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REDISCOVERING ECONOMICS AS A CRUCIAL COMPONENT OF DEVELOPMENT IN SOUTH AFRICA: THE CASE OF THE INNER CITY PROPERTY SCHEME

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REDISCOVERING ECONOMICS AS A CRUCIAL COMPONENT OF DEVELOPMENT IN SOUTH AFRICA: THE CASE OF THE INNER CITY PROPERTY SCHEME

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A dissertation submitted to the Faculty of Engineering and the Built Environment, University of Witwatersrand, submitted in partial fulfilment of the Bachelor of Science in Urban and Regional Planning (Honours) degree

Johannesburg, 2015

Declaration

I, Abraham Ajibade declare that this research is my own unaided work. It is being submitted in partial fulfilment of the Bachelor of Science in Urban and Regional Planning (Honours) degree in the University of Witwatersrand, Johannesburg. It has not been submitted for any other degree at any other university.

……

Abraham Oreoluwa Ajibade

30 October 2015

Bachelor of Science in Urban and Regional Planning (Honours)

Abstract

It has been twenty-one years since the apartheid regime was dismantled – an age that is synonymous with the maturity, balance and grace shown by leaders in South Africa and those returning from abroad. The proverbial torch has been passed down to the next generation to learn from the mistakes of their predecessors and forge a new zeitgeist, one that is accepting of all. Yet, the need to forthrightly address the impacts of separate development and state-advocated forms and systems of preferential treatment remains at the forefront of public discourse. Development has many dimensions and planning interests - urban, development, economic and policy - are concerned with all of these. This report is primarily concerned with those ideals that have been supported by legislation in the form of Broad Based Black Economic Empowerment (BBBEE). Such polices were physically manifested through the mechanisms of many state departments and agencies, and this research report seeks to critically examine its manifestation in the form of one of those structures, namely the Inner City Property Scheme (ICPS). This research report utilised a mixture of evaluation and qualitative research methodologies. This allowed for the evaluation of economic empowerment policies through engagements with selected respondents. These respondents were selected based on their knowledge of the ICPS, Economic Empowerment and the Planning profession. Drawing upon these interviews and engagement with other sources, the report seeks to address the issue of planning's limited engagement with the economic circumstances which are prevalent in each context and how the economic circumstances affect the interventions the planning profession proposes. The results of the research report found that the ways in which economic empowerment e.g. through the ICPS, was practised only served to benefit an elite grouping. These class distinctions were also seen to be congruent with the flaws of the planning profession. The reason for these could be traced to a lack of engagement with the economic aspects of development on the side of planners. The research report proposed a set of recommendations that sought to provide planners with the tools to guide the state in becoming truly developmental.

Key Words: Inner City, Inner City Property Scheme, Property Sector, Economics, Economic Empowerment, Developmental State, Perceptions, Role of Planning.

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Abbreviations

ANC	African National Congress
BEE	Black Economic Empowerment
BBBEE	Broad Based Black Economic Empowerment
BBP	Bad Buildings Programme
CBD	Central Business District
CoJ	City of Johannesburg
DTI	Department of Trade and Industry
DBSA	Development Bank of Southern Africa
GDP	Gross Domestic Product
EE	Economic Empowerment
GEAR	Growth, Employment and Redistribution Strategy
HDI	Human Development Index
ICO	Inner City Office
ICPS	Inner City Property Scheme
IDC	Industrial Development Corporation
JPC	Johannesburg Property Company
RDP	Reconstruction and Development Programme
SACPLAN	South African Council for Planners
SBP	Strategic Business Partnership for Growth in Africa
SMME	Small, Medium and Micro Enterprises
THT	Transitional Housing Trust
TUHF	Trust for Urban Housing and Finance
NEF	National Empowerment Fund
NPC	National Planning Commission
OECD	Organisation for Economic Co-operation and Development
PDI	Previously Disadvantaged Individuals
UN	United Nations
UNDP	United Nations Development Programme

Chapter 1: ONCE UPON A SCHEME IN POST EMPOWERMENT SOUTH AFRICA

1.1 A Cursory Overview of the Report Parameters



Figure 1.1: *(above) Cartoon depicting BEE as a form of Neopatrimonialism, the implementation of this brand of affirmative action has been widely criticized.*
Source: Zapiro © 2012 from https://zapiro.org/component/zoo/advanced-search/4868?Itemid=464

The Inner City Property Scheme (ICPS) is an affiliated agency established by the City of Johannesburg (CoJ) that seeks to continue the work of economic empowerment (EE). The notion of EE has been variably interpreted and applied in different countries, which have experienced recurring and deliberate institutions-led segregation which has almost inevitably caused entrenched inequality and economic insecurity that has been borne by the previously disadvantaged. In South Africa, the aim has been to bring about justice and restore a level of parity between all groups within the society. Economic empowerment has become a fiercely contested issue with many critics arguing that it has not been correctly implemented, distributing its benefits to the wrong targets, creating even higher levels of inequality (Alexander, 2006; Bhorat et al, 2009; Botha & Sartorius, 2008). The issue of the socio economic inclusivity of the minority has remained a hotly contested topic and one that is far from being resolved. An investigation into the property sector places the issue of empowerment where it is at its most poignant, at home.

The ICPS in particular seeks to empower certain individuals to own buildings that currently house a large number of residents of the inner city. Thus far the empowerment of those targets has not resulted in the broad based development of the inner city and Central Business District (CBD). As a result, it is imperative to seek to understand what dynamics are at play within the property sector that could be hindering development. The lessons gleaned from this process would make it possible to develop and propose recommendations for the planning profession.



Figure 1.2: *(left) Tangible economic empowerment* –Buildings located in Hillbrow that have benefitted from ICPS sponsored and facilitated development with BEE companies at the helm of the improvement effort described by former Executive Mayor, Amos Masondo as part of a process "to transfer expropriated properties into an Inner City Property Portfolio in the process of passing these on to a new company."
Source: City of Johannesburg © 2011 from http://www.joburg.org.za/index.php?option=com_content&view=article&id=6467:new-scheme-to-boost-inner-city&catid=88&Itemid=266

1.2 A Review of the South African State's Response to its Unequal Society

One of the major challenges that faced the African National Congress after its victory in the 1994 elections was to integrate those who had been previously excluded into the economy (Botha & Sartorius, 2008). This exclusion has been perpetuated for several decades. Whilst the exclusion has not been the sole factor at play for causing South Africa to be regarded of be one of the most unequal societies in the world - other factors include the homelands system, influx control and a lack of access to formal banking – The effects of such exclusion have been widespread (Bhorat et al, 2009; Wolpe, 1972; Posel, 1999). The expectation following 1994, especially when considered in tandem with the positive economic growth recorded during this period, was that the scourge of poverty and inequality would be eradicated or at the very least mitigated.

This has not been the case, however, with survey data from the 2010/2011 Income and Expenditure survey[1] revealing that the income disparity of the races in South Africa remains at disconcertingly high levels (Statistics South Africa, 2012). While Black African households have witnessed a 35% growth in average household head's income to a little under R56 000 pa, this figure is paltry in comparison to their White counterparts who earn an average of close to R315 000 pa – five times more (Statistics South Africa, 2012). These statistics reflect a South African economy that remains consistently unequal, despite the fact that the average Black African Household head experienced a significantly larger increase (35%) (Statistics South Africa, 2012).

	Black African	White
Annual Household Head Income: **2005/6**	R 41 410	R 217 813
Annual Household Head Income: **2010/11**	R 55 920	R 314 524
Percentage increase	35.0	16.1

Table 1.1: (above) *Tabling income* – shows the remaining gap in households and the seeming salience of the gap in incomes and the measure of the task for macro-economic policy makers and the growing importance of the middle class.
Source: Statistics South Africa, 2012 adapted by Abraham Ajibade

The government's strategy to rectify the deficit has included the introduction of the Black Economic Empowerment (BEE) programme. The BEE programme implemented mechanisms such as the Employment Equity Act of 1998 and the Promotion of Equality and Prevention of Unfair Discrimination Act of 2000, which sought to ensure that employers were legally obligated to create demographically representative workforces. The most familiar piece of legislation with regards to BEE, and the aspect that is of the most interest to this report is the Broad Based Black Empowerment Act of 2003, which sought to advance black ownership of and control over the economy (Southall, 2006). The initial response to the socioeconomic ills of the apartheid era was implemented through the Reconstruction and Development Programme (RDP). This programme sought to rectify the domination of economic activities by white businesses and the exclusion of black people from those activities. As a result, one of the central objectives of the RDP was to deracialise business ownership and control by utilising BEE policies which were aimed at making it easier for black people to gain access to capital for business development. This was encapsulated in the slogan for the RDP programme, (Growth through Redistribution). They also reflected the

[1] The information from the income and expenditure survey allows us to analyse the changes in income level over a period of years, The 2010/11 IES in particular provides us with a comparison over 5 years (2005/6 to 2010/11).

obligation of the democratic government to ensure that its financial institutions were no longer discriminatory. The democratic government also introduced tendering and preferential procurement procedures to facilitate a significantly more empowered population who were previously disadvantaged and disempowered. This combination of policy priorities involved improved training and education as well as meaningful ownership participation in the formal market (Von Holdt, 2010).

Despite all of the initiatives implemented by the government, the reality was that the BEE policies and the Reconstruction and Development Programme (RDP) were doing very little to alleviate the capitulation of the Rand, unemployment and black poverty (Southall, 2006). The adoption of the Growth, Employment and Redistribution (GEAR) programme in 1996 signified another approach through which the state sought to address the persistent issues (Michie & Padayachee, 1998). Whilst the RDP was concerned with redressing the injustices of apartheid by redistributing wealth (most notably through the provision of housing to the previously marginalised), GEAR, on the other hand, was a neoliberal policy aimed at facilitating economic growth, and placed much emphasis on the notion of trickle-down (the notion that economic growth would lead to redistribution of jobs and other forms of wealth to the masses) (Michie & Padayachee, 1998).

