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Exploring Local Economic Activities in Reconstruction and Development Programme Townships: Case Study of Mapleton Township

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Research Report submitted at the Faculty of Architecture and Development Planning at the University of Witwatersrand for the fulfillment of the Master Degree in Development Planning.

Johannesburg, 2007

DECLARATION

I declare that this Research Report is unaided work, and it has never been submitted before for any degree or examination anywhere. I submit this Research Report at the faculty of Architecture and Development Planning at the University of Witwatersrand for the fulfilment of Masters Degree in Development Planning.

Signature ……

Date …….

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My gratitude goes to my family and friends who encouraged me to work hard during the course of this research. I also appreciate all the people who assist to compile this research especially my interviewees who give their time and energy to communicate with me. Their efforts contributed a lot to the success of this research.

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Above all let me thank GOD for giving me energy and knowledge to complete this research.

Abstract

Economic activities are lacking in many townships around South Africa. The newly developed Reconstruction and Development Programme townships are also facing the problem of encouraging economic activities. These townships are always criticized for being overcrowded by the people who are unable to support economic activities because of lack of capacity to be employed. This study adopted assets pentagon method to find the assets which the people have in the township which they can use to support and encourage economic activities in the area. Assets Pentagon method includes social and political capital, human capital, physical capital, financial capital and natural capital. The availability of these assets in the township will be vital to encourage and support economic activities.

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Chapter One

INTRODUCTION

Economic activities are the activities which people engage in through buying and selling of goods and services to promote and sustain their livelihoods. Modern world encourages people to engage in economic activities in order to sustain their livelihoods. Modern economic activities rely on the availability of resources within the society, such as human capital, social and political capital, physical capital, financial capital and natural capital which the members of the society can use to promote their economic interaction. Availability of these capitals within the society play vital role to promote and sustain economic activities in that societies. This chapter will deal with the introduction of this research. The main focus will be on background and problem statement of economic activities, aims of the study, rationale of the research, literature review, research methodology, ethics, chapter outline and conclusion.

Background and Problem Statement for economic activities

It has been noted that Local economic development is the programme which was adopted by the post apartheid South African government in the mid 1990s to promote economic activities through job creation and skills development in order to reduce unemployment within local municipalities (Department of Provincial and Local Government (DPLG): 1998). In this endeavour, the South African government was attempting to promote economic activities at local levels, especially in areas that were previously ignored by the apartheid regime (Nel et al: 2004). However, many areas still face difficult economic conditions, as they experience high levels of unemployment and poor living conditions (Hindson & Vicente: 2005). Most of these areas which lack economic activities are the newly developed Reconstruction and Development Programme (RDP) Townships (Khan: 2003)

There are many reasons given for the lack of economic activities in RDP Townships. Amongst the reasons is the fact that most of these townships are located in the peripheries of the cities (Baumann: 2003). According to Khan (2003) the reason for locating RDP housing developments in the margins and in less valuable land is that, there are not enough resources to buy valuable land in core areas. This is exacerbated by the spatial problems of segregation created by the apartheid regime. It is further mentioned that these townships locally and internationally are sometimes developed in less valuable land in poorly serviced areas which contribute to the devaluing of the newly developed low cost housing (Khan: 2003; Castells: 1978). It is also observed in many developing countries that settlements are separated according to socio-economic standards, the consequences being the disturbance of economic interaction among the wealthy and the poor (Brown and Lloyd-Jones: 2002).

As observed in many South African townships, the majority of poor people live far away from the suburbs where wealthy South Africans are located (Khan: 2003; Baumann: 2003). However Baumann does not perceive separation of settlements according to socio-economic level as the only problem distorting economic activities in townships, he argues that in South Africa, people who are located in the outer cities are mostly taken from their means subsistence, financial capital and their social networks which are helpful to them in participating actively in the market. These people are taken from their survivalist informal enterprises like tuckshops, street trading, and other casual and temporary work next to the cities and factories and placed far away where is difficult for them to pursue their livelihoods, because of the fares associated with travelling.

Despite the above mentioned reasons which play vital roles in distorting economic activities in low cost housing, it is also mentioned that infrastructure services are not up to standard to support economic development in townships or low cost housing areas. Yet it is widely observed that economic development relies mostly on availability of good infrastructure services (Moser: 1996, Brown and Lloyd-Jones: 2002, Beal et al: 2004). Indeed, Mayekiso (2000) in Bond's *Cities of Gold and Townships of Coal* argued that, deterioration of municipal services and declining standards of infrastructure services in

the post apartheid South African townships has become a common theme. This reflects that these townships are facing problems of developing their economies because of poor infrastructure and municipal services. Brown and Lloyd-Jones (2002) stressed that internationally road networks are poorly developed and managed with limited extension of tarred roads in many developing countries including South Africa. More specifically Alleman et al (1994) observed that there is a shortage of telecommunication infrastructure in South Africa and Southern Africa to promote economic development. The roads and telecommunication infrastructure are totally in bad conditions in most of South African townships, derailing the introduction of the fast growing information technology business in townships. For instance, in Ekurhuleni, roads and telecommunication infrastructure are poorly provided and in bad conditions (Ekurhuleni Integrated Development Plan 2007-2011 Draft: 2007). It is also noted that Ekurhuleni has 2000 km untarred roads within its borders, this shows how bad many roads are in Ekurhuleni. [1]

Moreover poor deliveries of essential services in many South African townships that distort economic development become a major concern in the post apartheid South African regime. Democratic South Africa is facing the challenge of providing essential services to the people who were previously disadvantaged by apartheid government. Essential services such as better housing and roads, water, sanitation and electricity are not available in some of South African townships. Shortage of these services in some townships pose treats to the socio-economic wellbeing of people living in these areas. Lack of these essential services discourages improvement of socio-economic interaction amongst the people living in these townships and impact negatively to their living conditions.

The Minister of Labour Mr Membathisi Mdladlana mentioned that South Africa has a serious problem of skills shortage.[2] Shortage of skills delays economic development in

[1] Ekurhuleni Metropolitan Municipality **"**Municipal Infrastructure" (01 June 2006**)** http://www.ekurhuleni.com/ekurhuleni/article.jsp?id=9 (Accessed: 24-May-2007)
[2] Pickworth Evan. "Mdladlana: Skills shortage remains a problem" Mail and Guardian Online (07 July 2006)

South Africa, especially in the second economy where many unskilled people reside (Nel et al: 2004). The problem of skills shortage exacerbates unemployment in South Africa, because industries hire people with skills and leave those with limited skills behind, since they will be unproductive. South African official unemployment rate is currently on 25 % and general rate of unemployment is at 40% which undermine the rationality of economic development.[3] The difference between official and general unemployment is that official rate include people who have been active for job seeking in the past one or two weeks while general unemployment rate include people who are not employment even if they have given up for looking for job. The problem raised by the official and general definition of unemployment will not be discussed now. The important point to note is that unemployment hit hard in many townships around South Africa because most of the unskilled and semiskilled people reside in these areas, resulting in poor economic development within these areas. Despite the high rate of unskilled and semiskilled labour, currently there is growing trend of mismatch of skills supplied by labour market and the skills required in the production market, which exacerbate the problem of high unemployment and poor economic development.[4] This mismatch according to Arora and Ricci (2006) affects mostly the young educated people in South Africa, whose professions do not meet the skills required in the service and production market.

Aims of the Study

Research question: What promotes or discourages local economic activities in RDP housing? Case Study of Mapleton Township

This study will investigate the local economic activities in RDP Township using the case study of Mapleton Township in Ekurhuleni municipality. The study will use the

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http://www.mg.co.za/articlepage.aspx?area=/breaking_news/breaking_news__business/&articleid=276691 (Accessed: 08 May 2007)

[3] Sapa "Employment growth 'well short' of Asgisa target" Mail and Guardian Online (03 July 2007) http://www.mg.co.za/articlePage.aspx?articleid=312909&area=/breaking_news/breaking_news__business/: (Accessed: 03 July 2007)

[4] Arora V and Ricci L.A (2006) 'unemployment and the labour market' http://www.imf.org/external/pubs/nft/2006/soafrica/eng/pasoafr/sach3.pdf (Accessed: 23 June 2007)

following sub-questions to investigate the strategies and ways to encourage and attract economic activities in RDP housing:

1. What types of formal and informal economic activities operate within the RDP housing?
2. How does unemployment affect socio-economic interaction in RDP townships?
3. How do employed people promote economic activities in the area?
4. What types of social networks exists and how they affect socio-economic interaction in RDP townships?
5. What types of infrastructures are there or needed to support economic development in RDP housing?
6. What does local government do to promote economic development in the RDP housing?
7. Are there community projects and programmes that are providing people with paid jobs in the RDP townships?
8. Are there any skills development programmes implemented in the RDP townships?
9. What are the spatial implications of RDP townships to LED?
10. Is there land provided for development of shops and other commercial land use to promote economic development in the township?
11. Are geo-technical conditions of RDP townships favourable to attract and stimulate economic development?

These questions help in investigating economic activities in Mapleton Township. The researcher used them to explore the availability of social and political capital, human capital, physical capital, natural capital and financial capital in Mapleton Township and whether the assets are used accurately to promote economic development in the area.

Rationale of the Study

The rationale behind this research was to add information to the existing knowledge about the factors which can be promoted to stimulate and attract economic activities in the RDP townships. Researchers like Nel et al (2004) and Parhanse (1996) have looked at the local economic development in different areas, but they were not focusing on Mapleton Township which is the case study that the current researcher was to exploring. Although this topic has been investigated by many researchers, its importance lies with the fact that the time, the place, people and situations where the former investigations took place were not the same as the current study. The rationality was also based on the fact that questions asked in this case study produced different answers to the ones found by the previous researchers, because the same questions can produce different responses depending on the social, political and economic context of the people answering the questions (Scheurich: 1997).

According to Mishler 1986 (in Scheurich: 1997) the meaning and understanding of things shift in large and small ways across people, across time, place and across situation. The research played a crucial role in identifying different ways to promote local economic activities in Mapleton Township, and increase the availability of information in relation to local economic activities in townships. For instance Nel et al (2004) found that it is essential to guarantee local employment and wealth generation, which in turn will promote socio-economic level of the residents and generates resources for future programmes, this research found that the accessibility of resources available to the people in their respective areas play vital role in encouraging economic interaction.

Amongst others, researchers like Isserow(1995), Anale(2005), Abrahams (2006) have researched about local economic development with interest in services like water, electricity, sanitation and housing as core elements for township economic development. These researchers were not considering putting emphasis on various forms of capital available in the society which can help them to enhance their socio-economic level. This study increased the vitality of the research focus by including physical capital, social

capital, human capital, financial capital and natural capital in its process of exploring local economic activities holistically. These capitals does not just advance the importance of this study, but they also help to understand the resources available to people in the society which can help them to improve their socio-economic and develop their economies (Carney:1998, Rakodi:2002, Ellis:2000). The exploration of these capitals assists in understanding what have to be done when using these capitals in RDP townships to encouraging local economic activities and advance the socio-economic level of people living in these areas. The investigation enhanced the importance of the study by revealing what distort the use of the capitals in RDP townships to encourage economic activities.

Literature review

In this literature review the focus will be on the writers, researches and authors who have put some emphasis on economic activities in their writings. The emphasis will be on what they say about economic development, what they think has to be done to enhance economic development. The arguments from these writers will be contextualized to feet the topic at hand. Many states and cities are struggling to develop their economies to reduce the poverty levels in their jurisdictions. The states and cities are using different approaches to create jobs and boost economic development within their areas, and amongst the approaches adopted by many states and cities in developing their economies especially from 1980s onwards was neo-liberalism (Nattrass: 1996; Luiz: 2002; Carrier: 1997; Harvey: 2005; Colclough: 1993). According to these writers, neo-liberalism is an approach used to develop the economies of both undeveloped and developing countries to accomplish their mission of encouraging economic interaction. Privatisation which is the component of neo-liberalism that is employed by many states and cities, is perceived as the vital tool to create jobs, distribute the wealth equally among the people, decreases insecurity among the market participants, increase economic growth and freeing the market to promote economic activities (Nattrass: 1996; Luiz: 2002; Carrier: 1997; Harvey: 2005; Colclough: 1993). Privatization in most cases happen through the state or city selling all its assets and services or part off, to individuals or private companies to

unable the market system to function perfectly to encourage economic activities(McDonald: 2002).

Selling of state owned entities is meant to limit or eliminate the state from participating in the production of goods and services to allow the market to function properly (McDonald: 2002). The contention of neo-liberalists is that the state must promulgate rules and regulations to regulate economic activities but not to participate in the game. Neo-liberalism perceives economic activities will be encouraged when the state reduce its expenditure in services such as grants, subsidies and pensions (Nattrass: 1996; Luiz: 2002; Carrier: 1997; Harvey: 2005; Colclough: 1993; Brenner and Theodore: 2002). They continue by arguing that reduction of state participation in the market is meant to let the market to function freely from any intervention, which they conceive will allocate resources equally amongst the participants and increase competition. Competition between the sellers will give the buyers a greater option when buying goods resulting in increment in economic activities. However this constitute the fall of small emerging firms which can not compete with larger firms because of lack of experience and resources to boost their production, concurrently derailing the aims of economic development.

In South Africa neo-liberalism is promoted through growth employment and redistribution (GEAR) which was adopted in 1996 as the policy to advance economic activities in the country (Nattrass: 1996; Luiz: 2002). They mention that GEAR was meant to promote economic growth by supporting the free market, privatisation, restructuring, outsourcing etc. The South African government sold some of its entities such as Iskor to private owners to supports privatization and also to enhance economic growth. The government received finances from this transaction which they can use to improve provision of essential services to the community. GEAR also helped the municipal governments in South Africa to privatize essential services such as water and electricity to generate income from them (Mcdonald: 2002). Privatisation of these essential services is the strategy to encourage people to pay for their services they use in order to promote economic development (Mcdonald: 2002). However, the majority of South Africans especially black people are unable to raise money to pay for what they

consume, and then privatisation of water and electricity is perceived as the deprivation of their rights to access basic services. Lack of financial resources by majority of black South Africans distorts economic interaction in the form of service payments between the users and municipal officials. The impact of GEAR to majority people is negative because many breadwinners are retrenched when companies are sold and restructured leaving them with minimum financial resources to advance economic interaction. However neo-Marxist perceives the move of privatisation of state owned entities and services as the capitalist move to exploit the working class (Bond: 2000).

Neo-Marxist, unlike the neo-liberalists who see privatization as the means for job creation, promotion of healthy life and equal access to essential services, perceives privatization of essential services as something that will awkwardly derail the socio-economic level of the poor people, putting them in bad situation and increasing their vulnerability (Bond: 2000). Bond continued by pointed out that neo-liberal approach is increasing unemployment and poverty, because people are retrenched through workplace restructuring and privatization. These effects of privatisation impact negatively to economic activities in the area because when people are retrenched will lack financial resources to participate in the market. Apart from privatisation neo-Marxist perceive low wages paid to workers as the other source hindering economic activities in any place (Bond: 2000).

Catephores (1989) maintained that economic activities will be encouraged significantly when labours are paid according to the work they have done to enable them to buy goods and services of their choices, but when the capitalists continue with the tendency of exploiting workers, economic activities will be hardly accomplished. But the contention of paying workers according to the work the have done is against the neo-liberal's argument, when they mentioned that economic activities will be encouraged when quality goods and services are produced at the lowest cost as possible to enable competition, because producing goods at lowest cost amongst others means to pay workers less wages and salaries. According to Brenner (1986) property relation will in a large degree determine the pattern of economic activities of any society, and the duty of the pattern is

to pursue the rules of capitalists for the reproduction of direct producers and exploiters. Based on this contention capitalists derail the greater participation of workers in economic activities by perpetuating exploitation. Neo-Marxists perceive that economic activities will be promoted through the nationalization of all productive machineries to avoid exploitation and advancing equal distribution of wealth. However neo-Marxists do not conceptualize economic development according to developmental state approach.

Developmental state approach does not promote free market as the only tool to encourage economic development; it also acknowledges the importance of state intervention in the economy to direct the resources to valuable zones (Manuel: 2004; White: 1998). Developmental state approach foresees promotion of economic activities through state intervention in the market by directing resources to vital zones where they are mostly needed (Manuel: 2004; White: 1998). Kwon (2005) articulates that in developmental state, development occurs through state intervention in the market through subsidies, grants and production of goods and services, unlike in neo-liberalism where development occurs through market orientation and non state intervention. The use of grants, pension and subsidies by developmental state is meant to help those who can not participate in the market without state expenditure to participate. The importance of developmental state approach to the encouragement of economic activities relies on its ability to allow both market orientation and state intervention to advance economic development (Kwon: 2005; White: 1998; Manuel: 2004). Developmental state encourages the state to subsidize and protect the small emerging businesses to harness economic activities, the trend which is against neo-liberalism which calls for non-state intervention in the market (Kwon: 2005).

Developmental state concedes that targeting certain sectors of economy and population by investing on those sectors plays vital role to advance economic activities. The approach releases that market alone will not distributes wealth equally and improve the socio-economic level of poor people, then included state intervention to in the form of grants, subsidies and pensions to help poor people to enhance their economic activities. Developmental state approach concurs with the post Washington consensus approach

stresses that economic development will happen according to the policies, strategies and programmes undertaken in a particular area (Hayami: 2003). Post Washington consensus is against the perception that one approach will be successful everywhere around the world as the neo-liberalists conceive. According to Post Washington consensus economic development or failure occurs through the policies, programmes and strategies adopted at the particular place, without undermining the market or state because each and every area has its characteristics which play vital role in determining development in that place (Hayami: 2003).

Notwithstanding policies, programmes and strategies adopted by different places to promote economic activities, Carney (1998); Ellis (2000) and Rakodi (2002) articulate that promotion of economic activities depends on the availability of assets in the area. Availability of five types of capitals such as human capital, social and political capital, physical capital, natural capital and financial capital within the area will determine the extent that the economic activities should be encouraged (Carney: 1998; Ellis: 2000; Rakodi: 2002). These capitals, which are deemed vital elements for economic development, are called pentagon assets (Carney: 1998; Ellis: 2000; Rakodi: 2002). According to Carney (1998); Ellis (2000) and Rakodi (2002) these capitals compliment each other in the process of encouraging economic activities in the area. They articulate that shortage of any of the capitals will distort economic development within the community. They continued by arguing that all the capitals must be in a perfect state in order to be able to encourage economic activities within the community. This means that if all capitals are available and are in perfect state within the community that community will enjoy greater economic development. The researcher opted to use these capitals throughout the research report because he also conceived that they are important elements to encourage economic development within the area. More importantly these capitals will be scrutinized in chapter two to articulate why they are chosen for this study.

From this literature review, my contention is that neo-liberalism is not enough to promote economic activities in places where many people are poor and not employed. Neo-liberalism promotes individualism undermining social networks which keep society

functioning. The impact of neo-liberalism on workers is negative because it keep majority of workers out of their duties derailing economic development. Economic activities can be supported when developmental state approach is used, because it allows state to help people who cannot face the competition brought in by neo-liberalism. Developmental state approach allows the state to invest on sectors, which need to be developed and also protect them from strife competition. However for developmental state to achieve its goal of developing the state, region or sub-region different assets have to be available to society or community that they want to develop.

Research Methodology

Qualitative Approach

The researcher used qualitative research methodology to achieve the purpose of finding the strategies to attract and stimulate economic activities within RDP Township. Qualitative research is appropriate when research question involves learning about, exploring, understanding or describing group of people, their interaction, behaviour and experiences (Greenstein: 2003). Greenstein stresses that unlike quantitative approach were the researcher is objective when collecting data, the researcher in qualitative approach put himself in the shoes of the people being interviewed or observed in order to try to understand their actions, behaviours, decisions and practices from participant's perspective. This played crucial part in this research because the researcher was be able to understand the participant's perception in what they think is vital to promote economic development and what they do to improve economic activities in the area. In this way qualitative method allowed the researcher to interpret the findings of the study, based on the way the interviewees were reacting during the interviews.

The researcher used face to face interviews and make observations to gather data for this study. According to Bogdan and Kiklen (1982) interviews is a purposeful conversation, usually between two people …that is directed by one in order to get information (in Scheurich: 1997; Greenstein: 2003). Face to face interviews in the form of Semi-

structured and unstructured interviews or in-depth interviews were conducted to collect the information for this study. Semi-structured interviews were used because there was a list of questions to be answered, which allow flexibility in the way questions were asked and the interviewee also has a chance to elaborate on questions of interest to them (Greenstein: 2003; Robson: 2002). Unstructured interviews allowed the interviewer to introduce the theme or topic and permit the interviewee to develop the conversation about the theme.

Flexibility of respondents during the process of interviews was crucial because elaboration on questions provided new information which was not anticipated by the researcher when formulating questions. Moreover the semi-structured and in-depth interviews need the interviewer to be subjective in order to understand the participant's perception. This helped the researcher to observe the feelings and behaviour of respondents when responding to the questions. The underlying reason for the researcher to be subjective is that most people don't act according to the way they talk and sometimes they hide their real feeling when responding to some of the questions (Greenstein: 2003). Consequently their actions will differ with what they say. The researcher also observed the economic interactions among the residents of Mapleton Township when going around the area interviewing people.

