, such as the fact that there is passing trade that he can capitalise on, but also adds that the residential area located right behind the business is one of the main disadvantages, due to strict noise restrictions, especially during night time.

Land Use Process: After the owner bought, what was according to him, the most suitable property for his business, he started with structural adjustments and updated his building plans accordingly. He submitted his building plans to the municipality and a building inspector did the necessary site inspection. This visit triggered the land use process, as the inspector informed the owner that the land use and zoning of the property did not correspond with each other. The owner then appointed a professional town planner to attend to the conflict in the zoning. He hired a professional, because according to the owner “it’s easier” that way. The owner does have knowledge of the land use process through friends that has already gone through the process and both the town planning official and the consulting professional planner explained the process to him. However, even though he was familiar with the process, he still didn’t understand the difference between the various zoning codes and he thought that “business rights was business rights”.

In other words, the owner did not understand that there is a difference between use zones, i.e. Business 1, Business 2 and Business 3. The owner was informed that a rezoning must be done to rezone the property from residential to 'Business 2' with an annexure to increase the height of the building to 3 storeys. After this, the owner realised that the restaurant alone is not financially feasible and included another use to complement the restaurant. This resulted in yet another rezoning, this time to include an annexure that allows for a place of amusement. Yet again, the owner had to go through the same process all over again. Whilst waiting for the land use rights, the owner could not in the meantime operate the additional entertainment business, as the Gauteng Gambling Board would not grant him his Gambling License without the land use rights. This negatively affected his business as the halt in progress kept him from earning additional income that he desperately needed.

The owner was confronted with a number of challenges during both land use processes. The first being the Dolomite Safety Clearance Certificate. Section 5(1) of the West Rand District Municipality: Civil Contingencies By-law, 2015 states that:

> [a]ll developers or potential developers in the district must prior to the submission of a Site Development Plan, or in cases where a Site Development Plan is not required, the submission of a building plan relating to development, to a municipality for consideration, obtain a dolomite safety advisory certificate from the West Rand District Municipality whereas the latter shall issue such dolomite safety advisory certificate to a developer prior to the developer appointing a dolomite stability professional with the view to *ensure compliance to dolomite risk management requirements.*

Whereby Section 5(4) adds to this by stating:

> [a] dolomite safety clearance certificate shall be issued to any prospective developer within 14 working days from date of receipt of the *risk mitigation measures as determined by a dolomite stability professional*, on behalf of the developer, as related to the dolomite risk classification applicable to the land on which the intended development is to take place.

This requirement obligates the owner to appoint a Geotechnical Engineer to do an analysis on the dolomite of the property. In order to do this, drilling must take place which is extremely expensive. The owner was furious about this. He said that he could not understand the logic of drilling on a property within the municipal urban edge where developments have already taken place for numerous years before. The property is also surrounded with various other approved developments. He explained that all he wanted to do was to comply with the

necessary land use requirements, but now the law is punishing him by placing a huge financial burden on the development of the business without any clear meaning behind it. The owner feels that dolomite should not be the land owner's responsibility, but rather that of the municipality or other relevant stakeholders, for example Council for Geoscience.

The second challenge was the fact that the owner had to rezone twice. The owner's change in plans and the subsequent miscommunication between the municipality, the land owner and the consulting town planner led up to this challenge. This resulted in a second process to run its course, just to adjust small technical issues such as the building's height and annexure details. The owner expressed his experience of the land use process to be a "very long, very expensive" one. He feels that if the communication between all the stakeholders was better, he could have saved a lot of time and money by not having to rezone twice. This challenge placed a financial burden on the owner as he dealt with the process for almost two years and the business could not operate to its full potential in that time.

Lastly, the owner explained that the Section 80 committee meeting was also one of the challenges which resulted in a durational burden. The Section 80 committee, where land use applications are served for approval or rejection, is supposed to be held once every month. However, this was not the case for the owner. He said that the irregularity in the scheduling of these meetings added to the already lengthy process and was a big head ache for him. To conclude, the owner has been approved for both rezonings and he is very relieved, as it gives him and his business a sense of legal security. He now benefits from the land use rights, because it increases the value of his property which gives him more confidence to run the business effectively and work towards growing into a franchise.

4.2.1.5 SME 5 – Guest House / Accommodation

Business Story: Owner 5 is a businessman who was previously involved in putting up Vodacom containers in high residential areas and mining communities in the early 1990s. The containers served the community with access to telecommunication services before cell phones were readily available in South Africa as it is today. The telecommunication business was flourishing, to such an extent that he eventually left his day job to pursue a full time career as a businessman. The owner erected many containers all over the West Rand and the business grew to such degree that the owner had to buy a property for his staff and supervisor to stay. This property is where his next business venture started. As the public telecommunication business declined with the rise of cell phones, the owner landed in financial trouble.

The owner assessed his existing resources and observed that there was a demand for temporary accommodation in the area and he saw that existing accommodation businesses was thriving. He then decided to convert his previous boarding house into a short-term accommodation solution for the mining community. The conversion could however not take place immediately, as he was not financially capable. Due to him being unemployed and without his income from his former business, he had to do the renovations in fragments as his financial situation would allow it over a long period of time.

Figure 4.6: Photographs of guest house in a high density township (Photos taken: 6 October 2017).

He goes on to say that his initial business plan was to serve the nearby mining industry, as he knew that they regularly made use of contractors who would need an affordable place to stay. He thought that he could enter the market and earn a decent income. However, when the business started operation, enquiries for renting out a room for only a few hours were pouring in. Reluctant to shift his focus to an hourly accommodation service, the owner ignored these enquiries as it would be more costly to service, clean and reset the rooms at and hourly pace. He continued to only offer accommodation at a rate per night, but after a few months of scarce clientele, he responded to the need and started to offer an express form of accommodation. This attracted more business from truck drivers, consultants and community members and the business was gaining momentum.

The future for his business holds growth and expansion to a *lodge* sized business. His dream is to expand his small scale guest house to a larger business, such as a lodge, to include complementary uses such as conference centres and restaurants to the primary business use.

Spatial Context: The business is located on two small erven in a high density residential area. The owner did not intentionally choose this specific location for his business, but rather used his existing resources to open a subsequent business. Despite this unintentional location for the business that followed his first venture, the owner feels that there are quite a few coincidental advantages to the location. The property is located along the R28, within close vicinity of Goldfields and Sibanye Gold mines and he doesn't have a lot of competition in this

area. He considers the success of the mining industry as a measurement of his business, as the mines do make use of his affordable services. On the other hand, it is a concern that the mining industry is facing unstable times, which is worrisome to the owner. The business is located in a predominantly residential area with a few other small businesses such as a funeral parlour, Vodacom container (his previous business) and a spaza located nearby.

Land Use Process: Owner 5 was unaware of the land use processes that should have been followed when he changed the use of his property. He was always under the impression that the government once said that anyone can operate a business on their property, as long as they live on the property. Due to high unemployment rates, he thought that the government would encourage his entrepreneurial innovativeness. However, the owner got a reality check soon after he started with renovations on his property to convert it into a guest house.

He appointed an architect to do the required adjustments and add some additional rooms to the structure, after which he submitted his building plans to the municipality. The building inspector went out for a site visit and informed the owner that he couldn't approve the building plans, as the zoning of the property does not allow for the new building plans to be permitted. He was advised to go to town planning to rectify his land use rights before the building plan approval and subsequent construction can continue.

At that stage the owner became aware of the process and he wanted to comply with all the legal requirements, because he felt that it will put him, as a business owner, in a position that will allow him to invest in his business without any legal risks. This will also give him peace of mind when the time for expansion come, as he is not willing to invest in his business knowing that it can be shut down by the authorities, based on his own legal negligence. Therefore, he was accepting and willing to engage with the land use process, as he knew it will benefit his business and the growth thereof.

He then enquired about the way forward at the town planning department and he was informed he would have to submit a rezoning application to allow for accommodation and he must also appoint a professional consulting town planner to assist him in the process. However, his first challenge came soon, when the town planning department also informed him that he must obtain a Dolomite Safety Clearance Certificate, which would cost approximately R60 000. Furthermore, if there are any dolomitic areas on the property, the municipality cannot approve a rezoning application. Even though the owner wanted to comply with everything needed, he simply did not have the financial means to take this risk without any guarantees. This caused the owner to be disgruntled and he decided to halt the process, to first consider his options available. He didn't understand how a dolomite study can be his responsibility, as he was of

the opinion that the Council of Geoscience or the local authorities should be in control of such studies. This had a negative impact on the growth of his business, as he saved up money to convert the property, but he was now forced to risk that money on something that might blow up in his face.

In other words, the owner can start with the land use process in the meantime, but before any decision can be made by the municipality, a Dolomite Safety Clearance Certificate should be submitted. The owner got a few quotes from professional consulting town planners of which the cheapest was R30 000. This meant that the owner should at least have R90 000 to complete the process, but without any guarantees. The business is the owner's only source of income and in order to increase its profitability the financial risk must be taken. The financial burden of complying to the law laid heavy on him and he asked himself "is it all worth it?"

The financial burden of the process discouraged the owner tremendously and he decided, that in the meantime he will have to take it day by day. He expressed that "if the day passes and nobody knocked on your door to close down the business – it was a good day", but he admits that this is not supposed to be the thinking of a businessman. Due to this uncertainty of his business' future, he is unable to plan ahead, the business is unable to grow and he is only operating on borrowed time. The whole process is having a negative impact on the owner and each day he lives in fear that the municipality will order him to close down the business.

The owner suggested that he would have liked if the municipality could take another approach to new and developing businesses in particular. He feels that the municipality should give everyone the freedom to start something small without having to immediately comply with the land use rights and other aligning policies and regulations. They should rather give the business owner an opportunity to "test [their] business in the market" whilst only complying to the basic minimum standards, such as health and safety certificates then monitor their business and after the business has settled into the market and became profitable, the municipality can summon them to comply with the land use management policies and regulations.

This option can be viable for both parties, as it will give the owner the opportunity to see if his/her business will be profitable and gives the municipality the opportunity to make sure that they grant the correct land use rights from the start. It could also give the local government the chance to support sustainable businesses that can help fight unemployment and poverty in the country. This way the owner can prove that he/she can make a success of their small business, that they are sustainable and that they are committed to making a living for themselves, with a helping hand from the government by means of a grace period.

Furthermore, owner 5 added that the municipality can perhaps intervene and offer subsidy to these proven and successful businesses, to help them in complying with all the requirements. The municipality then have certainty that the owner they are helping are the ones that survived and are there to make a difference in the community. The businesses that weren't serious will fade.

4.2.1.6 SME 6 – Wedding Venue, Hair and Nail Salon, Spa, Coffee Shop, Art Gallery and Accommodation

Business Story: Owner 6, a reverend with another vision to become a successful businessman did exactly that when he started a wedding venue with auxiliary micro businesses. As a reverend, the owner was confronted with many heart-breaking stories from brides who cancelled their weddings because it was just too expensive. This opportunity in his direct community encouraged him to start a small business, not only to serve the community but also to earn an additional income. The owner saw this gap in the market to provide his community with more affordable wedding packages, but in order to do that he had to include complementary businesses to the wedding venue that will help to make it profitable for him. The owner said that "even though the wedding venue is the primary business the other ancillary business is what keeps the food on the table".

The owner therefore continuously operates 4 micro businesses on the property that all connects to the primary business – a wedding venue. The reason for all these micro businesses is connected to the long term vision of the business. The owner wants to develop a brand that includes various complementary businesses, that operates under one name. The 13 small businesses in this pipeline, includes the wedding venue, conference centre, hair and nail salon, coffee shop, retail shop, accommodation, gin distillery, chocolatier, craft beer factory, agricultural tunnels for vegetable and herb produce, etc. The owner says his dream is to make use of the local interest, people and culture to develop a sustainable brand that is unique to its environment and town. The business profile is created in such a way that the one business supports the other business but local support is essential to make everything work out.

The main focus for owner 6 is business growth, but due to the current economic conditions and lack of finances, the owner is forced to start off as a micro enterprise and grow towards small and later a medium sized business. The owner feels that it is much more feasible and less risky to first let the business enter the market small and as the business picks up the growth will follow. The owner feels that it's financially impossible to open up his business at full capacity right from the start and adds that "you cannot dare to start like that; it is just too risky".

Figure 4.7: Photographs of wedding venue and related businesses on an agricultural holding (Photos taken: 23 October 2017).

Spatial Context: The subject business is located on an agricultural holding a few kilometres outside of the town centre, located along the old Ventersdorp Road. It lies in a predominantly rural residential area with a few other businesses such as a general dealer, wholesale retail shop, butchery and guesthouses. The owner intentionally acquired this property for business purposes and was drawn to the size of the property, because the idea was to operate multiple-businesses and for that he needed enough space. The owner views the location to be beneficial due to its visibility, views towards the Magaliesberg and distance from the town, but most importantly the space allows him to expand the business without having to spend more money on land. The owner admits that the space does have its draw backs, as the maintenance of such a big holding is very expensive.

Land Use Process: The owner started to engage with the municipality regarding the holding in 2014 and enquired about the current zoning and what will be supported in that area. The owner knew that he was supposed to do a due diligence before buying a property for a specific purpose to make sure the property is a suitable match to his plans. The owner has knowledge of the land use process through his father, who is a developer and he knew what must be done to obtain land use rights.

The owner quickly learned that the property did not have an electrical certificate, approved building plan or any borehole inspection done and knew that these things should be in place before the land use process can start. However, when he began with the buildings plans it

proved to be an immense process. The owner was confident enough that land use rights will be approved, as he did a thorough due diligence and submitted his building plans to the municipality with the existing, as well as additional adjustments to the property in order to avoid a second submission. The additional buildings included the accommodation and the large wedding venue that also serves as the location for the coffee shop, art gallery, spa and salon.

This, however, became a challenge as the plans could not be approved without the necessary land use rights in place, but land use rights cannot be approved without an updated building plan. The owner knew that his way of trying to cut costs with the building plans led to a conflict in the process between the land use and building departments. He then played the middleman as a line of communication between the building department and town planning to try and solve the conflict even though they are located on the same floor in the same building.

The owner added that this is the norm when it comes to agricultural holdings. It is more often than not that the owner would start with construction before land use rights are obtained, which then leads to a time trap, when the building plans are submitted. There is a stringent interaction between these processes, where the one cannot be approved before the other. With this, the owner suggests that the municipality should make provision for these special circumstances where a business has been operating for a while and did not submit any building plans. When they do eventually start with the legal process, the law should accommodate these owners, to avoid having to run between the building plan department and town planning.

The owner was advised by the municipality to appoint a consulting town planner, but he soon realised that this would be very expensive. He explained that the town planning rate was at least four times more than any other professional fee he had to pay. This financial burden together with objections, neighbours and a hearing proved to have been a trying process. Despite the owner's opinion that the process was fairly easy to understand, he learned that it is a very expensive and time consuming process. The owner also acknowledged that the more you engage in the process, the easier it gets.

After submitting the land development application to the municipality, the owner enquired about a temporary permission letter in order to give him the go ahead to start the business whilst the application was pending. The municipality however informed him that there is no such thing as a temporary permission letter. In principle, the owner did not plan on opening the business before the land use rights were approved, but his neighbours objected to the application and halted the process three times. The owner could not afford to wait any longer with opening the business and therefore opened the business while the land use process was

still underway, waiting for a hearing date. The owner however, informed the municipality that he will start with the business and he experienced the town planning officials to be very thoughtful, supportive and helpful.