The GEAR programme (1996) saw:
"Accelerated economic growth associated with stronger employment creation [as] the key to continued progress towards an equitable distribution of income and improved standards of living for all." (Department of Finance, 1996)

The expectations of the GEAR programme to stimulate economic growth did not materialise. What became prevalent instead was jobless growth, retrenchments, gentrification and exclusionary urban regeneration tools (Bhorat, Jacobs, & van der Westhuizen, 2009). The result of such conditions for a city like Johannesburg, which is Africa's business hub, was crippling as the city was undergoing a financial crisis in 1997. Thus it became imperative that other avenues were explored in order to stimulate economic growth and create employment in a more sustainable way (Winkler, 2012)

The national response in 1998, was the creation of the National Empowerment Fund (NEF), as a way in which to distribute the country's wealth and support the previously disadvantaged as they sought to escape poverty. The Mbeki administration's approach at the time was to encourage structural support with emphasis on private

sector development and competitiveness of black businesses (Iheduru, 2004). This approach greatly benefitted a faction consisting of black elite groups, businessmen and women (Von Holdt, 2010). These factions in conjunction with white business groups, whose businesses relied heavily on governmental regulations and subsidies, supported these policies and pushed the idea of the development of the black bourgeoisie who were black corporate entrepreneurs (informally known as black diamonds) (Alexander, 2006). Much of the legislation that has been enacted since 1994 has mandated that the government ensures it is creating equity and addressing the historic imbalances. Thus with the new legislation of Mbeki's tenure, such as the National Empowerment Fund Act of 1998 coming into effect, black- owned companies or companies which had a majority black demographic were entitled to receive a significant amount of financial support from the government.

The National Empowerment Fund (2014) in particular sought:

"To establish a trust to promote and facilitate ownership of income-generating assets by historically disadvantaged persons, particularly assets in state-owned enterprises made available at a discount as part of restructuring programmes; gives powers to the trust to enable it to establish sub-trusts and investment companies to promote black economic empowerment." (National Empowerment Fund, 2014)

Agencies such as Ntsika, Khula and the Industrial Development Corporation (IDC) were created to provide start-up capital for black businesses. Most of these agencies were created through the Department of Trade and Industry, although Development Finance Institutions including the Land Bank and the Development Bank of Southern Africa (DBSA) were heavily invested in the process as well (Alexander, 2007). These coalitions and agencies combined contributed over R2.2 billion within the 2002/2003 financial year to fund BEE initiatives (ibid).

The local response to stimulating economic growth and redistributing wealth in 2011 by the City of Johannesburg took the form of the Inner City Property Scheme, which would seek to create partnerships between the city and the private sector to rejuvenate buildings within the inner city. This was an initiative of the revised and amended BBBEE and as a result would, not only seek to allow the previously disadvantaged to own shares in prime real estate, it would also outsource all of the redevelopment work to BBBEE service providers (Inner City Property Scheme, 2008). This programme would therefore serve the dual purpose of addressing urban decay in the Central Business District as well as attracting and retaining investment within the

city (Masondo, 2008). Academics such as Von Holdt (2010) and Neville (2007) have argued that these policies have had limited success however, with the majority of the country's capital still in the hands of the previous class of elites. They continue by explaining that these policies have actually served to entrench elite formation and as a consequence instead of the development of the majority, the intra black income disparity has grown even wider. Here, the preoccupation with addressing inequality and social injustice remains critical, but planners like Winkler (2012) have begun to investigate and interrogate the nature and dynamics of agenda setting and how the political dimensions of empowerment affect the realm planners are most concerned with infrastructure, the spatial realm and development.

1.3 The Nature of the Beast: Rationale and Relevance for Planning

This research is important to undertake because Broad Based Black Economic Empowerment legislation has been amended six times in an attempt to adjust policy to the current demands and realities of the job market. The ineffective nature of the state, in terms of bringing about development, calls for a review of the policies that the state has enacted in order to fulfil their mandate which is to cater to the wellbeing of society. The fluctuating nature of the policy provides an intriguing subject for investigation, due to the fact that it could be attributed to a variety of factors. The fluctuations could either prove to mean that the policies are not speaking to the realities on the ground and as such require constant adjustments, or it reveals that the state is adaptable and willing to shift and change with the context in which the policies are being negotiated and implemented. The reason why this area is a cause of concern for planners is because a.) The focus of macro-economic policy has inevitably affected the broader transformation project which seeks to change all dimensions of development, b.) As a profession, planning is invested and interested in the state's agenda of nation building and the bureaucratic imperative of democratic state formation and lastly, c.) Planners work within and in collaboration with the democratic state that wants to achieve an equitable society which interfaces with the precepts and founding principles which affect the practice of the planning profession. This is why the mandate of the state has filtered down to the planning profession, calling on them to adjudicate and preside over matters of the public interest.

It is imperative for a profession that is tasked with serving the public interest, to be able to propose solutions to the dilemmas of a postmodern society, not least of which is its fragmented nature. Planners have a responsibility to satisfy the conflicting needs of the diverse society that they cater for (Adams & Watkins, 2014). Within the South African context, this role takes on even more significance as the apartheid regime was systematic in its emphasis of the different races within the South African society. The policies of Black economic empowerment were developed specifically to rectify the injustices that the previous regime created, in order to enable the previously disadvantaged to participate in the economy. Due to the fact that Economic Empowerment would reduce poverty and inequality, both of which are in the public interest, this is an issue that planners should be taking cognisance of. Thus in order to fully grasp the complexities of the dilemma that faces us, we must consider the root of the issue which would be from the construction of the policy which has proved ineffective thus far, asking (Why has development(al) policy – as course of action – proved ineffective and inefficient in the redressing, or at the very least the addressing, of the socio-economic injustices of apartheid?). In attempting to do this, the research placed focus on the property sector in Johannesburg, Africa's commercial powerhouse and a city that is caught between two powerful discourses (the global city discourse and the developmental city discourse) and reviewed the city's intervention of the ICPS because it encapsulated many of the aspects that this research sought to investigate, namely economic empowerment, the manifestation of the developmental state spatially as well as its contribution to nation and capacity building.



Figure 1.3: *(left) The raison d'être for regeneration through empowerment* – Where the establishment of the contested Bad Buildings Programme led to a reconfiguration of the model of building improvement by the CoJ in order to tackle the real problems with poorly maintained buildings in the inner city led to the establishment of the Inner City Property Scheme as a means to get black investors in the coalface of urban development.

Source: City of Johannesburg © 2010 from *http://www.joburg.org.za/index.php?option=com_content&task=view&id=4939&Itemid=58*

1.4 Raison d'être of the Study: Seeking True Empowerment

The aim of this research report is to critically examine the concept of economic empowerment, specifically the way it has found expression in South Africa as encapsulated and articulated by BBBEE which is strongly tied to the government's ambition to be a developmental state – one that is equitable and just. The combination of these two factors has resulted in a broad developmental objective to address inequality, an objective that is made all the more poignant, in light of the country's past as a racially segregated society, where opportunities (economic and social) were only afforded to a particular segment of the society. The process of addressing these inequalities has been affected to a certain degree by various interest groups and coalitions in addition to the government and its parastatals. In order to be successful in this endeavour, the stakeholders in the process should view the situation from other perspectives and that is what this research does. The work that this research does, lays the foundation for others to seek more ways in which to facilitate the mutual understanding of different fields of study and to map out ways that the disciplines can work together. This study seeks not only to investigate the reasons why economic empowerment has not had the desired effects but also to promote the collaboration of disciplines in order to create more dynamic and more effective solutions. This research report thus utilises the property sector as a microcosm in which to invest the linkages between policies of economic empowerment and their manifestation in space, in the CBD. The problem that this research attempts to unpack and understand concerns the relationship (or lack thereof) between the negotiated vision of empowerment and the funding and sponsoring of practice of empowerment – implemented by the ICPS - and how this has been made manifest in the property sector at the local sphere in general and Johannesburg specifically.

1.5 Research Question and Sub-Questions

Given this historical imperative and the need to investigate and scrutinise the proverbial point where economic inequality, social justice and urban development come together, this research report attempts to ascertain what the possibilities are for making an intangible social project into a tangible financial and physical product. This work also contributes towards the thinking in planning to combine a well-developed spatial appreciation with an understanding of the political economy and the world of property development and finance. With this in mind, the central research question:

How has the formulation and implementation of economic empowerment policy, in the property development sector, influenced planning's scope for broad based development in Johannesburg?

In order to respond effectively and coherently to this question, the following sub-questions are intended to unpack the political, economic and planning dynamics inherent therein and to help structure the enquiry in this report with a focus in revealing:

1 How has the CoJ and the ICPS by extension, understood and interpreted black economic empowerment in policy and practice?
2 How do the beneficiaries of the Inner City Property Scheme contribute to the pursuit of broad based development in the inner city?
3 To what extent are the realities facing South African citizens a result of the manner in which planners have conceptualised the developmental state?
4 How effectively has the planning profession grappled with the potential benefits or pitfalls of BEE-associated models of development in urban areas?

1.6 Research Methods

1.6.1 Selecting the Tools

The approach that was utilised in order to gain an understanding of the ways in which economic empowerment had been articulated in the inner city was Qualitative Research. Qualitative Research, according to Creswell (2003) and Philip (1998) is a method that utilizes a variety of sources of data and research methods in order to gain an understanding of and grasp the complexities surrounding a particular occurrence or phenomenon. The nature of the study is evaluation research which Bartels et al (1981) describe it as research that is focused on the assessment and technical appraisal of the effects of a political process. Not only that, it attempts to answer questions related to the effectiveness of policy or investment interventions (Agarwal et al, 2005). It also examines whether the target group that the policy was supposed to impact upon have been adequately covered and whether the policy was implemented as designed (Bartels et al, 1981). The research will be mainly qualitative as it involves the testing of theory and the line of inquiry into the machinations of ICPS. It is important for disciplines to undertake an evaluation of the policies that the government implements to assess the continued efficacy of the policy's strategies (Bartels et al, 1981).

Thus, the purpose of the policy evaluation approach is to provide an understanding of and shed some light on the effects of certain policies. This is an important undertaking for the researcher because it brings to light the actuality that quite often, the effects that a policy programme has on members of a community might not necessarily have been intended by those who designed the policy.

According to Bartels et al (1981), a thorough investigation of the impact that a policy has, should examine not only the direct, primary effect - whether negative or positive – but examine the indirect effects that can be attributed to the policy by proxy. The report seeks to challenge the discourse surrounding economic empowerment, exploring its primary effects whilst also highlighting the indirect effects that it is having on the inner city. Another important factor to consider when exploring the effects of a policy is not only its impact, but the site of its impact. The space and time in which policy effects are being investigated are critical to the policy evaluation process because some effects are immediately apparent whilst others take a period of years before they can fully be evaluated (Bartels et al, 1981). For the purposes of this research report, the property sector in the Inner City of Johannesburg is selected as the space in which the policies of economic empowerment can be evaluated. There are many reasons why the researcher have chosen this space (refer to section 3.2 for a more detailed discussion of some of the reasons), but the primary reason pertains to the relatively long period of time that the ICPS has taken to manifest itself, as well as the numerous events during this period that can be unpacked and evaluated. The events have mainly revolved around the identification of weaknesses in the approach and a response from the City to rectify those errors. The significance of these fluctuations lies in the fact that they afford the researcher an opportunity to accurately determine what the different circumstances pertaining to the policy were at different stages in time.