The researcher also used libraries to collect information for the case study. In the libraries the researcher looked for books and journals, which have relevant information for the case study. For instance, books and journals that has information about local economic development. In the libraries the researcher also looked for information for the study on daily and weekly newspapers, internet and newsletters. Internet, Newsletters and Newspapers are crucial sites of activities happening daily within the locality and the country. These media sites have crucial information of economic activities within the local. Internet was also used to check Strategic Development Framework (SDF), Integrated Development Programme (IDP), policies and legislation of Ekurhuleni Metropolitan municipality, which were not available in hardcopy; because it was crucial to see what the municipality has stated in the SDF, IDP, policies and legislations to

develop the economy of the area. Policies, legislations, SDF and IDP are crucial guidance tools of the municipality to develop the area economically and socially, therefore they were important for this study to find if what they stated on them has been implemented or not. The above mentioned sources were vital for this research to reach its purpose of exploring economic activities in RDP Township.

The researcher collected data from Mapleton Township as its case study. Yin (1994) defines case study as “the investigation of a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident”. Mapleton is situated in the Southern part of Ekurhuleni. There were many reasons for selecting Mapleton Township as the case study. The first reason was that there is less information about Mapleton Township. Secondly there is no research which has taken place in Mapleton Township about economic development since it started as a township in early 2000. The third reason for selecting this case study was that it will not require too much financial resources to go and collect data from it. The fourth and the last reason was that Mapleton Township is an RDP township and this study wants to explore economic activities in RDP Township. The data collected from Mapleton Township through face to face interviews constituted the backbone of the research findings.

The researcher used semi-structured interviews to collect data from residents of the Mapleton Township; while unstructured interviews were used to collect information from community organisation leaders and local municipal managers who deal with economic development within Ekurhuleni municipality. Semi-structured interviews are selected for residents in Mapleton Township because semi-structured interviews are used where there is a list of questions to be answered, which allow flexibility in the way questions are asked, and the interviewee also has chance to elaborates on questions of interest. But the researcher can patiently stop the interviewee from elaborating further when he notices that the interviewee is out of platform created by the question. Unstructured interviews allowed the interviewer to introduce the theme or topic and permit the interviewee to develop the conversation about the theme. The unstructured interviews allowed the

researcher to introduce the theme of local economic development to managers and community organisation leaders so that they can argue according to the theme. The number of interviewees will be treated in details on sampling. These people provided the researcher with important information to accomplish the purpose of this study, because the researcher conceived that they have enough knowledge of what types of economic activities are taking place in the area and what the municipality has done in order to promote economic activities in this area. All the participants selected for this study played crucial role in improving local economic development within the area either through buying and selling, creating jobs, implementing programmes which promote local development, hiring people etc, and then their participation in the study was important.

Sampling of the Research

The sampling for this study is purposive sampling. Purposive sampling is used when the researcher target particular individuals and categories of individuals for investigation (Greenstein: 2003). Purposive sampling was chosen for this study because the researcher was targeting certain individuals and categories of individuals to interview. The targeted sample was managers of economic development department in Ekurhuleni metropolis, leaders of community organisations and community members between the 18-75 years in Mapleton Ext 10 Township. The categories of individuals mentioned above were the main reasons for the researcher to opt for purposive sampling. The total number of the sample was twelve people. The sample included two managers from economic development department in the Ekurhuleni municipality, two leaders of community organisation(s) in Mapleton Township and eight community members in Mapleton Township.

The members of the community were divided into sexual affiliation for the purpose of representativity. Choosing equal men and women assisted the researcher to know the views of both genders in the area about economic interactions. The researcher interviewed four women and four men irrespective of their racial affiliation in Mapleton

Township. The researcher also interviewed two male managers at the department of economic development in Ekurhuleni and one male and female community leaders at Mapleton Township. The ages of people interviewed range from 18 to 75 years. The reason for selecting these ages was that the researcher believes that these people have knowledge about economic activities, and also that they are economically active through employment, self employment or job seeking.

The reasons for choosing the above mentioned sampling for the study differ with each category of sampling selected. The reason for opting for economic managers in the municipality was that they are responsible for implementing and monitoring economic development projects within the local municipality; and they will be able to provide information about what hamper or promote economic development within the area. The rationale behind community leaders was that they are the people who are contacted when developments and other issues concerning the area are going to happen or discussed, and they also represent the community in each and every meeting regarding developments in the area. Community leaders are the first people to be consulted when government or private sector wants to implement socio-economic developments in the territory. They have knowledge of economic opportunities and constraints within the township. The reason for selecting community members was that they are the people who have to initiate, participate and promote economic activities within the area. The community members have to sell; buy and produce goods and services in order to promote and increase economic interaction within the township. Community members are responsible for promoting and improving their own socio-economic standards. Their inclusion in the sampling was crucial for the success of the study, because they have to interact daily on economic activities to sustain their lives.

The access to the subjects of this research was based on the resources available. The researcher travelled to Mapleton Township to interview the community leaders and the members of the community. But before that the interviewer searched for community leaders and informed them about the research and the purpose of it. Furthermore, the researchers asked the community leaders to inform members of the society about the

research and its intentions and also ask for support and cooperation. To interview the managers in economic development department the researcher asked for permission from them to be interviewed. The researcher opted for both emails and telephone interactions to confirm the dates and places of interviews with the managers. After they agreed to the dates, the interviewer travelled by taxi to Brakpan Civic Centre where department of local economic development is situated to interviewed the two managers.

Ethics

The researcher considered the ethical position of the topic. The researcher made sure that he introduces himself gently, politely and patiently to the interviewee before talking about his intentions. The researcher informed the people about the research and its purpose before the interviews can begins. After informing the people about the research and its intentions the researcher also notified the interviewees that they are not forced to participate in the research, if the interviewee feels uncomfortable with the research he/she can decline to participate and if he/ she has already started the interviews he/she was allowed to stop the process if she /he feels uncomfortable. But none of the interviewees wanted to stop when the interviews has already started, most of the members of community were decline to participate. Those who were willing to be interviewed were notified that their names would not be mentioned in the study to protect them from any criticism. The above mentioned ethical issues motivated the interviewer to be polite and patient in order to convince the people to participate in this study. The interviewer also informed the leaders of the society where the inquiry took place about his intentions and the research so that they can inform the community members about what was happening.

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Conclusion

The background of this study reveals that economic activities in townships are constrained by many things amongst them spatial locations of the townships. Most of the townships especially in South Africa are located in the peripheries of the cities, where many amenities to support economic development are scarce. The location of townships mostly the RDP townships in the borders of the cities limit economic interaction in the townships because the people who are located in the areas are mostly taken from their means of subsistence, financial capital and their social networks, which help them to participate actively in economic activities. Despite the location of RDP townships in the peripheries, the infrastructures, which are needed to encourage economic activities, are also in bad state or not available.

Many South African Townships lack infrastructure services to support economic development. Lack of electricity, tarred roads, better housing, water, sanitation and telecommunications in South African townships contributes significantly to the disruption of economic development in these townships. Even though currently the government is trying to provide some of these services when developing RDP townships, not all the services needed to promote economic activities are provided. Lack of services exacerbates the poor living conditions of communities residing in the peripheries of the cities. However, unemployment also constitutes a major problem to the encouragement of economic activities in the townships. Many South Africans are unemployed, meaning they do not earn money to support economic activities within their townships. These

reasons raised the interest of the researcher to investigate whether economic activities in Mapleton Ext 10 Township were affected by some of them.

The importance of this research was to add information about how to induce economic activities in RDP Townships. More importantly was to introduce information about economic activities in Mapleton Ext 10 Township, because there is no research which has been conduct in this area about economic activities.

Chapter Two

Conceptual Framework for Economic Activities

Introduction

This chapter will present the conceptual framework for the study of economic activities in RDP Township. In discussing the conceptual framework, the analysis will be based on the pentagon method of analysis. The pentagon method was originally used to analyze livelihoods strategies in rural areas by researchers such as Carney 1998, Ellis 2000 etc, but in 2002 Rakodi adopted the pentagon method to be used in urban areas to understand the capitals which help the people to enhance their economic activities. The pentagon method of analysis includes 'social capital, political capital, human capital, natural capital physical capital and financial capital as its main components' (Carney: 1998). The capitals included in pentagon play vital role in encouraging economic development in any place either urban or rural. Shortage of some of the capitals in the area constitutes insufficient economic activities around the urban or rural area.

The adoption of this method was based on the fact that the approaches discussed in the literature review were not enough in explaining what people living in Mapleton Township have, in order to promote local economic development. The approaches like neo-liberalism, neo-Marxist and developmental state have been deliberately emphasized in literature review. The concern is that neo-liberalism as mentioned earlier on, it promotes economic development through the privatization of basic services like water and electricity which has a negative implications to the lives of poor people who rely on grants and subsidies for living (Mcdonald: 2002). Neo-liberalism is more concerned about maximum profit in each and every action they take, this make essential services very expensive for many poor people who cannot participate actively in the market without help from state or friends (McDonald: 2002). This approach is not adequate for promoting economic development in low income areas because where they are implemented people will struggle to access essential services which help them to promote their social life. Therefore the researcher conceives this approach as inadequate to be

used for the promotion of economic activities in townships. However unlike neo-liberalism, neo-Marxist perceives economic development in terms of capitalist mode of production.

Neo-Marxist perceives economic development in terms of property relation, with those who have property determining where and how their assets have to be invested, and how the workers have to be exploited in working hours and remunerations. Neo-Marxists are against the economic principles of capitalists, because those who own capital are manipulating the workers by not paying them according to the work they have done, resulting in many people struggling to meet their daily needs even if they are working (Castell: 1978). However this approach will not be used thoroughly in this research because many townships are dwelled by people who do not own either financial capital, physical or natural capital. However, despite neo-Marxist approach which perceives development through exploitation of workers, there is developmental state approach which conceives development through subsidizing people and small firms which cannot participate actively in the market without help.

The developmental state is the approach which needs to develop the economy of the country by directing the resources where they are dearly needed. The developmental state can use programmes, policies and statute laws to promote economic development in the area they deemed need to be developed. This approach favours both free market and state intervention for economic development. This approach will play crucial role in this research because communities living in poverty such as Mapleton Township need state intervention to promote their economic activities. Even though the developmental state approach is vital for this research, the researcher will opt to use the pentagon assets for analyzing this research

The reasons for adopting the pentagon method for this case study amongst them were that pentagon method includes capitals which are vital for economic development. Secondly pentagon method has elements which can promote and encourage economic activities within the township if protected and used properly. Thirdly the elements promote social

cohesion which is vital to promote economic development of any place, because when people are united they can be able to pull off from any economic distortion they might face. Fourthly the pentagon method recognizes the importance of skills, education and health available to community members as means to rescue themselves from vulnerable living conditions and resources to be used to develop the economy of the community. Fifthly the elements also acknowledge the importance of access to loans, saving schemes grants, credits by members of the community to be able to pursue economic activities. Lastly the elements acknowledge the importance of availability of infrastructure services within the township to help in the promotion of economic development (Rakodi: 2002; Carney: 1998; Ellis: 2000).

The use of this method helped the researcher to portray the resources available in both Ekurhuleni metropolitan municipality and Mapleton Township to encourage economic development. It is precisely meant to reveal the resources available in the society which can be used to develop the livelihoods of members of the society. However, it is also noted that the availability of these capitals in the society do not imply that the members of the society are able to use them to improve their living standards, but the access to these capitals by the members of the society will determine the members' capacity to enhance their economic activities (Rakodi: 2002; Carney: 1998; Ellis: 2000). The use and success of each capital to promote economic activities and take people out of vulnerable situation they are living in is determined by the nature of the capital, the context in which the capital will be used and the importance and need to use the capital (Narayan: 2000)

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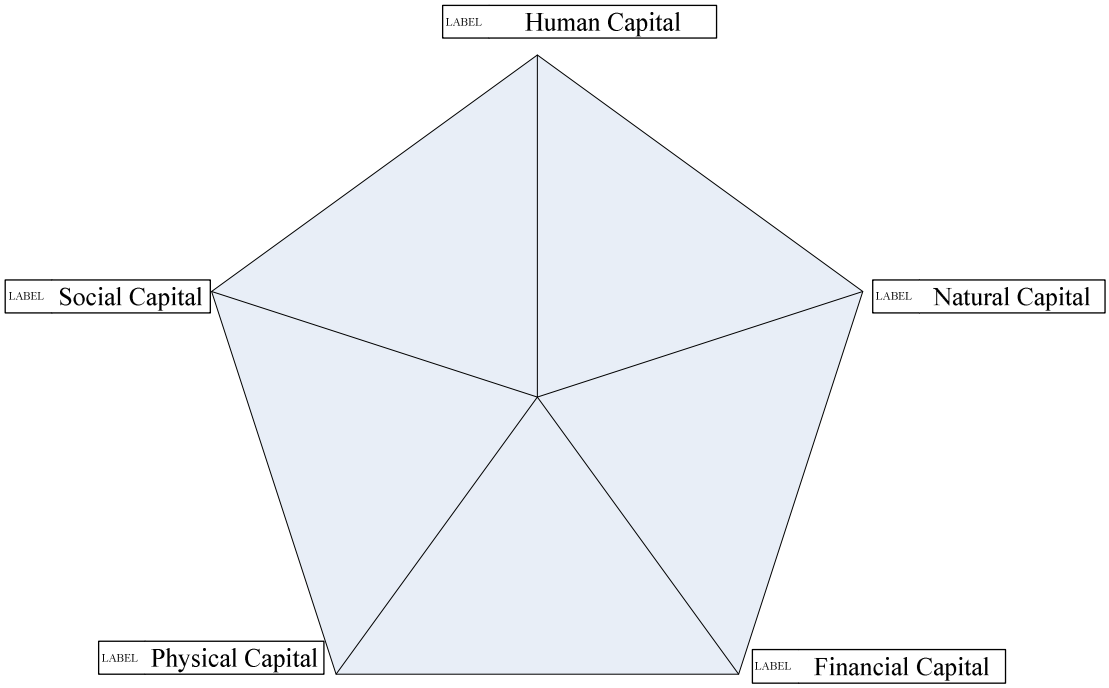


Figure One: Assets Pentagon (Carney: 1998)

The diagram shows five capitals which the community must have in order to participate actively in developing their economies. This diagram reflects the normal status of pentagon assets, meaning all the assets are 100% perfect to encourage economic activities. According to the proponents of this method like Rakodi, Carney and Ellis, if one of these capitals is not available or is scarce within the society, the society will face a problem of achieving the goals of enhancing economic activities, because of the scarce or unavailable of one capital. They maintain that these capitals have to be 100% to be able to complement each other; therefore they must always be maintained and protected to assure their availability within the community so that the community will be able to use them to promote their economic activities. Bebbington (1999) articulates that assets or what we call capitals in the framework are not just simple resources that people use when building their livelihoods; they are assets which give them capability to be and to act. He carried on by saying people's assets are just not merely the means through which they make a living, these assets also give meaning to the person's world.

Unlike Rakodi (2002) and Carney (1998) who mentioned that all assets have to be 100% in order to encourage economic activities, Bebbington (1999) mentioned that to encourage economic activities within the area depends on the most relevant assets to the economic activities which people promote in the area. Bebbington continued by arguing that different choices sometimes sacrifices one or more of these assets in order to build up another more appropriate asset to encourage economic activities in the area. Narayan (2000) articulates that the success of pentagon assets to do not just depends on the size and availability of assets, but on the nature of assets, the context in which the assets will be used and the need and importance to use the assets. These critiques shows that some areas can have balanced economic activities within their jurisdiction even though they lack some of the assets mentioned on the pentagon assets.

Social and Political Capital

Social capital is the capital which is accumulated through the interaction of the people who have trust to one another. According to Narayana (1997) and Childester *et al* 2003 "social capital is the rules, norms, obligations, reciprocity and trust embedded in social relations, social structures and society's institutional arrangements which enables its members to achieve their individual and community objectives". Bourdieu and Wacquant (1992) do not conceive social capital in terms of norms and obligations but as the "sum of resources, actual or virtual that accrues to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationship of mutual acquaintance and recognition". Social capital promotes economic development through the trust and reciprocity people have to one another when they borrow and give one member the credit he want either in the form of money or goods. Many people in townships are relying on credit to purchase their daily needs, and businesses in townships also are using credit to sell their goods more than cash. These happen because of the trust the buyers and sellers have in one another. To generate the trust and reciprocity, the interaction between the people have to happen constantly (Collier: 1998).

Constant interaction between the people will create social networks which people will rely on for social and economic support. Helping members of the network to promote their socio-economic status encourage the members to cling on the network. The more the social networks in the society the more people belonging to those networks will be able to hang on them for survival mechanism. Different social networks like churches, clubs, nongovernmental organizations (NGOs), political organizations etc are vital within the community to promote social unity and protect their members from distresses (Chadester et al: 2003). For instance some members of social networks such as churches, clubs, NGOs etcetera sometimes hire the members to perform duties for them or their companies. The members also give other members of the network money, foods and clothes when the member is asking for those resources in the network. The members of the network can also adopt the patronage system in doing their economic activities in the community, by giving more care on the needs and interests of the network members while other people who are not members are neglected. Hiring of members, borrowing of money, reciprocity and trust plays crucial role in encouraging development within the members of the social network and the entire society. But social networks promote exclusion in the community because those who do not belong to the network will not be treated equally like the members of the social network.

Political institutions as the core to distribute political capital play crucial role in promoting economic development between the members of the society. Politicians can play patronage system to promote economic development within its constituencies, by giving them work, subsidies, grants, contracts etc. The patronage will symbolize the reciprocity between the politicians and constituencies. “Social capital is the index of popular participation, commitment and trust in the institution of government” (Chidester et al: 2003). The argument they are making is that democratic governments which allow participation are able to generate trust among themselves and the people. Political capital is built up when the government trusts the people and the people trust the government (Chidester et al: 2003). For instance the ongoing protest by community members in South Africa about poor service delivery can be attributed to lack of trust by the community members on the ruling government.

The researcher will use marriage as a means to measure social capital in assets pentagon. The reason why marriage was chosen to measure social capital was that when people are married; unity, trust, reciprocity are embedded in their relation, and they are able to promote economic activities through the money they give each other. The other reason for opting for marriage was based on Bourdieu and Wacquant (1992) when they articulate social capital as the sum of resources, actual or virtual that accrues to an individual or a group by virtue of possessing a durable network of more or less institutionalize relationship of mutual acquaintance and recognition. The measurement for social capital appeared in percentages within the pentagon assets for both Ekurhuleni and Mapleton Ext 10 Township. To reach the percentages the number of people who are married traditionally, religiously and legally in the Mapleton Township and Ekurhuleni metropolis were multiplied by hundred divide by the total number of the population in the area. Marriage plays vital role for the perpetuation of human capital through the increment of population and better grooming of children by giving them better education so that the children will take responsibility of their lives in future.

Human capital

Human capital is the resource which people possess and use in enhancing economic development. Manufacturing of goods and services, buying and selling of goods and services and consumption of goods and services depend on the human capital the society has. Human capital refers to the number of people, their health, their skills and education level, who are mature enough to produce goods and services (Carney: 1998; Rakodi: 2002; Ellis: 2000). Rakodi (2002) divided human capital into two dimension; quantitative and qualitative human capital, the former referring to the number of people in the household and the society who can perform payable work, and the latter referring to the skills, capacities and education level the members have. Availability of skills and high educated people drive economic growth, increase employability and reduces unemployment, and when people with skills and high educations are lacking within the members of the society, promotion of economic activities will be a problem within that

society. However, the modern world is no longer regarding education and training as only means for people to be employable, but the matching of their skills and education to the skills and education required in the workplace play important role. For instance South Africa is currently foreseeing the problem of skill mismatch among the young graduated professionals (Arora and Ricci: 2006). This situation affects mostly South African townships where qualitative human capital is scares.

South African economy is facing difficulties of reaching its target of 6% economic growth because of shortage of qualitative human capital (Rose: 2006). To reach the target of 6% economic growth the country must have different skills and expertise between the members of the society to occupy all the positions available in the market. However skills and expertise required in the market are not sufficient in South Africa especially in the townships where many previously oppressed people reside. The townships lack artisans, technicians, accountants, Information technologists, to name the few who can promote economic development within the townships. Qualitative human capital forms a backbone for economic development in urban areas and helps to reduce unemployment. To address the shortage of qualitative human capital in South African economy the state has initiated different programmes like Skills Education Training Authority (SETA), learnerships etc to transfer the required skills and expertise to the people[5]. Although qualitative human capital play vital role in reducing unemployment, quantitative human capital also has profound role for economic development in the society.

The numbers of people who are healthy and skillful in the community determine the extent of economic development in the society. If the society has a high numbers of people who are educated and have skills the society will have a better opportunity of developing the economy, unlike the society which is overcrowded by illiterate people. Their education and skills will help them to be productive and efficient when performing

[5]African National Congress "Integrating youth into the labour market," (18 June 2003) http://www.anc.org.za/ancdocs/pubs/umrabulo/umrabulo18/submission.html)(Accessed: 09 July 2007).

their economic duties, constituting a better economic development. The household and the society will also face a problem when many members of the household or the society are unhealthy, because they will not be able to undertake heavy economic duties. The problem is exacerbated by the current pandemic known as human immunodeficiency virus or acquired immune deficiency syndrome (HIV/AIDS) which derail economic development. When people are diagnosed by this disease need more financial and social care while they are unable to be productive at the work place (Dickinson: 2006). According to Thomas (2006) when one member of the household or the community is diagnosed by HIV/AIDS; s/he is forced to resign from the job because of unhealthiness to work; and on top of that s/he needs attention from the family and the society forcing the members of the family not to go to work regularly or deciding to resign from work to be able to give him/her a better attention. She continued by arguing that the disease also consume more of the family financial resources for treatment leaving the family destitute when the member passed away because of its relation to uncureness. Development indicators such as life expectancy at birth and infant mortality rate have already negatively affected by HIV/AIDS (Thomas: 2006). The Abt association (2000) anticipates that in South Africa the number of employees lost to HIV/AIDS over the next ten years could be equivalent around to 40 to 50% of the current workforce. This has bad connotation to human capital and economic development in the society.