The owner adds that the objection period opens up a door for personal issues to play a role, where vendettas can delay the process without any actual detrimental objection. With owner 6's application, there was an objection by the direct neighbours, which led to a hearing at the municipality. Even though the hearing had another crippling financial effect on the process, the owner does not necessarily fault the objection period and/or the hearing process, but rather views it as the right and effective way of solving a disagreement. He believes that there is no better way to handle it, despite the subsequent costs and the hearing held by Rand West City Local Municipality was more of a panel discussion, where everyone was seated around one table and all parties were granted the opportunity to state their case, rather than a formal hearing.

According to the owner, the municipal officials have a very positive, encouraging and informal manner of approaching hearings that really attempts to be fair. It is evident that they really care for the people and encouraged both the owner and the objector to come together and rather work towards a greater Rand West City and support each other in achieving their dreams. The owner said that "this is not something you usually see", and he mentions from previous experience that in the City of Cape Town the hearings are very formal and cold.

Further to this, the owner said that the Rand West City Local Municipality definitely adds a personal touch to the process, by trying to promote peace, serenity and partnerships between their people. The municipal officials made it clear that they are here to support small businesses and when an objection is not detrimental, they cannot refuse an application of someone that tries to make a living for themselves in the current struggling economic conditions. Another positive experience for the owner was the Health and Food Certificate (Annexure E), which was an easy, quick and in his words, a "conducive process".

To conclude, he believes that the reason for small businesses failing in Randfontein is caused by the duration of the necessary processes. When someone comes up with a business idea there is no time to waste. The process must be done in a shorter time to avoid discouraging a business owner to invest his capital in a small business. According to the owner "the land use process is not a negative process, but the time consumed by the process, has a negative effect."

4.2.2 Focus Group Interview: The Rand West City Local Municipality

Defining small businesses in RWCLM: Members of the focus group said that small and micro businesses are slightly different in terms of their definitions. Town planner 1 explained that a small or micro business is something that can probably operate from home, characterised by the number of employees and turnover per year, whereas Official 3 is of the opinion that a small business is usually an entrepreneur who starts a business which methodically develops into a small or micro business. However, the senior town planner argues that a small business is a new upcoming business that still needs to grow into something feasible. They all agree that the main types of small businesses that occur in the RWCLM area are spaza shops, taverns, hair salons, car washes, day care centres, ECDCs and home based businesses. These businesses are not associated with a specific settlement type, but rather occur in all settlements within the RWCLM area.

Reasons for business establishment: According to Official 3, the biggest concern for the municipality is that SMEs are customarily started prior to obtaining the required land use rights. Generally, business owners turn to entrepreneurship after losing their jobs or due to unemployment while under the obligation to support their families. In other words, Official 3 believes that the reasoning behind opening a business prior to having land use rights is "purely out of survival to fight their poor circumstances".

However, the senior town planner believes that people start their informal businesses to first establish whether or not their businesses will be able to generate an income. If said venture fails after a few months, they close down shop without losing money spent on acquiring land use rights. If they however succeed, they simply just continue without the land use rights and as a result become one of the many informal businesses that operate illegally. The senior town planner further adds that the citizens within the RWCLM have historically relied on the mining industry for an income, but due to the recent decline in the mining industry, they are faced with unemployment which has resulted in the mushrooming of small businesses: "[the] economic conditions have led to a lot of small businesses opening up" (Senior town planner).

Institutional constraints: The senior town planner states that the municipality does not have the financial or staff capacity to drive around town and identify illegal land use or buildings. In practice, the local government mainly rely on the aligned processes and procedures such as building plan submission, registration of social health certificates, social development grant applications, etc. to notify the town planning department of illegal activities that occur and need to be rectified. The main processes that trigger the land use process are building plan submissions and social development grant applications. According to the assistant town

planner, the municipality also relies on complaints from the community with regards to illegal activities. The senior town planner believes that illegal land uses occur as they usually start off at home.

LED facilitation and business support: Within the RWCLM, various dedicated SMME centres have been established for small business owners who would like to open a business but do not have the resources and/or property to do so. One of these dedicated SMME centres is located in the CBD of Randfontein (Figure 4.8).

Figure 4.8: SMME support centre in Randfontein CBD (Google Image)

These LED support centres are the LED units' responsibility**,** while the town planning unit is only involved in the allocation of available space and not in the development of these centres. Even though this seems like an elevating initiative to promote inclusive economic growth, there are still strict criteria from the LED unit that must be adhered to in order to qualify and receive a stall to operate from. The municipality only introduced these trading areas after the town was already proclaimed and sub-divided. Informal trading started organically in areas, where no prior provision was made for small businesses. The municipality was therefore obliged to create suitable areas where formalised economic development can take place.

However, there is a worrisome lack in communication between the town planning unit and the LED unit within this municipality. The senior town planner admits that these two units only communicate with each other when it is absolutely necessary and they do not maintain a regular line of communication. The town planning unit only seek input from the LED unit when issues with regards to the development of local economic, industrial and agricultural nodes arise or when there is a business inquiry that can possibly benefit from the LED units programmes or projects. In turn, the LED unit will on their part only contact the town planning unit when they require their assistance with a programme or project, but other than that the communication between the two units is very limited. The senior town planner went on to say that when the LED projects do not go according to plan, the LED officials will contact the town planning unit to assist. Town planner 1 agrees with the senior town planner by adding that the LED unit only communicates when it is absolutely necessary. The LED unit will only include the town planning unit, once they experience pressure to deliver on a project.

Official 3 instead believes that there is actually no need for the town planning and the LED unit to communicate, other than with land use queries or any enquiries regarding suitable land. In other words, Official 3 is of the opinion that the communication at this stage is sufficient and effective. Despite this outlook, the focus group as a whole expressed that the miscommunication that occurs between LED unit and town planning unit can become problematic. It often occurs that the LED unit will refer people to town planning to, for example, register a business and then the town planning officials must explain to the client that said department can only assist with land use rights and the approval thereof. As a result, the client then gets sent back to the LED unit. This leads to frustration at the town planning unit, as people consequently perceive them as unhelpful and incompetent while they are not responsible for giving wrongful guidance and advice.

At this stage the LED unit does not comment on any land use applications from SMMEs and LED and Town Planning operate independently from each other. The assistant town planner argues that ideally a client who wants to open a SME should start at the LED unit to see if they can support or include them in any of their current projects and programmes. Furthermore, LED should assist them in getting the business registered and the unit should provide training to increase entrepreneurial skills. Available land can then rather be allocated to such a skilled and informed candidate, over someone that just wants to open a business without any knowledge, where the chances of failure are high.

Understanding the land use management system from a public sectors perspective: In the focus group, on the topic of land use management systems, Official 3 said that the land use management system comprises of different components such as land use schemes, SDF's, several policies and land development procedures. With the implementation of SPLUMA, the intention was to repeal several acts and replace it with a single act to simplify the process. However, the senior town planner states that with every municipality being able to create their own by laws in terms of SPLUMA, the RWCLM's application process is in fact now more elaborate than it was with the previous Ordinance.

The LUM-systems' transition from the Ordinance to SPLUMA, together with the establishment of the RWCLM, requires that the town planning unit must make some changes. These changes include that the three town planning schemes (Westonaria, Randfontein and Peri-Urban) must be replaced with one land use scheme[3]. This new land use scheme for the RWCLM will however be prepared by an outside entity, as the Gauteng Department of Rural

[3] Note that the term *Town Planning* Scheme refers to the old, outdated schemes (Randfontein, 1988, Westonaria, 1981, Peri-Urban Scheme, 1975), while the term *Land Use* Scheme refers to the newly planned scheme, scheduled to be implemented in 2019.

Development and Land Reform is responsible for the appointment of suitable candidates for the local municipalities[4].

The officials believe that the new land use scheme will assist them better, then the current town planning schemes, especially when it comes to land development applications. The new land use scheme will better equip the town planners to manage land development applications in the RWCLM and aid in adapting to the current socio-economic conditions. However, the senior town planner is realistic by stating that “a land use scheme can only be inclusive and adaptive to a certain degree where after frequent revisions must be included through amendment schemes or rezonings in order to adapt to the ever changing socio-economic conditions. Further to this, the town planning unit must align all the existing policies, plans and documents with SPLUMA, but at this point in time, due to the amalgamation of the two local municipalities, they have not been able to align the IDP, SDF or other plans as of yet.

The development of the by-laws which will be used to manage the land development applications is another change the town planning unit must endure. The general consensus about the by-laws, under all the interviewed officials is that there should have been one standardized national by-law structure for all municipalities. Instead, every municipality in the country now have their own by-law which are structured in such a way that it removes consistency, as envisaged in SPLUMA, within the entire planning field. The interviewed officials believe that this inevitably leads to inconsistency of the land development application process as a whole and it increases the administrative difficulties of the process for them. Also, according to the officials, SPLUMA did in actual fact not meet the objective of having a unified act that includes all.

With regards to the process of land development applications, there are within the department no set rules as to certain types of applications being allocated to a certain town planning official. They believe that everyone should be included in all types of applications, in order to be exposed to the various elements of all applications. This serves as an effort to train the officials to understand exactly what the land use management system entails in practice and if an applicant needs assistance they have an open door policy where any of the officials can be consulted. The officials further admit that they do not have the capacity to be able to run a help desk, as with other municipalities and clients are usually sent to either town planner 1, 2 or the assistant town planner for enquiries regarding land development applications.

[4] At the time of submitting this research report, the entity responsible for compiling the land use scheme for RWCLM was appointed and the process was launched in December 2017. They are now aiming to implement the final document by the middle of 2018.

Concerning the opinions of the officials with regards to the current land use management system, Officials 4 and 5 both find it very difficult to currently manage land with the obsolete town planning schemes. They state that the outdated schemes that are currently used, does not resonate with the contemporary socio-economic context of the town. On the other hand, the assistant town planner feels that it actually compels them to be quite innovative, as they have to manoeuvre applications in such a way that it to fits into the archaic regulations.

In unison, they believe that the new land use scheme will definitely address these challenges, by changing the scheme to be more versatile and to accommodate present urban realities. “Looking at the existing town planning schemes dated 20/30 years ago, it is clear that there have been many changes in the urban world” (Senior town planner). The senior town planner further states that the challenge with creating new land use schemes, is that one should develop a document that has to be effective for next 10 to 20 years. This is a difficult task due to the ever changing economic conditions.

Due to these economic conditions the dynamics of planning has changed, through market trends and urban realities that tries to adapt to the situation. For example, previously spaza shops was a phenomenon that only occurred in high density townships, but today we regularly see such shops in lower density townships as well. One of the most popular trends at the moment is the opening of spaza shops and ECDCs, because it is seen as the type of business that people with low income can start and still make some profit. Another trend that was popular a few years ago, were the public telephone containers from Vodacom, Cell C and MTN. However, with the decline in the demand for public telephones in conjunction with the rise of cell phones, most of those containers were converted into current spaza shops. Likewise, the establishment of Guest Houses was unheard of in the 80’s and nowadays it is a booming trend.

Town planning must therefore adapt to these changing trends and include the various new definitions in the schemes, in order to be inclusive and flexible. In other words, the new market trends must be incorporated in the new land use scheme and the planning officials should try to develop a versatile scheme for the RWCLM that will be adaptable as new trends come and older ones go again. A big concern for the officials is that the land use scheme will be compiled by an outside entity that does not know the people, trends or development patterns of the RWCLM.

The assistant town planner made a concluding remark concerning land use management in terms of the SDF and precinct plans that are used as unyielding theoretical guidelines. The assistant town planner believes that in reality that rigid approach is not effective, as some

development occur organically, that can only be guided, but not be limited to a certain plan or policy. “All of our [the town planning unit] spatial plans and policies are in place and ready, however, it is really the people [residents] that decide how successful those plans will be” (Assistant town planner).

It boils down to the fact that the municipality and town planning department should respond to the needs and natural progression of development. At the RWCLM, this attitude is followed, as they do not always follow the SDF and other policies rigorously. For example, the municipality approved a township establishment located outside the demarcated urban edge (as seen in the SDF), because there was a need for that specific development in the area, despite the SDF indicating that development should only be kept inside the urban edge.

Learning from a scenario: A scenario was presented to the focus group about a typical small business owner with a vision, but without many resources or capital. The respondents were asked how the town planning unit is likely to assist such a person. Official 3 said that the protocol will be to refer the client to the LED unit, to first determine whether or not their business can be incorporated into one of the programmes or projects that LED are administrating. The reason for the referral to the LED unit is because the town planning unit cannot assist small business owners or entrepreneurs with funding. The town planning unit only prepares land for economic growth, while the LED unit is responsible for assisting SME establishment. The assistant town planner explains that:

> it is common that people start up a business first to see if it will work and if it does, only then they go to town planning to enquire about access and availability to land or space. This is a difficult situation for us [the town planning unit], because if clients do not have any funds we [the town planning unit] cannot assist them. There is not much we [the town planning unit] can do for someone like that. The only thing we [the town planning unit] can do, is to make sure we [the town planning unit] create an enabling environment for the potential entrepreneurs in which to work – that is all.

However, the town planning unit tries to go out of their way to assist clients within their means, by approving written consent to small businesses that won’t require a permanent structure. Also, the town planning scheme, in some cases, makes provision for uses such as home industries to operate from their home, as long as employees are limited to two or less.

The officials agree that fees and objections are the two main hindrances to SME owners when engaging in the process. However, they feel that the fees are not that unreasonable and believe that when someone starts a business they surely should have saved up some money,

as everyone knows that you cannot start a business without incurring additional expenditure. They also declare that when an owner has enough money to adjust their buildings and make amendments to the structure, surely they must have enough money for the application fee. The senior town planner agrees by stating that the main application fees are not the hindering issue for SME owners, but the other hidden costs, such as appointing a consulting professional town planner or drilling for dolomite etc. is where the financial burden stem from. There is a general misconception that the land use process is expensive, but the owner is unaware that the application fee is only a very small amount of the total cost.

Another issue the focus group wanted to raise was the availability of land. The tendency is that people engage with the municipality when they want land and at this stage the municipality does not sell or make any government-owned land available. Therefore, they cannot assist anyone in leasing or buying state owned land. The general consensus under responding town planning officials is that they do not have much leeway to assist SME owners the way they want to, but nevertheless they try to do everything in their ability and authority to assist where they can.

4.2.3 In-depth Interviews: Consulting Town Planning Firms

4.2.3.1 Consulting Town Planning Firm 1

Business profile: Firm 1 is a consulting town and regional planning firm, offering services in town and regional planning, such as township establishments, rezoning, consent uses and related work. The firm also includes project management services, to ensure that all relevant disciplines are involved in the various projects. Due to the fact that the owner of Firm 1 is not only a professional town planner, but also an admitted Advocate, legal advice and legal work, relating to town and regional planning is also dealt with by the firm.

The company provides a one-stop-shop service to clients, because of their existing co-working relationships with consulting engineers, land surveyors, environmental consultants, heritage consultants, attorneys and architects. The goal of the firm is to render a professional service in planning, development and legally related issues and to assist clients to take their initial idea/concept and work towards the realization thereof and to protect their rights pertaining to any town planning matters.

In the 12 years of operation the firm has prepared various town planning applications, varying from Consent Uses to Township Establishment, in both local and metropolitan municipalities (Rand West City LM, Merafong City LM, Ekurhuleni MM, City of Johannesburg MM, Tshwane MM, Emfuleni LM, Mogale City LM, Balfour LM, Rustenburg LM, Kgetlengrivier LM etc.). Due to the fact that Firm 1 is located near the Rand West City Local Municipality, it has engaged

with the municipality on numerous occasions and has a good relationship with the town planning officials at said municipality.