1.6.2 A hypothesis for the mission

The data that was required for the purposes of this research revolved for the most part around economic empowerment and affirmative action policies in South Africa as well as information that would allow the researcher to examine and study the work of the ICPS in the inner city. In the execution of the study, the researcher utilized an array of primary and secondary sources. Primary data sources included semi structured interviews in which the researcher asked the respondent a standard set of questions as well as a discussion to further elucidate upon the answers provided.

The use of interviews allowed for a method of data collection that allowed the researcher to simultaneously guide the line of questioning whilst also gaining valuable insight from the respondents with regards to the historical development of the research interest (Creswell, 2003). The discussion component of the interview allowed for a level of flexibility throughout the process, allowing the researcher the freedom to explore and clarify certain aspects behind the respondent's answer. Such freedom creates conditions within which new lines of enquiry emerge during the interview (Maree, 2008). The interviews conducted by the researcher were all recorded to ensure that the information provided by the respondents was captured in its entirety, increasing the accuracy of the information provided. The respondents were selected to represent a wide range of views as well as to provide information regarding economic empowerment in the inner city from different perspectives. The respondents included two representatives from the CoJ, the first being a high ranking official and the second occupying a senior management position within the ICPS. Other respondents within the city included two members of organisations that specialise in inner city regeneration, one from Prophab (a property rehabilitation organisation, working on inner city buildings) and the other from the Trust for Urban Housing and Finance. To provide a contextualisation of the issues of empowerment in planning, four respondents who are engaged in the planning profession were also selected. Two of those respondents are members of planning boards, the first is on the board of the South African Council for Planners and the other sits on the board of the National Planning Commission. The last two respondents were selected for their knowledge on the two issues that the ICPS engages with, housing in the inner city and the use of the market to encourage development.

The interviews were intended to shed light on the respective understanding of EE in the inner city by these officials and stakeholders. The researcher utilized these interviews as a way in which to gauge how the different stakeholders conceptualize and understand the different terms relating to economic empowerment, who it was meant to target and how it should be implemented. The researcher triangulated the data that emerged from the primary sources (interviews) with the data stemming from the utilisation of secondary sources. The secondary sources included journals, books, reports, online newspaper articles as well as policies for a wide variety of information. The usage of a myriad of sources sought to provide further depth and context to the issue under study – the ICPS as a form of EE.

1.6.3 Mapping out the Terrain of the Report

The researcher chose to utilise qualitative research methods to answer the research question on the grounds that it enabled the researcher to gather information that directly relates to stakeholders' perceptions. Gathering stakeholder perceptions was an entirely subjective process that changed dynamically due to the setting and the information being disclosed. The purpose of the interviews would thus be to create a discussion between these respondents within which they would provide insight regarding the research question, the sub questions and the way forward.

The data from this process were then categorised and presented according to themes highlighting issues that they relate to, what Creswell (2003) refers to as 'coding'. Coding enables the researcher to present the personal views of the respondents in order to construct an image of the stakeholders' perceptions regarding EE, the ICPS, the inner city as well as the planning profession from a variety of viewpoints. These multiple perceptions consequently yielded composite information, what Phillip (1998) would term 'multiple truths'. The researcher expected the responses of the respondents to correlate with the positions that they occupied. The interviews conducted supported this expectation to a certain extent, with composite accounts being provided by the respondents, some of which did not correlate – which was to be expected given the bias of the respondents, but these views were grouped nonetheless according to various themes, highlighting the disparities and similarities. Whilst the study does go into detail with regards to the ICPS and the way in which it conducts its business, the focus of the study is largely confined to perceptions of empowerment. The researcher is aware that there are numerous issues that contribute to the state of the inner city and contribute to its dynamic, but the study is focused on the aspects pertaining to EE and development.

As a result the study seeks to investigate data regarding the policies of economic empowerment including the ways in which the CoJ sees economic empowerment becoming a key aspect of broad based development and the impact that the policies are having on the livelihoods of those in the inner city. The contributions of the representatives of the organisations were useful for delineating what the objectives of the organisation and how their vision and approaches differ or correlated with that of the City. The information that will be gleaned from the experts will serve to explain what the current perceptions concerning EE policies are, the eligibility of those benefitting from the policy and the expectation of the policy in terms of its ability to be effectively realised.

The researcher does not intend to look beyond the boundaries of the CBD of Johannesburg to understand the dynamics of EE in the CoJ Metropolitan Municipality and other metropolitan municipalities in South Africa. The research is thus aimed at using the work of the ICPS in inner city of Johannesburg, particularly the city's CBD, as an encapsulation of nationwide conflicts generated by the interpretation of broad based development for political objectives.

1.6.4 Ethical Considerations

There were some political sensitivities that were incurred whilst tracking the activities and processes of implementation within the state. Essentially, the ethical challenges were with regard to the information that arose and not necessarily the groups and individuals being interviewed. True to Yin's (1994) realisation that it is common for researchers to face challenges while conducting research, the researcher encountered multiple challenges, some of which were ethical in nature. These included some respondents' refusal to talk on record, the desire to remain anonymous, the reluctance to talk in front of other people (wanting to meet in private places, wanting to talk behind closed doors). In order to assuage the fears of the respondents and to treat them with dignity, the researcher acquiesced to their desire to remain anonymous by providing them with alternative names within the report. The researcher also made promises to the respondents that the information they provided would only be used for the purposes of the research report. The measures taken in the planning and conducting of the research report are in line with Sarantakos's (2005) expectation that researchers engage with certain processes with regards to ethics so as to ensure that the research that is conducted produces fair and unbiased results. The measures are not solely restricted to the manner in which the interviews were conducted but also translate into the recreation of an honest account of the findings. In the pursuit of and understanding of the ICPS and the processes of economic empowerment that drive it, the researcher has not fabricated the findings in order to suit the expectations of the researcher.

1.7 Cataloguing the Narrative

Chapter Two is based on a collation and synthesis of the different arguments emanating from the desktop study and/or review of various secondary sources. The chapter interweaves the different arguments in such a manner as to draw out the main themes and concepts relevant to the study. This chapter contributes towards providing an understanding of the topic, as well as serving as the foundation utilised in answering the research question.

Chapter Three seeks to bring about a conceptual understanding of the property sector, illuminating the background against which the ICPS has been framed, formulated and implemented.

Chapter Four of the research report entails the research findings from the interviews and research that was conducted. The focus of this chapter is on the findings of the report as well as an engagement with the research findings. It includes a preliminary assessment and synthesis of the findings in order to draw out the major themes, utilising them to answer the research questions and sub questions posited at the beginning of the report.

The final chapter of the research report (Chapter Five) revolves around the presentation of reflections and recommendations concerning the research process that has been undertaken. It includes an overview of the lessons that have been gleaned from the research process and stemming from those lessons, was a presentation of a series of suggestions and recommendations which suggested how the research could be taken further.

Chapter 2: SCULPTING THE PARAMETERS

2.1 Framing the Perspectives

An important task, that faces the advent of any research endeavour, is one in which the researcher delineates clearly, how he/she has conceptualised the different facets of the object that they are researching. There are two reasons why the delineation of these concepts are imperative to ascertain. The first is that within qualitative research, the researcher often makes claims that are based on their personal stance, they cannot be entirely objective, as they are laden with presuppositions and salient biases. These are defined by Creswell (2003) as knowledge claims based primarily on constructivist perspectives, He attributes this to the different interpretations of personal experiences. Thus, in order to circumvent the differences of opinions that will inevitably arise, it is imperative that the researcher sets down clearly what their working definitions for the core concepts of the research are. The second reason why the definitions of the working concepts are vital is because a review of literature in any study is essential in the sense that it helps locate the study in the larger discourse occurring within literature, filling in the gaps and propagating the work done by previous studies (Creswell, 2003). There are various concepts that have been brought about by the review of various literary pieces deemed relevant for the study. The concepts coalesce and are grouped under four major themes frame the study. For the purposes of this research the focus will primarily be on the four key themes:

- broad based;
- economic empowerment;
- development; and
- the role of planning in the developmental state.