Human capital was measured through the use of qualitative human capital. Qualitative human capital in the form of literacy was used to scale the human capital in the pentagon assets for both Ekurhuleni Metropolitan Municipality and Mapleton Ext 10 Township. The percentage of people who are literate in Ward 43 where Mapleton Township belongs was used to measure the human capital in the pentagon assets for Mapleton Township. To reach the percentages the number of people with literacy in Ward 43 was multiplied by hundred and divided by the number of population in Ward 43. The reason for opting for literacy in measuring the human capital was that literate people are able to acquire skills needed to promote economic development. Moreover, literate people are employable because of the skills and knowledge they possess; which enable them to be efficient, effective and productive when performing their economic duties. Their ability to be

productive and efficient contributes significantly to the promotion of economic development in the area.

Financial Capital

Financial capital is the money which is available within the members of the society which give them the option to buy and develop their socio-economic level. Carney (1998) maintained that financial capital is the "resources available to people (including the income, savings, credit, remittance, grants and pensions) which provide people with different options to economic activities". These components of financial capital have significant contribution to the perpetuation of economic activities in modern world. The dominance of money as exchange value in urban townships portrays financial capital as the only way of promoting socio-economic standard and economic activities in urban place. Gone are the days where goods were exchanged with goods, the modern life relies on financial resources for exchange of goods. This makes financial resources to be the dominant factor in promoting economic activities. Availability of financial capital such as grants, remittance, incomes and pensions are enough to promote financial capital within the townships by increasing the circulation of money in the township. However some of the elements of financial capital are not consistent with Neo-liberal approach which advocates the reduction or elimination of grants and pension in the society so that the market can function properly. This will limit access to financial capital to many people who live in RDP townships because most of them relies on government subsidies and grants to advance their social life.

On the other hand access to financial capital is the main problem which many township dwellers are facing. Many people residing in the townships do not have good information on how to get access to financial capital. The problem is exacerbated by the denial of banks in developing states to recognize township physical capital like houses as surety or collateral when township dwellers apply for credit in their banks (De Soto: 2000; Mulquency and Caister: 2004). The other problem is the dependency on grants by many

people residing on the townships, because the grants and pensions do not cover all their basic needs, leaving them in the darkness of poverty. Lack of income in many township households plays profound role in reducing the availability of financial capital and disturbing economic activities in these townships. The problems mentioned above have profound negative impact on availability and access to financial capital in townships, and derail economic activities.

Personal income was used to measure financial capital in the assets pentagon. The number of people who earn income shown in the statistic South Africa (ward profile) was converted in to percentage and used in the assets pentagon to represent financial capital. The equation looked like this: $\frac{\text{No of people earning income} * 100}{\text{Total number of People in the ward}}$

The reason for selecting income to scale financial capital was that income is the reasonable means of finance and people earning income are capable to participate actively in the promotion of economic activities within the township by buying goods and services. The financial capital available in the townships is not enough to promote the physical capital of the urban townships. Even though financial capital is scarce in urban township, it contributes to the perpetuation of economic interaction in urban townships. It is well known in economic terms that money is scarce everywhere, and has to be used wisely to balance the needs and interests of people.

Physical capital

Carney (1998) and Rakodi (2002) articulated physical capital as the basic infrastructure (like water, electricity, shelter, transport, roads, telecommunication) and the production equipment and means which can promote economic activities within the townships. The township which has all of the elements of physical capital will enjoy significant economic activities without any distortion, because these elements of physical capital; complement each other to encourage economic development. Availability of good transport infrastructure, telecommunication, good energy etc will attract the investors to pour money in the townships creating employments and bolstering the socio-economic

development within the townships. Moreover the availability of production equipment will encourage the people in the townships to produce goods and services, which will be sold in the area to promote economic interaction. Enough building infrastructure in the community will help to attract people to rent them for business purpose. South Africa is facing the increase of investors from Somalia and Pakistan in township businesses which are not occupied (Monama: 2007). This increase economic activities in the townships and enhance economic development. However physical capital incorporates the services which many South African townships lacks because of the past laws and policies which were promoting development by colour of the person, leaving many places where black communities reside with no proper basic infrastructure services.

Basic infrastructures help people to pursue their daily lives and engage in economic activities, but municipal officials promised people services they do not provide, disturbing their lives and their economic activities. Shortage of basic infrastructure services in townships causes distrust between the township dwellers and municipal officials in democratic South African government. Shortage and non-provision of basic infrastructure services has led to the situation where many South African townships are always in protest to raise their dissatisfaction to the government. About every week in South African townships residence protest about the shortage of water, electricity or better housing, by blocking roads and burning municipal buildings next to them[6]. The democratic government blames the apartheid government about the lack of basic infrastructure in townships, and often mentioning that they cannot normalize the abnormalities created in 350 years in 12 years[7]. Shortage of these basic infrastructure services in townships distorts economic development in these townships. These basic

[6]Tau P, Maphumulo S and Sapa "more service protests on the card" (24 July 2007) http://www.iol.co.za/index.php?set_id=1&click_id=15&art_id=vn20070724071544199C729507 (Accessed: 25 July 2007)

[7] Mbeki T (2007). "Address of the President of the African National Congress, Thabo Mbeki, at the Opening Session of the ANC Policy Conference" http://www.anc.org.za/show.php?doc=/ancdocs/sp/2007/sp0627.html (Accessed: 10 July 2007)

infrastructure services have to be provided to promote economic activities in the townships and advance the socio-economic level of people in these areas.

Physical capital was measured by using electricity as a source of energy. The number of people who have electricity in Ekurhuleni Metro and Mapleton Township was converted into percentage to represent physical capital in assets pentagon. The percentage was calculated by adding the number of people with electricity multiplied by hundred and divided by the number of population in Ekurhuleni or ward 43 for Mapleton Township. The reason for choosing electricity to represent physical capital was that electricity is vital for production, manufacturing of goods and services and also used in the household for electric devices which promotes social well being of the household. Physical capital will not be provided properly if natural resources like land were they will be constructed is limited. For instance to built houses; there must be sufficient space of land to build on.

Natural Capital

According to Carney (1998) and Rakodi (2002) natural resource stocks from resources flows which are useful for economic development, like land, water, wildlife biodiversity, environmental resources. Natural capital when used carefully contributes significantly to the economic activities of the township. Wildlife, biodiversity and other environmental elements are crucial dynamics to attract the tourists to the township if cared carefully, and contribute significantly to economic activities of the township. But natural resources are not carefully cared in townships derailing their significance in encouraging economy activities in the township. Land which is the core of natural capital is important for economic development everywhere because people who have land can use the land for renting, building their businesses, building their houses, etc to advance their socio-economic level than those who do not own land. However, in South Africa during apartheid time many people were not allowed to own land especially in urban areas (Tabata: 1959). Lack of land ownership by many people in urban areas causes a serous detriment to economic development. Many people in South African townships still reside

in houses which they do not have title deeds for them, meaning they do not own the houses and land where their houses are built.

To measure natural capital in the pentagon assets, the size of land in Ekurhuleni and Mapleton Township was used. The size of Ekurhuleni was multiplied by hundred and divided by the size of land in Gauteng to reach the percentages of land to be used in assets pentagon, and the size of ward 43 where Mapleton Township belongs was multiplied by hundred and divided by the size of Ekurhuleni to reach the percentage to be used in the assets pentagon for Mapleton Township.

Conclusion

The pentagon assets as illustrated above have crucial elements which are important to promote economic activities of every place. Rakodi (2002) and Carney (1998) mentioned that if the one capital is not available in the pentagon assets, the development will face uncertainties, because according to them better development will be achieved when all assets are available in the pentagon assets. However, from the analysis above it is clear that the success of the pentagon assets in the society does not depends only on availability of all capitals in the area but on the nature, social context and the need to use that asset for economic purpose. It is also highlighted in the analysis that availability of assets in the area do not translate to access to those assets, the assets can be available in the area but access to the assets will constitute a problem for many people because of the expenses associated with accessing a particular asset. Therefore pentagon method need also to include accessibility of assets as important thing to promote livelihoods, rather than looking on availability of assets alone. The nature of the capital as mentioned earlier on is a matter of concern; because when the capital available such as production machinery are not on the standard to produce goods and services efficiently and effectively its purpose of meeting the economic development goals will be questionable. However the pentagon assets are crucial for advancing the socio-economic development of people in the area if used accurately and protect from misuse.

The society which follows the norms and rules of the society and train and educate their members will be better off that the society which does not follow the rules and regulations. The people who are obedience to the norms of the society or the household will use their obedience even at work to follow the rules of production making them productive that the one who do not follow the rules. The obedience to rules will also be vital for members to protect themselves from HIV/AIDS which threatens social well being of the society by taking the financial resources and the productive members of the society.

Financial capital plays profound role in economic development when it is available to all people. But financial capital is scarce and many people are unable to have it due to unemployment and poor social and political capital. Availability of financial capital to people means good socio-economic development to those people. Many people are still unable to attain credits from financial banks because of lack of sureties to secure the loans. Loans from the banks help people to attain physical capital and qualitative human capital.

Chapter Three
Ekurhuleni Metropolitan Municipality

Introduction

The concern of this chapter will be Ekurhuleni metropolitan municipality which falls under Gauteng province. The pentagon assets method of analysis will be used to determine availability of resources people have in Ekurhuleni, which they can use to promote economic activities in the area. The focus will be on the background of Ekurhuleni metropolitan municipality, social and political capital, human capital, physical capital, financial capital and natural capital in Ekurhuleni metropolitan municipality.

Background of Ekurhuleni Metropolitan Municipality

Ekurhuleni metropolitan municipality (EMM) is the metro which is situated in the eastern side of Gauteng province in South Africa. Ekurhuleni Metro was formed through the dismantling of old apartheid administrations and amalgamation of nine towns and two administrations on the 5th December 2000 (Ekurhuleni Integrated Development Plan 2007-2011: 2007). IDP 2007-2011 mentioned that nine towns (Albertan, Benoni, Boksburg, Brakpan, Edenvale, Germiston, Kempton Park, Nigel and Springs) and two administrations (Kyayalami Metropolitan Council and Eastern Gauteng Services Council) in the Eastern region of Gauteng were amalgamated in 2000 to establish Ekurhuleni Metropolitan Municipality. The name Ekurhuleni means the place of peace in Xitsonga (Ekurhuleni Metropolitan Municipality: 2007). Below is the map showing the towns which formed Ekurhuleni in 2000.

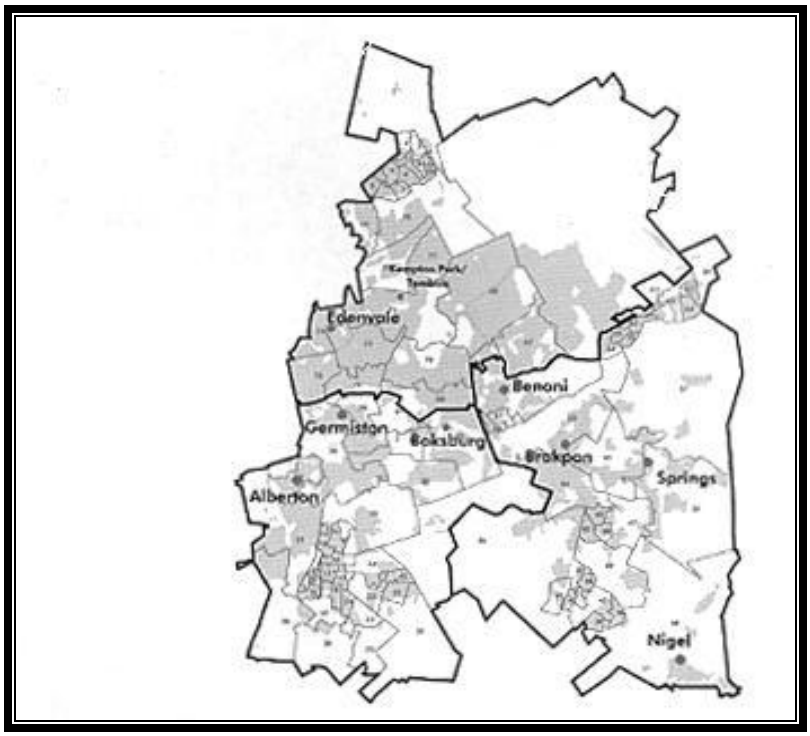


Figure Two: The Map Showing Nine Towns Forming Ekurhuleni Municipality
Source of the Map: (Karam and Sihlongonyane: 2006)

The formation of this metropolitan municipality was democratic move meant to govern and control the affairs of the area. The EMM is governed by the mayor who won majority votes during the general elections. The main purpose of forming EMM was to enhance socio –economic development in East Rand through provision of services to meet the definition of developmental local government. According to White Paper on Local Government 1998 "developmental local government is local government committed to working with citizen and groups within the community to find sustainable ways to meet their social, economic and material needs to improve the quality of their lives" (DPLG: 1998). Because Ekurhuleni uses the motto of Smart, Creative and Developmental City, this means that the metro will promote economic development creatively in the area without jeopardizing the environment (IDP 2005-2009: 2005). Section153 of act 108 of 1996 and section 23 of Municipal System Act of 2000 mentioned ways in which the local government can fulfill its developmental duties to advance social and economic interaction in the municipality. Developmental duties of the municipalities according to section 153 of the constitution are:

(a) The municipality must structure and manage its administration, budgeting and planning process to give priority to the basic needs of the community, and promote the social and economic development of the community

(b) Participate in national and provincial development programmes.

If the Ekurhuleni municipality can structure and manage its administration, budgeting and planning process to meet basic needs of the community, socio-economic level of people in the area will improve, leading to the greater participation in economic activities. To be able to deliver the essential services to the communities EMM is divided in wards.

The EMM is divided into 88 wards which function to fast speed the delivery of goods and services, and overcome the discrepancies created by the apartheid regime (IDP 2007-2011: 2007). The wards are controlled by ward councillors who contested the elections under the umbrella of political organisation and won those elections. Most of the wards in Ekurhuleni are sharing similar characteristics of poor basic infrastructures which undermine economic development. To overcome the problems of shortage of basic infrastructure the EMM is divided into three regions being the Southern, Northern and Eastern regions for service delivery purpose (IDP 2005-2009: 2005). According to Karam and Sihlongonyane (2006) “Eastern region has 854 200 residents or 36% of the total population, Northern region constitute 648 800 residents or 27% of the total population and the Southern region has 881 600 residents or 37% of the population”.

The North and South debate is also available in Ekurhuleni, where most of the wards in the South are economically poor and more occupied by previously disadvantaged communities, whereas most of the Northern wards in Ekurhuleni are economically viable and occupied by wealthy people (Nkosi: 2006; Karam and Sihlongonyane: 2006). The number of people residing in the South is also higher than the number of people living in the North revealing that the Southern need more services than Northern region. Inequality also prevails in Ekurhuleni and is highlighted by the Gini-coefficient in EMM. Gini-coeffient is used to measure equality within the society, with 0 representing equal society and other numbers representing unequal distribution of resources. Ekurhuleni has 0.58 Gini-coefficient reflecting unequal distribution of resources in the metro (IDP 2007-2011:

2007). But inequality in Ekurhuleni can be reduced and eradicated when the wealthy people in the Northern region and other areas can invest in the Southern region to boost economic activities. However their investment in the Southern region will depend on the trust the investors have on Southern region and also if the rules operating in Southern region are able to protect property rights. Below is the Map reflecting three service delivery regions in Ekurhuleni metropolitan municipality.

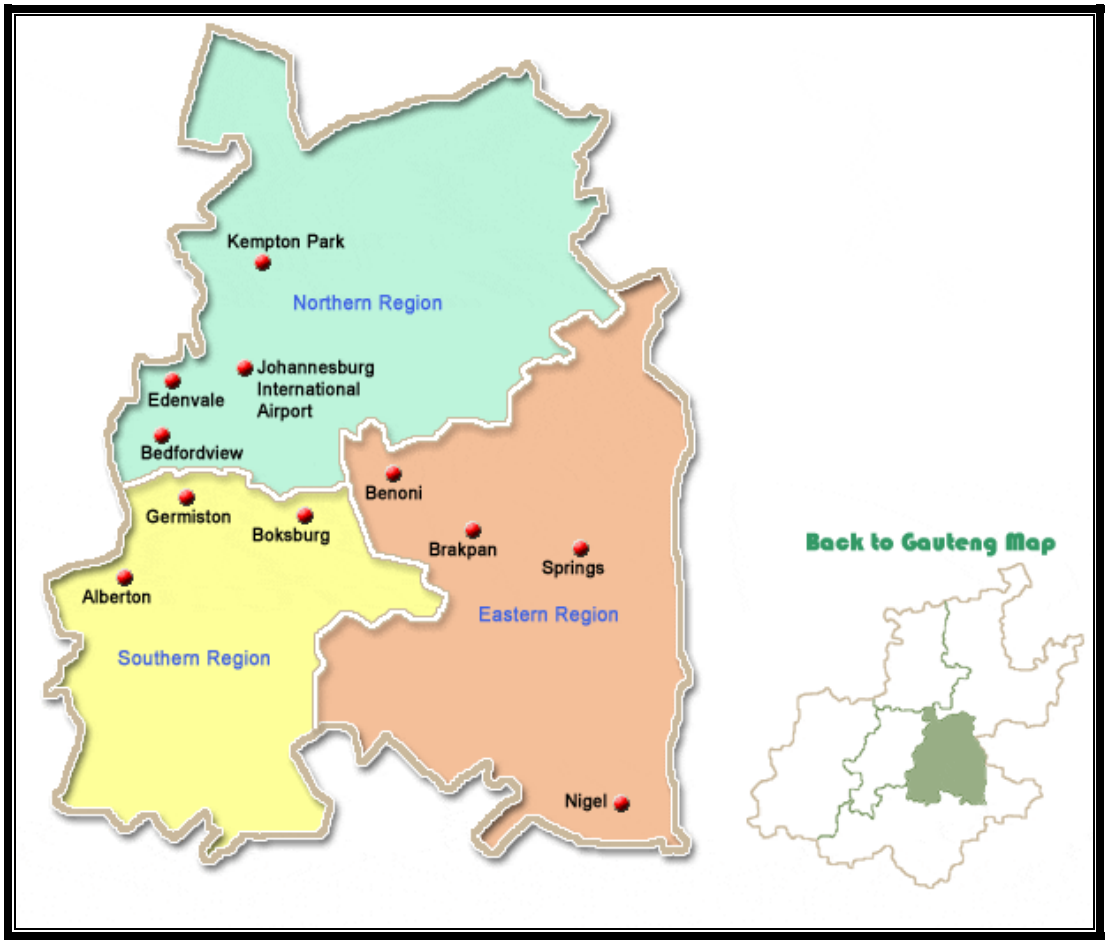


Figure Three: Three Regions of Ekurhuleni Municipality (www.sleeping-out.co.za/images/Ekurhuleni.gif)

The map reflects regions which help to deliver services to the people in order to help them to promote their social well-being. When the services are delivered to the region the region will have better social cohesion that the region that has no services.

Social and Political Capital: Ekurhuleni

Social and political capital is valuable and vital assets in the community which relies on the trust the community members have on one another. For the community to function properly there must be rules to govern and guide their interactions. As articulated before social capital refers to the rules, norms, trust, obligations and reciprocity embedded in social relations, social structures and social institutional arrangements which enable the members of the society to achieve their personal and community objectives. The EMM has rules and obligations which the members of Ekurhuleni have to obey in other to interact according to the rules of the area. The rules governing economic interaction in EMM play crucial role in generating trust between the communities of Ekurhuleni; they are also good to avoid cheating between the members of society when doing business. Social structures around Ekurhuleni are contributing to the promotion of rules and regulations which the members of the network must follow.

There are different churches operating throughout Ekurhuleni which promotes and protects the rules and norms of the society. There are Zionists, Methodists, Roman Catholic Church, etc operating in Ekurhuleni. These churches are encouraging good behaviour amongst its members to respect the norms and rules of the church. Although the norms and rules of the church are meant to protect the integrity of the church these norms and rules are also crucial outside the church. The people who are attending churches are able to obey the community norms and rules promoting the moral fiber of the society. These social structures are able to promote economic development by giving members of the network the information about the opportunities available in the workplace or employing them. They do this because they trust that the member of the network will not act improperly when left alone in the workplace. Ekurhuleni is not an exception from the above mentioned trust amongst the members of the social structure. Formal families which are also social structures play vital role in promoting social norms and rules.

Families who are married traditionally, legally or religiously are proper families which are able to protect and promote the norms, the rules and obligations of the community (Manning and Lichter: 1996). Married couple shows the respect they have to their cultural and religious rules and norms by adhering to their marriages and stands as the perfect example for normal society. These families are able to enforce the rules and regulations of the society on their children so that the children can know what is expected of them in the community (Bell: 1975). Families are responsible to teach their children the norms and rules, sending their children to school to get enough education which will contribute significantly to the economic growth of the society and the country by increasing the skills needed in the market (Manning and Lichter: 1996). A well functioning family addresses the needs of its members in terms of their emotions, physical, intellectual, spiritual and economic well-being (Burger: 2006). These social structures are blamed when the children misbehaved in the society, other members of the society like to mention that every child portrays the social structure (family) he/she groomed in when acting and interacting with people in the society. Manning and Lichter (1996) in their conception of parental cohabitation and children's economic wellbeing articulated that children from cohabiting households tend to be less well off socially and financially compared to children form married households. This indicates that children from cohabitation families are not active in buying goods within Ekurhuleni because of lack of financial support from their families.