Encounters with SMEs: Firm 1 confirmed that in all the years of operating, they received enquiries from approximately 3-4 SME owners per year, regarding consent use and rezoning applications on farm portions, agricultural holdings, low and high density townships across Gauteng. Firm 1 believes that the reason why these SME owners had the need to engage with the LUM-process stemmed from various possibilities: perhaps they were informed that they need to apply for the land use rights by the local authority, perhaps they did not understand the process and could not do it by themselves, or they were referred to town planning officials due to other relevant policies or permissions such as liquor license or business registration.

Firm 1 states that "most SME owners struggle financially, because they keep making reference to the total cost of an application, when enquiring about an application" (Firm 1: Senior Town planner). In such instances, firm 1 provides them with alternative payment arrangements. After a proposal or quote has been given to the SME, if the firm does not hear from them, they sometimes follow up. In some cases the SME owner obtained a 'better' proposal from someone else and in other cases the owner decided to close down the business. On that note, the firm expressed their concern for clients that fall into the hands of so-called professionals without the relevant qualifications and knowledge. In such cases the applicant does not get correctly informed of all the possible matters that could arise or that should be addressed during the process, such as EIA, traffic impact, access arrangements, etc. To conclude, the respondent expressed that their overall experience with the RWCLM is good, stating that "they [Rand West City Local Municipality] do their best to support all applicants".

LUM-process from a private sector perspective: Concerning the strengths and weaknesses of the current LUM-process, firm 1 believes that the current system is "much more streamlined", which is viewed as a strength. Although the new By-Laws in the Rand West City (under SPLUMA) are not yet operational and land development applications were not yet submitted in terms of the By-Laws in Merafong City LM and RWCLM, firm 1 states that "it is not certain at this point if they [the RWCLM] will be capable of handling such applications effectively" when the time comes. However, under the current circumstances a weakness of the system is that "some of the councillors in Committees don't have the necessary town planning or legal background and therefore decisions are made on an ad-hoc basis" (Firm 1: Senior Town Planner).

The intention of the current land use management process, is to be sustainable. However, firm 1 is concerned that "the operational matters could have a negative impact on the sustainability and flexibility of the system". With specific reference to SMEs, the LUM-process is in some cases regarded as a constraint, especially where the locality of those SMMEs don't really have a negative impact on the general ambience of the area. Firm 1 goes on to say that more opportunities should be granted for such persons, to firstly follow a shorter/more simple type of application process. This will give the SME owner the opportunity to proceed with the business and after a period of time they must go back to the town planning unit or LED unit and their situation should be re-assessed. If the business has been growing and settled in the market, the municipality should require a more formal application process to be followed.

Firm 1 also believes that the various legislative processes, especially referring to tax laws, employment laws and other similar legislation, should be amended to accommodate struggling businesses, more specifically new SMEs, particularly in their starting phase. Planning Law, especially concerning the LUMS, should also have a specific section making provision for SMME-developments. Firm 1 underlines the fact that SMME-development is something that our country needs and therefore it must get full support from the local government and its laws.

4.2.3.2 Consulting Town Planning Firm 2

Business profile: Firm 2 is a small consulting town and regional planning firm with extensive involvement in land use and land development applications. Firm 2 also deals with SPLUMA implementation, through their involvement with Consortiums undertaking work for Department Rural Development and Land Reform. This also includes the compiling of Spatial Development Frameworks, preparation of Land Use Schemes and drawing up of detailed land use surveys.

The firm is a small one-person firm, also situated in the West Rand. In the 10 years of operation, the firm has got familiar with all municipalities in the West Rand, especially the RWCLM, as well as in other provinces. The owner of firm 2 has been involved in compiling a new land use scheme for a Local Municipality and played a central role in the compilation of the SPLUMA By-laws for a District and Local Municipality.

With regards to the relationship with the RWCLM's Town Planning Department, Firm 2 echoes Firm 1's sentiments, as they also consider their experience with RWCLM's town planning officials to be generally positive and effective.

Encounters with SMEs: Firm 2 confirmed that in all the years of operating, he received enquiries regarding consent use and rezoning applications from approximately 4-5 SME owners per year. These businesses are mostly located on farm portions and agricultural

holdings, but also in low and high density townships across Gauteng. While Firm 1 gave three reasons why they believe SME owners engage with a town planning consultant, Firm 2 raised two more. According to Firm 2 some SME owners make use of a professional consultant as they want to avoid the risk of being served with a Council notice, due to illegal operation or simply because their business has grown and they now need assistance in the formalising of the land use and the approval of the building plans.

Firm 2 tries to evaluate every client and provide a proposal accordingly. After consultation with the client and the expression of their needs, each case is handled on its own merit. As with firm 1, firm 2 also make alternative arrangements for small businesses and use a different billing process than with other clients. Firm 2 explains that SMEs are defined and evaluated depending the scale of the business, the number of employees, the nature of the activity and the intent of the business, which is usually very localised offering a service or product to smaller scale public.

After consultation with the SME owner, the firm presents them with a work breakdown sheet and quotation and 80-90% of them then decides to not proceed with the application. The firm believes that although the entire costing structure was reduced, the combination of the notification, application fees and application preparation are simply too much for the small business owners. Further to this, the downstream aspects related to the application incurred additional costs, such as building plan approvals. However, there are 10-20% who accepts the proposal, but due to the outdated land use management mechanisms (town planning schemes, precinct plans, etc.) the consultant is left with very little scope to provide a simplified application procedure for the client.

LUM-process from a private sector perspective: Firm 2 views the high control on possible intrusive uses, especially in agricultural areas, as the greatest advantage of the current system. However, in contrast, they report that the biggest drawback of this same system is in fact the cumbersome and expensive application process for SMEs.

Firm 2 is confident in stating that the current LUM systems are not sustainable or adaptable at all. Further to this, Firm 2 also believes that the current systems do not accommodate SMEs, but adds that the new land use scheme, in terms of SPLUMA, rectifies this with the aim to integrate some economic development principles and mechanisms. In the old LUM-system, introduced in Annexure F of the Black Communities Development Act, 1984, there is an array of land use rights provided in Section 6, Table A. These rights did, to a certain extent, enable small businesses in residential areas, because the previous black community townships could now also benefit from seven basic zonings (South Africa, 1984:76). Although this legislation

was enabling to a certain extent, it is still linked to the apartheid regime and can therefore not be considered to be inclusive to all.

Firm 2 felt that the LUM-process “can be appropriate” in facilitating inclusive economic growth, but notes that the process needs to be reviewed and streamlined to cater for smaller scale economic activities through simplified processes”. Further to this, Firm 2 says that the key for inclusive economic growth lies in the fact that “certain areas will require a level of control and some areas no control at all”. By this, Firm 2 intends that areas that suffer under a high unemployment rate should be favoured with less control from the municipality, in order to allow its residents to develop organically before more control is implemented. A suggestion is made that the Urban Transect model can be implemented with adaptation of the principles, which will form and shape the LUM approach to be economically inclusive.

More so, Firm 2 suggests that by creating a land use scheme with a strong enabling effect, i.e. reduce the number of use zones and increase the land uses, can provide for a more accommodating planning system for SMEs. Further, one can allow for written consent uses, which in specific use zones can be interpreted as primary rights, but is should still require a very simplified process to obtain approval from municipality. This can be done through overlays in the land use schemes, such as Annexures, to identify certain priority areas. The type of land uses that falls under the written consent process will then be listed in such a way that it accommodates and includes certain SMEs. The land use scheme should then support the written consent by defining and outlining such uses to the benefit of economic development in the use zones.

Firm 2 challenges the current system to ensure SMEs are accommodated and included in the new land use schemes. Firm 2 is underlining the fact that the land use schemes are more than capable of addressing inclusive economic growth for SMEs in South Africa - it is just a matter of it being considered when the schemes are developed.

4.3 Summary

Small and Micro enterprise owners in the RWCLM: The findings for the SME owners' business realities highlighted that the establishment of small businesses in the RWCLM is mostly retail related and is highly dependent on the local market. Business growth and expansion is the main aim for all SME owners, because according to the enterprise owners’ growth is linked to an increase in income. Further to this, the data showed that there is growth of the enterprises over a period of time. The data also shows that supporting SME allows for sustainable communities because all six SME owners want to and/or are supporting local residents with

job opportunities and henceforth indirectly fighting poverty and unemployment in the RWCLM. The pattern indicates that poor or unemployed people with limited or no skills in enterprise development usually observe their surrounding local community, making an informal self-made market analysis of business opportunities to which they then respond to by establishing an SME. This is done with no support from the LED unit.

As a result of the above pattern, the majority of SMEs start their business before engaging in any process. The reason for this is to first test their enterprise idea in the local market before investing in any administrative or jurisdictional activities. The data, therefore, echoes the fact that the SME owners have limited or poor knowledge and awareness of the LUM-process before starting a business. However, the LUM-process is triggered by numerous other processes but stays the core process to comply with. The data indicated that the initial application of the LUM-process is easy to understand but that the execution is difficult due to; (1) the hidden costs and processes involved, (2) other aligned processes, licenses, certificates or policies, and (3) the timeframes and duration. These challenges are interlinked to one another and influence each other. The data further expressed that there are negatives effects experience by the SME owners during the in limbo time between applying for land use rights and waiting for the resolution. These negative effects are related to the growth and expansion of the business which negatively affects the income of the business. However, not applying for land use rights at all also shows a negative effect on the SME owners regarding their business security and financial outcomes in the form of applying for alternative financial aid. The positive effects lie in the outcome of the LUM-process which allows the SME owner to have business security, financial alternatives, and future growth. The manner in which the RWCLM approaches the LUM-process may enable the SMEs dependent on owners' unique economic situation.

The spatial realities of the SME owners indicated that the enterprise location is dependent on the residence of the owners. Therefore, the location is an automatic given and not specifically chosen. Hence the fact that the SME locations did not fall within any demarcated node, corridor or precinct in the SDFs but all rather located in residential areas. The settlement types all offered advantages and disadvantages related to space, visibility and the neighbouring communities.

The Rand West City Local Municipality: Town Planning Officials: The data showed that the town planning officials from the RWCLM define a small business as enterprises that are new and upcoming but crucially connected to the need to grow. The officials believe that the reason for SME establishment in the RWCLM is due to the poor economic conditions where the

unemployed or poor individuals consider the local market needs as an opportunity to start a business. The RWCLM officials also accept the fact that the upcoming SMEs will possibly start out illegal but due to the town planning units lack capacity such cases are difficult to follow up. The officials therefore rely on the surrounding community members to inform the municipality regarding such cases.

The dynamics between the LUM-process and other policies, processes, licenses and certificates indicate that the LUM-process is the priority process to comply with when applying for any type of business rights. However, the reality is that the SME owners customise their own procedure according to what they deem priority in order to accommodate their specific needs. Their own knowledge of what they believe should be a priority is simply dependant on the knowledge they have of the type of business for instance knowing of a liquor license or health certificate but not knowing of the LUM-process. This showcase that the SME owners' do not agree with the notion that the LUM-process should be the first priority when formalising a business of any size as it is not responsive towards SME owners. This finding speaks to the various approaches to land management and rather leans towards the free market approach where a land use approval is subject to general laws with regards to health and safety.

Further to this, the data implies that the communication between the LED unit and the town planning unit is not what it should be. This is echoed in the data gathered from the SME owners' themselves as no one mentioned or engaged with the LED unit or any of their plans and programmes throughout their journey. In other words, there is an absence of the LED unit in supporting the SME establishments in the RWCLM despite the efforts made in the LED strategy and other policies. Further to this, the RWCLM's efforts towards SME development is considered to be enabling and supportive but the lack of the LED unit and the lack of knowledge regarding the LUM-process reflects negatively on the applicants' experience of the LUM-process.

Understanding the LUM-system from the local authority's perspective brought about a few challenges namely;

(1) the outdated planning mechanisms – the unit stays optimistic about the new land use schemes that should be introduced and in the meanwhile using it as an opportunity to be creative and innovative.

(2) the lack of inclusivity and flexibility in the planning tools – the provision made in SPLUMA to link and align the new land use schemes with the SDF will provide better inclusivity and flexibility to the LUM-system.

(3) the town planning units' jurisdictional responsibility – the unit can only support SMEs to a certain extent but then requires assistance from other units such as the LED unit to help support SMEs to succeed.

(4) the units' frustration with SMEs in the RWCLM – due to the fact that SME enquiries are common at the RWCLM and that owners follow their own procedure rather than starting with the LUM-process results in hidden costs and processes arising during the LUM-process and then the LUM-process is unfairly being criticised. The SME owners however imply that the local authority is not responsive and sensitive enough to their unique circumstances.

Despite the challenges faced, the RWCLM town planning unit maintains an informal and inclusive approach to the LUM-system and through this allowing their unit to learn from one another and be creative within the boundaries. The positive results from the SME owners indicate that the human element is still evident in that the RWCLM's town planning unit plays an important role in supporting all applicants within the municipality.

Consulting Town Planning Firms: According to the consulting town planning firms the reason why SME owners are engaging in the LUM-process is either because the municipality instructed them to or another process triggered the LUM-process and they have to engage in the LUM-process for them to finish another related process such as liquor licence, health certificate etc. The data also highlighted a few concerns for the consulting town planning firms that correlate with the challenges faced by the RWCLM's town planning officials. They are; (1) the planning mechanisms is outdated and limits the effectiveness of the planner as well as the inclusiveness of the applicant, and (2) the application procedures in terms of SPLUMA are too difficult for the layman. Nevertheless, the consulting town planning firms are also optimistic about the future changes that still need to be made.

In relation with the financial challenges the SME owners faced during their LUM-process, it was found that the consulting town planning firms are responsive towards this challenge and provide clients with alternative payment methods in order to show their support. The consulting town planning firms also expressed that their experience with the RWCLM regarding SME application was good and that the municipality is making an effort to be supportive and inclusive.

The data also showed that the consulting town planning firms consider the modernised and updated SPLUMA LUM-system to be a strength. The weaknesses are however the unsustainable and expensive process and the lack of skills at municipalities to enforce the

LUM-system. The consulting town planning firms make two suggestions towards the LUM-system that they believe can provide better support to SMEs. These suggestions are; (1) that all planning mechanisms should be updated with greater detail of the municipalities urban and economic realities to aid in promoting inclusive economic growth and sufficient support for upcoming SMEs and (2) both firms advocate for an alternative shorter and simple application process in order to allow SMEs to test their business in the local market before any land use change is required. This approach will allow for the LUM-system to be more sustainable whilst promoting inclusive economic growth and development. It is also noted that this approach differs from the combination area approach suggested by the literature and the free market approach followed by the SME owners.

Considering all three stakeholders, this chapter displayed how the LUM-process affects SMEs in the RWCLM by investigating the SME owners' business realities and LUM-process experience together with the relevant perspectives from the local authority and the consulting private sector. The chapter points to the fact that the poor economic conditions lead to the establishment of SMEs in the RWCLM and the establishment initially starts off as an illegal activity as the owner would like to establish whether the business will survive in the local market. It is also evident that SMEs aim towards growth and expansion as this according to them will generate a bigger income. The SME owners' lack of knowledge regarding what the LUM-process requires results in a negative experience of the process. Although all SME owners are willing to comply with all requirements of the LUM-process their free-market approach differs from the current legal regulations and procedures which hinders SMEs in the RWCLM. The effects of the LUM-process on SMEs in the RWCLM can be considered to be negative to a certain extent but it is also found that by not engaging in the process the businesses experience negative effects. Therefore, the negative effects on SMEs in the RWCLM cannot blamed solely on the LUM-process only but also points to other influences such as (1) the other policies, licenses, certificates and processes, (2) the poor awareness and knowledge of the LUM-process, (3) the absence of the responsible supporting LED unit and (4) hidden costs involved.