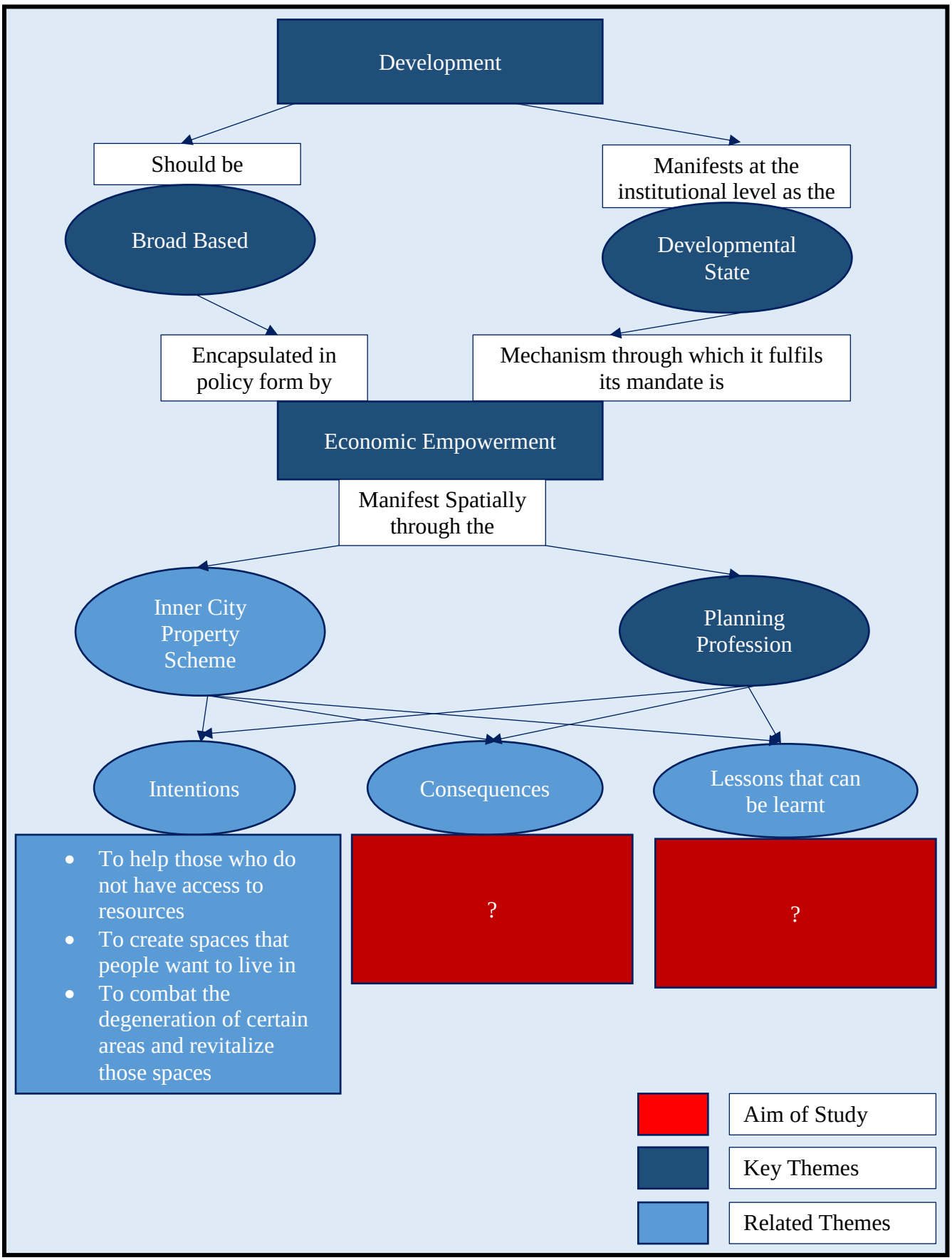


Figure 2.1: *How do the themes come together?* – A diagrammatic representation of the linkages between the Key Concepts

2.2 Crystalizing an Obscure Concept

Any attempt to conceptualise and interpret what is considered as 'broad-based' involves an unpacking of the inferred meaning of the term which has had a robust and dynamic application in literature, often being utilised as a prefix for terms like 'development' and 'empowerment.' Taking into consideration the fact that these idioms are of crucial importance to the study, it is critical that an analysis of the term was a key foundation on which to build the argument within this paper. The generally accepted usage of this term has become synonymous with every piece of South African legislation that seeks to rectify the injustices of the past but its significance is potentially vague and the subject of 'economic empowerment' being used for political purposes has been well documented in the popular and academic realm. The purpose of this section is to evaluate this generally accepted application of the terms and trace, chronologically, their exegesis and connotations. This would be juxtaposed with the arguments from all fields regarding the effectiveness and ideological appeal of the concept as a solution to inequality.

2.2.1 How broad is Broad Based?

"Our key targets the strategy aims to achieve in Gauteng by 2014 include reducing unemployment to 18 percent, creating some 800 000 jobs over the next 10 years, and increasing the provincial government's procurement spend for broad-based economic empowerment enterprises to 80 percent," Former Gauteng Premier Mbhazima Shilowa, 2004[2]

"It is the role of the new members of the Advisory Council to ensure that the Broad Based Black Economic Empowerment legislative framework through the Black Industrialists Programme achieves maximum inclusivity in terms of economic transformation" President Jacob Zuma, 2015[3]

[2] Former Gauteng Premier speaking during the release of the 2014 Growth and Development Strategy in 2004, the strategy aimed to stimulate economic growth, build the province's economy and reduce unemployment and poverty. The strategy implied the meaning of broad based to mean all encompassing, inclusive of a large number of people.

[3] South African President Jacob Zuma speaking during the inaugural session of the Presidential Black Economic Empowerment Advisory Council at Tuynhuys in Cape Town. The Council was created to ensure that the government reached its target of creating over 100 black industrialists by 2018 in a bid to transform the economy. The target of broad based in this instance was implied to be a select few 'industrialists'. The discrepancy between these interpretations forms the basis of an investigation into the term broad based.

Broad based is a term that has been bandied about by politicians in their propagation of BBBEE, with its definition as diverse as its meaning implies. Therefore before any traction can be gained in an exploration of how Planning can tailor its development for the country the profession serves, a clarification of these definitions is necessary. Ostensibly, any discussion of the term includes reflections on inequality, inclusivity, transformation, access and fairness which forms a critical part of the zeitgeist on development in many countries that face collective trauma and decades of unequal treatment as South Africa has. However, for the purposes of this particular enquiry, the focus has been narrowed down to concentrate on what the researcher considers to be the three integral permutations of the term relating to Post Apartheid Planning: equality, diversity (or difference) and justice.

The reason for this choice is that these encapsulate the prevailing sagacity of the ideas being discussed in this section and more practically have played a role in understanding the topic of this research. Equality can be seen to be the end result of policies of economic empowerment because the goal of the post-apartheid state has been to place its citizens on an equal standing. This would ensure, as articulated in the preamble to the nation's Constitution (No. 108 of 1996) that "South Africa belongs to all who live in it, united in our diversity…" legislatively embedding access to the state and to the types of opportunities and lifestyles offered within it. In the South African example, where the plethora of different cultures, ideologies and races have culminated to create a rich tapestry of diversity, the term could be seen as an idealised, utopian notion, due to the fact that it could also be viewed as being an inevitable cause of (deep) difference (Watson, 2006). Consequently, how it is navigated is essential to providing an understanding of why (the ideology of difference) and how to operationalise and manage any broad-based policy or plan is conceptualised. The term justice, at first glance might seem to have the same meaning as equality, but upon further inspection, one finds that the execution of the notion of justice might go against the principles of equality (Anderson, 1999; Daniels, 1990). Much like the concept of equality, justice can also be seen as the end result of policies of economic empowerment. The divergence would occur at the point where one considers equality being the end state for all participants, and justice being the way in which equality is achieved. Justice would thus form a key facet of our understanding of the term broad based, given the fact that the aim of a broad based society is to provide all its constituents with support that is tailored to their individual needs. This section of the research report will therefore seek to explore the ways in which theorists have conceptualised the three concepts of Equality, Diversity and Justice within popular discourse as well as within planning literature.

2.2.2 What does it mean to be Equal?

A famous quotation from his seminal novel, Animal Farm, George Orwell (1945) suggests that "all animals are equal, but some animals are more equal than others." His writings were initially an allegoric reference to the malleability of "principles" to suit those in power. In a world following the upheaval and civic resistance of the sixties, many countries have made strides to make their societies more equal and inclusive. Despite these developments, many of those countries are still facing high levels of poverty and inequality, the United States of America and South Africa are good examples of this (Bhorat et al, 2009; van Jaarsveld, 2000). Therefore one could make the argument that within these countries, all the citizens are equal but some are more equal than others. It is for this very reason that the research seeks to unpack what it means for people to be "equal".

John Rawls (2002) has challenged the conception of the term and his ideas as relates to justice and equality are an effective gauge to judge whether individuals should make decisions from their original positions, behind a blinding veil of ignorance which prevents them from a true appreciation of their position in society. He argued that of the two principles namely liberty and equality, from a neutral position, members of society are more interested in the latter. He further explains that if individuals acting in a rational manner had the power to distribute, when put behind a veil of ignorance, would choose to distribute equally almost every time. They would choose an even distribution of the primary goods so as to ensure that whichever side of the scale they fall, they would not end up in an inferior position. Such even distribution has become a cornerstone of 'just' practice (Fainstein, 2006). This interpretation of equality was widely accepted as many found difficulty in faulting its logic. This was due in part to the fact that the notion of equality aligns with a humanitarian impulse. Even within contemporary society one finds that it is seen to be a morally acceptable course of action for one to aid those who are less fortunate. The underlying dilemma here is the fact that no one can make a case that they deserve their genetic endowments or other benefits that were attached to the circumstances of their birth (Anderson, 1999; Piketty, 2014). This effectively weakens their ability to retain all of the benefits that accompanied these circumstances.

This was the foundation of the egalitarian movement that sought to delineate how equality could be made achievable. The first step was to expose the inequalities in society – such as the structural ones involving circumstances of birth – and the second was to define what the focus of egalitarian concern would be (Anderson, 1999). The second aim while seeming to be the easiest task would prove to be challenging as different theorists had their own interpretations. Theorists such as Crisp (2003) agreed that egalitarianism was the search of outcomes where (undeserved) inequality was minimised. Inequality was the enemy which most felt was our human responsibility to mitigate. As such, when provided with the opportunity to distribute goods such as opportunities, wealth, liberties and powers, we would be willing (to some extent) to forgo giving these benefits to someone who is in a better position, in favour for one who has less (Daniels, 1990). However, the argument arises when one is asked to pinpoint what should be the principal target of equality. Many leading theorists have lent their voice to this debate, with theorists such as Arneson (1989) contending that equality should be about ensuring that happiness and satisfaction or at the very least, the guarantee of equal opportunity to it, is most important. Others (Dworkin, 1981a; Rawls, 2002) have rejected these welfare oriented priorities and have argued instead that that happiness is not the key factor in the equation, but rather the resources to pursue their targets should be what is equally distributed. Objections to the previously stated positions point to the positive freedom or capability of people to do what they want to do as being far more important arguing that even if a person has the resources and the opportunities, if they live in a repressive system, then they will be unable to pursue their goals (Daniels, 1990; Sen, 1980).

The development of the egalitarian ideal has not been uncontested however with many critics (von Hayek, 1960: 87; Kekes 2003) citing its entire existence as futile. These critics state that because no one in the world is ever truly equal, the egalitarian ideal is an ideal that is doomed to fail. The diversity of possibilities of human talent, aim and social identity make the achievement of equality in one area, create inequality in others. In this body of theorisation, equality is a wasteful ideology because it would rather discard goods because they could not be evenly divided than allow for some to have more than others (Raz, 1986: 227). The most stinging critique, however, submits that equality would call for the reduction of people's talents if all others cannot be raised to their levels and the appropriation of goods from those who are deserving (Bauer, 1981). This, in turn would erode personal responsibilities because it would reward all members of society the same, regardless of the decisions made by the individuals (Dworkin, 1981b). These critiques saw the egalitarian movement evolve

from an equality of outcome mind-set to an equality of opportunities mentality. The proponents of egalitarianism agreed that it would be unfair to reward all people the same regardless of the decisions made by the individuals. As a result they shifted their demands to only ask that all people begin with the same range of opportunities in order to achieve access to advantages, accepting the validity and justice of the subsequent inequalities that are as a result of the individual's choice (Anderson, 1999).