On the other hand married couples are crucial for promoting livelihood within the family and the community. The married couples participate actively in reciprocity by giving each other money to buy goods and services they like. They buy goods and services for their children and themselves to promote socio-economic level of the family. Noble mentioned that men work to eat and provide living for their dependents ….(Noble:1973). Their obligations to protect and promote their socio-economic standards contribute importantly to the economic development of the society. The married couples are also obliged to rear their children in the way that they will be able to put something in the table when their times arrives (Bell: 1975). As mentioned before the family has to send the children to school to get better education and participated actively in the workplace to

earn better salaries. For children to get better education the parents must make sure the children obey the rules and regulations of schooling and attend school everyday. However crime which reflects disrespect of the rules and norms of the family and the entire society is high in Ekurhuleni reflecting the national crisis in crime. Undermining the law by perpetuating crime, some members of the Ekurhuleni society are opposing the importance of social capital. The rules which are the corner stone of the bill of rights in the constitution of South Africa of 1996 play important role in promoting socio-economic development when used properly.

The bill of rights which obliges everyone to respect and treat every person with care and tender contributes significantly in the promotion of reciprocity in Ekurhuleni. People act to one another according to the way they act onto them, and when they respect and treating each other with tender, their actions in economic relations will produce good out comes. Reciprocity in economic terms means the people buy goods and services from the shop which provide them with donations, specials, credits and discounts, these means the business which the people buy from will grow fast encouraging economic activities. EMM has different businesses which treat their costumers differently when promoting social capital. Some shops use competitions as a means of reciprocity to its costumers. For instance PEP Stores use winning a house (winni Khaya) competition as reciprocity to encourage people to buy from the stores (SABC 1, 26-July 2007). But the reciprocity taking place in the market is not the same as the one taking place in the political arena.

Political capital in Ekurhuleni functions in accordance to political structures operating in Ekurhuleni metropolitan municipality. Political capital in Ekurhuleni happens through the reciprocity and trust between the political officials and the community at large. The community members vote for the political officials into power and in turn the political officials when they are in power provide the community members with goods and services which the members need to promote and protect their social well being. The EMM like any other political organisation is protecting and promoting the social well being of its constituency by implementing policies and programmes which will improve the economic activities in the area. The EMM like the national government has

programmes like RDP, skills development programmes, poverty alleviation programmes, business promotion programmes like small, medium and micro (SMME) development, broad base economic empowerment (BBEE) etc (Ekurhuleni Metropolitan Municipality: 2007). These programmes are used as reciprocity by government to the people who voted it into power. The programmes are able to promote and protect the economic development in Ekurhuleni, if implemented correctly with trust that they will improve the lives of the people. But because of the racial past laws which left many blacks in dare circumstances, the reciprocity between EMM and the society is unable to change the qualitative human capital in Ekurhuleni.

Human Capital: Ekurhuleni

Good health, number of people and skills are vital contributors to economic growth. The availability of this human capital attracts the investors to invest in the economy of the area the action which add to the economic activities of the place. The population in Ekurhuleni is estimated at 2.6 million which is 5.4% of the country's population and 29% of Gauteng's population (LED: Policy and Strategy: 2007). The number of people in Ekurhuleni constitutes quantitative human capital of Ekurhuleni. High number of people in the area is a vital tool in encouraging economic development, because employers will be able to choose from the abundance of employees available. Investors also look on availability of labour force before investing in the area; therefore quantitative human capital will be crucial for attracting investors to Ekurhuleni. Likewise the large number of people is crucial for the buying and selling of goods and services. However the population is facing a health treat posed by human immunodeficiency virus or acquired immune deficiency syndrome (HIV/AIDS). It was noted in 2002 that 31.5% of Ekurhuleni population is HIV positive.[8] The high prevalence of HIV positive people in Ekurhuleni threatens the qualitative human capital within the area.

[8] Ndaba Dlamini "Ekurhuleni makes headway against HIV/Aids" (19 April 2005) http://www.ekurhuleni.com/ekurhuleni/article.jsp?id=1000085, (Accessed: 24 July 2007)

Qualitative human capital in Ekurhuleni is under precarious situation. Health of people is threatened by HIV/AIDS; skills in Ekurhuleni are scarce reflecting the national crisis of shortage of skills and expertise in South Africa (Ekurhuleni Metropolitan Municipality: 2006). Human development index of EMM is at the rate of 0.68 reflecting that Ekurhuleni needs skills to promote economic growth in the area (IDP 2007-2011: 2007). Ekurhuleni has large pool of unskilled and semi-skilled labours (Ekurhuleni Metropolitan Municipality, 2006). The situation is exacerbated by low level of literacy amongst the blacks, because of the policies promoted during apartheid time where education was provided to people according to their racial background, with blacks not given good opportunity to education (Tabata: 1959). Many blacks who constitute majority in Ekurhuleni have no good education compared to their white counterparts. This is the legacy of the 1950s Bantu education policy which was meant to teach black people minimal skills and prepare them for unskilled and semiskilled labour positions (Tabata: 1959). The apartheid policy created more blacks with no skills and uncompetitive in the labour market while whites were given opportunity to acquire skills and be competitive in the work market (Tabata: 1959).

Even though the policy was implemented in 1950s and abolished in 1990s the legacy of the policy is still visible everywhere in South Africa including Ekurhuleni. Shortage of skills to compete in technologically competitive market highlights the loopholes left by apartheid policy. The situation is exacerbated by the poor conditions which black people lives in, forcing them to leave school in their early ages to look for work. These trends have contributed to the unemployment to be at 28% official definition in Ekurhuleni (Ekurhuleni Metropolitan Municipality: 2007). The tables below show the level of literacy in Ekurhuleni according to census 2001.

Table One

Highest Level of Education	Persons
No Schooling	153650
Some Primary	192049
Complete Primary	95026
Some Secondary	597850
Grade 12 / Standard 10	457222
Higher/Tertiary Education	165301

Literacy table of people between 24-75 years. Source (Census: 2001)

Table Two

Institution Being Attended	Persons
None	299982
Pre School	33177
School	495459
College	22568
Technikon	7923
University	10002
Adult Education Centre	1956
Other	219

Literacy table of people between 05-24 years. Source (Census: 2001)

The tables depict why Ekurhuleni is dominated by unskilled and semiskilled labour. The number of people between 24 and 75 years who have no schooling was at 1536050 and those who have primary education at 287075 meaning that qualitative human capital is at stake in Ekurhuleni. Illiteracy is still going to dominate Ekurhuleni for longer time because the number of younger people between the ages of 5-24 who have never attended any learning institution is at the highest level of 299982 people. This number of 299982

will contribute to the pool of unskilled labour Ekurhuleni already has. These numbers have negative impact to the advancement of economic activities in Ekurhuleni, because high number of illiteracy indicate that many people will be unemployable and those who are employed will earn below par salaries and wages. Low levels of education in Ekurhuleni metropolitan municipality imply that Ekurhuleni will have to import skills and expertise from other municipalities when building and improving its physical infrastructure. However, the metropolis issues bursaries for people residing within its jurisdiction who have metric exemption and want to study at tertiary institutions to apply for them (Ekurhuleni: 2007). The purpose of these bursaries is to help people who have academic potential to pursue their studies to do so, in order to increase the number of skilled people in the area. The increased number of qualified people in Ekurhuleni is important to the economic interaction in the area. Qualitative human capital in Ekurhuleni is also encouraged through in-service training; most of the people already employed in Ekurhuleni are trained by their companies to advance their skills. Machaka and Roberts (2006) articulate the way in which in-service training contributes to the company.

According to Machaka and Roberts (2006) 36% of the firms in Ekurhuleni claimed back the skills development levy, with strong bias towards large and medium firms. 90% of the large firms claimed the levy, compared with 61% of medium, 27% of small and just 8% of micro firms. The firms claiming the levy are 23% more likely to have recorded employment growth and 46% more likely to have high turnover. This shows that firms which promote inside training are capable to reach economic growth, concurrently creating jobs and advancing the skills of the workforce. This will also contributes to the increment of economic activities in the Ekurhuleni because many people will be employed and having income to participate in the economic activities. Skills are vital in the provision of basic infrastructure, therefore skill development programmes have to be implemented.

Physical Capital: Ekurhuleni

Physical capital needs to be build and improved to meet the standards required to promote economic development in the area. As articulated earlier on in the conceptual framework, physical capital refers to all basic infrastructure services like water, energy, telecommunication, roads, transport, shelter, production equipment and other means of production which help people to perform their economic activities to meet their daily needs. But as noted there is a backlog of housing estimated at 147 000 units in Ekurhuleni[9]. This reveals that many people are still lacking some good shelter to promote and protect their social well being. People with formal houses can use their houses, garages or their yards to produce goods and services (De Soto: 2001). However Ekurhuleni has set aside one billion rands to develop infrastructure in the area.

Economic activities in Ekurhuleni rest on different industries operating in the area. Ekurhuleni has manufacturing firms, production industries, mines, agricultural and clothing companies which made the metro the significant contributor to the economy of Gauteng province at nearly 25% and 8.5% to gross national product (GNP) (Ekurhuleni Metropolitan Municipality: 2007). Industries like Unilever, Consol, Nampak, Mondi, Macsteel, South African breweries, etc are operating in Ekurhuleni. It is noted that there are 41811 certified active businesses in Ekurhuleni metropolis reinforcing the reputation of Ekurhuleni as the workshop of Africa (Council meeting: 2007). These businesses play vital role to advance economic activities in Ekurhuleni. These businesses need water and energy to be able to produce goods and services. Energy such as electricity which plays profound role in production of goods and services is scarce in Ekurhuleni. Electricity which is supplied by ESKOM and the Municipality is unable to cater the needs of all peoples and business in Ekurhuleni disturbing economic activities. During May and June 2007 the businesses in Ekurhuleni especially in Bedfordview (Eastgate

[9] Ekurhuleni Reporter "Ekurhuleni to invest in its strategic location" (13 April 2005) http://www.ekurhuleni.com/ekurhuleni/article.jsp?id=1000083 (Accessed: 27 July2007)

Mall) were loosing millions of rands because of power failure[10]. This tendency has negative implications to economic activities in Ekurhuleni because people will not be able to sell and buy when there is no electricity because many businesses rely on electricity to sell their goods and to perform other duties which enhance economic activities. Despite from energy and water industries need better roads and telecommunication infrastructure to be capable to transfer and receive goods and services.

Railways, airways and roads are available in Ekurhuleni to encourage economic activities. Ekurhuleni has modern tarred roads infrastructure which connects all towns of the metro (Ekurhuleni Metropolitan Municipality: 2007). These roads network connect all zones of Ekurhuleni to one another helping the transportation of goods and services to be easy among the zone, and also for people to travel easily to where they want to go in Ekurhuleni. However the roads in the townships around Ekurhuleni are in bad conditions compared to the roads connecting in the cities. Railways going to many provinces are connected at Ekurhuleni especially in Germiston station making it the hub to rail system (Ekurhuleni Metropolitan Municipality: 2007, Karam and Sihlongonyane: 2006). The rail system helps the industries in Ekurhuleni to transport their goods and services to different places around Ekurhuleni and South Africa. Ekurhuleni is also a home to internationally recognise Oliver Tambo International airport previously known as Johannesburg international airport (Ekurhuleni Metropolitan Municipality: 2007). Most international visitors enter the country via OR Tambo international airport before dispersing to different places. The airport has significant contribution to economic activities of EMM. The roads, rail, and air infrastructure systems make Ekurhuleni to be important area to make business. The telecommunication network in Ekurhuleni also increases the desire of investors to invest in Ekurhuleni.

[10] Sapa: "Another day in Ekurhuleni, another power cut" (16 May 2007) http://www.mg.co.za/articlePage.aspx?articleid=308609&area=/breaking_news/breaking_news__business/) (Accessed: 27 July 2007)

Modern economic activities rely mostly on telecommunication technology. The internet which most businesses use to buy and sell goods and services is becoming the dominant player in changing the way people do business. Ekurhuleni has lines like broadband ADSL and wireless which are provided by Telekom to support the internet connection in the area (Ekurhuleni Metropolitan Municipality: 2007). Telephones lines which help people to make calls and fax their invoices and other materials needed to fulfill business deals are available in Ekurhuleni. The growing use of mobile phones did not go unnoticed in Ekurhuleni; there are aerials connections of all cell phone networks enabling people to use their mobile phones easily in Ekurhuleni to encourage economic activities. Availability of good physical capital in Ekurhuleni will increases the financial capital entering the municipal area if used properly.

Financial Capital: Ekurhuleni

Financial capital means the financial resources available to people including credits, savings, pensions, grants, income and remittance. EMM has sectors which have viable financial capital whereas other sectors of EMM lack financial capital. The towns and cities of EMM where many economic activities take place have good financial resources while the townships have no viable financial resources. The investments entering Ekurhuleni increase the financial capital in Ekurhuleni. The 8.5% share Ekurhuleni economy made to the NGP shows that the area has valuable financial capital. The EMM also receive money from the national government in the form of subsidies to build houses, the money received increase financial capital available in the area which will be used to support economic activities. The EMM itself has budget which it uses to pay for the developments taking place in the area.

EMM has approximately one billion rands capital budget financed largely by grants and loans and the capital is distributed to people according to priorities set out in the integrated development plan (IDP) (Ekurhuleni Metropolitan Municipality: 2006). Apart from capital accumulated from loans and grants EMM's operating budget is at about ten billion rands (Ekurhuleni Metropolitan Municipality: 2006). There are also financial

resources available for promoting Blue IQ projects. The amount the province is committed to spend on blue IQ projects is R3.5 billion and the figure is expected to be double when all the projects are completed (Ekurhuleni Metropolitan Municipality: 2006). The Blue IQ projects at EMM are Gautrain Rapid Rail Link, OR Tambo International Airport industrial development Zone and the Wadeville-Alrode Industrial corridor (Ekurhuleni Metropolitan Municipality: 2006). These projects will play vital role in increasing financial capital in Ekurhuleni. The projects will also contribute to the household income in Ekurhuleni when the people are employed in the projects. Economic activities will also be supported when these projects are under construction.

Income is a positive sign of enhancing socio-economic wellbeing of the people. When the members of the household have income which they can utilise to meet their demands, that household will be better off than the households which their income do not meet their daily demands. Lack of income limits households in economic activities because they do not have enough money to buy goods and services. The average household income in Ekurhuleni is at R74, 990, Gauteng at 106, 225 and national at 67, 005 (Ekurhuleni Metropolitan Municipality: 2007). The household income shows that Ekurhuleni is better off than national household income, indicating that many people in Ekurhuleni have financial capital than in South Africa. This implies that economic activities are supported by many households in Ekurhuleni through the incomes they receive. Better income entails that households will also be able to save their finances for future stresses. However 2001 census reveals that 15591 households in Ekurhuleni are living without any form of income. The households who have no income will face a problem of buying land to build houses of their own choices.

Natural Capital: Ekurhuleni

Land, rivers, bushes, minerals, water etc are good example of natural resources. Ekurhuleni has a land equivalent to 1923 square kilometers (IDP 2007-2011: 2007). All physical developments in Ekurhuleni have to happen on this piece of land. The large portion of land is outside the towns of Ekurhuleni forcing EMM officials to locate RDP

housing developments in these areas (IDP 2007-2011: 2007). However Ekurhuleni has no enough rivers where they can take water. On the other hand natural resources like minerals are not so scarce in Ekurhuleni. Ekurhuleni has mines which mine gold and platinum. ERPM mines are more interested in mining gold, and Impala mine in Springs is mining platinum (Ekurhuleni Municipality: 2007). The availability of natural resources such as gold in Ekurhuleni has to the establishment of the world class gold refinery in These natural resources are viable to boost economic development. According to Doing business in Ekurhuleni 2007, Mines in Ekurhuleni employs 20000 workers. This means the primary sector in Ekurhuleni is still viable compared to other places where mines have been closed leaving many people without jobs. Natural capital in the form of trees is available in Ekurhuleni even though Mondi papers, the manufacturers of papers are cutting them down to increase their paper production.

Measuring Pentagon Assets in Ekurhuleni

To present Ekurhuleni assets, mathematical solution will be used to come to the percentages. To reach the percentage for natural capital the size of land in Ekurhuleni will be multiplied by hundred and divided by the land size of Gauteng.

$$\frac{1923 \text{ Sqkm} * 100}{16975 \text{Sqkm}}$$

=11.4% Natural capital

To measure literacy the number of people attended schools as shown in census 2001 will be added together from 5 to 75 years multiplied by hundred and divided by Ekurhuleni's population number

$$\frac{1978872 * 100}{2.5\text{m}}$$

=79% Human capital

Financial capital will be measured by adding the number of men and women in Ekurhuleni who earn income as reflected on census to 2001 and multiplied by hundred

and divided by the number of population to give the percentage of people with income in the area. According to census 2001 the total of women who earn income starting from R1 to more than R204801 was 288545 and the total of men who earn R1 to more than R204801 was 456545. Adding the numbers together, the total number of people with income in Ekurhuleni was 745090

$$\frac{745090 * 100}{2.5m}$$

= 29.8%

=30% financial capital

To measure Social capital the number of married people will be multiplied by hundred and divided by number of Ekurhuleni population

According to Census 200, 1 271 536 men 256578 women are married in civil/religion, 101035 men and 77 541 women traditional and 1671 men polygamous making the number of married people to be 708361

$$\frac{708361 *100}{2.5M}$$

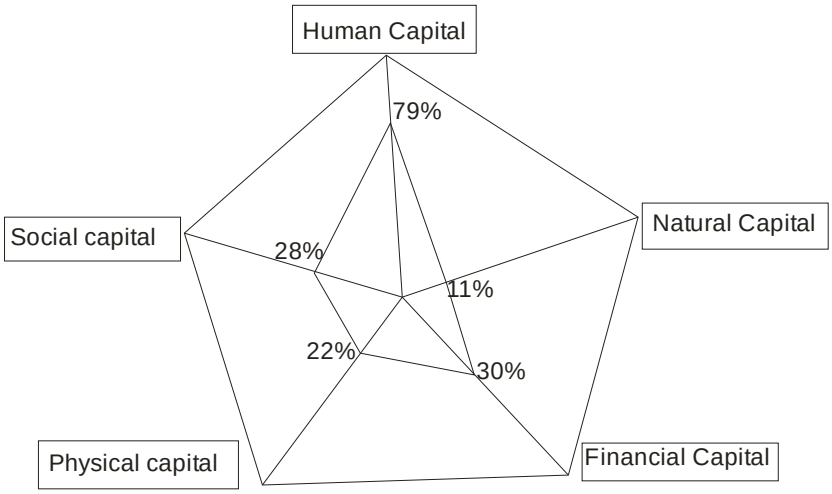
=28.3% Social capital

Physical Capital will be measured by adding the household of all races in Ekurhuleni who have electricity. Based on Census 2001, 384277 blacks, 148911 whites, 14592 coloured and 9821 Indians/Asians have electricity

$$\frac{557601 *100}{2.5M}$$

= 22.3% Physical capital

Figure Four: Ekurhuleni pentagon assets



Most of the assets in Ekurhuleni Municipality are less than fifty percent reflecting the shortage of assets to encourage economic interaction in the area. According to Carney and Rakodi the skewness of any assets in the pentagon assets reflect the shortage of those assets in the area and disturb the encouragement of economic activities. The repercussion of unbalance assets in the community is that the assets will not be able to advance economic interaction in the area accurately. Carney and Rakodi articulate that for the assets to promote economic activities in the area, all those assets have to be hundred percent in the pentagon assets of the area, because these assets complement each other in the process of advancing the socio-economic level of people in the area. Nonetheless Ekurhuleni has twenty two percent of physical capital, thirty percent financial capital, eleven percent natural capital and twenty percent social and political capital with human capital being the only capital above fifty percent in the pentagon. This means lot need to be done in Ekurhuleni to balance the assets in order to be able to encourage economic activities. The area known as the hub for economic activities in South Africa has less physical capital to encourage those businesses to boost economic development in Ekurhuleni.

Conclusion

The analysis above portrays Ekurhuleni as the place where all the pentagon assets can compliment each other when used perfectly. Ekurhuleni is regarded as the home for different companies producing different products, this means people from Ekurhuleni will not suffer employment opportunities because these companies will employment them. Quantitative capital in Ekurhuleni will support these companies to reach economic growth and enhance the lives of people. However the reality is access to the opportunities created by these companies is limited to many people residing in Ekurhuleni. Unemployment rate in Ekurhuleni substantiates the fact that many people do not have access to the employment opportunities in Ekurhuleni. Lack of employment opportunities by many Ekurhuleni dwellers threatens the social capital in Ekurhuleni.

Employment does not just create income for people but also help to stabilizes social capital in the area. Areas where many people have employment, anomy and deviance are scarce because the people can avoid stealing from other people. However in Ekurhuleni where unemployment is high signs of crime and anomy will also be high because people want something to eat. Social capital relies on trust and belief members of the society have to one another, but places like Ekurhuleni where most of the people in the Southern region are poor while those in the Northern region are wealthy, in that regard the people of the Northern region will have a problem in trusting the poor Southern region population. The impact of poverty which is caused by unemployment does not just destroy social capital but it also affects human capital negatively.

As articulated earlier on, quantitative human capital in Ekurhuleni is not convincing to support all the companies and mines operating in Ekurhuleni. Many people in Ekurhuleni did not attend school and the problem is exacerbated by the high number of people who attended primary school only. This affects availability of vital skills and also disturbs economic growth and social upliftment in Ekurhuleni. Economic development is also affected negatively by the high number of HIV/AIDS infected people. However, physical capital contributes significantly to advancing the economic growth and upliftment of people’s lives in Ekurhuleni.