4.4 Conclusion

This chapter captured the experiences, challenges, effects, and stories from the various stakeholder perspectives. The SME owners' perspective presented their economic and business context followed by their choice of location and relating that to their experience of engaging in the LUM-process at the RWCLM. Secondly, the local authority included their perspective as enforcers of the urban planning institutional framework and their day-to-day experience and understanding of SMEs in their municipal area. Lastly, an added perspective

was explored through the town planning consultancies which shed some light on the experience with both small business development and the local authority engagement over the years. These various perspectives allow the researcher to sketch a well-rounded understanding of the various over-arching effects that the LUM-process has on SMEs in the RWCLM. This chapter sets the foundation from where the findings can be drawn and will be discussed in Chapter 5.

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CHAPTER 5: ANALYSIS OF FINDINGS

5.1 Introduction

This chapter provides the analysis of the data displayed in Chapter 4. Furthermore, the chapter discuss and interprets the data gathered by all three stakeholders in order to explore how the current LUM-process affects SMEs in the RWCLM. The analysis of the findings is done by interpreting the field work through the lens of the three themes set out in Chapter 2. These themes are focused firstly, on understanding of inclusive economic growth and local economic development, secondly on small and micro enterprises within the RWCLM and lastly understanding the urban planning and regulatory framework for the RWCLM. Each theme consists of findings related to all the stakeholders involved. The concluding remarks relate to the suggested approach towards land use management that is put forward in the last Chapter.

5.2 Analysis of findings

The following section analyses the findings made in Chapter 4 by relating to the three themes introduced in Chapter 2.

5.2.1 Theme 1: Understanding *inclusive economic growth* and *local economic development*

5.2.1.1 Creating job opportunities through SME establishment

Most of the SMEs that were interviewed expressed their intentions to help uplift and support their local community by giving them job opportunities and supporting other small and micro business in the neighbouring area. In other words, their vision is also to work towards addressing inclusive economic growth and development by generating employment opportunities for others regardless of their circumstance. This shares the vision of the global and national policy frameworks discussed in the literature review to working towards sustainable and inclusive opportunities for all. However, to successfully achieve this the SMEs in the RWCLM needs to be supported by inclusive urban policies and regulations as well as supporting partnerships with other relevant stakeholders. In other words, SMEs can be key drivers in achieving these expectations nationally and globally. Not all of the SMEs have created job opportunities as yet, but will be able to help fight poverty and unemployment when their businesses have grown to such extent that they can afford to appoint employees. Therefore, all six SMEs can actively help alleviate unemployment for the Rand West City Local Municipality.

5.2.1.2 The RWCLM towards LED and inclusive economic growth

The fact that the RWCLM's LED unit and the Town Planning unit forms part of the same department but do not operate from the same building is problematic and hinders interaction between them. The data showed that not one of the SMEs engaged with the LED unit during their journey. Therefore, the communication between SMEs, LED and the town planning unit is not as open and as free as it is supposed to be. It can be argued that SME 1 and 3 could have benefitted from the support the LED unit provides especially with financial support, skills development and networking opportunities. The reason this can be argued is due to the fact that both these SME owners have a clear vision but they seek support and partnerships in order to help them achieve these visions. Therefore, it is believed that if the communication and interaction between these units were more supportive SME 1 and 3 could have experienced the land use process differently. There is a sense that the SME owners are not aware of or informed about the LED unit and the opportunities and assistance they can provide. If the LED unit were more hands on it could have a positive effect on the land use process and how it affects small businesses in the Rand West City.

SMEs in the RWCLM showed potential and intention to address poverty and unemployment despite the crippling economic condition in the RWCLM. The disjointed relationship between LED and LUMS is confirmed by the RWCLM officials and they highlighted the fact that LED is not committed towards facilitating local economies as their relationships with their interdepartmental units are not present. The literature explicitly placed emphasis on the need for integrated coordination and partnerships between SMEs, LED and LUMS. These partnerships are crucial in removing barriers for small businesses to enter the market. The responsibility of the LED unit in the RWCLM should be focused on creating an enabling environment to foster opportunities for all. However, it should be noted that the success of the implementation depends on the availability of capacity in the municipality and the RWCLM do struggle with capacity.

5.2.2 Theme 2: Small and Micro Enterprises and economic development in the RWCLM

5.2.2.1 Understanding SMEs in the RWCLM

Defining and understanding the term SME in the RWCLM: The general understanding of a small business within the RWCLM town planning unit comes down to a business that is new, that still needs to grow, and has a certain number of employees. This understanding relates to the National Small Business Act (102 of 1996) which differentiates businesses according to the number of employees. However, the group indicated that it goes far beyond the number of employees. The growth component is important because it allows the owners to expand

from a micro to small and then to medium businesses. It is evident that SMEs are crucially linked to growth because they allow the owners to be more than a new upcoming small business.

Most popular SMEs in RWCLM and the reason for their establishment: It is evident that SMEs 1 (tavern), 2 (day care centre), 3 (ECDC), 5 (guesthouse) and partially 6 (hair salon) all fall within the popular groups of SMEs emerging in the RWCLM. The officials understand that these businesses do not occur in specific areas but rather occur where there is a need in the community. The senior town planner at the RWCLM mentioned that “it is all about the need and what the community wants, it rarely has got to do with the settlement type.” The officials are also indicating that the reason why small businesses occur in RWCLM is due to the poor economic conditions, high unemployment rate which leads to a survivalist approach.

Livelihoods of business owners in RWCLM: SME 1, 3 and 5 fully rely on the income of their business (survivalist) whereas SME 2, 4 and 6 only partially rely on the income as they receive additional income through pension, day job and pastoral service respectively. SME owners 1, 2, 3 and 5 were all unemployed before they started the business whereas SME owners 4 and 6 both have a secure job but still needs an additional income to survive. In other words, most of the participants started their businesses in order to overcome unemployment and avoid poverty relating to necessity driven entrepreneurs due to their survivalist nature and as a result of no other employment. The other third started their business to earn extra income, relating to the opportunity driven entrepreneurs as they do have other employment but seeks better options because the current economic makes it difficult to survive on one small income. However, every participant is set on one goal and that is business growth and expansion in order to be more profitable, to be a small or medium business that is secure and successful.

SMEs settlement types (advantages and disadvantages): Regarding agricultural holdings, space is considered to be an advantage as well as a disadvantage. Space allows the SME owners to expand and grow their business without undergoing any other additional costs for land but the space also creates a distance between the community members due to the larger property sizes that is found in agricultural holdings. The owners in low density townships shared the advantage of visibility and did not express any detrimental disadvantages of the locations. The higher density township owners experienced the tight community environment to be advantageous but struggled with the lack of space to grow and expand. However, SME 1 was in a fortunate position that the RDP house given to him was located next to an open space which allowed him to not share in the disadvantage of lack of space but is doing so by risking his business on state owned land.

Types of SMEs in the RWCLM: The South Africa's National Small Business Act (102 of 1996) states that the number of employees determines the type of business and from the six participants of this study four are identified as micro businesses and two as small businesses. The SMEs chosen for the study are mostly retail services related and are highly dependent on local markets. Many of these businesses offers ease of entry (no special training, just "passion") and are therefore not specialist enterprises. In other words, these are all businesses with possibly low profitability/turnover. The fact that SME 1, 3, 4 and 6 all included supplementary micro businesses and ideas to their primary business indicated that they do not make enough profit on their own. This shows that the SMEs in the RWCLM are showing characteristics of a survivalist business as the economic conditions are just too difficult for them to flourish.

5.2.2.2 SME knowledge and awareness

SMEs encounters with the LUM-process: SME 1, 3 and 5 all had no knowledge of the land use process whereas SME 2 and 6 had some knowledge and SME 4 good knowledge of the process that needs to be followed. However, SME 1, 3 and 5 were all previous business owners which indicates that they only engaged in the land use process with their current businesses and never had land use rights for their previous businesses. SME 2, 4 and 6 are all new business owners who all engaged in the process for the first time. In other words, they had some knowledge and applied it when they started their businesses for the first time. Overall, the participants had a limited or poor awareness of the LUM-process.

SME owners' p*rior knowledge and information on business establishment processes:*

(a) Market analysis: SME 1, 2, 3, 5 and 6 all responded to the perception of the community's demand and based their business type on that instead of choosing a business type they want to. Therefore, 83% of the business types originated as a result of the community's demand and not a response to the need of the local economic market that indicates which businesses are the most profitable. However, SME 4 did take the economic market into consideration and chose to open an Indian restaurant due to the fact that there was a gap in the market therefore but quickly discovered that he should cater for the need in the community and added an entertainment area with gambling slots to survive. It is evident that most of the owners closely observed their community and identified a specific need which they converted into a business opportunity for themselves. The will to earn an income, a passion for business and the need in the various communities all played a part in the type of business chosen.

(b) Enterprise skills: SME 1, 3 and 5 all operated other businesses than those investigated in the study, therefore having some background in business. However, SME 1 and 3 operated previous businesses informally and only consist of limited understanding of business processes, if any. SME 5, operated more than one previous business and was more informed with regards to business processes.

(c) Business support: it is evident that none of the participants mentioned or engaged with the LED unit during or before their engagement with the land use process. This is important to note because LED unit is thought to be the key role player in an upcoming small or micro business within the area. However, three other key role players were identified and they are; the ward councillors (SME 1 and 3), the building inspectors (SME 4, 5 and 6) and the town planning officials (SME 1, 2, 3 and 6). These role players assisted, informed and supported the SME owners with their land use journey.

The data displays that the lack of knowledge regarding business registration is evident and that the absence of the LED unit as the facilitator of local economies is needed to address this challenge as discussed in the first theme.

5.2.2.3 Formalisation

SME 1, 3 and 5 have been operating their business for 6 to 8 years which is quite extensive however only SME 3 and 5 are classified as a small business whereas the rest are still micro sized. SME 1 is still a micro business even though it has been operating for 6 years. SME 2, 4 and 6 are all new upcoming micro businesses. Although only 3 of the interviewed SMEs are still within their developmental phase the question arises why the other 3 have passed the 3 year hurdle but still did not formalise their businesses? This indicates that formalisation and establishment is difficult as these small businesses do not necessarily have the resources and administrative capacity to comply with the institutional requirements for formalisation. This proves that the current policies and strategies towards small business importance are not creating an enabling environment. The lack of interdepartmental coordination is letting small businesses down and should be addressed.

5.2.3 Theme 3: Urban planning and regulatory frameworks in the RWCLM

5.2.3.1 Locality vs spatial planning

SME location vs the spatial plans for the RWCLM: SME 3, 4 and 6 chose the location of their properties for a specific reason but SME 1, 2, and 5 all located on the properties they had at that point in time making no specific decisions on the location of their businesses. Therefore, the location of the businesses is mostly a result of the resources that were available to the owners. SME owners 1, 2, 3 and 6 all reside on their property and therefore their residences

became their business location. SME 4 and 6 do not reside on their business properties but SME 4 selectively chose his business premises due to visibility reasons. In other words, the community's demand for a business is more likely to be initiating the type of business that is established rather than the advantages of a specific location such as accessibility, business nodes or visibility.

Location in relation to the SDF: SME 1, 2, 3, 5 and 6 are all located in residential areas where SME 4 is located just outside a residential area. However, all participant's businesses are in close vicinity to other small and micro businesses. Furthermore, SME 3 and 6 located along an activity spine and SME 2 nearby, SME 1 and 5 nearby a primary activity corridor and SME 4 along an activity street. This indicates good connectivity and accessibility to the properties which can aid in the success of the businesses. SME 6 and 3 are located outside the urban edge and are both agricultural holdings. Both low-density properties (SME 2 and 4) are located within the strategic development area where infill development is supported and the rest of the participants (SME1, 3, 5 and 6) are located in developed areas where residential, non-residential and agricultural land uses are supported. None of the participants are located within a business node, however, SME 1 is located just outside a mixed-use node that supports business and community service activities. Nevertheless, SME 1 and 6 are located within the concentration pockets where the majority of the community is unemployed. In other words, the effects of the previous apartheid system that caused fragmented towns are still prevalent in the *previous black community townships*[5] as identified by the Rand West City Local Municipality. The above findings on the location of the SME interviewed suggest reconsidering the SDF of the RWCLM as these activities could undermine the SDF. However, due to the fact that the SDF sets the foundation from which the land use scheme will be developed, it should be taken into consideration by the municipality. This can be done by including an overlaying precinct plan for certain areas where these spontaneous business activities arise which will support the SDF responsibility to spatially guide land uses without changing the framework for every business activity that arises at a local level. The SDF can still remain the main guiding tool to protect the economic and social long-term interest of the people in the RWCLM without excluding the individual survival of the poor. However, there has not been enough research done on the on the negative and positive externalities of these kinds of business activities in residential neighbourhoods and would better assist in formulating an approach to include everyone without taking away from the responsibility of the system to protected and manage the livelihoods of the people in the RWCLM.

[5] Defined as high-density residential settlements in the study.

5.2.3.2 Triggers of the LUM-process

The land use process was experienced differently by the six participants, however, there are a number of common journeys, challenges, and effects amongst them. The land use process or land development application process seems to be the core process of all processes involved in any type of business. Anyone who is serious about their business establishment and growth will at some point, regardless of their first step, end up at the land use process as all other relevant policies or license requires the land use rights to first be in order before any permission, license or approval can be obtained. Table 5.1 below indicates the sequence of how the SME owners came aware of the land use process and what other process or stakeholder triggered the land use process;

SME #	**Became aware of the land use process through;**	**Triggered the land use process by;**
1	A site inspection by the town planning official at Rand West City Local Municipality after he enquired about the open space next to his property	Liquor License application in terms of Section 23 of the Gauteng Liquor Act (9 of 2003)
2	Other similar business owners in town	Town Planning official at Rand West City Local Municipality
3	The ward councillor for the area	Gauteng Department of Social Development for ECDC registration
4	Friends that already owned businesses of the same nature	Building plan submission / the building inspector
5	The building inspector	Building plan submission / the building inspector
6	His father who owned a property development company	Building plan submission / the building inspector

Table 5.1: SMEs awareness and triggers relating to the land use process.

From the above, SME 2 and 6 engaged in the land use process before they started their business, however, they simultaneously started their business when their applications were submitted to the municipality prior to approval. SME 1, 3, 4 and 5 all engaged in the land use process after they started their business. In other words, two-thirds of the participants first tested their business in the market and when they made a move to formalise they were channelled to the land use process. The data shows that formalisation is appropriate as it fosters growth and investment but that there exists a space between informality and formalisation that is evident from the manner in which the SME owners engaged with the process. This picks up on Berrisford (2013:6) argument that the positive change towards how planning law is conceived and implemented lie with the citizens or in this case the small business owners. The route they follow to arrive at formalisation should be considered by the RWCLM in order to help them commit to creating an enabling environment for SMEs in the

RWCLM. This space puts forward an opportunity for an appropriate approach to address the disjointing relationship between urban regulatory frameworks and SMEs.