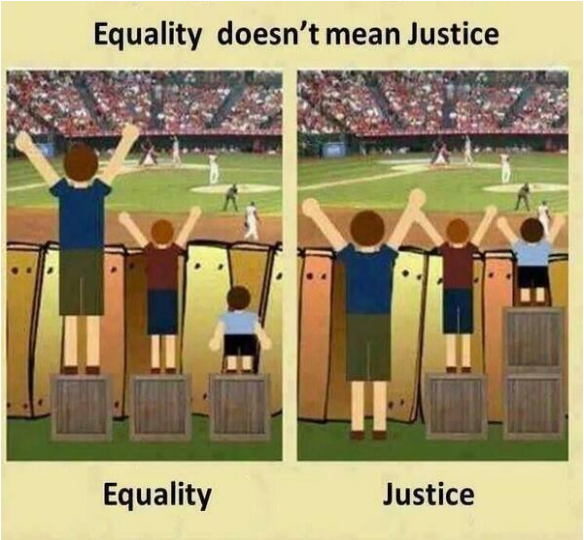


Figure 2.2: *Graphic representation of the difference between Blind Equality and Justice* - One bestows depending on disparate capacities of the parties involved, but they both seek to place all on an equal standing.
Source: The Catechesis of Caroline © 2013, http://carolinefarrow.com/2013/02/02/equality-and-justice/

2.2.3 Balancing the needs of a Diverse Society

Gather around. I'm glad everybody came out tonight…
As we stand on our neighbourhood corner, know that this fire that's burning represents the passion you have […] I recognise all of you. Every creed and colour. With that being said, (set aside) your ethnicity.
– **Kendrick Lamar**, Eff Your Ethnicity from the album Section.80

In an increasingly globalised world, the idea of homogenous and uniform societies is becoming more of an anathema than a standard, and diversity is a rule far more than an exception. While diversity comes in many guises – political, gendered, ideological and so on, this work focuses particularly on the cultural dimension. The key difference within contemporary society is the fact that different cultures have to coexist with one another at a more heightened level than ever before. It is therefore inevitable, that at some point the different groups would, "turn on the need … for recognition" (Taylor, 1992: 25), the need for recognition is for this very reason that many social movements are born.

Within many societies, there is often a grouping (sometimes even the majority) that accrues much of the benefits and resources that are generated within that society. As was discussed in previous sections with regards to equality, there is an inherent desire from the marginalised to receive the same benefits as the dominant grouping. This, according to the politics of equal dignity would mean distributing a universally established quota (of rights and benefits) to each of the groups. It has been argued however, that the desire for equal distribution is harmful to the construction of our identities (Okin, 1999). This desire is influenced by the fact that our identities are shaped by its recognition (or lack thereof) that others display towards us. The misrecognition or non-recognition of our identities can often cause damage to individuals or their identity as a collective. The distortion of these identities by other members of society can result in them imposing onto the marginalized a demeaning and belittling image of themselves. This can be seen as a form of oppression because it traps the victim in a false and distorted sense of being (Taylor, 1992). The phenomenon manifests itself within societies where some groups have been subverted to accept an inferior image of themselves. These groups have assimilated such strong feelings of self-depreciation, that even when the barriers to their development have been removed, the mental prison that they are trapped within, prevents them from making the most of the new opportunities available to them. Therefore this version of equality, where they demand to be treated the same as a dominant group, is dangerous because it forces them to adapt to that politics (Taylor, 1992). This can be referred to as *the danger of blind equality* because it asks that the incoming group gives acknowledgement and priority to ideals that are not universally shared.



Figure 2.3: *There are many diversities represented in modern society* - Image representing the multiplicity of diversities that are represented in modern society. Each one represents a different way of life but each one is equally valid and deserves recognition.
Source: Alternative Right © 2014 http://alternative-right.blogspot.com/2014/05/the-myth-of-diversity_4.html

Another pitfall that besets those who seek to develop an approach for how different cultures can coexist together peacefully within the same society is to overemphasize difference. Those who emphasize a politics of difference often do so to enforce the recognition of their unique identity, as markedly distinct from anyone else (Okin, 1999). They argue that their distinguishing features have been rubbed over, assimilated and trivialized by the majority or dominant identity. As such, they view this as an affront against their authenticity, the repercussion of which is their renunciation of the 'second class citizenship' offered by the dominant identity as well as the discrimination that comes with it. This is a distinct contrast to the 'blind equality' perspective which fights for non-discriminatory policies which disregard the ways in which the citizens differ from one another. The politics of difference advocates instead that the differences between the citizens should be precisely the basis upon which preferential treatment should be granted (Taylor, 1992). This would see the terms for privilege being reversed, for example if the dominant identity at the centre was white then the black difference theorist would place blacks at the centre. Others still, have argued that this mentality would be counter-intuitive and would only serve to exacerbate the problem. The solution of this third grouping, called *multiculturalism* would be to remove the centre completely (Squires, 2004).

Theorists who have championed the development of multiculturalism have argued instead that everyone should be recognized for his or her own unique identity. This social movement is based upon the fostering of understanding between the plethora of different values, histories and experiences that permeate the urban fabric. They argue that contemporary society will always be comprised of groups that have an authentic racial and nation-wide background (Taylor, 1992). Multiculturalism advocates for equality in terms acknowledging the values and worth of all the different cultures that exist. This means that it disapproves of the claim that any one collective of civil and ethical principles epitomizes the way in which humans should live (Parekh, 1999). Since the beginning of the 21st century there has been increasing appreciation for the equal moral worth of all people and modern liberal political theorists have emerged to represent the marginalised groups in society. These theorists have argued and debated in order to provide their constituents with full citizenship status with equal rights and freedoms being a constant thread (Squires, 1999).

2.2.4 How should Justice be meted out?

That Justice is a blind goddess,
Is a thing to which we poor are wise:
Her bandage hides two festering sores that once perhaps were eyes.

– **Langston Hughes**, 'Justice' 1938

This poem by Langston Hughes provides a chilling example of how justice, if not properly delivered, can do more harm than good and remains poignant in modern societies, where the implementation of justice has not had the desired effect. The definition, while interpreted differently, amounts to a sense of rectifying a wrong and compensating individuals or groups for misfortune. If it fails to live up to this, it can result in its manifestation becoming a misshapen and unsightly irony in and of itself. The interpretation of the term is mired in intricate complexities. Therefore, the purpose of this section is to shed some light on its different interpretations, and outline the working definition that the researcher used for the purposes of this research report.

The concepts of justice and equality are similar in certain respects, due to the fact that they both seek to balance the conditions resulting from circumstances of birth. Both seek to steer the collective responsibility of society to rectify the distribution of benefits and resources that have manifested as a result of the convoluted lotteries that precede human life. Distributive justice in particular stipulates that those who benefit from luck should be required to transfer some of their fortuitous gains to the unlucky. This is because those on the other end of the scale should be compensated for their undeserved misfortunes. So as to preserve the ideal of justice however, only the gains that are underserved should be taken from the lucky (Anderson, 1999). While there have been many conceptualisations of the term Justice, this report will focus on the definitions that the liberal egalitarians and Marxists have developed. The reason for this is because even though they are both theories from the left, they disagree on the ways in which private property should be utilised within society (Cappelen & Tungodden, 2004). This manifests itself with the liberal egalitarians considering the usage and (re)distribution of private property as the solution to inequality whilst the Marxist slamming its usage because the use of private property and Justice are mutually exclusive (Kymlicka, 2002). Thus the argument between the two provides an illuminating exploration into the ways in which justice can be executed.

A Rawlsian conception of justice incorporates many values such as income, liberty, self-respect, opportunity and wealth. It also requires that all of these values be distributed equally amongst the community unless its distribution in an uneven manner would be of benefit to the community. Therefore, inequality meant the distribution of goods amongst the community members was uneven and yet it was not beneficial to all (Rawls, 2002). He developed two further principles to aid his explanation of justice. The first was that "each person has an equal claim to a fully adequate scheme of equal basic rights and liberties, each scheme is compatible with the same scheme for all; and in this scheme the equal political liberties, and only those liberties, are to be guaranteed their fair value" (Rawls, 2002: 275). The second principle provided guidelines in order to determine how inequalities should be managed, it went as follows: "Social and economic inequalities are to satisfy two conditions: first, they are to be attached to positions and offices open to all under conditions of fair equality of opportunity; and second, they are to be to the greatest benefit of the least advantaged members of society" (Rawls, 2002: 275). The way in which these principles were to be applied was that they would be granted priority in a hierarchical manner. This means the first principle is more important than the second, and even within the second principle the first part was to be granted priority over the second (Sypnowich, 2013).

Marxists such as Shandro (1989) and Wood (1979) argued that the term 'justice' should be about rectifying the ever-increasing disparity between the rich and the poor. They vilified the system within which the elite bracket of bourgeoisie continued to accrue exponential wealth whilst the proletariats became poorer and poorer. The Marxist argument outlined two ways through which the system was being perpetuated as exploitation and alienation. The process of exploitation is explained as when a worker invests more value in terms of labour than the value that he or she is rewarded or paid in exchange for. The second way in which the system takes advantage of the worker is through a process of "Alienation". Within this process, the worker is stripped of the fruits of his labour due to the fact that the elite own the means of production (Kymlicka, 2002). As a result of this the Marxists believe that as long as the system continues to depend on the use and ownership of private property, there will always be a system of hierarchies in which justice can never prevail. The system of hierarchies breeds oppression and private property ownership is the tool through which it is enforced and perpetuated, thus private property and justice are mutually exclusive. Thus for the Marxian philosopher, the pursuit of a pure communist society would invalidate the need for justice completely (Peffer, 1999). Marxian philosophers argue that the need for justice is as a result of the presence of

private property. Its existence is the source of the two problems that plague society, namely that there is always going to be a conflict of interest and there will always be a shortage of resources for each person to own. These two problems and the need for justice are thus invalidated by the fact that the true communist states as Marx envisions, is a place of abundance and cohesion and as such it would not require justice (Kymlicka, 2002).