Chapter four

Case Study: Mapleton Ext 10 Township

Introduction

This chapter will focus on Mapleton Township as one of the achievements of Ekurhuleni metropolitan municipality (EMM) to put roofs on the heads of many poor South African people who cannot enter the property market to buy their own houses. EMM was trying to meet the Gauteng department of housing's objective of eradicating all the informal settlements in Gauteng by 2014 by developing Mapleton Ext 10 as RDP Township[11]. The emphasis will be on the background of Mapleton Township, physical capital, human capital, social and political capital, financial capital and natural capital in Mapleton Township.

Background of Mapleton Ext 10 Township

Mapleton Township is situated in the Southern region of Ekurhuleni Municipality. The township was formed by many black people from different ethnic groups who were previously living in the informal settlements around Ekurhuleni. The people, who were living in informal settlements next to the town of Germiston and industrial areas around Ekurhuleni, were relocated to Mapleton Township because of the bad conditions of their informal settlements. The people in Mapleton Township are combination of people from Mandela informal settlement in Natalspruit, Extension 5 informal settlement, Dikathole Township, Makausi informal settlement all from Germiston and also people who their houses have been badly affected by dolomite in Vosloorus Township (Ekurhuleni Municipal report: 1999). Except people from Vosloorus most of these people were living

[11] Gauteng Provincial Government (2007) "Speech by Gauteng Housing MEC Nomvula Mokonyane at the Provincial Housing Summit"
http://www.gpg.gov.za/docs/sp/2007/sp0724.html (Accessed: 20 August 2007)

in bad conditions in their respective places, but having the opportunity to market themselves because they were close to productive places in Germiston and Albarton. However because of bad and deteriorating living conditions these people where finding themselves in, the relocation to the periphery was not seen as a bad move.

In the late 1990s the council of Ekurhuleni bought the land from the farmer to develop it into residential place for people who cannot afford to participate in the housing market (Ekurhuleni Municipal Report: 1999). This action has led to the culmination of Mapleton Ext 10 as RDP Township at the beginning of 2000 see Appendix for Map. The people who occupied these RDP houses in Mapleton were selected according to the criteria of putting people in any RDP houses around the country. According to the South African housing code people who have to receive subsidised RDP housing must be:

- South Africa citizens
- Who don't earn or who earns less money to enter property market,
- Who have applied for housing subsidy and his application has been approved,
- His/her name must appear on the list of people who have to benefit from subsidised RDP housing,
- His/her age being over 21 years,
- Married or living with partner,
- Single person with dependants,
- Never received any other housing subsidy from the government before
- Never owned a house or property anywhere in South Africa[12]

These elements were meant to stop the abuse of resources by the people who will like to own as many RDP houses as possible so that they can rent or sell them on exorbitant prices. However the owners of houses in Mapleton Township were meeting all the elements needed to obtain subsidised RDP houses.

[12]Department Of Housing (2000) "Housing Subsidy scheme: General Rules" http://www.housing.gov.za/Content/The%20Housing%20Code/Part%203/Part%203%20-%20Chapter%202.htm#2.2 (Accessed: 20 August 2007)

Interestingly RDP houses do not just include the structure which is made up of bricks, clay and zinc, but include crucial physical capital like water, sanitation and electricity. The inclusion of water, electricity and sanitation in housing developments were meant to meet the clause (1A) in section 2 of South African Housing Act of 1997 which stress that priority must be given to the needs of the poor when housing developments are constructed.



Figure Five: RDP Houses in Mapleton Ext 10 Township (2007)

The picture above shows the structure of RDP houses in Mapleton Township and the electricity poles. These physical elements play important role in changing the lives of people who were previously using latrine or field to relieve themselves, paraffin and coal to cook and heat their places, candles for lighting. The provision of these basic infrastructures to people advances their social wellbeing and enhances their capacities and chances to develop their livelihoods.

Physical Capital in Mapleton Ext 10 Township

Mapleton Township has basic infrastructure which can be used to promote economic activities in the area. People in Mapleton Ext 10 have access to houses which they have applied for and qualified for. The people can use these houses to perform their economic activities. For instance they can use the houses to produce goods and services which they can sell to earn money for themselves. According to De Soto (2000) and Mulquency and Caister (2004) houses can be used as both the assets and commodity, by accommodating income generating activities either directly when used in home based work, or indirectly when used as collateral for credit. The problem with writers such as De Soto and Mulquency and Caister is that they do not think about land use management when mentioning that residential areas can be used as places to produce goods and services to promote economic activities within the area.

The reality is, in single use residential areas where all land management rules are followed, houses will not be allowed to be used as the places to produce goods and services because those who are doing that will be punished. According to Payne (2002) land use policies also impinges on the promotion of economic activities for low income households, because some plans separate residential, commercial and industrial areas through land use zoning and reducing the livelihood prospects which can result from the interaction of different activities. However in townships such as Mapleton Township, land management rules are not considered properly, the people can just do what they want with their houses without fearing any interruption from neighbours or government. This is why some of the houses in Mapleton Township are used to promote economic activities in the area. The use of houses for both residential purpose and places to produce goods and services reflect that Mapleton Township is a mixed land use area.

The houses which are used to promote informal economic activities function as shabeens, tuckshops, salons, sewing sites, stockvel sites etc (Karam and Sehlongonyane: 2006).



Figure Six: RDP house used as Tuckshop (2007)

The picture above is an example of many houses in Mapleton Township which are used to promote economic activities in the township. The picture also reveals that many products are not available in this house because the house is used as living area and business place. They use the house for survival strategies, selling products which cannot occupy big space in the house. The businesses operating in Mapleton Township are classified as survivalist and micro enterprises (Department of Trade and industry (DTI): 1995). The survivalist enterprises are characterised as the businesses set up by people unable to find paid job or get into economic sector of their choice. It continued by mentioning that the income generated from the activities in the survivalist enterprises usually falls far short from minimum income standard, with little capital invested, virtually no skills training in the particular field and only limited opportunities for growth into viable business (DTI: 1995). DTI also mentioned that micro enterprises are classified as the very small businesses, often involving only the owner, some family members and at times one or two paid employees, they characterised by lack of formality in terms of

business licences, value added tax, registration, formal business premises etc (DTI: 1995). Below is the picture of micro enterprise in Mapleton Ext 10 Township.



Figure Seven: Micro Enterprise in Mapleton Township (2007)

Even though the activities taking place in the businesses mentioned above are informal and mostly generating insufficient income, the businesses help the members of the society to survive and meet their daily needs when protected by the owners. According to Rigg (2005) there is little doubt that activities with the highest potential for income generation are also those with the highest barriers to entry and therefore, are concentrated among middle and rich households which have capacity to enter those activities. Mapleton Township is the township populated by poor and lower class households, entailing that activities promoted in this area are not of high potential and people in this area lack capabilities to participate in high potential activities. Grant (2004) stressed that informal sector offers the main income opportunities for the poor households since barriers to the entry are lower. The micro and survivalist businesses need some skills and

experience of running the businesses so that they can flourish and become viable businesses to sustain economic activities in the area. According to one interviewee the tuckshops, shabeens and other businesses in Mapleton do not last long, because of lack of skills by the owners, and the dependence on these meagre businesses for survival. Despite the lack of skills these businesses rely on electricity to function properly and generate incomes for the owners. For instance the refrigerator of the shabeen depends on electricity and gas to function properly, and then the owner must make sure s/he has one of these energies to operate it.

Electricity is available in Mapleton Township which the people can use to produce goods and services and for other economic purpose to enhance economic activities in the area. The people can use electricity to cook, heat their houses connect their electric appliances and perform other duties which will encourage their social wellbeing. Electricity was installed in each and every house before the people can occupy the houses, but the problem is that the installation does not exactly translate to access to electricity to all people occupying the RDP houses. The owners must use their financial resources to open the prepaid meters in order to use electricity legally.

To open the prepaid meters and have legal access to electricity the owners must pay R1500 to the municipal administration, so that municipality sends electricians to the respective house to install prepaid meter (Ekurhuleni: 2005). The main objective behind prepaid electric boxes is cost recovery system, where the people have to consumer electricity according to the money they have. The concern with prepaid meters is that people have to pay first before they can use the electricity, unlike the original metered ones which people can use the service and pay latter.

The problem is aggravated by the fact that many people are unable to raise that money to pay municipality for prepaid meter installation and buying electric coupon. Devas (2004) mentioned because poor people are vulnerable, lacking resources and voices, virtually any change or any intervention to their lives renders them worse off. This is reflected in Mapleton Township where people are unable to raise money to install prepaid meters and

buy coupons forcing them to resort to illegal connections to access electricity in the township. Illegal connection is also used by businesses in the area to cut cost associated with legal use of electricity. But not all the businesses operating in the area are using illegal connections, some businesses use legal connection to run their businesses and to avoid the dangers associated with illegal connection. Mapleton Township is better off in terms of availability of electricity when compared to Ekurhuleni, because many people in Ekurhuleni reside in places where there is no electricity. However the township is still facing a problem of poor roads infrastructure.

The Mapleton Township is dominated by gravel roads within its borders. The roads are not good to attract investors to invest in the area because of inadequate roads to use for delivery purpose.



Figure Eight: Gravel Roads in Mapleton Township (2007)

This photo shows the gravel roads in Mapleton Ext 10 which contribute to the insufficient economic activities in the area, because investors will not invest more resources in places

like the above one. This is different from mortgage bond houses where the roads are tarred before the people can start using the suburb. However, there is only one tarred road in Mapleton Township and the reason for it to be tarred is that it was used as a gateway road for the company which was there before Mapleton Township was developed. Because of being tarred many hawkers have line alongside the road in Mapleton Township than in other streets. Furthermore, the taxis and cars also prefer to use it, being the reason why many hawkers have line alongside the road. This reveals the importance of tarred roads in encouraging economic activities in the community. This road is the only place where many hawkers in Mapleton Ext 10 can try to get some money to support their families. Physical capital in Mapleton Township has its positives and negatives as illustrated above. Nonetheless Mapleton Township is worse in terms of roads infrastructure compared to Ekurhuleni which has contemporary tarred roads to connect all economic zones around the metropolis to promote economic activities. The township also has no telecommunication infrastructure to help people to participate in information technology business unlike Ekurhuleni where businesses are attracted by the modern information technology to do business in the area. The issue of lack of skills by the business owners and hawkers in Mapleton Ext 10 have profound negative impact to the survival strategies of these people.

Human Capital: Mapleton Ext 10 Township

Human capital in Mapleton Township is not sufficient to enhance economic development within the area. Although the real number of quantitative human capital in Mapleton Township is not available as the municipal surveys which took place in March are not yet released, the 2001 census will be used for quantitative human capital. The census will not provide quantitative human capital specifically for Mapleton Township, but for ward 43 under which Mapleton Township falls. Below is the table showing quantitative human capital in 1996 and 2001 census.

Persons	1996	2001	% change
African	19054	24884	30.60
Coloured	5362	6065	13.11
Indian	20	53	165.00
White	710	283	-60.14
Total population	25751	31284	21.49

Table Three: Population by race (Census 2001)

The table shows that ward 43 has sufficient quantitative human capital to boost economic development. The combination of races in the table reveals that Africans are dominating ward 43. The reason for high number of Africans in ward 43 is that some places in the ward such as Mapleton Township are only dwelled by Africans. However high number of quantitative capital play crucial role for business activities in the area. The quantitative human capital of Mapleton Township will boost economic activities, because businesses rely on the number of people available to support them. Even though this can be regarded as the old method of conducting business but it is still used by many people to assess the success and failure of the business. Survivalist, micro and small enterprises rely mostly on concentration of people and where there are few people these enterprises will not be formed because no one is going to support them. High quantity of human capital can also help in providing labours for jobs available in area.

Where there is a high number of quantitative human capital, the area will not have any problem in terms of providing labour to the businesses and industries in the area. The people will perform jobs of different kinds depending on their skills capacity. However, in places like Mapleton Township which is populated by previously disadvantaged black people who most of them earn less than R3500, availability of qualitative human capital is scarce (see table seven). Most of the people are unskilled and semi-skilled with little number of skilled and professional workers in Mapleton Township. The problem of shortage of skills is exacerbated by the red tape in relation to skills development in

Ekurhuleni Municipality. Shortage of skills plays vital role in distorting economic development in the area, because people with no skills are unemployable and those who are employed earn less money to support themselves and their families. Mapleton Township is the clear example of the second economy in South Africa. To understand what they mean by second economy here is the clarification. According to African National Congress, South Africa is characterised by two economies, being first and second economy. The first economy is characterised by its high technology, high infrastructure services, availability of high skills, dwelled by people who are employable and earning better salary, whereas the second economy is mainly an informal, marginalized and unskilled economy, populated by the unemployed and those unemployable in the formal sector[13]. The high number of people with no skills in the second economy is the result of apartheid policies which were not allowing black person to learn more than the limits placed by the Bantu education policy (Tabata: 1959). Below is the table reflecting people who are employed with their skills in ward 43.

Persons	1996	2001	% change
Craft/Trade	1079	1266	17.33
Elementary	1334	1614	20.99
Legislators/Senior officials	190	228	20.00
Unspecified/Not economically classified	-	0	-
Plant/Machine operators	1201	1098	-8.58
Professionals	696	306	-56.03
Service workers	799	903	13.02
Agricultural/Fishery	90	57	-36.67
Technicians	424	819	93.16
Undetermined	-	582	-
Clerks	567	960	69.31

Table Four: Occupations of People at Workplace in Ward 43 (Census 2001)

[13] ANC National General Council (2005) "Development and Underdevelopment: Learning from experience to overcome the two-economy divide" ANC Today, Vol 5, No 22

The table replicate that skills are needed in ward 43 to promote economic development. The skills reflected in the table do not constitute the one third of the population in ward 43. Nevertheless shortage of skills in the place which is populated by black will not be a surprise as the previous policies such as Bantu education were meant to do that.

The Bantu education policy has produced many illiterate and semi-literate black people. The main aim of the policy was meant to prepare the black men to perform agricultural and mining duties or serve the needs of white bosses (Tabata: 1959). The legacy of this policy is visible in post apartheid South Africa. Many black people are redundant assets which can not be used in modern economies where production of goods and services relies on technicalities, skills and training. Lack of adequate education amongst the members of Mapleton Township as the result of apartheid policies and EMM's delay in implementing skills development programmes in Mapleton Township have negative impact to the development of this area. People who are illiterate will not compete attentively in the promotion of economic activities in the area, their inability to read and write will constrain them to use the available resources carefully. Rigg (2005) put it in short by saying poverty and insufficient activities is the inheritance of the past. The table below shows the number of people with little or no schooling in ward 43.

Persons	**1996**	**2001**	**% change**
No schooling	1380	2529	83.26
Some primary	1815	2259	24.46
Complete primary	1076	1197	11.25
Secondary	7046	8019	13.81
Grade 12	2391	4452	86.20
Higher	743	1446	94.62

Table Five: Education level of people over 20 years. (Census 2001)

The table reveals that people in ward 43 where Mapleton Township belongs have poor education level. The census shows that the number of illiteracy is increasing not decreasing, that means qualitative human capital in this ward is under threat. The number of people with grade 12 and higher education is less that the number of people who did not complete secondary school. This make many people to be semi-skilled, while those with no schooling, some primary schooling and completed primary schooling will be regarded as unskilled labour. This means that the number of unskilled workers in ward 43 in 2001 was 5985. The high number of illiterate people also harms the healthiness of the people negatively because they can not read what is prescribed on the meals, pills, medicines etc to put their bodies healthy. The members will also fall preys to the dangerous diseases know as HIV/AIDS and tuberculosis because of their illiteracy.

Because of HIV/AIDS draconic impact to the society to know how many members of the Mapleton Township are affected by the disease will constitute the violation of right to privacy. But what is known is that Ekurhuleni has a high prevalence of HIV/AIDS infected people. Unhealthy community has negative implications to economic development because its members will not participate actively in the production of goods and services based on their risky health conditions. The human capital in Mapleton Township is not different from the human capital in Ekurhuleni because all these places are dominated by people with no schooling and those with primary education. Their health level also corresponds to one another because of lack of education amongst the large number of people in these areas. This instance of unhealthiness amongst the members of the society threatens social unity in the society, especially HIV/AIDS infected people who faces exclusion from the society once it is known that they are HIV positive.

Social and Political Capital: Mapleton Ext 10 Township

According to Chidester et al (2003) social capital in simple terms is defined as social networks, informed by the trust that enable the people to participate in reciprocal exchanges, mutual support and collective to achieve the shared goals. Social capital in

Mapleton Township is stable because the members of the society are able to form social networks. Mapleton Township has churches, political organisation such as African National Congress (ANC), soccer clubs, ethnic organisations etc to protect their social capital. All these networks have rules and regulations which govern the members of the network. The organisations in Mapleton Township like any where else want the members of the social network to portray them when interacting with other members of the community. To portray the network the member has to act and interact according to the rules and norms of the social network. Ziahl (2003) mentioned that when social network fails, social capital is reduced, crime rates go up, and other forms of deviance increases, therefore social unity is threatened. Therefore social capital has to be promoted to overcome the challenges Ziahl is talking about. Because social networks compete in the protection of its members, Mapleton Township is also experiencing competition of social networks to protect their members socially and economically by giving them love and material things.

The social networks want those who manage to pull themselves out of difficult conditions to help others to do the same. Reciprocity play vital role in maintaining social networks in Mapleton Township as one of the interviewees explained. Giving back to the members of the social network plays important role in keeping unity among the social network and promoting the integrity of social network and the society. As Fukuyama has argued social capital is essential for the smooth running of the society, for maintaining a strong and stable democracy and for the production of economic wealth (Zeihl: 2003). In Mapleton social capital was meant to advance and protect the socio-economic level of the members of the society, reduce deviance amongst the members of the society and to be able to participate actively in the political affairs of the area. Social networks are protectors and promoters of trust amongst the members of the society. In the other hand social networks are the instigators of indifferences in the society because social networks exclude people who do not belong to the group, denying them with opportunities created by the social network. The role of political capital also prevails in Mapleton Township.

Politics in Mapleton Township are based on public participation where members view their concern to the civic organisation and ward committee members who use to attend the meetings with them. According to the one of the leaders of civic organisation in Mapleton Township, people are not cooperating properly when coming to meetings, even though the meetings are meant to enhance their social well being. In the meetings the ward members announce when, where and how developments will happen in Mapleton Township but because many people are not attending, the developments are delayed. This is in contrast with one of the interviewee who mentioned that since February 2007 they were waiting for the ward councillor to come and erect a place in the form of house where hawkers can sell their goods. These show that when all the parties involve can sit down and sort their differences the political capital in Mapleton Township will produce sufficient economic results. The main problem which distorts political capital to function properly in Mapleton Township is shortage of financial resources to fulfil the promises of the politicians.

Financial Capital: Mapleton Ext 10 Township

Financial capital in Mapleton Township is scarce because many people are unemployed. But those who are employed are able to have wages and salaries to boost financial capital in the township. Financial capital in the area is also boosted by grants which people receive from government. Grants such as child support grant, old age grant, foster grants, care dependency grants, war veteran grants and disability grant help the people to have financial resources in their disposal and increases the availability of financial capital in Mapleton Township. These grants which help many poor people to survive are against the neo-liberal's conception of reduction and elimination of state expenditure on people to allow free market to produce losers and winners. The losers, based on neo-liberal conception have to suffer for ever, if they can not do something to help themselves. Despite grants, workers wages and salaries and income generated by traders also increases financial resources in the area to promote economic interaction in the area. Informal businesses in Mapleton Township play potential role in raising the availability of financial capital in the area. Welders, street hawkers, tuckshops, salons, brick makers,

shabeens barbershops etc play vital role sustaining financial capital in Mapleton Township (Karam and Sihlongonhane: 2006). According to Monama (2007) to improve financial capital and economic interactions within the area the income of the working class or working poor has to rotate within the township to promote socio-economic level of the people. According to census 2001 there were only 2523 households with no income and the rest were having income. Below is the table of household income in 2001

Households	2001
None	2523
R1 – 4800	471
R4801 – 9600	1203
R9601 - 19200	1587
R19201 - 38400	1641
R38401 - 76800	1023
R76801 - 153600	573
R153601 - 307200	126
R307201 - 614400	27
R614401 – 1228800	12
R1228801 – 2457600	6
Over R2457600	6

Table Six: Household Income in Ward 43 (Census 2001)

The table reveals that many households in ward 43 have ways of generating income to advance their social well being. They are utilizing their financial, physical, human, social and natural resources available to them to meet their daily needs. Below is the table reflecting the number of people with no income in ward 43

Persons	2001
None	21669
R1 – 400	1083
R401 – 800	2469
R801 – 1600	2394
R1601 – 3200	2052
R3201 – 6400	1215
R6401 - 12800	321
R12801 - 25600	42
R25601 - 51200	21
R51201 - 102400	12
R102401 - 204800	6
Over R204801	6

Table Seven: Personal Income in Ward 43 (Census 2001)

The figures revealed by the personal income contrast with the figures shown in the household income. In the household income table many households have income while small numbers of households do not have income. However the individual income table reveals different story, in this table many people in ward 43 do not have any sort of income. More than 21000 people in ward 43 in 2001 were living with no income of any sort. This threatens the economic development of the ward, because when people do not have income they will not participate actively in promoting economic activities in the ward. The high number of people with no income means that many people in the ward are not employed and they are unable to promote economic activities within the area. This threatens the social well being of many people in area, Mapleton Township also included. Unlike household income, personal income shows that financial capital in ward 43 is scarce with small portion of people having income. Above from that the table also reflect that many people who have income are earning less. 7998 people out 9615 people who earn income in ward 43 are earning less than R 3201; this situation perpetuates shortage of financial capital in the ward.