5.2.3.3 Land development applications

Application submission: SME 1, 2 and 3 all submitted a special consent use application by themselves whereas SME 4, 5 and 6 all submitted rezoning applications and made use of a professional town planner. The reason for this is that the municipality encouraged the landowners to apply for the rights themselves when they only have to do a consent use but when a rezoning is required they inform the landowner that they will have to contact a professional town planner. It should be noted that a consent use application allows the owner a secondary right on the property but that the primary right should have priority. This secondary right is connected to the landowner and not the land and is usually limited to a certain area. A rezoning application allows the owner to apply for a new land use zone that then becomes the primary right on the property, the rights are connected to the land and not the owner. One can argue that the consent use is more temporary in nature whereas the rezoning a more rigid land use right. SME 1, 2, 3, 4 and 6 all submitted their application in terms of the Randfontein Town Planning Scheme, 1988 and SME 5 in terms of the Westonaria Town Planning Scheme, 1981.

Application results: The results of the SME owners land use processes can be summed up as positive as the applications for SME 1, 3, 4 and 6 were all approved and only SME 2 and 5 are still in progress. From the six participants, only SME 6 received objections that led to a hearing with a positive outcome. SME 1 was the only participant whose application was rejected but instead of appealing the resolution the situation was handled by the municipality in an unconventional manner rather than the prescribed formal process that resulted in the approval of his application. The overall perceptions of acquiring the necessary approvals were positive because all participants expressed that approval will bring security and formality which can enable them to expand their business due to financial support that can be sourced with a formal land use approval.

5.2.3.4 Challenges faced by various stakeholders

The SMEs experience and challenges faced with the LUM-process: SME 2, 3 and 6 all agreed that the application forms and initial process is easy to understand but all six participants experienced the land use process to be very difficult to execute due to the financial burden, hidden costs and processes, advertisement process, neighbouring engagement, timeframes and alignment with other policies or regulations. In other words, the details of the process

made it difficult for the owners. This agrees with the challenges identified by the literature and further sets out the more details with regards to why these challenges arise.

a) Duration and timeframes: The duration of the land use process for the participants as well as the reason for their time delays are displayed in Table 5.2 below;

SME	Duration of the process	Reason for time delay
1	4 years	Rejected application and financial burden
2	6 months (ongoing)	Financial burden especially the advertisements
3	5 months	Financial burden especially the advertisements and the local newspaper, neighbouring comments, and building plans
4	1 year (9 months and 3 months)	Double rezoning due to miscommunication with consulting professional town planner, irregular Council meetings and the financial burden of the Dolomite Safety Clearance Certificate
5	3 months (ongoing)	Financial burden especially the Dolomite Safety Clearance Certificate and the consulting professional town planner
6	8 months	Financial burden especially the consulting professional town planner, the hearing being held due to objections and the building plans

Table 5.2: Duration of land use process for SME owners

b) Costs and finances: From the above, it is clear that the financial burden is the main challenge faced by the owners for various reasons. It is also evident that the cost of the process is connected to the duration of the process and leads to time delays not only by the municipality but by the landowner as well. They indicated that it is not the application fee as such but the ongoing financial burden and hidden costs and processes that eventually is just too much to manage. Everyone expressed the fact that the process is financially very difficult if you do not have sufficient funds right from the beginning. Most of the owners were forced to halt the land use process in order to save money to continue. It is evident that the advertisements, the consulting professional town planners and the drilling for dolomite are some of the most expensive issues that also have an effect on the overall duration of the process.

c) Public participation process: SMEs 2, 3 and 6 all experienced challenges regarding the advertisement placing and neighbouring engagement. SMEs 3 and 6 both struggled with the neighbouring owners as some did not want to partake and others were difficult to get hold of. SME 3 also experienced the advertisement placing as financially and time constraining due to the lack of communication between the municipality and the local newspapers. SME 2 experience severe financial constraint regarding the advertisement process to such extent that the LUM-process was stopped

in order to save money to use for the advertisements. SME 6 also received objections during the public participation process which led to a hearing and consequently the process was delayed.

The public participation component of the process (advertisements and neighbours), the overall financial burden that influences the duration of the process, as well as the alignment with other relevant and effected policies and regulations, are the key challenges faced by SME owners. SME 4, 5 and 6 all did rezoning applications and had to appoint a consulting professional town planner that placed a huge financial burden on them as well as the Dolomite Safety Clearance Certificate that effected SME 4 and 5. SME 2 and 3 both experienced the advertisement process to be difficult and financially onerous. The above set of challenges faced by the SME owners speak to the regulatory compliances discussed in the literature and should be reduced through innovative thinking. Although SPLUMA reduced the public participation requirements it increased the timeframes from the pre-1994 system.

However, the response of the private sector to SME challenges is recognised as both firms also identified and acknowledged the fact that SMEs find the process difficult due to the financial burden. In this case, both firms provide alternative paying arrangements for them in order to help alleviate their financial challenge. Firm 1 follows the same procedure with all their clients whereas Firm 2 observes the need of the client and handles each of his clients on their own merit.

SME effects during the "in limbo" stage of the process: Apart from the above challenges, the businesses owners also experienced various negative effects on their business whilst busy with the land use process. For instance, the business stopped operating while the application was in process, the owner had to operate under great risk, scared that the business could be closed down and they were also in an unfavourable position of not being able to further invest in their businesses until the rights are obtained. During this time the businesses cannot grow and the owner cannot increase their profit. SME 3 shut down their business because of pressure from the municipality regarding their illegal operation and only reopened when the application was submitted. SME 5 also froze his business during the process because he was scared that he would get shut down if the municipality sees bricks or building material on his property. It should be noted that the SME owners rely on the operation and growth of their business to earn an income that can be invested to further facilitate growth and sustainability.

The relationship between LUM-process and other policies, processes, licenses and certificates: It is also clear from the data that the LUM-process was the starting point for owners

when trying to open a business but rather other processes and procedures such as building plan submissions, health certificates, and liquor licences. However, none of the above can be finalised if the LUM-process is not complied with. In other words, the LUM-process compliance is the most important process of all the processes regardless of the type of business. Nevertheless, the applicants do not agree with this and believe that licenses, permissions and health, and safety are the compliances that should be the most important and the land use process should follow. This approach correlates strongly with the free market approach defined in Chapter 2.

Municipal Challenges: The town planning unit expressed the fact that they are confronted with a few challenges in the LUM-process. These include the important planning mechanisms (SDF and LUS) which will be discussed under the next sub-section, their jurisdictional responsibility and meeting the SMEs needs at all times.

(a) The town planning units' jurisdictional responsibility: A further challenge however, is the fact that the town planning officials implied that the town planning unit can only assist applicants with land use management but the LED unit is said to be the preferred unit to assist SME owners and that the town planning unit refer the clients to them but from the six SME owners that participated not one mentioned or engaged with LED. It seems that there is a gap in the system when it comes to LED and how efficient and successful it is implemented. As mentioned above, the LED unit is not something that the applicants in the RWCLM know about.

(b) Meeting the SMEs needs and understanding their perspective: Due to the fact that the officials deal with these SME cases on a daily basis there is a frustration amongst them regarding these enquiries because they cannot assist every SME with a special set of needs. Also, there is a misunderstanding between the two stakeholders (SME owners and town planning officials) regarding the costs for the LUM-process. Since the finances are the most important burden for SMEs the officials are aware of it but lose patience with the owners as the officials' believe that one should know starting a business will be costly and one should have savings ready when taking on such task. The officials struggle to empathise with SME owners who say the land use process is too expensive but they have enough money to build additional structures to their property. This double standard by the SME owners results in them misunderstanding the chronological order of how the land use process is followed and then unfairly criticising the process to be too expensive. The SME owners' perspective would rather invest in additional buildings to their property as this will allow them to grow and earn

more income. The increased income can then be used to comply with the expensive land use process. Their priority is to grow and then comply at a later stage in order to first evaluate if the business will survive before investing in land use rights. It seems that the SME owners do not follow the process chronologically but rather in a pattern that suits them best. All the SME owners are willing and want to comply with the land use process when the procedure is more responsive to their needs and circumstances. SME 6 is the only participant that had knowledge of the chronological order of the process and this knowledge equipped the owner to avoid many of the hurdles faced by SME 3 due to the lack of understanding the chronological order of the process. From a financial standpoint, the town planning unit also do not understand that the amount the SME owners saves before the process is simply not close to the amount the process requires of them and this is only known while busy with the process and the hidden cost starts to arise and this was acknowledged by the senior town planner.

Concerns from the private sector: Both firms pointed out concerns with regards to the LUMS from a private practice perspective. The concern for Firm 1 is that there are professionals without the required qualifications that also have an effect on the experience of the LUM-process, for instance, the challenges SME 4 and 5 faced speaks directly to this statement. Firm 2 is more concerned with the actual town planning policies and mechanisms such as the outdated town planning schemes which in this case speaks to the statement of the assistant town planner that the town planning schemes limit the town planner to be inclusive and adaptable to the urban realities. It also results in very complicated application procedures due to the nature of small businesses and the lack of diversity in the schemes. This shows that both private and public sector town planners are limited through the outdated schemes, but both also believe that the new land use schemes hold the potential to address and overcome this challenge.

From the above, it is clear that small businesses are context specific and all have their own unique challenges. However, the common challenges that were highlighted for the SMEs in the RWCLM relate to what was set out by the literature. The outdated and inflexible government system is acknowledged by the RWCLM and experienced by the SMEs. The SMEs lack of knowledge and the financial constraints reflects negatively on the LUMS and should be addressed through cutting the red tape on regulation and addressing the understaffed municipality. The lack of capacity was pointed out by the town planning consultancies as a challenge for them. Another very important tool that can aid in addressing the challenges raised above is the intensive engagement of the LED unit to bridge the gap that exists between the SME owners and the LUMS in the RWCLM.

5.2.3.5 Planning mechanisms

The planning mechanisms are outdated and outsourced: The outdated town planning schemes limit the town planning officials to manage land uses as efficiently as they would have hoped but nevertheless they are managing it with a positive attitude and using the challenge to learn to be innovative and creative. However, the town planning unit expressed their concern regarding the outsourcing of important planning mechanisms such as the SDF and the land use scheme as it can have a negative impact on the effectiveness and inclusivity of those schemes in terms of context regarding the municipal area. It is crucial that these plans and schemes should be drawn up by informed and skilled individuals who have ample knowledge of the area, its people, and the unique dynamics and urban fabric. According to the IUDF (COGTA, 2016:69), local municipalities should take on "a more decisive leadership role and directing strategic policies" to strengthen their local economy. It is beneficial for municipalities to actively engage in the development of their planning mechanisms as they consist of the local knowledge and robust institutional connections that is key to the success of these spatial and land use planning mechanisms. It should be noted that an under-capacitated local municipality such as RWCLM does not have the time or resources to develop their own land use scheme as opposed to metropolitan municipalities such as the City of Johannesburg. Therefore, the RWCLM should be highly sensitive towards the process of developing new SDFs and land use schemes as they will have to deal with external consultants.

Inclusivity and flexibility: The officials admit that the current planning mechanisms (SDFs, town planning schemes, and local plans/policies) are not as inclusive and flexible as they should be. Nevertheless, they all believe that the new land use scheme and alignment thereof with the SDF will provide much better assistance for managing land uses together with being much more inclusive and adaptive to cater for all involved. In other words, the more informal, inclusive and open-minded approach to the land use management system lies in the planning mechanisms such as the SDF, the land use schemes and the supportive local plans. These planning mechanisms should be integrated with one another starting with the IDP which is followed by a SDF. The SDF should inform the land use scheme by means of marrying the existing land use audit with the municipality's vision and priorities. This should be done with the valuable inputs from other departments regarding services and the availability thereof. This will allow the municipality to work with a set of plans that is integrated and context specific. Regarding the land use scheme, it can be suggested that (1) the definitions in the scheme should be opened up to be more inclusive and applicable towards the spatial and economic conditions; (2) the zoning categories should also be broadened to ensure that Annexure F use zones can be included in the wall-to-wall scheme; and (3) a layered approach where certain

areas can be prioritised and promoted through local policy and precinct plans. This allows the municipality to be more adaptive and inclusive towards development and economic growth in the RWCLM.

The fact that the RWCLM is under great pressure for economic development and growth the town planning unit is presented with development pressure which forces the town planning officials to be innovative with the planning mechanisms at hand. It is clear that there exists a need for spatial planning and land use policies to respond to, and actively address all kinds of economic activities, especially the informal activities in order to create an enabling environment for them that will, as a result, create sustainable livelihoods (COGTA, 2016: 73). The planning mechanisms in the RWCLM is not only outdated but it also lacks the promotion of inclusive economic growth that is emphasised in both the global and national policy frameworks.

5.2.3.6 Approaches towards land use management

Various approaches emerged from the study through the literature, the municipality, the private sector as well as the approach the SMEs followed to arrive at the end of the LUM-process.

The authority (RWCLM): The RWCLM has an informal or semi-structured approach towards their land development applications. Their approach allows their officials the opportunity to learn and as a result increase their skillsets. This can also make all the difference in the land use process. When the individuals who drive the LUM-process are skilled, transparent, supportive, accessible and positive the land use process will be enforced as intended by SPLUMA. It is clear that there were a few cases in the study where the officials played a very supportive and important role in the land use process for the SME owners and those owners were highly impressed by them. Again, the human element in the land use process can make a difference in the experience of the applicant.

This positive approach is not only important between official and client but between official and official too. It came clear that there is a good relationship between the town planning officials at the RWCLM. They are comfortable with each other and agree on most of the issues mentioned. It seems that there is an open door policy between them and that there is no strict hierarchy that stands in the way of their day-to-day responsibilities. They came across as one unit that is dynamic and involved and knows what they are doing and to whom they are planning for. They all reside in the Rand West and therefore consist of years of knowledge of the municipality, its people, and the unique urban fabric.

The private sector: The consulting town planners firstly expressed what they believe the strengths and weaknesses of the current SPLUMA system is before they made suggestions about which approaches might work best. The strengths, to the fact that the system is more modernised than before and there are different control measures for the various areas. The weaknesses point to the expensive land development application process and the lack of skill in municipalities who is in charge of making the decisions. All SME owners struggled with the financial burden of the process however in the case of the RWCLM the level of skill is present. Both firms confirm that the current LUM system is not sustainable but that the land use schemes hold a lot of promises to be adaptable and sustainable. This point was also mentioned by the town planning officials however at this stage, everyone is anxiously awaiting the new schemes to evaluate whether their operation will be positive and enabling to all.

Relating to the suggested approaches Firm 2 believes that the current LUM system is enabling to a certain extent but it is still linked to the apartheid regime which means that if fact not everyone is included. The firms both suggested that the LUM-process can, in fact, promote inclusive economic growth but needs to be updated to include certain activities through a more simplified application process. Therefore, both the firms advocate for a simpler, shorter and basic land development application (written consent use or temporary consent use) process for SMEs to be built into the *Rand West City Local Municipality Spatial Planning and Land Use Management By-law (2017)* until such time that the business is thriving in the economy where after a formal full land development application can follow. This process should exclude advertising in newspapers and only require surrounding land owners' inputs together with a short turnaround time which will alleviate some of the financial and timeous challenges for SME applicants. This will provide an enabling environment for the SMEs to start their business and grow as well as allowing the municipality the opportunity to evaluate whether the business will be sustainable before formal land use right is granted. This is a more effective and practical approach to support and facilitate SMEs within the LUM-process. Further to this, both firms agree that more detail is required to cater to the specific needs of applicants within various areas as mentioned by firm 2 through the urban transect model. The one size fits all approach of the LUM-process simply don't work in South Africa let alone a local municipality.