The aims of both the liberal egalitarians and the Marxists can be seen to be the same, in that they are working towards social cohesion and seeking ways in which to create communities were the members are all on equal footing. However the ways in which they approach the solution are starkly different. Their differences are not only revolving around the polar opposite standpoints that they take on the concept of justice, with liberal egalitarians treasuring it and Marxists abhorring it. It also stems from the fact that Liberal Egalitarians believe that the solution to justice is through private ownership of the means of production and the Marxists' belief that the existence of private property (and indeed the means of production), will only lead to exploitation and alienation. So while the core values could be said to be the same in terms of the members having equality, both parties epitomise the opposite ends of the spectrum in which to address the problem.

2.2.5 Planning in a Broad based Manner?

"Cities have the capability of providing something for everybody, only because, and only when, they are created by everybody."

— Jane Jacobs, The Death and Life of Great American Cities, 1961

With each of the key trio that underpin the term broad based explained, the focus now turns to how the ideal has been translated into space. The role of the planner is to create an environment which epitomises the values that society holds dear. It therefore follows that if the value that the country holds dear, is that of an inclusive space then it would have to cater to the broad based nature of its constituents. Susan Fainstein's (2006) description of the Just City, argues that too many planners have fallen into the pitfall of describing what "the conditions for human flourishing" are and objectifying it as the goal. She turns the focus instead, into the ways in which those conditions can be satisfied and suggests that the incorporation of the three principles of democracy, diversity and equity into the ways in which we develop and scrutinise public policy is essential to creating this kind of city (Fainstein, 2006).



Figure 2.4: *(above) The Just City* – A painting representing some of the different aspects of the Just City. It must engender equality in a sustainable way by providing opportunities.
Source: Robot Mafia © 2011 from http://robotmafia.com/the-just-city-animation/

Her conceptualisation seeks to encourage planners and policymakers to evaluate their approaches to urban development, perhaps even to propose an alternative. The call for planners to rediscover their previous focus on matters of equity and the wellbeing of their constituents and combine it with the progressive focus on diversity and the encouragement of participation. Only when all of these principles have been incorporated into the intricacies of decision making, can we foster a better quality of urban life for the communities we plan for, within this increasingly globalised world (Negrete, 2011). Combining the theoretical concepts that philosophers and theorists have developed around justice and applying them to the contemporary issues that are faced by planners and policy makers, she develops her theoretical perspective based on the contributions of John Rawls, Martha Nussbaum, Iris Marion Young, Nancy Fraser, and others. In doing so, the principal argument is that the local level can be the arena within which meaningful reform can be accomplished. For the purposes of this research report, the primary focus and articulation will be on the Just City to the extent that it aligns and interfaces with the notion of broad based.

The aspect which is under scrutiny in this instance, is derived from the capabilities approach developed by Amartya Sen (1980) and Martha Nussbaum (1999). Capabilities are defined as the potential that each individual has to fulfil a certain role and what they are able to achieve. These capabilities pertain to the potential of

the individual and might differ from his/her current reality, due to the fact that an individual might have the capability to do something but choose not to do it (Sen 1980; Nussbaum, 1999). The existence of the choice is what concerns Fainstein (2006) most, arguing that both the opportunity and the consciousness of its existence is crucial which is crucial to the determining of the values of the Just City, which offers each of its inhabitants the opportunity to exercise their capabilities. This ties in well with the definition of equality outlined earlier, as it seeks to provide all of its constituents with the equality of opportunity to realise their potential (Figure 2.2). This idea is extended further, by explaining the significance of this, to the ways in which planners shape the city. Capabilities that are offered to the citizens are all necessary and should not be traded off against one another (Fainstein, 2006). This means that the value of health, access to education, a good environment and life itself should not be seen as an "either or" option. Thus, communities would not have to sacrifice their quality of life in order to secure financial gain. This would seem to be an indictment on the RDP housing schemes which, quality notwithstanding, are built on the urban fringes far away from economic opportunities.

This theorisation challenges planners to be more accountable for the way in which they devise solutions to the (perceived) ills of the city and warns against the generation of a false consciousness in which the constituents are deluded with regards to the repercussions of a particular preference. Fainstein (2006) stresses the importance of incorporating the works of philosophers like Henri Lefebvre and Iris Marion Young who are concerned with the constitution of the urban fabric. They argue in their work that every citizen has "the right to the city" and as such the spaces should remain open to the different groups within the city. This ties into the diversity aspect of the term broad based and creating spaces that are utilised by the classes and groupings that make up the society. The result of this would be to fight against the privatisation of the open spaces within the city so as to preserve its heterogeneity.

2.2.6 Conceptualisations of Broad Based

This section of the research report has been preoccupied with providing the range of interpretations within the literature with regards to the three key concepts that were outlined as the crux of broad based, namely equality, diversity and justice. It was important to highlight these facets because they would prove integral in assessing how broad based the development brought about by EE has been in Johannesburg.

This section provided arguments that supported the notion that all people have the right to begin with the same range of opportunities in order to achieve access to advantages. This means accepting the validity and justice of the subsequent inequalities that are as a result of the individual's choice. The conceptualisation that will be utilised to understand equality would thus be based on this model. It would place emphasis on the distinction between the outcomes that the person is responsible for and those that are they are not. This would mean that the results that arise from their voluntary choices are not what the researcher would advocate equality for. It is rather the positive and negative results that were predetermined for the individual, outside of the scope of things that they had control over. This aspect becomes more poignant when assessed in conjunction with the post-apartheid city of Johannesburg, where a large group of people are restricted to certain conditions, which were as a result of factors outside their control.

Multiculturalism embraces this and advocates for a balanced playing field where the cultures can speak and defend themselves (within reason) (Kymlicka, 1995). Thus the definition for diversity for this research report will be from the multiculturalist perspective because it also advocates that society recognises the value of all cultures, acknowledging their worth. The use of Broad Based in South Africa, especially as a prefix for BEE, has too often been criticised for its narrow view of Africans as the only recipients of empowerment (Von Holdt, 2010). This view propagates the discourse of the politics of difference emphasizing one group to the detriment of another, therefore a distinction between a politics of difference approach and multiculturalism is imperative in order to access which approach is being utilised. This lesson is of vital importance because multicultural societies are prone to fragmentation due to the fact that one group perceives a lack of recognition of the equal worth from another (Taylor, 1992).

The report will be adopting more of a liberal egalitarian perspective to the definition of justice due to the fact the researcher views the achievement of justice as being intrinsically linked to a structure of redistribute private property and the means of production in a way that is most beneficial for the least advantaged. Fainstein's (2006) work provides the blueprint for identifying the criteria that planners and urban policymakers can use to develop solutions. This approach would ensure that there is greater justice in their policy formulation and implementation as well as going a long way to nurture the rich tapestry of diversity that thrives in the city, creating equality for all.

2.3 The Curious Case of Economic Empowerment

The concept of economic empowerment stems from the basic premise of improving the livelihoods of a certain portion of society that was previously disadvantaged so that they can compete equally with all. This has led to the fact that it can be interpreted in different ways in different places and that manifestation has never occurred in different countries the same way. For example, Tanzania and the United States have employed economic empowerment in different ways – both in policy and practice depending on state arrangements and capacities. These efforts, strategies have resulted in varying levels of success and the means by which empowerment is measured also varies. Even within states, the different bodies that comprise the political and executive sphere understand the idea differently, both in terms of the way in which they frame expectations of empowerment and the responsibilities states have to assure its implementation and practice on the ground.

2.3.1 The Road Paved with Good Intentions?

"The road to hell is paved with good intentions"

– Anonymous

In 1963, Theodore Lowi devised a system of categorising the effects of policy and stated that policies fall into three broad categories namely distributive, regulatory, or redistributive. He defined distributive policies as those that work towards the creation of public goods for the general welfare of society. Regulatory policies were defined as a specific set of rules that govern conduct with the risks of sanctions pending a person or group's failure to comply. Lastly he stipulated that redistributive policies are those that attempt to shift the balance of wealth or power of some groups to the detriment of others (Lowi, 1963).

Act No 46 of 2013: Broad Based Black Economic Empowerment Amendment Act, which is the policy that will be examined for the purposes of this research report, can be classified as a redistributive policy because it aims to reverse the effects of inequality between the previously advantaged minority and the previously disadvantaged majority. The BBBEE policy looks at improving the lives of the previously marginalized in South African society by using seven pillars, namely ownership, management control, employment equity, skills development, preferential procurement, enterprise development, and socio-economic development in order to achieve broad based empowerment (Ngcobo, 2011).

2.3.2 The End of the Road?

What happens to a dream deferred?
Does it dry up, like a raisin in the sun?
Or fester like a sore and then run?
Does it stink like rotten meat?
Or crust and sugar over like a syrupy sweet?
Maybe it just sags like a heavy load.
Or does it ***explode****?*

– **Langston Hughes**, Harlem (Dream Deferred) 1951

Economic Empowerment in SA

Under apartheid, race was used to control access to South Africa's productive resources and skills. To date, and despite legislation to achieve the opposite, the country's economy still excludes the vast majority of its people from ownership of productive assets and the possession of advanced skills. The economy still performs below its potential because of the low levels of income earned and generated by the majority of its people.

Figure 2.1: *South Africa's Income levels in Comparison* - shows the gap between the economies of the other leading countries, as well as those of the BRICS initiative, revealing how the income of SA fares in comparison to the others.
Source: World Bank, 2014 adapted by Abraham Ajibade

Rank	Country	Income per Capita (US$)
9	United States of America	54 629
15	Germany	45 615
24	United Kingdom	39 137
25	France	38 851
43	Russia	25 248
74	Brazil	15 038
81	China	13 217
83	South Africa	12 867
124	India	5 418

In response to this, the government introduced Black Economic Empowerment (BEE), the main purpose of which was to redistribute wealth from the previously advantaged minority to the previously disadvantaged majority. The BEE policy encourages private enterprises to demonstrate their compliance through attainment of a BEE certificate that details each enterprise's level of compliance (Ngcobo, 2011).