Some financial capital such as loans, credits and saving are less in Mapleton Township. Some members of the community in Mapleton Township have no access to credits from

formal financial institutions because of lack of collateral and knowledge on how to access credits from formal institution. South Africa established different schemes to give credits to poor people who need them to promote their businesses (Burger: 2006). Schemes such as South African Micro-finance Apex Fund (Samaf) and Khula enterprise to help poor people who want to promote economic activities in their areas to access them. When people in Mapleton Township can have knowledge of how to access finances from these institution financial capital in Mapleton Township will increase. However people are unable to borrow from these institutions hampering the advancement of economic activities in the area. Loans are only accessible to workers who are formally employment and earn enough income to be able to repay the loans at the agreed time.

Natural Capital: Mapleton Township

Mapleton Township has land as the only natural resource available in the area. The size of the land is 104.96 HA. The problem is that there is no rivers, natural minerals such as coal, forests etc in Mapleton Township to help people to advance their social well being. The people have access to land which they can use to pursue their economic development initiatives. The people can build businesses in their yards, build rooms for renting and extend their houses for other economic purposes. However the members must get their title deeds to have official ownership of the land. This is different from the previous experience where black people were legally disallowed to own land in urban areas. The previous legislations such as Land Act of 1913, The Native Act of 1936, Group areas Act etc were used to restrict black people to own land in urban areas (Karam and Sehlongonyane: 2006). Democratic South Africa allows South African citizens who reside in urban areas to have title deeds for the land they own irrespective of race. This help people living in urban areas to own land and use it according to land use regulations of their respective areas.

Measuring Pentagon Assets for Mapleton Township

As articulated in the conceptual framework each and every asset has its element which will be used to measure the availability of that asset in the area. The component will then used to represent that capital in the pentagon assets. To measure physical capital electricity will be used. The number of household with electricity in ward 43 based on census 2001 will be multiplied by hundred and divided by the total number of households in ward 43 according to 2001 census.

$$\frac{6816 * 100}{9192}$$

=74% Physical capital

Financial Capital will be measured by adding the numbers of people with income in ward 43 as shown in table seven. The number will be multiplied by hundred and divided by the total population in ward 43.

$$\frac{9621 * 100}{31284}$$

=30.75

=31% financial capital

Human Capital will be measured by the number of people above the age 20 who managed to attend school as shown in table five. The number will be multiplied by hundred and divided by the population number in ward 43 according to Census 2001

$$\frac{17373 * 100}{31284}$$

=55.5

= 56% Human Capital

To determine Social and political capital the number of people who are married in ward 43 will be multiplied by hundred and divided by the total number of the population.

$$\frac{7716 *100}{}$$

31284

= 24.6

= 25 Social and political capital

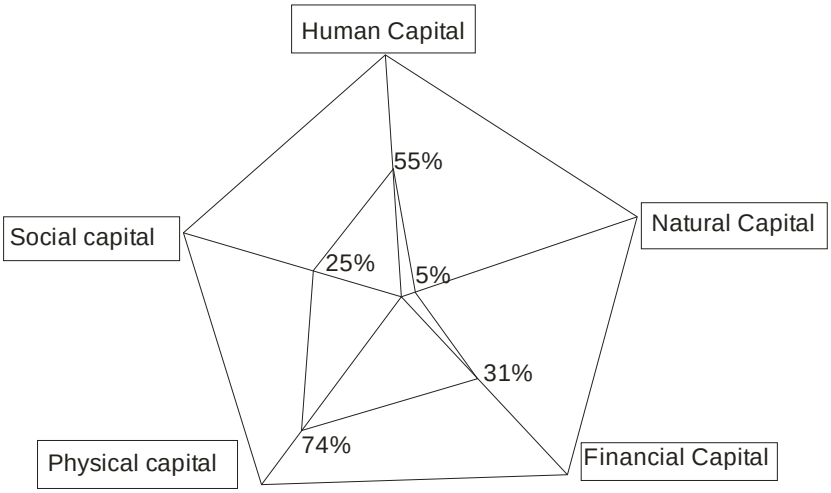
To determine natural capital, the size of land in Mapleton Township will be used. The size will be multiplied by hundred and divided by the land size in Ekurhuleni.

104.96 * 100

1923

= 5% Natural Capital

Figure Nine: Mapleton Township Pentagon Assets



The pentagon assets show that there are some capitals in Mapleton which are less enough to promote economic activities. Natural capital, social and political capital and financial capital are not enough to encourage economic activities in the Mapleton Township. Lack of these capitals in Mapleton Township entails that economic activities in this area will be hardly affected. Rakodi 2002, Carney 1998 and Ellis 2000 mentioned that for pentagon assets to function perfectly all capitals have to be 100% then when some capitals are scarce in the pentagon this indicate that economic activities will not be supported accurately. Surprisingly financial capital representing Mapleton Township in the pentagon assets is one percent greater than financial capital in Ekurhuleni. This means people in Mapleton Township can use their financial capital to pursue economic activities

in the area to promote economic development. The financial capital can play crucial role in advancing the lives of the people in the area if it can circulate within the area because is better than the financial capital in the metropolis. Nonetheless the problem is that townships are unable to hold to its own resources to develop the area.

Conclusion

Pentagon assets available and accessible in Mapleton Township are not enough to promote economic development. Many of the businesses operating in Mapleton are informal distorting the ability of the owners to use them as sureties when seeking loans from the banks to enlarge the business. The quantitative capital is also a poor state where many people are unskilled and semi-skilled because of the level of education many people in the ward possess. To reach economic development need better assets in the community to be used in the production of goods and services. The success of the economic development and uplifting of social well being relies on the complimentary of all assets available in Mapleton. The nature of the assets, the context in which the assets have to be used in Mapleton Township are not conducive to advance economic development. There are some of the physical capital which can be used to promote livelihood in the area but they are not accessible to many people in the area.

Shortage of production machineries in Mapleton Township will have detrimental effect to the economic activities in the area. Shortages of this type of physical capital in the area mean that many people will not be employed within the area. The businesses operating in Mapleton Ext 10 Township are businesses which cannot afford to hire or buy machineries for production even if there are some products they want to produce with those machineries. The problem is that they lack financial capital to do so. Some businesses in Mapleton Township such as brick-making businesses can grow and hire more people if they can have money to buy or hire machineries to help them in the production of the bricks.

Chapter five

Analysis and findings

Introduction

This chapter will deal with the analysis and findings on economic activities in Mapleton Township. Chapter four was presenting the state of affairs in Mapleton Township, and then this chapter will put more emphasis on the responses given by the community members when using the sub-questions to investigate local economic activities in the township. There were different questions used to gather the information for this study. The questions asked the officials in the department of Local Economic Development in Ekurhuleni Metropolis were not the same as the questions asked the members of the society and the community leaders in Mapleton Township. The questions asked the municipal officials were focusing on finding what the municipality is doing or has done to enhance economic activities in Mapleton Township, in order to reduce unemployment, shortage of skills, poor roads infrastructure, telecommunication infrastructure etc as mentioned in chapter four. Nonetheless the questions applied to ask the community leaders and members of the society were different from the questions asked the municipal officials, and these questions were meant to find out what is the state of affairs in relation to economic activities in the township. All the questions for municipal officials, community leaders and the members of the community discovered the data which will be analysed below through physical capital, human capital, financial capital, social and political capital and natural capital.

Physical capital

In relation to business formality and informality in Mapleton Township as the means of promoting economic activities, the findings reveal that many businesses in Mapleton Township are informal. Business formality and informality in this regard will mean what Carney (1998) and Rakodi (2002) mentioned as the means which can promote economic activities. They were regarding this means of promoting economic activities along with equipments and basic infrastructure as physical capital. According to Gudlhuza (1997)

communities have to initiate new employment opportunities through both formal and informal activities to generate income and promote economic interaction within their areas. According to the interviewees many people in Mapleton Township are initiating employment opportunities by engaging in informal businesses. The problem is that, informal businesses operating in Mapleton Ext 10 are not selling all the products the community wants to consume. One interviewee at the early 30s on the fifth of July 2007 mentioned that "In this area we do not have any formal business to sell all the products we want, to buy groceries and other essential products which the tuckshop owners can not afford to sell, we must go to town or the neighbourhood areas where there is Cash and Carry wholesalers to buy them". This is caused by domination of informal economic activities in Mapleton Township with little or no formal business in the area. This was reinforced by lack of formal business infrastructure in the area except the houses which are used to perpetuate informal economic activities. All these aforementioned factors impede economic development in Mapleton Township. My observation also concurs to what the interviewees have said, because the places allocated for building business structures in Mapleton Township are still empty (see Mapleton Township Map for spaces left for businesses and other community facilities in the appendix).

According to one street hawker on the fifth of July 2007 the municipality is not willing to formalise economic activities in the area by not constructing formal structures to accommodate businesses activities in the area. The street hawker mentioned that in the public meeting they held with municipal officials in January 2007 they managed to raise their concerns about their trades in the street, the officials in turn advise them to form groups of ten hawkers each so that the municipality can come and erect the place where they can sell their products. Since then the group has been formed and their names send to the municipal officials via the community leaders and community development worker, but the hawkers are still waiting for the municipality to construct the stands where they can sell their products. Non formalisation of small businesses in Mapleton Township distorts economic activities in the area.

The behaviour of municipal officials to interact with the community of Mapleton Township to understand their views and their problems were meant to advance collaborative planning theory. According to the proponents of this theory like Forester (1999) and Healey (1997), the planners must interact with the people concerned to know their problems and take the suggestions from them on how to resolve those problems, before planners start planning the solutions to the problems raised by the community based on their professional expertise. Based on this the delay to erect the stands for street hawkers in Mapleton Ext 10 is attributed to collaborative planning theory because the municipal officials were still collecting information from people before they can start delivering services. Nonetheless the officials failed to tell the people in Mapleton Township that this is the process which is going to take long time before their demands were fulfilled. They just told them that their needs will be met soon, the action which leads to mistrust when the promise is not fulfilled after time. Fainstein (2000) articulate that the main disadvantage with communicative planning is the lengthy period required for engagement process, leading to burnout amongst community participants and disillusion as nothing seems to materialised from their engagements.

The street hawker mentioned important point about the non-fulfilment of promises by the government officials. He articulated that the behaviour of promising without delivering undermine the development of economic activities in Mapleton Township, because when the places where the hawkers can sell their products are constructed, those places will advance economic activities in the area by concentrating hawkers in one place and attracting the buyers. When hawkers are concentrated in one place people will know that they will find everything the hawkers are capable to sell at one place than when they are scattered around Mapleton Township. Most hawkers In Mapleton Ext 10 are capable to sell tomatoes, onions, potatoes, cigarettes, bananas, apples, oranges, braai chicken feet, etc to advance economic activities in the area. See the picture below



Figure Ten: Street Hawker in Mapleton Ext 10 Township (2007)

The picture reveals the fruits and vegetables sold by street hawker in Mapleton Township. The goods sold by hawkers has led Philip (2005) to argue that one can wonder why these people are investing their times, energies and other resources in the economic activities which generate low returns.

These activities are important to the livelihood of the people engage in them. Promotion of these activities will sustain economic development in the area. One hawker mentioned that “If the municipality can erect the shelter this will attract new sellers to come to the place and sell their products”, the behaviour which will promote economic activities in the area. Even though the businesses of the hawkers are classified as the survivalist enterprises, their businesses help in the promotion of economic activities in Mapleton Ext 10 Township. The municipal plan to erect the place for hawkers was going to be a significant contribution to the formalisation of the informal trade in Mapleton Township, because other businesses will be motivated by what the municipal have done to the hawkers and want their businesses to be protected and promoted like those of the hawkers. The move of erecting places for hawkers to sell their goods was also going to

motivate the municipal officials to implement entrepreneur skills in Mapleton Township to teach hawkers and other small businesses how to run their small and micro businesses in order to minimise the costs and maximise the profit. This was going to be crucial in advancing human capital and encouraging economic activities in Mapleton Township. However all these are the promises the municipal officials have made to the community of Mapleton Township without implementing them. These actions of the municipal officials of not fulfilling the promises made to the communities are against the priorities of developmental state approach which emphasise the investment in strategic places, especially poor areas to advance socio-economic level in those areas.

According to one entrepreneur (5 July 2007) who produces bricks to be sold in the community, the municipal officials promised him that they will organise some financial capital, human capital and production machineries to boost his business. This was after he asked what he can do to meet the demands of the community, because the stork he has is always less than what the community needs from him, but because of financial constrains he is unable to hire many people to do the job. The entrepreneur argued “the people in the area are buying bricks from me to extent their houses to accommodate their families because the RDP houses are too small to accommodate the family of four, and then this put pressure on me to produce as many bricks as I can to meet the demands of the society”.



Figure Eleven: Brick making enterprise (2007)

If the municipal officials did come to the rescue of the brick-maker some people in the area will have been employed, but because he is still waiting for them to come back to him with the help people are unemployed and others are unable to buy bricks at their nearest place where they will not pay delivery fees. This action has negative influence to the already unviable economic interaction in Mapleton Township caused by unemployment and poor road infrastructure.

As mentioned earlier on, road infrastructure in Mapleton Ext 10 Township is in a bad state. Most of the roads in the area do not encourage people to invest in that area. Almost all streets in the area have gravel road except the one tarred road. This has bad impact to economic activities in the area because no one will like to sell his/her goods where dust can do what it wants with them. Businesses function properly in clean area, but places such as Mapleton Township were dust caused by traffic in the road ends in the house, business investments in the area will be slim. Lack of tarred road in Mapleton Township constrains businesses to establish themselves in the area.

Besides poor road infrastructure, telecommunication infrastructure is not available in

Mapleton Township. Telkom did not install its telephone lines in the township to enable people to use and connect their technological equipments to advance information business. Castells (2000) mentioned that economic activities in the information age will depend upon the connected and interconnected of society through telephone lines. This behaviour also hampers the landline interaction among the people in the area. Even though one can argue about cell phones to promote economic interaction, telephone lines help in promoting economic activities through its relation to internet. The trend of working at home using computers relies on landline connection to access internet. Therefore, landlines are crucial for promoting economic activities in the information age, and Mapleton Township has to have this lines. Landlines also help people to use fax machines, internets to send their applications when applying for job.

Narayan et al (2000) mentioned that poor telecommunication infrastructure limit people's economic interaction by making it difficult to seek job using phones, negotiating better prices for their products, access services such as credit or social assistance, or shape events that affect them. This shows how telecommunication infrastructure is vital to encourage economic activities in the information era. Information era helps people to buy goods and services, pay their credits, send money, and look for job using internet, reflecting how vital landlines are for economic promotion in the area. However, information technology needs people with knowledge of it or those who are literate enough to understand what information communication technology (ICT) needs. The problem is that many people in Mapleton Township do not have knowledge and skills to use ICT to promote economic activities, and unavailability of ICT infrastructure within the area will delay the introduction and the use of ICT especially internet, the ability of people to learn how to benefit from ICT will also be distorted. On the other hand the problem of poor roads infrastructure disturb technological economic interaction because goods and services bought using telecommunication technology will be delivered properly when there is better roads. But because of poor roads the goods will be damaged before reaching final user causing tension between the customer and the seller. Shortage of infrastructure services such as telecommunication technology and roads to encourage

economic activities in Mapleton Township compels some house owners' especially poor unemployed people to sell their RDP houses to people who want to buy the houses.

Interviewee two mentioned that RDP owners are selling their houses to people at the price of R12, 000 to R20, 000 depending on the agreement between the two (5 July 2007). This woman in her 40s mentioned that most of the people who sold their houses return back to dilapidated informal settlements next to the city or industrial areas and others went straight back to rural areas. The people who bought these houses most of them are middle class people who occupy better employment opportunities. These people bring vibrancy to economic activities in Mapleton Township, because they have money to buy and sell. According to one community leader (25 June 2007) the people who buy houses in the area contribute significantly to the encouragement of economic activities in the area, because some of them build viable business which do not bankrupt easily helping people to have a place were they can buy their goods, unlike others who take two to three months selling and then next time the business is close. This point reflect how important is to integrate the poor and the rich people so that their economic interactions can complement each other.

Selling of houses by house owners is not good thing because they went back to poor living conditions, but sometimes help because the people who are buying the houses have money to pay the bills, extend or modify the house, participate actively in economic interaction in the area advancing the viability of economic activities in Mapleton

Township.



Figure Twelve: Modified RDP housing (2007)

The picture above shows some of the houses in Mapleton Township which are modified to accommodate the family and the survival business they engage in. These alterations sometimes are the duties of people who bought the RDP house from someone. Some buyers just buy the RDP house and start building rooms in the yard for renting purpose. But renting is not the idea used by people who bought the houses only, even some house owners prefer to rent their houses while they stay in the informal settlements next to economically active areas around Ekurhuleni metropolis. Interviewee nine (5 July 2005) argued " I do not know the facial appearance (faces) of real owners of some of the houses surrounding my house because they just arrive sometimes when they come to collect the rent and some just tell the tenants to deposit the rent into their bank accounts to avoid coming to the place every month". This shows how renting of houses affect social life in Mapleton Ext 10. This action of renting plays crucial part in promoting economic interaction in Mapleton Township.

Selling and renting of houses by property owners in most causes is caused by high unemployed quantitative human capital in Mapleton Township. The situation of unemployment forces them to view their properties as the cheques to be changed. However, selling of houses also proves to be dangerous to other buyers. The challenge is that some sellers return back to claim their houses after consuming the money, starting to be a problem to the buyer. One community leader in his mid 30s (5 July 2007) mentioned that "We are facing a problem which we do not know how to solve, because when the people buy the houses they do not even come to us to tell us that they buy a certain house, but when the owner return to claim his/her house from the buyer, the buyers start to consult us to solve the problem". This is caused by many things amongst them, lack of capacity between the parties when enter into the business. The people who are interested with buying RDP houses most of them are attracted by availability of electricity in the township.

Mapleton Township is electrified, the action which attracts some informal businesses to operate in the area. Most of the house buyers and renters are pulled into Mapleton Township by the availability of electricity. Mapleton Township's pentagon assets showed that 74% households in Mapleton have electricity; however the difference is, the calculation for the pentagon assets used the number of households in ward 43 where Mapleton Township belongs. But this is still better when compared to the Number of households with electricity in Ekurhuleni. The physical capital in Ekurhuleni is at 22% more less than 74% in Mapleton Township when using households with electricity in these areas. But, because of lack of skills in the township many dwellers are unable to enjoy all the services provided to the by municipality.

Human capital

Skills, level of education and good health also have profound impact on unemployment in Mapleton Township. Many interviewees mentioned that the area is facing the problem of skills shortage to reduce unemployment. They mentioned that shortage of skills within the community appeared when the neighbourhood ask for people to be employed when

they build school. The community leaders ask for all people who are unemployed to come to register so that they can send them to neighbourhood to be employed. The irony was that from all who registered, there was no skilled bricklayer, plaster, electrician, and carpenter. All of them were semi-skilled and unskilled labourers revealing why so many people are not employed in Mapleton Township. The issue of health was not so entertained because when people are unemployed this means they struggle in many things including keeping their bodies healthy. Shortage of skills is perpetuated by high number of people with no metric certificates.

According to the interviewees many people in their families did not reach metric. Some families have one to two individuals over the age of 18 within their families with metric certificate, whereas older people have not attended secondary school. However, on the pentagon assets for Mapleton Township the percentages of literate people are at 55% showing that more than half of the community in Mapleton Township is literate. Even though the percentage on pentagon assets is 55% for Mapleton Ext 10 Township this percent is less compared with percentages of literate people at Ekurhuleni. Ekurhuleni has 78% literate people entailing that more than three quarter of Ekurhuleni population is literate.

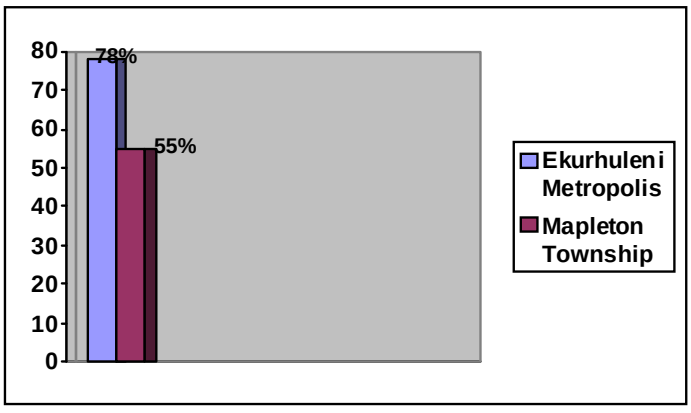


Figure 13: Literacy Graph (2007)

But the situation is changing because almost all the families have children who are attending school. Most of the children are at primary and secondary schools with few at colleges and higher institutions. This is a positive sign to the society because their future

children will not suffer like them if they can make sure that they do not leave schooling after metric. Their education will be vital, to the promotion of economic activities in Mapleton Township in future. However the current situation in Mapleton Township does not do well to economic interaction in the area. Unemployment is growing and it has negative impact to promotion of economic activities in Mapleton Township.