From the field work there emerged two approaches; the first is the approach where officials that play a supporting role in the LUM-process by prioritising the livelihoods and income generation of its citizens over the regulatory compliances. This was done by the RWCLM with SME 1. The second approach was suggested by the practitioners who advocated for a practical solution which sees the land development application process being adapted to include a temporary simplified approach. Here the 3-year failure hurdle expressed in the

literature can form the base duration of the temporary simplified application suggested. In this way, the free market approach is promoted but only limited to the 3-year timeframe in order to allow businesses to establish and grow before full regulatory compliance is requested.

The literature: However, the various approaches to land management introduced by the literature are now better understood within the RWCLM. The combination approach (plan-based and discretionary approach) by Nel (2016:263) for the informal townships could prove to be impractical due to the discretionary system that heavily relies on the capacity of the municipality. The empirical data showed that the RWCLM is understaffed and would not be able to successfully implement such approach. Her second combined approach for the formal urban settlements (form-based and performance-based) also impose challenges for the RWCLM as the form-based approach enforces stricter building regulations and enforcement approaches in urban areas. Due to the fact that the SMEs in the more urban areas also face regulatory and compliance challenges.

Kriek's (SA Affordable Housing, 2012:1) suggestion for a combined plan-based and free-market approach seems like an appropriate fit for the RWCLM. The SME showed that they prioritise the general laws put forward by the free market approach and the RWCLM showed that they do follow a plan based approach by means of SDFs and land use plans. The manner in which this approach is implemented will depend on the municipality itself.

5.3 Concluding remarks

This chapter explored through the literature and empirical data how the current LUM-process affects SMEs in the RWCLM and what these findings suggest is for a more appropriate land use process that will support inclusive economic growth in the RWCLM. Firstly, the alternative approaches suggested by the practitioners and the scholarships are to some extent appropriate for the current urban realities of the RWCLM. These approaches can eliminate unnecessary or onerous requirements, by reducing land development compliances, supporting various settlement areas through the land use schemes and local plans and possibly opening up the current code based approach to allow for inclusivity and flexibility. The RWCLM should, however, consider the fact that opening up the system too much will result in them not adhering to their responsibility put forward in the Constitution and SPLUMA to manage spatial planning and land use development. What needs to be kept in mind is that the regulations are there to first and foremost enhance the livelihoods of the people and protect them against health and safety concerns. It is also evident that there are a lot of benefits in formalisation for both SMEs and the municipality and it should not be eliminated in the LUMS.

However, the path to formalisation can be enhanced to better support the establishment and growth of SMEs in their developing phase.

Furthermore, economic conditions in the RWCLM are poor but the secondary and tertiary sector is showing growth which indicates that the RWCLM should promote these sectors and respond to this economic reality. Identifying where SMEs establish can lead the way for the RWCLM to develop detailed local plans to specifically reducing compliances related to areas to promote the growth and establishment of the businesses. This can address the spatial inequalities of the RWCLM that remained after the 1994 system.

Understanding the urban planning and regulatory framework for the RWCLM it became evident that through SPLUMA, spatial planning and land use management is a municipal function. Therefore, the development of by-laws, SDF's and land use scheme is the municipalities' responsibility. This allows the municipalities to be flexible and context-specific within their municipal boundaries, however, at this stage, these spatial and land use mechanisms still need to be developed and only after they have been implemented one can evaluate the effectiveness towards inclusive economic growth. Practitioners and the municipality are however optimistic that the land use schemes will allow for the much-needed approach but they have a responsibility to intensively engage in the process to develop plans that will promote inclusive economic growth and leave no one behind. Lastly, the RWCLM should use the LED as a tool to engage with SMEs in order to increase skill sets and develop partnerships. Town planning should help to navigate SME owners through the LUM-process without isolating the various additional licenses and process that influence the experience of the process.

The analysis brought about various challenges, responsibilities, understandings, missing links and effects for all stakeholders involved. This allowed for a holistic perspective of what specifically affects SMEs in the RWCLM, who plays an incremental role in the support or complications towards SMEs and where are the missing links that should be filled to better support inclusive economic growth and development. The chapter also allowed, through the three themes to understand the relationship between them and draw findings that can aid in answering the research question.

CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

Throughout the study, the literature and fieldwork shed light on the importance of the LUMS in fulfilling the expectations of not only SA's national policies through inclusive economic growth (The Constitution, NDP, IUDF, NGP and more recently SPLUMA) but also the global commitments set out by the UN-Habitat to create sustainable and inclusive urban economies that are innovative and create equal access to economic and productive resources and opportunities for everyone. The emphasis is placed on the possibilities it can provide towards ensuring a future where cities become more inclusive, sustainable and affordable drivers of economic growth and social development. These inclusive urban economies are achieved by creating an enabling environment for businesses which can then aid in alleviating poverty and addressing unemployment. Small businesses, in particular, were identified as key role players in achieving LED, understood as inclusive economic growth. LUMS has an important role to play in supporting SMEs to contribute to household livelihoods and become successful drivers of productive and inclusive economic growth, which will help to make cities more inclusive, safe, resilient and sustainable.

Against this background, the research investigated the extent to which the current land use management system facilitates the establishment and growth of SMEs with specific reference to the case of RWCLM. The research aimed to investigate the extent to which the current land use management process facilitates the establishment and growth of SMEs within the municipality. To address this question, several sub-questions were formulated. Firstly, to understand the relationship between land management systems, SMEs and the promotion of inclusive economic growth. Scholarship revealed that urban planning and its institutional frameworks are often outdated and remain trapped in the past which means it is not responsive to the current urban and economic realities and subsequently does not aid in creating an enabling environment for SMEs or local economic development. An alternative approach is needed to make these urban policies and planning frameworks more responsive and adaptive towards small businesses, especially in their developing phase.

Therefore, in order for SMEs to help to achieve inclusive economic growth and development the current urban planning policies and regulatory framework should be adapted towards an alternative approach to allow for a more flexible system that can facilitate the establishment and growth of small businesses, especially in their developing phase. This alternative approach will then ensure that an enabling environment is created for small businesses and in return, the small businesses can aid in addressing key economic issues such as poverty,

unemployment, and inequality. Thus, the relationship between land use management systems, small businesses and the promotion of inclusive economic growth and urban development is strongly relying on one another to ensure that the growth of cities and urban areas are turned into social and economic opportunities that will be inclusive.

Secondly, in RWCLM the land use management processes include the Randfontein LED strategy, 2009, the RWCLM Spatial Planning and Land Use By-law, 2017 which includes land development application procedures and three town planning schemes. Other relevant policies and licenses that were also included for the purpose of the study are the Tavern Policy, 2004 and the Municipal Health Service By-laws: Childcare Services. However, the socio-economic conditions in the RWCLM showed a high unemployment rate that is resulting in a very poor population, especially in the high-density residential areas. The primary sector also showed a decline although the secondary and tertiary sectors showed improving economic performance.

Although the policies and regulatory frameworks in the RWCLM acknowledge the national and global expectations together with the importance of small businesses in achieving these expectations, it still falls short in addressing unemployment in specific areas. The town planning schemes are outdated and lack flexibility towards the urban realities of the RWCLM. The schemes are also not supported by local plans that may aid in addressing these urban realities for specific areas or settlement types. Furthermore, the LED strategy proved to be short-sighted and parochial in its focus as it lacks a broader view of LED and is not integrated with other sectors or programmes. This may partially be because the municipality and especially the Department of Economic Development, Human Settlements and Planning are lacking sufficient capacity.

The fieldwork revealed the effects of current LUM-process on the growth of SMEs, especially in their developmental phase. The SMEs faced a number of challenges both in terms of the regulatory framework and the overall stance of their circumstances.

The empirical data proved that the poor economic conditions in the RWCLM lead to the establishment of SMEs. The establishment usually starts off as an illegal activity until such time that the business owner feels secure in the local market. It is also evident that SMEs aim towards growth and expansion as that according to them will generate a better income. The SME owners do not fully understand the LUM-process which result in them having a negative experience of the process, although the process in itself (if followed as intended by the institutional framework with some pre-knowledge) does not prove to be as difficult. The local municipality showed their support by simplifying the consent use application process to such

an extent that a professional town planner is not required. In other words, they have to try to be as inclusive as possible as they also acknowledge the importance of small businesses towards a growing urban economy. The SMEs owners expressed that the application process is not difficult to understand but the lack of knowledge with regards to where to start and what to do first resulted in a confused process that was expensive and time-consuming. All the SME owners are willing to comply to the LUM-process however, the manner in which they approach it shows characteristic of the free-market approach as they view approved licenses and/or certificates to be sufficient enough to start operating a business and do not see the LUM-process as the priority process.

Although it is accepted that every small business faces their own unique set of challenges there are a few common challenges that arose regardless of the locality of the business or the type of business. These challenges were not directly connected to the LUM-process itself but rather to a wider range of influences and circumstances. In the light of the above, the overall effects of the LUM-process on SMEs in the RWCLM can be considered negative but most important it is also proved that by not engaging in the process there will also be a negative effect on the business. The local authority, considering the lack of capacity and institutional depth made some efforts in assisting small businesses and can be assigned to the 'human element' they uphold in their department. Therefore, despite the efforts made by the local authority to be adaptive towards the urban realities there still exists challenges for small businesses. However, the negative effects on SMEs in the RWCLM cannot be solely blamed on the LUM-process because factors such as (1) the interlinked relationship between the LUM-process and other policies, licenses and certificates and processes, (2) the poor awareness and knowledge of the LUM-process by small business owners in the RWCLM, (3) the absence of the responsible supporting LED unit and (4) hidden costs involved in the process are contributors towards hindering small businesses to sustainably grow and establish.

The LUM-process is hindering towards small businesses, but with SPLUMA a promising space exists to formulate an appropriate approach that is more flexible and inclusive by means of the land use schemes and other local plans. While the feasibility of SPLUMA's intention to develop an overarching framework for spatial planning, policy and land use management for the entire country is debatable, the space at the municipal level nevertheless exists to formulate a more applicable and appropriate system. SPLUMA still gives the local authorities the opportunity and scope to be adaptive, flexible and responsive towards their own set of socio-economic challenges by means of the by-laws, SDFs, land use schemes and other local and precinct plans. The success of the approach lies within the institutional commitment and capacity to develop their by-laws and other spatial mechanisms to deliberately promote

inclusive economic growth and development. Equally, will the municipalities see the provision made by SPLUMA to review their spatial planning mechanisms every five years as an opportunity to work towards becoming even more inclusive and sustainable for all? If so, SPLUMA can prove to be much more attentive towards inclusive economic growth and development.

6.2 Recommendations

Considering the preceding conclusion, the following recommendations are made regarding the RWCLM so that it can work towards an inclusive and sustainable city that facilitates small businesses, especially in their developing phase.

6.2.1 Introduce an alternative approach

It is clear from the literature as well as the empirical study that there is a need for an alternative approach towards land use management in South Africa. This applies to the RWCLM as well. Whether the alternative approach should be a combination approach for various formal and informal areas, as suggested in the literature or an approach built into the land development application process as suggested by practitioners or an organic free-market approach that was clearly followed by the SME owners themselves, is something to consider.

It is recommended that the RWCLM use their opportunity to develop a new SDF, land use scheme and other local plans to; (1) address the injustices of the past land use management system, (2) streamline the outdated urban planning mechanisms, and (3) reshape their land use management mechanisms to best fit the socio-economic realities of the municipality and ensure flexibility and responsiveness towards small businesses, especially in their developing phase.

Therefore, although the RWCLM does not have the capacity to develop these land use management mechanisms themselves they do need to build and keep a good relationship with the companies appointed to develop these mechanisms. Equally, they must be firm in initiating ideas and approaches that best suit their area to ensure that inclusive economic growth and development is promoted.

6.2.2 Promote and inform citizens in the RWCLM of the LUM-process

The study showed that the lack of knowledge regarding the LUM-process resulted in a negative experience. Therefore, it is recommended that the RWCLM should inform the public of the process. This can either be done by informing and briefing the key role players such as the building inspectors and ward councillors to better assist someone who wishes to open a business, or a system can be created at the RWCLM offices where interested entrepreneurs

can visit and get fully briefed and skilled about the process. When a person is fully informed about what needs to be in place before the LUM-process should be started it will eliminate the unnecessary unforeseen costs and also ensure the process won't be delayed or halted due to outstanding issues in terms of the building plans, geotechnical compliance etc.

Although the RWCLM has an open door policy and has good official-client relationship it might be useful to have a help desk to where the pre-process requirements, the application process itself as well as the interdependent licence and certificate processes is explained to the clients in order for them to make sure when they engage in the process it will proceed smoothly.

6.2.3 Foster partnerships between SME owner – LED – Town Planning

The study showed that not one of the SME owners engaged with the LED unit in the RWCLM during their journey. Equally, the RWCLM officials shed some light on the relationship between the town planning and LED unit and it seems like the two units' function in isolation to one another. The literature highlighted the importance of local economic development as a tool to help alleviate poverty and address unemployment. The desktop analysis further showed that the RWCLM do have a LED strategy in place but it lacks detail and institutional depth. Considering the vital role LED plays in fostering the relationship between small businesses and the town planning unit, it is recommended that the relationship should be worked on in order to link the small business owner with the projects and programs of the LED unit who can correlate with the spatial planning in the town planning unit. Possibly eliminating challenges faced by small business owners on a day-to-day basis but also help the town planning unit by capturing the SME owner before town planning is engaged.

6.3 Future research possibilities

Although the study included various stakeholders to fully capture all possible effects of the LUM-process on SMEs in the RWCLM there will always be future research possibilities. Based on the experience (shortcomings as well as findings) of this research exercise, it is therefore suggested that;

6.3.1 Comparative study

A comparative study can be done with another local municipality in the West Rand to estimate if the effects found in the RWCLM are strictly context specific. It will allow the researcher to explore the common challenges and effects as well as the newly discovered challenges and effects and relate that to the specific areas.

6.3.2 Local municipality vs Metropolitan Municipality

Although the intention of the study was to include a local and metropolitan municipality to track the various institutional arrangements and subsequent effects on small businesses it did not realise due to various reasons. However, it can still be suggested to involve the different dynamics between the metro and local municipalities. It will open up space for much more area and context-specific findings to be made as well as tracing the impact of the institution and its capabilities and capacity on the local small business owners.

6.3.3 Widening the scope in the RWCLM

It can be suggested that the scope of the study be opened up in the RWCLM by increasing the number of SME owner's interview as well as including more town planning practitioners. This will allow for a more diverse set of small business types as well addressing the spatial balance of the study by including more candidates located in the southern part of the RWCLM. This may allow for more challenges to be discovered and more in-depth findings to be made. Exploring other business types might bring about other processes and certificates that also operate interdepending on the LUM-process.

6.3.4 Intensive inclusion of the LED unit

The last suggestion towards possible future research is to intensively include the LED unit in the study. Although LED was discussed and explored by means of the literature and the desktop analysis, there were no interviews done with any LED officials. This might shed light on the workings of the unit on the ground level and include more intensive understanding regarding their programmes and projects. Also, the units approach towards small business development and promotion can be studied and findings can be made with regards to their influence on the effects of the LUM-process on small businesses, especially in their developing phase.

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PERSONAL INTERVIEWS

Owner 1, 2017 (personal interview, 11 August 2017) Tavern owner, Mohlakeng, Randfontein.