The aim of economic empowerment in South Africa has been to increase the participation levels of black South Africans in the country's economy as much as possible. On the 27th of January 2014, the President signed into law the most recent version of this act, Act No 46 of 2013: Broad Based Black Economic Empowerment Amendment Act, 2013. According to this Act, "black people" who are defined as Africans, Coloureds and Indians who are citizens of the Republic of South Africa, are entitled to benefit from socio economic strategies that will seek to fulfil six key mandates namely:

a) Increasing the number of black people that manage, own and control enterprises and productive assets
b) Facilitating ownership and management of enterprises and productive assets by communities, workers, co-operatives and other collective enterprises
c) Human resource and skills development
d) Achieving equitable representation in all occupational categories and levels in the workforce
e) Preferential procurement from enterprises that are owned or managed by black people and
f) Investment in enterprises that are owned or managed by black people (Government Gazette, 2013)

The aim of the Act (2013) was originally to create a situation in which black people achieved a target of 25% equity ownership in businesses. This objective has proven elusive however, with very few blacks possessing the means and resources required to achieve these targets. This has resulted in a situation wherein private sector companies have found it necessary to create a variety of vehicles through which to achieve the government's aim (Ngcobo, 2011). It has become vital for a company's success in South Africa for them to acquiesce to this Act because the government has supported the policy with strong regulation. Companies that fail to comply with the Act have found it increasingly difficult to secure government contracts or participate meaningfully in the procurement of those contracts if they are not in line with the Act. The primary piece of legislation that supports the Act are the Codes of good practice were introduced on the 9th of February 2007. These codes serve as the practical tools for the application of the legislation. The adherence to these codes can only be verified by approved agencies, thus creating a new industry and another level of bureaucracy and costs (Ngcobo, 2011).

Economic Empowerment as Affirmative Action

The United States of America is a country that is well versed in the struggles of unifying various and diverse cultures into a single entity. Throughout various periods of its history, it has had to deal with the culmination of processes that led to violence amongst its factions. The beginning of these processes could be traced as far back as 1619, when enslaved Africans were brought to the colony of Virginia, at the dawn of the independent United States. At the time there were no differences between black and white slaves, with each being subjected to floggings, abuse and oppression. The demand for labour to toil in the New World meant that indentured slaves regardless of colour were needed for cheap labour. Over time however, the African slaves became a cheaper alternative because they were not protected by the English crown like the white slaves. The change in mentality was reflected over the next two centuries in law, with legislation[4] creating marked distinction between the two races (Coates, 2014). One of the most defining events of the process was the American Civil War in the nineteenth century. The Civil War was the climax of the tension between those who opposed black slavery and those who wanted to preserve the history of white supremacy. In the period immediately following the Civil war, known as the reconstruction period, the Fourteenth and Fifteenth Amendments were added to the constitution altering the way in which the minorities would be treated. These amendments signed into law the requirements that black people be treated as equal citizens who were guaranteed the same protection and rights under the law as the whites. The laws that provided the legal basis of segregation, known as the Jim Crow laws were also abolished with the introduction of the Civil Rights Act of 1964 (van Jaarsveld, 2000).

All of these gains in the legal structure of the country thus laid the foundation for the effective dismantling of the racially segregated structure of the South and allowed for the creation of the Equal Employment Opportunity Commission (EEOC). The EEOC was responsible for the policing of the elimination of work place discrimination, wielding the power to file cases against employers who failed to carry out affirmative action programmes. The creation of the EEOC gave administrative and judicial power to the movement to ensure that economic empowerment did not remain lip service. Whilst there were many administrative mandates to ease racial tension,

[4] Examples of these laws include Maryland mandating in 1650 that any Englishwoman who married a slave became a slave of her husband's master, Virginia in 1705 passing a law that allowed masters to dismember their slaves, whilst the same could only be done to white slaves if they had a court order, the same law also stating that all possession of blacks should be sold off and the proceeds given to the church (Coates, 2014).

Executive Order Number 11246 was seen as the primary source of affirmative action, until the Equal Employment Opportunity Act of 1972 gave legislative power to those enforcing affirmative action, ensuring that employers were compelled to employ black workers. The extent of its influence was not solely restricted to the working world however, with many colleges and schools utilising forms of affirmative action to influence its acceptance practices. Many of these practices have been challenged in the court of law[5] for not only being unfair to individuals but also resulting in "less qualified minority applicants … accepted in place of majority applicants" (Glazer, 1995: 132; Sander, 2004). These arguments have for the most part been refuted by the courts because the affirmative action programmes are seen to promote the compelling state interest of ensuring diversity in all aspects of society. Regardless of the geographical differences between the USA and South Africa, the implementation of polices such as affirmative action and economic empowerment display the shared ideals of justice, equality and the preservation of diversity through the rectification of past discriminations. Whilst the argument for these policies are sound, the danger arises from the implementation. If care is not taken to ensure that the aims and results align, a more unfavourable situation might develop.

2.3.3 Dismantling the Road

The Introduction of B-BBEE has become highly controversial, with critics (Gleason, 2012; Murray, 2000; Ngcobo, 2011) arguing variously that it serves as a block to foreign investment, encourages a re-racialisation of the political economy, and promotes the growth of a small but remarkably wealthy politically connected 'empowerment' elite. Firstly, it is seen as a block to foreign investment because within the Act's revision the issue of ownership was re-evaluated, and if the company is owned by black people, it now counts for 25 points out of the 105. Whilst this is very much in line with the concept of empowerment, it also serves as a deterrent to many foreign-owned multinationals who might not consider the investment worthwhile, if they have to dilute their control (Gleason, 2012). A study carried out in 2004 by the Strategic Business Partnership for Growth in Africa (SBP) estimated that South African business were spending in excess of R79 billion per annum, or 6.5 percent of gross domestic product (GDP) to comply with government regulations (SBP, 2004). These effects are more costly in global markets, where the efficiency of the domestic

[5] Examples of these cases include *Brown vs the Board of Education of Topeka Kansas 1954*, *Griggs v Duke Power 1971*, These cases were significant because they heralded the start of the civil rights movements and they contributed towards the sustained push of black Americans towards equality.

regulatory and administrative environment can affect business competitiveness (Ngcobo, 2011).

The issue of competitiveness also forms the basis of another argument against Economic Empowerment in South Africa which is that it encourages fronting (presenting a company as black owned when the majority of its board/ major shareholders are white). Whilst the Act and the codes of good practice do not necessarily force foreign investors to abide by the regulations, the loss of competitive advantage to companies that comply encourage them to acquire black-owned companies whose turnover is less than R10m who in turn bid for work on behalf of white companies that would otherwise not even get on the scorecard. That is when the "punishment" comes because the companies are now guilty of fronting. The Act defines the "fronting practice" as a transaction, arrangement or other act or conduct that directly or indirectly undermines or frustrates the achievement of the objectives of this Act or the implementation of any of the provisions of this Act, including but not limited to practices in connection with a B-BBEE initiative (Government Gazette, 2013). A national survey conducted by Grant Thornton (2009) for the period 2008/9 looked at privately owned businesses in South Africa in terms of their experiences and attitudes and how they had been affected by the economic crisis. They listed regulatory costs and red tape as the biggest constraint to business expansion. It was also found that the regulations created an administrative burden that was not only time-consuming but also costly and diverted resources that might otherwise have been used more productively. Therefore, the compliance costs associated with meeting the requirements of the codes of good practice regulations are directly borne by business as, for example, a firm may need to create a position such as Transformation Manager or BEE Manager, with cost implications and negative consequences for private enterprises. According to the Organisation for Economic Co-operation and Development, where costs are regarded as unreasonable, compliance levels generally fall and the level of respect for the law could be undermined, thereby threatening the legitimacy and effectiveness of regulation as a tool to achieve policy objectives (OECD, 2003).

Regulation can hamper economic efficiency, create unnecessary barriers to trade and investment, and impede innovation in the market (Ngcobo, 2011). Critics have argued that the problem with fronting is that it illustrates to what extent business will go to avoid implementing this legislation, but still be able to trade, with some going as far as to claim that "This legislation has the potential to make criminals of otherwise law abiding citizens," (Gleason, 2012). The Act created the offence of fronting

(anything which undermines or frustrates the achievement of the act) and introduced stiff penalties for it. The maximum penalty proposed for individuals for misrepresenting BBBEE status is 10 years imprisonment or both a fine and imprisonment. In the case of companies, a fine of 10% of annual turnover. The Act also provided for the regulation of the verification professionals who would rate the BBBEE status of enterprises for an accredited rating agency. This was to be an interim measure, as the ultimate aim was to have auditors registered under the Auditing Profession Act to perform this work and for the Independent Regulatory Board for Auditors to function as the verification agency regulator (Enso, 2013).



Figure 2.5: *(left) Broad Based Empowerment leaving out a broad amount of people* - Image depicting the way in which Economic Empowerment is no longer seen to be benefitting the majority (broad based)
Source: The Truth About South Africa © 2015 from http://thetruthaboutsouthafrica.org/south-africa/south-africa-the-faults-of-black-empowerment-policies/

Critics of economic empowerment have also argued that it promotes the growth of a small but remarkably wealthy politically connected 'empowerment' elite (Gleason, 2012). The growth of these few 'chosen' or 'token' black Individuals has been argued to indicate an inefficient manifestation of empowerment because it is antithetical to the concept, in its widening of the gap between the rich and the poor (Alexander, 2007). The notion of black empowerment as the vehicle for the creation of a black middle class has lost its meaning over the years with stories emerging such as that of Khanyi Dhlomo, a wealthy and successful businesswoman receiving over R30 million from the National Empowerment Fund towards the opening of her boutique in Hyde Park (Pillay, 2013). Incidents such as this have underscored the fact that the legislative focus has shifted from empowering the majority to creating a category higher than middle class, the development of black business elites.

Due to the divisive nature of the apartheid regime, it was a matter of course that one of the founding principles of the post-apartheid state would be to promote national unity and build a cohesive nation. In fact, Nelson Mandela's lifelong passion to fulfil

this ideal led him to become synonymous with the utopian ideal of a unified South Africa. There are many challenges to be overcome in realising this ideal however, with many questions been asked of this ideal regarding a whole range of issues such as the class leadership, how all the different segments of the society fit into the national(ist) movement, the manifestation and viability of social cohesion, what we define as and how we understand the concept of a multicultural society and how communication between the different cultures will be facilitated (Alexander, 2006). Thus perhaps as a result of the fact that many of these issues have not been directly and wholly addressed, one finds that there continues to be a fissure hampering South Africa's social formation along the lines of race.