According to one of the community members at the age of mid 20s on the fifth of July 2007; Mapleton Township is badly affected by unemployment. According to him many people in Mapleton Township are unemployed, and the situation is accelerated by the distance between them and viable areas with economic opportunities. The interviewee said “We are too far from the industrial and manufacturing areas and we do not have money to travel to those areas to look for jobs”. The long distance between Mapleton Township and economically active areas make more people to stay at home and become what the government called economically infective members and not falling under official definition of unemployment. Shortage of projects and programmes in Mapleton Ext 10 to employ residents in the area contribute to the high unemployment in the area. According to Lusif (economic development officer at Ekurhuleni Municipality) (08 June 2007) the department of local economic development has no project or programme operating in any RDP township within Ekurhuleni. This means the department is not doing anything to create jobs for unemployed people in Ekurhuleni.

Unemployment in Mapleton Township reflects the high unemployment in Ekurhuleni and South Africa. The number of people who were unemployed in ward 43 was 6537 and those who were not economically active was 7785, moreover the retrenchments which happened in South Africa after 2001 census because of workplace restructuring and privatisation have increased the number of unemployment in ward 43 to new heights. The high proportion of unemployment in South Africa contradicts the rate of economic growth, which increased year by year since the year 2000 and it was above four percent in 2006. Unemployment has negative implications on the promotion of economic activities in Mapleton Township, because people who are unemployed have no financial resources to participate in the market to buy goods and services. Most of my interviewees

in Mapleton Township mentioned that they have two to three members of the family who are above 18 years but not working. This shows that Mapleton Township also has unemployment crisis.

The result of unemployment as interviewee four (5 July 2007) mentioned is the increment of petty crimes around Mapleton Township. Crimes such as mugging and house breaking are in high proportion in Mapleton Township because of unemployment. “We are unable to leave our houses open even if you are going next door to borrow something, because once you leave it, when you come back you will find your property being taken. We also struggle early in the morning especially between five and six AM when we are going to work because the criminals wait for us at the intersections where they know they will find us waiting for transport and take our transport money, jewellery and cell phones”. Interviewee Four (5 July 2007)

Even though some social scientist personalise crime as redistribution of resources, crime is always deterring economic development within any area where high crime persist. The crime issue is not the only problem facing Mapleton residents, but residents are also facing the problem of drug abuse to release the stress accrued from unemployment. Sellers of these drugs can see drug abuse as advancement of economic interaction, but its social impact is far bad than the anticipated outcomes. According to interviewee Four the means used by unemployed to get money despite doing crime amongst others include, selling their house properties, collecting steels, bottles and cardboards to sell and buy drugs not food to eat. This helps the shabeen owners to sell their beers and get something to stock and feed themselves. But where the unemployed get the money to buy those beers is another story. Unlike the unemployed people who do petty crime in Mapleton Township, the employed people are the core ones in advancing economic activities in the area with the money they earn from their respective employment opportunities.

According to one resident in Mapleton Township most businesses in the area depends on the income of the employed people (5 July 2007). The vitality of employed people is visible at the end of the month when people have their incomes, because they are able to

buy different products in the area and also able to pay the credits made during the month. She continued by saying even though some people earn their wages weekly or after two weeks their economic interactions are not as viable as the end of the month. Noble (1975) mentioned that man works and interrelates in the society to maintain the social and economic system of the society. This means that the working people have to make sure that the economic activities in Mapleton Township are promoted through the financial resources they have, by buying the products sold within the township.

The economic interaction amongst the employed and business owners in Mapleton Township is also perpetuated by the trust the business owners have on the employed people. The owners are giving the employed people goods on credits when they do not have money so that they can come and pay when they have money. The credits are given to those who regularly buy from the businesses when s/he has money. The business owners in Mapleton Township are promoting the notion of putting your money where your mouth is, by disallowing people who do not use their cash in the business but coming for credit. However as shown in Ward 43 the number of people who are employed is less that the number of unemployed people. This also happens in Mapleton Township because Mapleton Township falls in this ward. To reduce unemployment in Mapleton Township and Ekurhuleni as a whole the municipality has to implement the programmes designed to curb unemployment by increasing employability of people.

Municipal official who works as the re-skilling liaison specialist in the department of local economic development at Ekurhuleni metropolis argued that, the municipality is still on the process of implementing re-skilling programmes within Ekurhuleni Metro (8 June 2007). “We are going to implement the re-skilling programme at the beginning of July 2007. The programme is going to deal with unemployed people who did work in their life times but they do not have certificates to confirm that they know the job. The community development officer and community leaders will compile the list of people who did work but they are currently unemployed and give it to us so that we can know how many people are there to undergo the programme” Re-skilling liaison officer (08 June 2007)

However what re-skilling officer said did not happen in July and they also used another method to look for people who can participate in the programme. Re-skilling liaison officer mentioned that the people who want to participle in the programme will mention the work they have done before and how long they did that job, then the project managers will test him/her for a certain period. When the person qualifies in his/her job the certificate of acknowledging his /her career will be issued and he/she can uses that certificate to look for job. This project is going to help many township dwellers who worked at mines, contractors, firms, industries, hospitalities etc for long time, but not having certificates to acknowledge their competence. Once the people complete the programme their competence in the economy will be felt because they will be employable and their employability will increase economic interaction in areas such as Mapleton Township. However, the recruitment did not accrues according to the way the Re-skilling officer has mentioned, Ekurhuleni metro issued an advert looking for people to participate in the re-skilling programme.

According to the advertisement the metro is looking for semi-skilled and skilled bricklayers, plumbers, electricians, mechanics, welders, etc without formal qualification and interested to be assisted to obtain formal qualification (Newsletter: 2007). The closing date for application is the 30th September 2007. The advert shows that this phase of re-skilling wants to formalise the people with construction skills. Those people with informal skills from manufacturing and other industries will follow after the completion of the construction phase. However, Re-skilling liaison officer mentioned that the programme has to start at the beginning of July but now the closing date for application is September this means the programme will start between Novembers and December 2007. Once the programme is implemented at the participants completed their trainings, their expertise will be crucial in encouraging economic development within their respective areas. The re-skilling programme is not the only programme which the municipality will implement in the process of boosting qualitative human capital in Ekurhuleni metro and Mapleton Township.

Ekurhuleni Municipality is currently in the process of implementing most of the programmes which help in increasing skills in the area. The metro is implementing learnership programme with the collaboration to firms, contractors, industries and other businesses operating in Ekurhuleni. However the learnership programme in most cases does not achieve its required outcomes. According to re-skilling liaison officer, most of the people selected to participate in the learnership programme do not complete the programme. They leave the programme for other jobs before completing the programme, the action which hampers the prospects of the programme. This programme helps people to acquire practical skills which they can use after the completion of the programme to find jobs. The participants gain experience and on top of that they also obtain certificates acknowledging their participation in the programme.

The certificates will state the positions the learners were occupying during their learnership period. Learnership programmes are crucial in promoting economic activities in the area because when the people are participating in learnership programmes they are paid stipends, which they can use do buy goods and services of their choice in the area. The monthly stipend is meant to help to buy their basic needs while participating in the programme. But the tendency of the learners to leave the programme before they can complete it jeopardise the importance of the programme. The action of leaving before completing the programme also contributes to the misuse of resources by the people while they delay progress. These people waste the time, financial resources and deny other the opportunity to participate in the programme as most learnership programmes mention the number of people needed in the programme. Re-skilling and learnership programmes reflect that Ekurhuleni metropolis is passionate to reduce high number of unskilled people in the area especially townships were many previously disadvantaged groups reside.

During the women’s month the metro announce that it will train 50 women from previously disadvantaged groups within the area in information communication

technology (ICT)[14]. This trend will help the women to participate actively in ICT and bridge the dominance of man in the industry. The increasing dependence of businesses in ICT means these women will play important role in promoting economic activities through ICT. However the problem will be that many women who were previously disadvantaged are still living in places which are not serviced with Telkom lines to connect their faxes, internet and telephones to be able to practice their work at home. This is not the only problem distorting the promotion of economic activities in townships such as Mapleton.

Many owners of small and medium enterprises in Mapleton Township lack entrepreneurship skills. One resident in the area mentioned that many tuckshops and saloons last for six to twelve months because the owners are unable to manage them. The owners do not record stock received, profit or loss made in their businesses the behaviour leading to their business bankruptancy. The situation is exacerbated by the quietness of municipality when coming to the implementation of small, medium and micro enterprises (SMMEs) skills development programmes. The people just hear from the newspapers and other media forms that SMMEs skills development programmes are available to everyone but in Mapleton Township, no one has ever attended the programmes. The irony is that when the owners of these enterprises did not undergo a training course on how to manage their enterprises, the businesses in the area will not produce viable economic interaction required to advance the livelihood of the people in the area. They will also be unable to employ people in the area to help them in their businesses, because of their incapacity to manage their businesses.

Lack of business skills also disturbs formation of projects where people can be able to promote economic activities in the area. According to the findings there is no project either from government or non-governmental organisations (NGO) operating in Mapleton Township to promote economic activities. Interviewee ten said " we do not have any

[14] Ekurhuleni "50 women in to be skilled in ICT" (31 August 2007) http://www.ekurhuleni.com/ekurhuleni/article.jsp?id=1001113 (Accessed: 03 September 2007)

project either agricultural, bread making, fence making etc which can help us to survive and support economic activities in this area" (5 July 2007). Unavailability of projects in Mapleton Township increases unemployment and hampers economic development in the area. One can ask why there is no project to help the poor in Mapleton Township, because government has different programmes to be used to reduce poverty in poor areas such as Mapleton Township. There are programmes such as poverty- relief programmes (PRP), which the state use to entrust resources to poor community to enable them to undertake and dictate development in their respective areas (Burger: 2006). These pro-poor programmes are focusing on access to economic opportunities for specific targeted groups and the establishment of local structures to identify, own and manage the ongoing implementation of these development initiatives in the community (Burger: 2006). Burger mentioned that PRP supports programmes such as HIV/AIDS, food security, social finance etc within the community. Shortage of projects such as PRP within the community constitute huge problem in advancing the socio-economic interests of poor people.

The reason for shortage of PRP in communities such as Mapleton Township is caused by lack of knowledge and skills within the members of the community. These projects are implemented in the communities where the members have applied for them and those members have skills to manage them. Because of the financial resources associated with these projects, management skills are crucial for the members to be able to obtain the project, but in places such as Mapleton Township where many people are unable to enter formal economy because of poor skills, formal management skills is gold for them. Shortage of skills within the members of the society has negative impact to the development and promotion of economic activities within the area. Lack of skills does not just stop projects to be formed in Mapleton Township but also contribute to rejection of financial resources to enter in the community.

Financial Capital

Many factors articulated earlier on, have bad effect to financial capital in Mapleton Township. The distance between the township and economically viable areas around Ekurhuleni affects the savings of people badly. The people will not be able to save enough money to increase their financial capital because transport fees consume their monies. Also affecting savings of people's financial resources is lack of entrepreneur skills by many SMMEs in Mapleton Township. Lack of skills means they will not be able to save money for stress associated with business. The distance between them and where they buy their stock also have profound impact to the saving level of their finances. These bad connotations to financial capital constrain economic activities in Mapleton Ext 10 Township. On the other hand there are positive sign, which contribute to the increment of financial capital in Mapleton Township.

Mapleton dwellers who are working bring their incomes and wages to Mapleton Township, increasing the availability of financial capital in the area. As one resident mentioned earlier on, the income of people especially at the end of the month contribute significantly to the availability of financial capital in Mapleton Ext 10. The increment of financial capitals in the area is reflected by buying power at the end of the month than during the month. Children grants also contribute to the increment of financial capital in Mapleton Township. Interviewee three mentioned that "in this family no one is working the only income is R400 grant for my two children, and we use it to buy basic needs, such as maize-meal, Vaseline, washing power and bath soap" (05 July 2007). Even though some people criticises children grants for promoting child pregnancy and so forth, the grant is vital to some families to push life. The informal loan lenders in Mapleton Township also increase financial capital.

According to interviewee seven some tuckshops survive because they also lend money to the working people. Interviewee seven said "the tuckshop owners give loans to working people and charge them 50% interest on every amount they issue and when you do not return the money on agreed date, this means you loaned yourself the money and you are

charged 50% of the total money you suppose to pay" (5 July 2007). The interviewee mentioned that the problem with the loan is that, once you get it from the tuckshop owner you must buy something from the tuckshop; if not so next time you will not get loan from him/her. This means the owner benefits three to four times on one transaction, because he/she will get 50% interest from the money and also wants certain portion of the money to be left in the business by skilfully encouraging the person to buy something in the shop. These loan lenders are the ones who know how to benefit from informal business. The loans increase financial capital in the area and concurrently promote economic interaction. On the other hand increment of financial capital in Mapleton Township does not mean everyone has access to it. Only those who earn income, receive grants and pension, generate income through informal businesses etc are able to access the financial capital in Mapleton Township.

Many people in Mapleton Township are unable to secure formal loans, because of lack of collateral. Even the business owners in Mapleton Township are unable to secure formal loans from financial institutions because they cannot use their informal businesses as collateral even though they have enough capital to regard them as sureties. The above mentioned positives signs of financial capital in Mapleton Township contribute to the high financial capital at the rate of 31% when calculated for pentagon assets in ward 43. Availability and accessibility of financial resources to many people at Mapleton Township will boost social cohesion in the area and promote economic interaction. Incomes, grants and pensions that the people in Mapleton Ext 10 Township receive contribute significantly to the promotion of economic activities in the township. As already mentioned that, during the times when community members have money especially at the end of the month, economic activities in the area become viable. Urban people rely on financial resources to pursue their social life, and availability and accessibility to money will sustain and stabilize their economic interaction leading to greater economic activities.

Social and Political Capital

Social capital in Mapleton Township is difficult to many people who are unable to get some financial resource to advance their socio-economic level in the area. Many people who are unemployed feel excluded from social life in the community. Because of the evils associated with unemployment in Mapleton Township, many people who are unemployed and not participating in any form of generating money are regarded as people who terrorise the community. One interviewee mentioned that they are also losing respect within their own families even if they are old, and then the respect is given to people who provide some money to buy food for the family. The role of money in the family and society especially in urban areas such as Mapleton Township is vital to help a person to earn respect. Shortage of financial capital amongst members of the society especially those who suppose to support their families reduce the trust, respect obligations and norms the members of the society have to embed in their interactions of everyday life. The negligent of social capital derail economic activities in the area.

On the other hand some social networks like friends, churches, families are still trying to help their fellows to get jobs to be able to participate actively in economic activities in the township. One member argued that some friends take them to their workplaces when they have heard that they need some temporary worker. But the member also mentioned that some friends just take people to their work place even though no announcement has been made about work opportunity. Most of these actions are made by friends who drink beer. This action leads to some people not to go to the place even though they were told. But promise which are made by people in social network such as churches are better than those made by drunkard, because people get jobs when they where promised. But this also depends on the number of people informed about that opportunity of work in that firm or industry. These are signs of promoting social capital in urban area like Mapleton Township contribute to the advancement of economic interaction. To promote social capital people need a place where they can congregate and promote the norms and rules associated with their congregation.

In the pentagon assets Mapleton Ext 10 Township reflected that the area lacks social and political capital. In the pentagon assets Mapleton Township recorded 25% social and political capital less than 3% when compared to Ekurhuleni. Ekurhuleni recorded 28% social and political capital, which the people can use to support economic activities. But according to the proponents of pentagon methods like Carney (1998) and Rakodi (2002) the assets has to be 100% in the area in order to promote economic activities. This means Ekurhuleni and Mapleton Township are all below par in terms of social and political capital and they will not be able to support economic activities effectively. However this does not mean that the places will lack economic activities, because Bebbington (1999) mentioned that not all capitals are needed to encourage economic activities in the area, because different choices sometimes sacrifices one or more capitals in order to build up more appropriate capital to promote economic activities in the area.

Natural Capital

The only natural capital available and accessible to all in Mapleton Ext 10 Township is land. Land can be used to promote economic activities in the area. According to one municipal official, before designing any RDP township they consult all the departments which will have interests to be awarded piece of land in that RDP Township. The design will leave space for educational purpose, recreational purpose, sports grounds, business purpose etc, responding to the departmental aspirations. This consultation was also used when Mapleton Township was designed so that all interested departments that need to promote development in Mapleton Township can ask for piece of land. The land allocated for business purpose will be used to build businesses in Mapleton Township to promote economic activities. However no businesses are built on this land to pursue economic interaction in the area. Lack of investment in the area is the main cause of lack of business buildings in the area. The area in Mapleton Township is also not good to attract investments to build business properties because of the dolomites associated with the area. According to one community leader in Mapleton Township, there are some places in the area, which are dolomatic, meaning that properties in the area will not last long when erected. Bad geo-technical landscaping in Mapleton Township contribute to

insufficient economic activities in the area, because the businesses will not construct their properties to the area with bad geo-technicalities.

Natural capital in the pentagon assets for Mapleton Township reflects that the area has less natural capital. Mapleton Township has less than 6% natural capital when compared to Ekurhuleni which has 11%. Mapleton Ext 10 Township has 5% natural capital which the community has to use to encourage economic activities. But all this areas do not have sufficient natural capital to support economic activities in their respective places. Below is the pie graph which shows land availability in both Ekurhuleni Metropolitan Municipality and Mapleton Ext 10 Township.

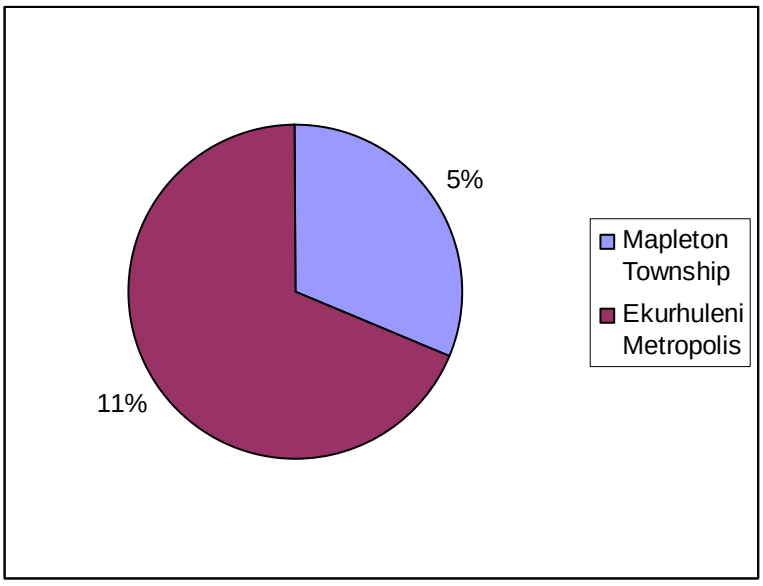


Figure 14: Land availability (2007)

Conclusion

The main problem arising from this analysis is the negative impact of unemployment in promotion of economic activities. Mapleton Township characterise second economy, it has high unemployment, dominated by unemployable people and shortage of skills. These dynamics constitute a stumbling block to promotion of economic activities in this township. However, Re-skilling of people in Ekurhuleni will help townships such as Mapleton to send their people so that they can acquire skills and be able to promote

economic activities in their areas. On the other hand promotion of these skills is in jeopardy because of poor implementation of the skills programmes and the withdrawal of participants before finishing the course. The aforesaid reasons impact negatively on economic activities in the township. More importantly, economic activities in Mapleton Ext 10 Township are hampered by insufficient infrastructure.

According to analysis and findings Mapleton Ext 10 Township has no proper infrastructure to encourage economic interaction. Lack of telecommunications, better roads infrastructure, and formal business properties distorts economic activities in the area. Lack of telecommunications hinders economic activities, especially in the modern world where business transactions are done through internet. However, there are some infrastructure services which can advance economic activities in the area when used correctly. It appeared that electricity, water and better housing are available in Mapleton Township to help the members to advance economic interaction. But lack of knowledge and financial capital distorts the utilisation of the available resources to promote economic activities in the Mapleton Ext 10. Lack of quantitative human capital also contributes to inadequate economic activities in Mapleton Township.

On the other hand people who are able to generate financial resources are able to boost economic activities in the township. Survivalist enterprises play vital role to promote economic activities in the township. People use their incomes and meagre profits from their businesses to advance economic activities in the township. They try to circulate their income within the township, but because of unavailability of some goods and services in the area they are forced to go neighbourhood to buy goods and services they do not have in their township. The problem of not keeping their financial resources within the township is that there are not big merchandisers such as Cash and Carry where the tuckshop owners can buy their products. If the municipality can build the business property where the interested businesses can rent the portions of the property, economic activities will be encouraged and the money of the people will circulate within the township.

Chapter Six

Conclusion and Recommendation

Introduction

This chapter will conclude and recommend what has to be done to promote economic activities in Mapleton Township. The document has discussed and criticise the dynamics which contribute to insignificant economic activities in Mapleton Ext 10 Township by using assets pentagon framework, and it also analysed the elements which encourage economic activities in the township using assets pentagon framework. Through the use of assets pentagon framework the researcher discovered what distort or promote economic activities in Mapleton Ext 10 Township (see chapter 4 and 5). All the pros and cons of economic activities in Mapleton Ext 10 Township are discussed in chapter four and five, and then this chapter will focus on conclusion, implementation of integration of settlements, Advocacy planning theory, communicative planning theory, strategic development planning, enforcing completion of learnerships, job creation, implementation of development programmes, landlines, title deeds, roads infrastructure, construction of business properties in Mapleton Township and research.