Owner 2, 2017 (personal interview, 15 August 2017) After care centre owner, Helikon Park, Randfontein.

Owner 3, 2017 (personal interview, 16 August 2017) ECDC owner, Ten Acres, Randfontein.

Owner 4, 2017 (personal interview, 19 September 2017) Restaurant owner, Greenhills, Randfontein.

Owner 5, 2017 (personal interview, 10 October 2017) Guesthouse owner, Simunye, Westonaria.

Owner 6, 2017 (personal interview, 23 October 2017) Wedding Venue owner, Lou Marina, Randfontein.

Senior town planner, 2017 (personal interview, 14 August 2017) Senior town planner, Rand West City Local Municipality, Randfontein.

Town planner 1, 2017 (personal interview, 14 August 2017) Town planner, Rand West City Local Municipality, Randfontein.

Town planner 2, 2017 (personal interview, 14 August 2017) Town planner, Rand West City Local Municipality, Randfontein.

Town planner 3, 2017 (personal interview, 14 August 2017) Town planner, Rand West City Local Municipality, Randfontein.

Assistant town planner, 2017 (personal interview, 14 August 2017) Assistant town planner, Rand West City Local Municipality, Randfontein.

Firm 1, 2017 (personal interview, 23 October 2017) Professional town planner, Krugersdorp.

Firm 2, 2017 (personal interview, 24 October 2017) Professional town planner, Magaliesburg.

APPENDIX A: SMALL AND MICRO ENTERPRISE FULL PROFILES

SME 1 - TAVERN

Type of business	Tavern
Number of employees	1
Business life	2011 – current[6] (6 years)
Settlement type	High density township / 250-300m^2 erven / RDP Housing
Application type	Special Consent Use
Application details	Application was submitted in 2014 and was declined by Rand West City Local Municipality due to the use being within a 500m radius of a church. The owner appealed the decision and the application was approved in 2017. It should be noted that the municipality did not follow the formal appeal process but instead reconsidered the application in a less formal manner before a formal decision was made at the Section 80 committee meeting.
Town Planning Scheme applicable	Randfontein Town Planning Scheme, 1988
Land Use Rights approved / still in progress	Land use rights approved in 2017. Residential 1 with consent to allow for a tavern.
Application submitted by land owners or by consulting town planning firm?	Land owner
Land Use Process duration	4 years
Other policies and/or licenses	Liquor Licence in terms of Gauteng Liquor Act, 2003 - Process still undergoing

SME 2 – DAY CARE AND AFTER SCHOOL CENTRE

Type of business	Exclusive Day Care and After School Centre
Number of employees	2
Business life	November 2016 – current (6 months)
Settlement type	Low density township / 750-1200m^2 erven
Application type	Special Consent Use
Application details	Application was submitted in 2016, however the application was paused due to the lack of finances for the advertisements which could only be done in mid-2017.
Town Planning Scheme applicable	Randfontein Town Planning Scheme, 1988
Land Use Rights approved / still in progress	Application still in process. Residential 1 with consent to allow for a day care centre.
Application submitted by land owners or by consulting town planning firm?	Land owner
Land Use Process duration	6 months (ongoing)
Other policies and/or licenses	Health Certificate and Certificate of acceptability for food premises in terms of West Rand District Municipal Health Service By-laws - Process still undergoing

[6] *Current* in this instance and for the purposes of Chapter 4 refers to the period between August and September 2017 when the interviews were conducted.

SME 3 – EARLY CHILDHOOD DEVELOPMENT CENTRE AND CHURCH

Type of business	Day care centre and place of public worship
Number of employees	5
Business life	2009 – current (8 years on and off)
Settlement type	Agricultural Holdings
Application type	Special Consent Use
Application details	The owner have been consulting with the municipality from early 2016 and was given the application forms for a consent use, however by the time (early 2017) the application was submitted the Rand West City By-law had been promulgated and the owner resubmitted the application mid-2017 with the new application forms.
Town Planning Scheme applicable	Randfontein Town Planning Scheme, 1988
Land Use Rights approved / still in progress	Application approved late 2017. Agricultural with consent to allow for a day care centre and place of public worship.
Application submitted by land owners or by consulting town planning firm?	Land owner
Land Use Process duration	5 months
Other policies and/or licenses	Health Certificate and Certificate of acceptability for food premises in terms of West Rand District Municipal Health Service By-laws - Process still undergoing Update buildings plans in terms of the National Building Regulations and Building Standards Act, 1977 - Process yet to be started

SME 4 – RESTAURANT AND ENTERTAINMENT

Type of business	Restaurant and Entertainment
Number of employees	5
Business life	Mid 2016 – current (1 year)
Settlement type	Low density township / 750-1200m^2 erven (Business area)
Application type	Rezoning (Twice)
Application details	Application was submitted in November 2014 to rezone the property to Business 2 and increase the height to 3 storeys, the application was approved in June 2015. The owner then had to rezone for a second time with an annexure to allow for amusement (gambling slots) on the property. The second rezoning was submitted in June 2017 and was approved in August 2017.
Town Planning Scheme applicable	Randfontein Town Planning Scheme, 1988
Land Use Rights approved / still in progress	Applications were approved. Business 2 with an annexure that allows for 3 storeys and includes amusement to allow for the gambling slots.

Application submitted by land owners or by consulting town planning firm?	Town Planning Consultant
Land Use Process duration	Application 1 – 9 months Application 2 – 3 months
Other policies and/or licenses	Health Certificate and Certificate of acceptability for food premises in terms of West Rand District Municipal Health Service By-laws - Approved Liquor Licence in terms of Gauteng Liquor Act, 2003 Process still undergoing - Approved Gauteng Gambling Act, 1995 - Process in progress Update buildings plans in terms of the National Building Regulations and Building Standards Act, 1977 - Process yet to be started GeoScience drilling

SME 5 – GUEST HOUSE

Type of business	Guest House (Accommodation)
Number of employees	8
Business life	2009 – current (8 years)
Settlement type	High density township / 250-300m^2 erven / RDP Housing
Application type	Rezoning
Application details	After building plans were submitted to the municipality and a site visit was conducted the owner was informed to rezone the property to rectify the rights. The application was submitted to the municipality mid-2017, however the process is halted due to the WRDM by-law to drill for dolomite on the property and the costs involved thereto. Application was made to rezone from Residential 1 to Residential 1 with an annexure to allow for accommodation.
Town Planning Scheme applicable	Westonaria Town Planning Scheme, 1981
Land Use Rights approved / still in progress	Application is still in process. Residential 1 to Residential 1 with an annexure to allow for accommodation.
Application submitted by land owners or by consulting town planning firm?	Town Planning Consultant
Land Use Process duration	3 months (ongoing)

Other policies and/or licenses	Update buildings plans in terms of the National Building Regulations and Building Standards Act, 1977 - Process yet to be started GeoScience drilling

SME 6 – WEDDING VENUE, HAIR AND NAIL SALON, SPA, ART GALLERY, COFFEE SHOP & ACCOMMODATION

Type of business	Wedding Venue, Hair and Nail Salon, Spa, Art Gallery, Coffee Shop and Accommodation
Number of employees	4
Business life	2017 (May) – current (6 months)
Settlement type	Agricultural Holdings
Application type	Rezoning
Application details	Before the owner purchased the property a proper due diligence was done. Thereafter the owner new that building plans must be updated, electricity bills should be paid to date and a borehole must be sunk in order to service the property. After building plans were submitted to the municipality and a site visit was conducted the owner was informed to rezone the property to rectify the rights as the construction for the venue was already underway. The application was submitted to the municipality mid-2017, a hearing then took place August 2017 due to objections after which the application was approved in October 2017. Application was made to rezone from Agricultural to Agricultural with an annexure to allow for a wedding venue, Conference Facilities, Place of Religion, overnight facilities and ancillary uses.
Town Planning Scheme applicable	Randfontein Town Planning Scheme, 1988
Land Use Rights approved / still in progress	Application was approved in October 2017 Agricultural to Agricultural with an annexure to allow for a wedding venue, Conference Facilities, Place of Religion, overnight facilities and ancillary uses.
Application submitted by land owners or by consulting town planning firm?	Town Planning Consultant
Land Use Process duration	8 months
Other policies and/or licenses	Update buildings plans in terms of the National Building Regulations and Building Standards Act, 1977 - Process completed and approved Health Certificate and Certificate of acceptability for food premises in terms of West Rand District Municipal Health Service By-laws - In process

ANNEXURE A: HEALTH CERTIFICATE FOR CARING OF CHILDREN

ECDC

- Fully completed Application Form
- Certified copy of I.D/Passport
- Zoning Certificate/ Consent Use
- Approved Layout Plan & Sketch
- Copy of COA
- Fire Safety Certificate

CERTIFICATE PROCESS TAKES ± 14 DAYS

AND
CT MUNICIPALITY

GAUTENG

ANNEXURE A

[Municipal Health Services By-Laws, Chapter 10, Section 3.2]

WEST RAND DISTRICT MUNICIPALITY

APPLICATION FOR A HEALTH CERTIFICATE FOR THE CARING OF CHILDREN

Mark with a /

Facility:

	DAY MOTHER	Maximum 6 Children
	DAY CARE CENTRE	7 and More Children

Children:

	Age of Children	*Number of Children in age group:*
	0-2 YEARS (Babies)	
	2-3 YEARS	
	3-6 YEARS	
	After school Children	

Application is hereby made to use the premises in respect of which the particulars are as follows, for the abovementioned purposes:

Name of Day Care Centre:		
Full Name of Applicant:		
Identity Number: (attach copy of ID)		
Postal Address: (if different from street Address)		
Street Address:		
Stand Number:		
Telephone / Cell numbers:		
Signature of Applicant:		Date of Application:

OFFICE USE ONLY:

Private Bag X833, RANDFONTEIN 1760
Cnr 6th & Park Street, RANDFONTEIN
Tel: (011) 411-5000/412-2701 Fax: (011) 412-3663
Email: admin@wrdm.gov.za Website: www.wrdm.gov.za

ANNEXURE B: LIQUOR LICENCE APPLICATION REQUIREMENTS

SECTION 23 APPLICATIONS PROCEDURE

YOU ARE REFERRED TO ACT 9 OF 2003 AS AMENDED & THE REGULATIONS PUBLISHED IN NOV. 2004

1. Application in terms of Section 23 of the Gauteng Liquor Act 9 of 2003 as amended
   Form 1 must be fully completed and commissioned, All requested documents must be attached to the application when submitted in duplicate

2. Lodge the application in duplicate with the Regional office on 1st Friday of the applicable month accompanied by the following documents/information
   - a. LAA – Local Authority Approval on the relevant letterhead signed by a designated executing officer and not a ward councillor, and / or re-zoning certificate as the case may be. (see attached procedures). Submission of an LAA is for ALL: Taverns, Pool Clubs, Pubs, Liquor Stores & Night Clubs.
   - b. Clearance certificate from SAPS.
   - c. Clearance Certificate from SARS – Section 23 (1) (j).
   - d. Motivation/Representation - A detailed written motivation in support of the license applied for. Sec 23 (1) (a).
   - e. Description – A detailed written description of the premises – Sec. 23 (1) (c).
   - f. Plan – A detailed sketch plan of the premises with measures and smoke section marked if applicable – Sec 23 (1)(b).
   - g. Colour Photos – internal and external features of the premises. Sec. 23 (1)(c).
   - h. Association – Proof of membership to a Liquor Traders Associated who is affiliated with GLTA – Sec. 23 (1)(h) & 38.
   - i. PLO - Proof of Lawful Occupation of the premises (Lease agreement/Title Deed) – Sec. 49
   - j. COI & Resolution – If the applicant is a company – certificate of incorporation & original resolution - Sec. 49
   - k. Tobacco – Compliance with Tobacco Product Control Amended Act No 12 of 1999 – (Affidavit to comply and directive of smoke area on plan) – Sec. 23 (4)
   - l. CC – Close Corporation – CK form and Resolution if it's constituted by more than one (1) member – Sec. 49
   - m. Menu – food (on consumption use) – Sec.49
   - n. 500m radius Affidavit – Sec. 30 (3) & 49 – declare schools, churches, similar outlet, public transport facilities within 500m of the premises.
   - o. ID - Certified copies of identity document/s of applicant – Sec. 49
   - p. Fees – Proof of payment of the prescribed fees on application – Payable at FNB (take application with) – Sec. 23 (1)(i)
   - q. Notices – Proof of publication (Government Gazette & 2 News papers) supply whole page – Sec. 23 (1)(e).
   - r. Grocers Wine Licence – Wine section must be demarcated with trellidors to close section before 10:00 and after 20:00.

   NB: If one of the above stated information is not submitted with the application on the date of lodgement, it will be incomplete and therefore defective.

   Objection:
   Objections must be filed within 21 days from date of lodgement to the Local Committee. The applicant must be issued with a copy by the objector and have full particulars of the person or institution objecting, contact details & supporting documents.
   Responses: Applicant to respond seven (7) days from the date of receipt of the objection, in writing to Local Committee and Objectors.

3. Advertise your intention to apply in the Government Gazette according to the dates of publication at corner Bosman & Vermeulen
4. Streets. (closing dates available from the Government Printers)
   Use form 2 for this purpose and newspaper notices.
5. Publish notice of intention to apply also in two (2) Local Newspapers circulating within the area in which the proposed premises are situated, i.e 7 days before lodgement of the application at this office: West Rand.

Associations (Liquor Traders must be affiliated to GLTA)
Gauteng Liquor Traders Association – 011 494 – 1222
SALTA 2 (South African Liquor Traders Association) –Saint Madlala – 082 799 9700
CATRA (Restaurant & Food Services Association of SA) – Costa Paizes – 082 410 2695
FEDHASA – Lindsay Jones - 084 8185 148
SATA (South African Taverners Association) – Sam Buthelezi - 083 629 2946
SALSA (South African Liquor Store Association) – Chris Mhlongo - 083 700 0471
NTHA (National Tourism & Hospitality Association) – Fanny Mokoena - 082 576 2931
NASOBA (National Sorghum Beer Distributors Association) – Mr Mthethwa – 072 687 0898
ACA (Associated Clubs of SA) – Beverly Acres – 082 457 8235
GCAA (Gauteng Combined Accommodation Association) – Annemarie Stillwell – 083 452 5546

FEES AS FROM 02 DECEMBER 2016

NO	TYPE OF LICENCE	RENEWAL (SEC. 98)	TRANSFER (SEC. 104)	STRUCTURAL ALTERATION (SEC.43)
1	HOTEL LIQUOR LICENCE	R6 000.00	R2 500.00	R1 000.00
2	RESTAURANT LIQUOR LICENCE	R4 500.00	R2 500.00	R1 000.00
3	THEATRE LIQUOR LICENCE	R6 000.00	R2 500.00	R1 000.00
4	CLUB LIQUOR LICENCE	R6 000.00	R2 500.00	R1 000.00
5	NIGHT CLUB LIQUOR LICENCE	R10 000.00	R2 500.00	R1 000.00
6	GAMING PREMISES LIQUOR LICENCE	R10 000.00	R2 500.00	R1 000.00
7	SPORTS GROUND LIQUOR LICENCE	R5 000.00	R2 500.00	R1 000.00
8	PUB LIQUOR LICENCE	R5 000.00	R2 500.00	R1 000.00
9	DANCE HALL LIQUOR LICENCE	R7 000.00	R2 500.00	R1 000.00
10	TAVERN LIQUOR LICENCE	R5 000.00	R2 500.00	R1 000.00
11	POOL CLUB LIQUOR LICENCE	R6 000.00	R2 500.00	R1 000.00
12	LIQUOR STORE LICENCE	R6 000.00	R2 500.00	R1 000.00
13	GROCER'S WINE LIQUOR LICENCE	R2 500.00	R2 500.00	R1 000.00
14	MICRO-MANUFACTURE'S LICENCE	R10 000.00	R2 500.00	R1 000.00
15	SORGHUM BEER LICENCE (ON OR OFF CONSUMPTION)	R3 000.00	R2 500.00	R1 000.00
16	CATERING OR OCCASIONAL PERMIT			

ANNEXURE C: RWCLM APPLICATION FORMS

RAND WEST CITY LOCAL MUNICIPALITY

DEPARTMENT OF ECONOMIC DEVELOPMENT AND PLANNING

LAND USE APPLICATION FORM IN TERMS OF THE PROVISIONS OF CHAPTER 6 OF RAND WEST CITY LOCAL MUNICIPALITY SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, 2013 (ACT 16 OF 2013) BY – LAW.