Conclusion

The problems which led to this research have been categorically discussed and some of the problems are still main contributors to lack of economic activities in townships especially RDP townships such as Mapleton Township. Even though economic activities are encouraged in Mapleton Ext 10 Township, the analysis and findings depict different story, revealing that the economic activities practised in the area are meant for survival strategies and are mostly found in places populated by poor indigenous people. The shortcomings of bad roads and telecommunication infrastructures are also contributing significantly to lack of economic activities in Mapleton Township. Even though Mapleton Township is situated in Ekurhuleni metro where all economic zones are interconnected with roads infrastructures it appears from this study that the roads are just

within the cities and suburbs, whereas almost all the townships in Ekurhuleni have bad road infrastructure. This fact is supported by Ekurhuleni IDP for 2007 and Mayekiso (2000) that the townships in Ekurhuleni lacks roads infrastructure to promote economic activities. The situation of meagre economic interaction in Mapleton Township is exacerbated by the distance between the area and economically active areas where people can get resources to come and enhance economic activities in Mapleton Township. In this information era better roads and telecommunication infrastructures play vital role to promote economic interaction. But these physical capital components are not available or not maintained to encourage economic interaction within Mapleton Township. Bad physical capital is not the only problem hampering economic activities in Mapleton Township, but lack of skills and expertise also play crucial role to hinder economic development in the area.

Mapleton Township is characterised by all the dynamics of second economy which contribute significantly to meagre economic activities in the area. Mapleton Township is overcrowded by people who are unable to be employed in formal economy, because of insufficient skills derail economic interaction in this area. Insufficient skills entails that people will not earn enough income when employed to promote economic activities in the township. More importantly lack of skills contributes to the high unemployment level in the area which in turn disturbs economic interaction within the members of the community. Economic activities rely on availability of financial resources, and then when people are not working it is difficult for them to engage positively in the promotion of economic interaction in the area because they lack income. Mapleton Township has sufficient people who can encourage economic interaction in the area when they have financial power to buy. However, disadvantaged human capital in Mapleton Township hampers economic development in the place, because majority of them do not have enough skills to initiate viable business entities in the area to boost economic interaction.

The survivalist enterprises in the area does not last long with traders and hawkers consuming all the financial capital they get from the enterprises in worst situation without leaving anything for stock. The situation in Mapleton Township deteriorates when

government fails to invest in the area or on SMMEs within the area to support economic activities. Investment will help people and businesses in the area to complement each other in order to support economic development. This will also assist businesses functioning in Mapleton Township which are almost all informal reflecting that, economic activities in this area are in shamble. The problem is aggravated by the behaviour of the hawkers, shabeen owners, tuckshops and traders when they turn to sell similar products. This reveals that these people need mentoring to be able to sell goods which will be complement to each other and support economic activities in the area.

Learning capacity of many residents in Mapleton Township is low with many families having one or two people with metric certificate. People with better education are able to attract the money to the area by applying for the financial resources which will help them to advance economic development in the area. Applying for projects to come and operate in the area also need educated people to do so, then because Mapleton Township lack people with sufficient education, the area has no projects which help people to promote their socio-economic level. The problem with insufficient education and skills is attributed to the former apartheid policies which were promoting racial segregation. Education plays vital role in improving the social well being of the people, because educated people are employable and able to adapt to the technical situation created by technological changes. Educated people are also able to survive illnesses that consume the financial resources of the household, limiting their economic activities. Their literacy enables them to read and to avoid situations which will cause illnesses, unlike the illiterate who are unable to read. Illnesses contribute significantly to the distraction of human capital in the society leaving many households with no members who provide them with income to survive. The situation needs the government to invest on human capital in the society to encourage social well being. Investments in the area increases availability and accessibility of financial resources within the area which will boost in supporting economic interaction.

Financial capital in Mapleton Township is scares because people are not employed and they are unable to travel every day to economically vibrant areas to look for odd jobs.

This lead to the situation where economic activities are promoted by the money received from the government. All types of grants and pensions are becoming crucial for the people in Mapleton Township to encourage economic interaction. Financial capital in the Mapleton Township is not sufficient even though the ward has 31% financial capital which is one percent above Ekurhuleni metropolis. Based on the ward financial capital economic activities will be supported without any obstacle, but because Mapleton itself is unable to attract investors to pour money in the area economic interactions are very slow. However people who earn income from their respective jobs are able to encourage economic interaction in Mapleton Township. Positive sings of economic interaction in Mapleton Township appear only at the end of the month when most of people have financial resources to buy goods sold in the area. The businesses selling liquor are the ones which benefit more than others at the end of the month, and stockvells also happen at this time of the month. Apart from financial capital the study discovered that social capital also plays profound role in encouraging economic activities within the area.

The trust, reciprocity, rules, obligations and norms embedded in everyday social interaction, social structures and society's institutional arrangements play important part in promoting economic development in both Ekurhuleni and Mapleton Township. These social structures constitute social networks where the members help each other to improve their socio-economic level by giving or lending them money, hiring them to do job in their places or when they heard workers are needed somewhere. Social networks such as stockvells play important role to promote economic activities within the area, even though others view them as the means to exclude other members who do not belong to the social group. But because society is made up of different social groups those networks which are able to protect and promote their members economically are important to the society. Some networks are vital for economic activities while not good for social upliftment, for instance people forming a group for liquor drinking or for dagga smoking. These networks promote economic activities while derailing their health conditions. However, because of the low level of education and skills availability in Mapleton Township the social networks are also experiencing problem when trying to help other members to improve their socio-economic level. The reality is that economic

activities promoted in Mapleton Ext 10 Township are meagre economic activities because of many reasons mentioned in chapter 4 and 5. To improve economic activities in Mapleton Township, the following recommendations must be implemented.

Recommendations

Implementation of settlements integration

The department of housing has to integrate the settlements of the poor and the rich so that their economic actions will complement each other. Currently the settlements are still developed according to class affiliation with those from middle to higher class enjoying good settlements with sufficient infrastructure, located to near economic areas whereas the lower class is housed in badly provided areas. This contributes to insufficient economic activities in lower class settlements, but settlement integration will be able to support economic activities. Even though the government officials especially housing minister in the national and local government are calling for the integration of settlements the implementation of it is still to be seen. Then it is crucial to implement integrated settlements in South Africa by building houses for middle class people and poor people next to each other in the same place.

Advocacy Planning Theory

Mapleton Ext 10 Township is lacking behind in development and the problem is exacerbated by lack of information regarding development dynamics in the Township.
The situation in Mapleton Township requires advocacy planning so that the area can be able to attain economic development. Advocacy planning theory wants planning people to go to the previously unrepresented society and gather their concerns and take those concerns to the planning table so that they can plan according to those problems (Sandercock: 1998). The fact that Ekurhuleni IDP for 2007-2011, mentioned few problems affecting Mapleton Township reflects that advocacy planners have to go to the society and find out what the society needs and bring them to the planning table.

Advocacy planning theory has to be used to resolve the problem of insufficient economic activities in the Mapleton Township. The Mapleton Community will participate in the process where the advocacy planners will be asking the problems which the people face in the area.

Communicative Planning Theory

While advocacy planning is arguing about taking the problems from the society to the planning table, communicative planning theory is emphasise that the decision has to be collectively reached among the people affected (Healey:1990). Planners in communicative planning theory act as both negotiator and mediator to reach amicable solution to the problem (Harrison: 2006). Communicative planning theory need to be practiced properly in Mapleton Township so that the planners can know what the community think will be better to encourage economic development in the area. This planning theory encourages communities to participate through dialogue in the affairs which affect them to reach the solution.

The communicative planners and the stakeholders in the negotiations must be bind by strategic bridging. According to Sihlongonyane (2004) strategic bridging consist of combination of negotiations and the commitment of each organisation and each organisation's leader to the outcome of the negotiations. When all parties interested in promoting economic activities in Mapleton Township are committed to the outcomes of their meetings, economic activities in the area will not be so problematic. For instance the hawkers mentioned that they held a meeting with municipal officials who promised them to construct new stands for them to be able to sell their fruits and vegetables in the street, but they did not do that. Communicative planning theory helps the planners to understand the views and feelings of the community members about what can be done to promote economic activities in the area.

The importance of communicative planning theory is that it reduces the technocratic planning method where planners just sit in their offices and decide what can be done to

develop a particular area. Communicative planning theory does not differ with collaborative planning theory because all these planning theories encourage stakeholders to participate in the affairs affecting them to resolve the problem. Sihlongonyane (2004) argued that communicative and collaborative planning theories help both the individuals, community members, public and private sector in the society to focus on a common task and develop shared meanings and common heuristics that guide their actions. He continued by saying this process requires the fulfilment of three conditions known as DIAD, which means diversity, interdependence, and authentic dialogue within the framework of collaborative planning.

However the problem is that communicative planners do not tell the people that to implement the decisions taken in the discussion with them will depend on many things amongst them financial resources. The planners just argue that they will implement the decisions as if they will bypass the bureaucratic rationality associated with the implementation process. Communicating with people about the process associated with their decision will help people to understand when their decisions are not accurately implemented. The main problem is the power associated with taking decision and implementing them.

According to Flyvbjerg (2002) economic developments happen according to those who have power. What the people want will be determined by those who have power. This means that even though the communicative planners and advocacy planners can collect relevant data to develop economic activities in Mapleton Ext 10, the people who have power especially politicians can turn those ideas down and adopt what they think will be necessary for developing economic activities in the township. Flyvbjerg (2002) mentioned that people in powerful positions find it worth to repress knowledge because of its importance. This repression constitutes new knowledge which the powerful people will use to pursue their plans. However, McCarthy and Shorett 1984 (in Sihlongonyane: 2004) talked about power parity where each interest group is unable to impose its proposed solution on the other affected parties. This will stop the powerful to change the decisions taken by the planners and the community members during their communicative

interaction. Flyvbjerg (2002) argued that power has rationality that the rationality does not know; on the other hand, rationality does not have a power that the power does not know. The decision of the powerful to repress the knowledge of the communicative and advocacy planners which they gathered from the community members is attributed to the above debate of rationality and power.

Flyvbjerg (2002) articulates that power determines both the social, economic political and environmental reality. The conception of power put the work of planners in danger because those in power will use their powers to determine what reality is. Changing the situation put on the table by advocacy planners to what the politicians and powerful perceive as reality will impact negatively to find real solutions for Mapleton Township. However Booher and Innes (2002) articulate that planners have power to organise attention to get people to focus on some issues away from others issues. Communicative and advocacy planners have to use their planning expertise to focus the attention of the political elites and powerful people who make decisions to Mapleton Township so that they can solve the problems of lack of economic activities in the township. Booher and Innes (2002) argue that planners are exercising their powers through their communication with planning commissioners, Citizens, Developers, political elites and others to achieve the required goals.

Strategic Development Planning for Mapleton Ext 10

Strategic development planning is the policy which is used by councillors to target certain places for development. Strategic development planning is the method commonly applied for forward planning of business and public organisation (Warner: 1996). Strategic development planning will be crucial in Mapleton Township because it will set development objectives of the area to promote economic development in the township. The importance of this plan in Mapleton Township is that it will not just put spatial needs on it as the IDP is doing, but it will include all the needs and problems which the people mentioned as their main objectives. The spatial development planning will help the planners to include social and political capital, human capital, physical capital, natural

capital and financial capitals and problems such as crime which disturb development in Mapleton Township. The plan will set a time frame of not less than six years so to achieve the goals set on it. Strategic development planning if drawn will play vital role in encouraging economic activities in Mapleton Township.

Enforcing Completion of Learnerships

It appeared that many learners who enter the learnership programmes are unable to finish their programmes because of different reasons which amongst them is finding new job. As mentioned before leaving learnership programme before completing it is misuse of resources and constitute an obstacle for others to reach their goals. People entering learnership programmes are selected from many who have applied for it, then when others leave the programme without finishing it, means they wasted time for the providers and those who applied but not selected because the providers have reached their target number. Policy is needed to compel the learners who entered the programme to finish it and obtain their certificates of acknowledgement.

Job Creation

Ward 43 has community development officer who is entitled to help people in the ward to initiate projects to promote job creation in the area. The community development officer has to encourage people in Mapleton to initiate projects which will absorb the unemployed people in the area. Projects such as adult education, HIV/AIDS, baking, etc can create employment opportunities for people in Mapleton Township.

Implementing Development programmes in Mapleton Ext 10 Townships

It appeared from this study that many RDP townships have no development programmes which can help the people in the areas to promote economic activities. Officials in department of local economic development at Ekurhuleni mentioned that they do not have any knowledge of economic development programme implemented in any RDP

township within the metropolis. There is a need for implementing economic development programmes within RDP townships in order to encourage economic development within the townships. The programmes will also contribute in the creation of job opportunities for the residents of RDP townships such as Mapleton Ext 10.

Landlines

Landlines are needed in Mapleton Township to encourage information technology business. Telkom has to construct landlines in Mapleton Township to encourage people to interact using information technology.

Title Deeds

Title deeds have to be given to people in Mapleton Township so that they can be able to use them when applying for loans and other things. The problem is that these title deeds are given to consultants who stay to far from Mapleton Township and also need some cash before the owner can receive his title deed. The councillors have to take the title deeds from the consultants and give them to the society without charging any fee. The title deeds will allow people use them in the institutions which they consider RDP houses as collateral to get loans.

Roads Infrastructure

Roads infrastructure in Mapleton Township must be developed and tarred to advance economic development in the area. Road sideways must also be constructed and paved to allow the street hawkers to undertake their economic activities.

Construction of business properties

The municipality has to improvise for the businesses in Mapleton Township by building business properties in the area. Constructing businesses properties in Mapleton Ext 10

will help to formalise businesses in the area. Despite promoting formalisation of businesses in the area, businesses properties will allow those who want to do business in Mapleton Township by hiring the empty properties. These properties will contribute significantly to promotion of economic activities in the area.

Research

Further researches are needed in Mapleton Township to understand what delay economic activities in the area. The fact that this research used qualitative methodology to gather information and relied on pentagon method strengthens the need for other researchers to undertake the studies in Mapleton Township to investigate economic activities.

Therefore the aforementioned recommendations can play vital role in improving economic interaction in the township. All the recommendations need to be implemented in order to achieve viable economic interaction in the area. While implementing the recommendations the positives dynamics which are currently used to promote economic activities in the township need to be secured and strengthened. Financial capital which is above EMM in terms of percentage need to be secured and sustained in order to encourage economic activities in the township. Furthermore the meagre businesses, which are currently used to promote economic interaction in the area, must be protected and strengthened. Because of its association with the second economy the township needs more resources to be able to reach viable economic interaction.

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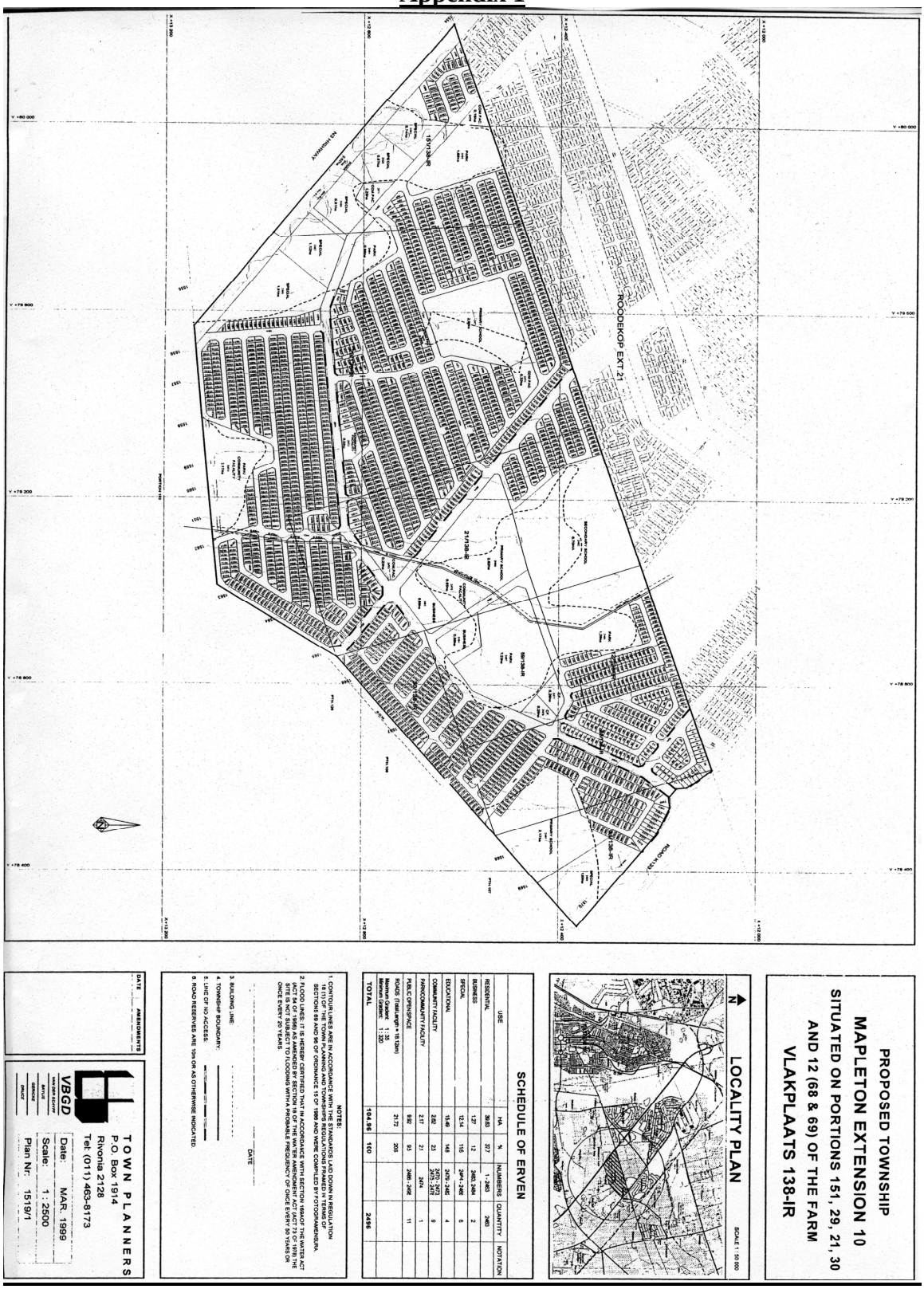
Appendix 1


PROPOSED TOWNSHIP
MAPLETON EXTENSION 10
SITUATED ON PORTIONS 151, 29, 21, 30
AND 12 (68 & 69) OF THE FARM
VLAKPLAATS 138-IR
LOCALITY PLAN
SCALE 1 : 50 000
SCHEDULE OF ERVEN
USE | HA | % | NUMBERS | QUANTITY | NOTATION
RESIDENTIAL | 39.63 | 37.7 | 1 - 2463 | 2463
BUSINESS | 1.27 | 1.2 | 2463, 2464 | 2
SPECIAL | 12.14 | 11.6 | 2474 - 2466 | 6
EDUCATIONAL | 15.49 | 14.8 | 2479 - 2482 | 4
COMMUNITY FACILITY | 2.62 | 2.5 | 2470 - 2473 2475 - 2478 | 9
PARK/COMMUNITY FACILITY | 2.17 | 2.1 | 2474 | 1
PUBLIC OPEN SPACE | 9.92 | 9.5 | 2486 - 2496 | 11
ROADS (Total Length = 18.12km) | 21.72 | 20.6
Maximum Gradient: 1 : 35
Minimum Gradient: 1 : 200
TOTAL | 104.96 | 100 | 2496
NOTES:
1. CONTOUR LINES ARE IN ACCORDANCE WITH THE STANDARDS LAID DOWN IN REGULATION 18 (1) OF THE TOWN PLANNING AND TOWNSHIPS REGULATIONS FRAMED IN TERMS OF SECTIONS 69 AND 96 OF ORDINANCE 15 OF 1986 AND WERE COMPILED BY FOTOGRAMEMSURA.
2. FLOOD LINES: IT IS HEREBY CERTIFIED THAT IN ACCORDANCE WITH SECTION 189A OF THE WATER ACT (ACT 54 OF 1956) AS AMENDED BY SECTION 18 OF THE WATER AMENDMENT ACT (ACT 73 OF 1978) THE SITE IS NOT SUBJECT TO FLOODING WITH A PROBABLE FREQUENCY OF ONCE EVERY 50 YEARS OR ONCE EVERY 20 YEARS.
DATE
3. BUILDING LINE:
4. TOWNSHIP BOUNDARY:
5. LINE OF NO ACCESS:
6. ROAD RESERVES ARE 10m OR AS OTHERWISE INDICATED.
DATE
AMENDMENTS
TOWN PLANNERS
P.O. Box 1914
Rivonia 2128
Tel: (011) 463-8173
VBGD
Date: MAR. 1999
Scale: 1 : 2500
Plan Nr: 1519/1

Appendix 2

Field questions (For Community Members and Leaders)

- How many people are working or not working in your family?
- What do they do for living?
- How unemployment affect economic interaction between the people?
- Are there projects and programmes in your area hiring people for wages?
- What is the highest level of education in your family?
- What types of businesses are available in the area?
- Are they good to promote economic development?
- Is the government encouraging formalisation of informal traders?
- Are there any programmes in the area to promote entrepreneurship?
- Are there any skills development programmes running in your area?
- Are there good roads and telecommunication in the township?
- Are there basic infrastructure services like water, sanitation and electricity?
- How the spatial planning of the township promotes economic development?
- Is the area good to attract investments?

For Municipal officials Managers

Sub-questions

- What does local government do to promote local economic development in RDP housing?
- Which programmes have the municipality implemented to boost local economic development in RDP housing?
- Is the programmes implemented achieving the goals of promoting economic development?
- Are there any skills development programmes implemented in the RDP townships?
- How the municipality promotes creation of employment in RDP housing?
- What types of businesses does the municipality promote in RDP housing?

- Are there enough infrastructures in RDP housing to promote local economic development?
- What the municipality thought is the main obstacle of local economic development in RDP housing?
- What the municipality does to remove these obstacles?
- Is the spatial planning in RDP Township allows the creation of economic activities?