SECTION 1: DETAILS OF LAND OWNER	
Name:	
Contact Person:	
SECTION 2: DETAILS OF APPLICANT	
Name:	
Contact Person:	
Postal Address:	
Physical Address:	
Tel. No.:	
Cell No.:	
Fax No.:	
E-Mail Address:	
Professional Reg. No. and Organisation (where applicable):	
If the applicant is not the registered owner(s), attach a power of attorney from the registered owner(s) to the application. This also applies if the person applying is still busy obtaining the land parcel and if the land parcel is owned by a company or more than one person.	
SECTION 3: DETAILS OF PROPERTY (IN ACCORDANCE WITH THE TITLE DEED)	
Property Description:	
Registration Division: (e.g. I.Q.)	
Physical Address:	
Town/Suburb	
Location From Nearest Town:	
Area m²:	
Existing Zoning:	
Existing Land Use:	
Area applicable to application:	
TITLE DEED NO.:	
SECTION 4: TYPE OF APPLICATION BEING SUBMITTED (Mark with an X and give detail)	
Consent use / Written Consent	
Relaxation of a building line	

DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING
UNIT: TOWN PLANNING
Corner Stubbs Street and Sutherland Ave
P.O BOX 218 Randfontein 1760
Tel; +27 (011)411-0318/0192
prudence.modikoe@randfontein.org.za

Amendment of Land Use Scheme	
Township Establishment	
Division or Phasing of a Township	
Extension of boundaries of an approved Township	
Subdivision of land in an approved township	
Consolidation of land in an approved township	
Subdivision of any other land (Holding or Farm Portion)	
Consolidation of any other land (Holding or Farm Portion)	
Cancellation and amendment of conditions, plan or endorsement of certain conditions (subdivision/consolidation)	
Approval of alteration, amendment or cancelation of general plan	
Amendment suspension or restrictive or obsolete conditions or obligations, servitudes or reservations in Title	
Appeal	
Petition to intervene	
Continuation of an application by new owner	
Exemption from certain provisions of the By-law	

Please give a short description of the scope of the project:

DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING
UNIT: TOWN PLANNING
Corner Stubbs Street and Sutherland Ave
P.O BOX 218 Randfontein 1760
Tel; +27 (011)411-0318/0192
prudence.modikoe@randfontein.org.za

SECTION 5: DETAILS OF APPLICATION (Mark with an X and give detail where applicable)				
Is the land parcel currently developed (buildings etc.)?	YES	NO	If answered YES, what is the nature & condition of the developments/improvements?	
Does the current land use conform to the zoning of the property?	YES	NO	If answered NO, what is the application / use of land?	
Is the property subjected to a bond?	YES	NO	If answered YES, attach the bondholder's consent to the application:	
Has any application on the property previously been considered?	YES	NO	If answered YES, when and provide particulars, including type of application, all authority reference numbers and decisions:	
Does the proposal apply to the entire land parcel?	YES	NO	If answered NO, indicate the size of the portion of the land parcel concerned, as well as what it will be used for, including the remaining extent:	
Are there any restrictions, such as servitudes, rights, bonds, etc. with regard to the land parcel in terms of the deed of transfer that should be removed, as it might have an influence on this application?	YES	NO	If answered YES, please provide detail description:	
Are there any physical restrictions (e.g. steep inclines, unstable land formations, marshes, etc.) that might influence the intended development	YES	NO	If answered YES, name full particulars and state how the problem will be solved and submit detail layout plan:	

Is any portion of the land parcel in a flood plain of a river beneath the 1:50/1:100 year flood-line, or subject to any flooding?	YES	NO	If answered YES, please provide detail description:	
Is any other approval that falls outside of this By-Law, necessary for the implementing of the intended development?	YES	NO	If answered YES, please provide detail description:	
Is the proposed application in line with the approved spatial development frameworks?	YES	NO	If answered NO, please provide site specific circumstances in accordance with section 22(2) of the SPLUMA.	

What arrangements will be made regarding the following services for the development? (Full Engineering Reports must be supplied, where applicable)	Water supply:	
	Electricity supply:	
	Sewerage and waste-water	
	Storm-Water:	
	Road Network:	

SECTION 6:

List of Attachments and supporting information required/ submitted with checklist for Municipal use (Mark with an X/ number annexure)

Checklist (for the completion by the Applicant only)				**Checklist (for the use of Responsible Authority only)**		
YES	**NO**	**ANNEXURE**	**DOCUMENT ATTACHED**	**YES**	**NO**	**N/ A**
			Completed Comprehensive Application form			
			Complete Motivation Report			
			Board of Directors' / Trustees' resolution / consent			
			Power of Attorney			
			Certified copy of Title Deed(s)			
			Orientating Locality Map			
			Basic Layout Map			

			Land Use Scheme Zoning Map Extract			
			Land Use Map			
			Detail Layout Map			
			Ortho photo / Aerial survey map			
			Site Development Plan			
			Extract of Spatial Development Framework			
			Contour map			
			Surveyor-General diagrams (cadastral information)			
			Deeds Report			
			Bondholder's consent			
			Home Owners' Association consent / stamp of approval			
			Special endorsement/proxy			
			Mineral rights certificate (together with mineral holder's consent)			
			Prospecting contract			
			Registered servitudes (deed and map/plan)			
			Status report from Surveyor-General – street closure or state owned land			
			Detail Engineering Services plan (Bulk and internal)			
			Environmental Impact Study/Assessment (EIA – Environmental Authorisation)			
			Archaeological Impact Assessment (AIA) - approval from relevant Department			
			Heritage Impact Assessment - approval from relevant Department			

DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING
UNIT: TOWN PLANNING
Corner Stubbs Street and Sutherland Ave
P.O BOX 218 Randfontein 1760
Tel; +27 (011)411-0318/0192
prudence.modikoe@randfontein.org.za

			Traffic impact study/assessment			
			Geotechnical report (NHBRC Standards)			
			Flood line certificate - certificate from relevant Dept			
			Subdivision of Agricultural land - permission from relevant Department Agriculture			
			List of sections in Title Deed conditions to be removed /amended			
			Public participation report and minutes of meetings			
			Other (specify):			
			Seven (7) sets of full colour documentation copies			

SECTION 7: DECLARATION

Note:	***If application is made by a person other than the owner, a Power of Attorney is compulsory. If the property is owned by more than one person, the signature of each owner is compulsory. Where the property is owned by a company, trust, or other juristic person, a certified copy of the Board of Directors/Trustees' resolution is compulsory***

I hereby certify the information supplied in this application form to be complete and correct and that I am properly authorised to make this application.

Applicant's/ Owner's Signature:		Date:	
Full name (print):			
Professional capacity (Reg. No.):			
Applicant's ref:			

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OFFICIAL/ADVISOR: ..... SIGNED: .....
DATE: ..... *(Name and Surname)*

OWNER OR APPLICANT: ....
DATE: ..... *(Signature)*

NB:

1. **If the property is company owned, a copy of company resolution is required**
2. **If Authorized Agent, please submit Special Power of Attorney**
3. **Name must correspond with names that appear on the Title Deed and/or Bond holder's consent**
4. **If applicant is not the owner, a Power of Attorney should be attached to application**
5. **Please note that the site notice shall be placed on the site within the same date of the publication of the newspaper advertisement and/ or Provincial Gazette notice, and it must be placed on the conspicuous space.**

This form and the required documents must be submitted to:

Directorate: Economic Development and Planning – Town Planning Unit
Office No.1 First Floor
Library Building
Corner Stubbs and Sutherland Street
Randfontein

Or

Directorate: Economic Development and Planning – Town Planning Unit
Municipal Offices
Corner Neptunus Street and Saturnus Street
Westonaria

RAND WEST CITY LOCAL MUNICIPALITY

DEPARTMENT OF ECONOMIC DEVELOPMENT AND PLANNING

Notice is hereby given in terms of the provisions of Chapter 6 of the Rand West City Local Municipality Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) that I, undersigned, intend to apply to Rand West City Local Municipality for:

_____

_____

_____

_____

_____

_____

On Erf/Stand No: _____ township:

_____

Situated at: _____ (street) which falls within:

_____use zone.

Particulars of this application may be inspected between normal office hours (08h00 to 16h00) at the Municipal Offices, Randfontein and/ or Westonaria.

Objections, if any, to the application, together with the grounds thereof, must be lodged in writing to the Municipal Manager, Rand West City Local Municipality, PO Box 218, RANDFONTEIN, 1760 and to the applicant within a period of 28 days from _____ (considering the date of the publication of an advertisement and placement of the site notice).

Name: _____

Tel.no: _____

Address:

_____

_____

Code: _____

DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING
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RAND WEST CITY LOCAL MUNICIPALITY

DEPARTMENT OF ECONOMIC DEVELOPMENT AND PLANNING

COMMENTS FROM ADJACENT NEIGHBOURS

1	2	3
	STREET	
4	X	5
7	6	8

Name and Surname	Address and contact details	Comments
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		

RAND WEST CITY LOCAL MUNICIPALITY

DEPARTMENT OF ECONOMIC DEVELOPMENT AND PLANNING

AFFIDAVIT REGARDING THE SITE NOTICE

I, the undersigned, hereby confirm before the Commissioner of Oaths that I have in in terms of the provisions of Chapter 6 of the Rand West City Local Municipality Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) that I have advertised on site on the _____(day) of _____(month) _____(year) regarding land use application for _____

_____

_____

_____

_____

on erf/stand no.:_____township:_____.

Name of applicant: _____Tel no.:

_____

Address:

_____

_____ Code:

_____.

Signature of applicant: .....

Date:

.....

_____

Commissioner of Oaths stamp:

Signature: _____ Date: _____

ANNEXURE D: ECDC REGISTRATION PROCESS

GAUTENG PROVINCE

Registration Process of an Early Childhood Development Centre (ECD)

1. To establish an ECD centre, one has to start at the Town Planning department at the municipality to acquire an approved building plan for the property and to apply for a consent use or zoning certificate in order to have the rights to operate an ECD centre in a residential area.
2. Then you have to go to your nearest Environmental Health practitioner municipality, in order to get your health certificate (measurement will be taken in order to that will determine the number of children that the ECD centre will be able to accommodate) and certificate of acceptability (for the kitchen).
3. Then consult your nearest safety department in order to acquire your safety certificate, evacuation plan and some safety equipment.
4. Lastly you take all of the acquired documents to your nearest Social Development office in order to start the process of being registered as a partial care and ECD facility in order to operate legally.

Below are other documents that will be required for registration with the department of social development:

- Copy of approved building plan
- Consent use or Zoning certificate
- A drawing of your evacuation plan (a drawing that directs with arrows showing the exit point in the centre and where the fire extinguishers are situated in the centre)
- Constitution of the centre
- The manager/principal's exposition of experience and qualification regarding ECD (it may just be 1 page or less)
- Business plan of the centre that states the operating hours, class divisions according to age groups, school fees according to age groups, mission, vision and objectives of the centre.
- ID copies of staff and their qualifications
- ID copy of principal/manager and qualifications
- Clearance certificates of all staff members and board members
- Copy of the centres year plan
- Copy of each class's daily programme
- CC Certificate (If Private), if not an NPO certificate
- Copies of the menu you have displayed in the centre

Kind regards

[redacted]
Social Worker: Partnership & Finance – ECD Sub-Unit
Gauteng Department of Social Development
[redacted]
Email: [redacted] **and** [redacted]
Address: 101 Fedler Street, Randfontein, 1759

ANNEXURE E: CERTIFICATE OF ACCEPTABILITY (FOOD)

COA REQUIREMENTS

- FULLY COMLPETED APPLICATION FORM
- CERTIFIED COPY OF I.D/ PASSPRT
- ZONING CERTIFICATE
- APPROVED LAYOUT PLAN OR SKETCH OF THE KITCHEN & MENU

THE CERTIFICATION PROCESS TAKES ± 14 DAYS IF THE PREMISES COMPLIES

RAND
ICT MUNICIPALITY

GAUTENG
it starts here

ANNEXURE A [Regulation 3(3)]

APPLICATION FORM OF A CERTIFICATE OF ACCEPTABILITY FOR FOOD PREMISES

This certificate is not transferable from premises to premises

FILE/REF: _____

NAME:	
SURNAME:	
ID NUMBER:	
ADDRESS 1 (POSTAL):	
ADDRESS 2 (RESIDENTIAL):	
TELEPHONE NR: (BUSINESS):	
TELEPHONE NR (RESIDENTIAL):	

A. PERSON IN CHARGE: (the person in whose name the COA must be issued): block letters please

B. PARTICULARS FOR FOOD PREMISES

NAME (If any)	
ADDRESS 1 (Location or trading area, erf No. or vehicle registration no)	
ADDRESS 2 (where premises can be inspected)	
ADDRESS 3 (Where food is processed)	
TYPE OF FOOD PREMISE (building/stall/vehicle/)	

If the following are **NOT** situated on the food premises, note the address or describe the location thereof:

Facility:	Erf No.:	Address:
a) Sanitary (latrine) facilities		
b) Cleaning facilities (wash basin/zinc)		
c) Hand-washing facilities		
d) Storage facilities for food/facilities		

Private Bag X033, RANDFONTEIN 1760
Cnr 6th & Park Street, RANDFONTEIN
Tel: (011) 411-5000/412-2701 Fax: (011) 412-3663
Email: admin@wrdm.gov.za Website: www.wrdm.gov.za

e) Preparation premises		

C. FOOD CATEGORY

List and describe the food items or the nature or type of food involved:

D. NATURE OF HANDLING

List and describe what your activities will entail (e.g. preparation or packing and processing):

E. STAFF

Number of persons employed or to be employed:	MEN:		WOMEN	

F. PARTICULARS OF EXEMPTION BEING APPLIED FOR (in terms of regulation 15)

G. PARTICULARS OF APPLICANT

Name & Surname		
Capacity (e.g. owner/ managing director/ secretary / manager/etc)		**SIGNATURE:**
Date of Application (yyyy/MM/dd)		

H.OFFICE USE ONLY:

DATE RECEIVED :	RECEIVED BY:	
APPROVED ☐ DECLINED ☐	MUNICIPAL HEALTH SERVICES TEL: (011) 951-2129 FAX: (011) 660-1507 C/O CORONATION & PAARDEKRAAL STREET KRUGERSDORP	**CERTIFICATE No:**
DATE:	**ENVIRONMENTAL HEALTH PRACTITIONER:**	
	NAME:	**SIGNATURE:**
DATE:	**MANAGER:**	
	NAME:	**SIGNATURE:**