Figure 42.6*: (left) Mandela united the nation* – Cartoon depicting Mandela as a leader who bridged the gap between the races and advocated for reconciliation, these ideals are no longer as prominent as they once were.
Source: Zapiro © 2015 from http://www.zapiro.com/cartoon/125829-030722so#.VUt0p_nohSk

Whilst the existence of the fissure is beyond the control of the state, the nature of the policies that it implements to counteract the issue is well within its jurisdiction. Therefore theorists such as Posel (1999) have reflected on the fact that when the state proposes policies such as that of Black Economic Empowerment, it is reflecting how disconnected its implementation and vision is, because it disregards the relationship that exists between policies of affirmative action and the perpetuation of racial identities in the post-apartheid state. The transition of the government from the apartheid state is not fully reflected in policy as the terminology from the previously problematic state have been carried over into the new dispensation (Wolpe, 1972).The propagation of the racial identities of the apartheid state such as black, white, coloured and Indian in the post-apartheid state continues to perpetuate the racial categories and in so doing entrenches racial prejudices. Racial identities are antithetical to a unified nation state because they continue to reinforce the differences amongst their subjects rather than provide the subjects with a new identity to collectively rally behind. Many anthropologists have purported that social

identities are not given to people but rather that they are constructed (Ochs, 1993). Across a variety of contexts it has been shown that when state implements official rules of domination that are based along racial lines then racism is reinforced but if that racial domination is not encouraged by the state then those conflicts and issues are rendered less potent (Alexander, 2007).

The notion of Affirmative Action has been noted. The critiques that arose at the time of its use are very much in line with the current condemnation of BEE. Many of those (Southall, 2004; Southall, 2006, Mbeki, 2009) criticising the BEE policy cite the United States as an example of how potentially disempowering this course of action would be for South Africa because the use of ingrained racial classification has resulted in amplification of racial tension in the country. The implication is that by encouraging ingrained racial classification, the state is formulating the way in which a large proportion of South Africans construct and perceive reality. This reality and by extension, the basis upon which social identities are formed, are as a result of state formation. The actions and responses of the state cannot be underestimated because they carry significant weight in determining modern race relations.

2.3.4 Pertinent Questions for the Restoration of the Road to True Empowerment

The notion of economic empowerment is heavily dependent on privileging one group (which in this case is racially defined) over another in order to address past equalities, however those were the very tenets of apartheid which raises the questions – to what extent has South Africa effectively and actually moved away from apartheid? Arguments continue to persist about how tangibly 'new' South Africa really is. Policy and state investment meant to uplift the black majority have been wildly inconsistent at best and have perpetuated old divides at worst. This is due in part to the fact that those who are in the direst need of investment are not receiving it and the high levels of corruption have meant that the funds are dwindling all the same. The major questions to be answered are: does the stagnation of the growth of the black middle class mean that the bodies who are responsible for the revision of the current policy are redundant? And does the fact that the economic empowerment policies in South Africa only seem to be consolidating power in the hands of already established black businessmen require the revision of the target group for empowerment?

2.4 Focus on the developmental state

Development and more particularly for planners, the developmental state has been the subject of intense research since its effective utilisation by the South East Asian Tigers (Edigheji, 2010; Freund, 2007). The countries that the South East Asian Tigers are comprised of utilised this concept to rapidly accelerate their advancement strategies and gain widespread acclaim and support for their plans for hyper accelerated development turning this region of the world from underdeveloped to one of the most economically competitive ones in the world (Evans, 2010; Jhingan, 2005; Leftwich, 2008). Due to the successes of the eastern region, many countries have attempted to follow suit including South Africa. However some theorists have criticized South Africa's attempt to emulate this developmental trajectory (Von Holdt, 2010; van Jaarsveld, 2000). This section will grapple with understanding what aspects of this concept made it so effective how it was implemented by the South East Asian Tigers as well as evaluating the attempt made by the South African state to follow their example.

2.4.1 The Developmental Mandate of the State

In recent times, it has been the prerogative of the state and all those affiliated with it, in its different variations and institutional forms, to be the catalyst for transformation within our societies. This includes a basic requirement of promoting, safeguarding, directing and sustaining the economic and social metamorphosis that is necessary to create better living conditions for its constituents. More often than not, the states that have been most effective at realising that mandate has been able to induce economic growth as well. Theorists have claimed that there have been two processes that have been ever present with the reduction of poverty within a society. These have been economic growth and institutional interventions that have safeguarded the poorest members of society as well as provided for them through redistribution (Leftwich, 2008).

The economic growth of the society has been contributed to through the creation of job opportunities. Opportunities such as these as well as the institutional arrangements that have been implemented through political processes such as welfare agencies have played a major role in economic growth. Initiatives such as these welfare

agencies would not have been possible without state intervention (even the most effective ones) and states that engage with such approaches are termed as developmental. In a rapidly globalising world, many states have begun to register the effect that the rapid market-driven (or even state-driven) economy is having upon those on the lowest rungs of society, generating structural inequalities that marginalise large groups of people or regions (Leftwich, 2008).

The culmination of these effects was witnessed in October 2008 when many parts of the world were deeply affected by the worst financial crisis on record since the great depression in the early 20th century. The effect of this meltdown was a worldwide phenomenon by 2009, and as a result of this many states began to become cognisant of the fact that a market that was unregulated was not a viable long term strategy. It not only debunked the myth that all markets were self-regulating, but it also increased the importance of state interventions, which made the notion of the developmental state all the more alluring (Edigheji, 2010). The ideal of the developmental state is one that succeeded the concept of Neoliberalism, which called for the allowance of the market to regulate itself in order to not only lessen the burden on the state but also to make the market more efficient (Freund, 2007). The concept of the developmental state is based upon the premise of development not only being concerned with how resources are generated, utilized and distributed, but also about how to enact policies which will serve extend, implement and sustain these resources. Developmental states are thus the states whose institutional structures are driven by developmental goals whilst their developmental objectives are driven by political agendas (Leftwich, 2008). The purpose of this section of the research report is to trace the genealogy of the developmental state in the capitalist dynamos of eastern and southern Asia, coming to understand how these countries applied the concept to shift the balance of international economics whilst evaluating its implementation in the South African context.

2.4.2 The Configuration of a Developmental State

An oft repeated phrase by the proponents of the developmental state is that if there is "no developmental state, (there will be) no development". To a certain extent that has held true over the course of time. The ideal of the developmental state sees an efficient public institution at the heart of the development matrix. The implementation of this ideal has not always lived up to the utopian vision and many countries have found the process extremely challenging. The ideal of the developmental state can

be attributed to three aspects, namely the new growth theory, the mitigation of the effects of policies that sought to strip groups of their possessions and lastly Amartya Sens' (1980) capability model. These three aspects form the theoretical foundation of the developmental state and play a role in how it has been understood and executed. The aspect of the new Growth model posits that that growth within any given society is dependent on the human capital and notions that constitutes it as well as on the institution within whose jurisdiction they fall to encourage the effective utilisation of these resources. The second aspect that the developmental state encapsulates is the argument by institutionalists that dispossession exacerbated by extractive institutions is detrimental to development. This is because even if members of the society attempt to create their own businesses in the same sector, they will be unable to compete effectively and will eventually be put out of business. The last aspect is one that we are familiar within this research report and that is Amartya Sen's theory of capability (which was dealt with in the Broad Based section), in summation it deals with the ability of individuals to achieve their potential (Evans, 2010).

The amalgamation of these aspects results in the basic premise of the 21st century developmental state, this is a state that aims to enhance the capabilities of its constituents. Developmental state theorists (Evans, 2010; Johnson, 1999; Leftwich, 2008) argue that the benefits of this enhancement of capability not only benefits the general welfare of society, but also results in the sustained growth of the overall GDP of the country. In order to achieve this, the state would need to engage and develop a certain set of capacities in order to enable it to enhance the capabilities of its constituents. The first step in its capabilities development would be to improve its provision of the collective goods of society. These collective goods refer to services such as health, education as well as infrastructure. The infrastructural improvement would not only concern issues of health such as water services but it would also be concerned with mobility, specifically affordable public transportation. The importance of affordable transportation cannot be understated, as it serves as the fulcrum in increasing the effectiveness of education, training and job opportunities to have a real impact on development. The second step in capacity development is the improvement of administrative capacity. This improves the ability of the state to provide society with the collective goods and infrastructure that they need in an efficient fashion. The development of the administrative capacity is founded upon political roots as well because accurate knowledge and engagement with citizens to discover the collective goods they need and where they need it, is critical to success. This is crucial because if the state fails in this regard, no matter the volume of

resources that it pumps into providing collective goods, it will result in limited improvement of capabilities (Evans, 2010).

2.4.3 The Flashy Introduction of the Developmental State on the World Stage

The explosion of the East Asian Tigers as international competitors took many by surprise. The high levels of growth experienced in Hong Kong, Singapore, South Korea and Taiwan altered the established pecking order within the world economic hierarchy. From the period between the 1950s and 1960s to the beginning of the 21st century, these economies changed from being classified as underdeveloped to developed. These developments did not only manifest themselves in higher levels of income for their citizens, but it also oversaw a metamorphosis of their economies into sophisticated permutations of highly productive agriculture, industry and high income economies, specialising in areas of competitive advantage. The improvement of the living conditions of their citizens meant that there was also a dramatic change in their classification according to the UNDP Human Development Index (HDI). The development of the East Asian Tigers was therefore a well-rounded example because they were ranked favourably in both GDP per capita as well as HDI. The levels of growth experienced by these economies was not only unparalleled across the world's developing countries, it was also unprecedented even when compared with the historical development of the now dominant economies of Europe and the Americas (Evans, 2010).

Many theorists have attributed this explosion of growth to a variety of factors, but most will agree that the role that the state played in its success cannot be understated. The East Asian Tigers all had states that were developmental for the most part with emphasis being placed upon improving the capacities of public bureaucracies. The bureaucracies within these economies were based on a Weberian conception of bureaucracy. A brief summary of this concept would see it based upon six major principles. The first is that it is characterised by a formal hierarchical structure, the second is that it is managed by rules that filter downwards, the third is that it is organised by functional speciality, meaning work is done by specialists. The fourth is that it is upwards focused, meaning the organisation is aimed at serving the presiding powers. The fifth is that it remains impersonal, and the sixth being employment is granted on the basis of technical qualifications (Johnston, 1993). The concept of meritocracy recruitment was applied within the public service in order to ensure that the employees that worked for the state were competent and

efficient. In order to retain them and prevent the exodus of the more experience workers, they implemented reward programmes that were commensurate to those offered by the private sector.

The second aspect of the development state was also argued to be prevalent in the East Asian Tigers as well as the developmental powerhouse of China. Hart (2002) argues that the successful development in these countries was based upon an "absence of dispossession". She argued that the redistributive reforms that were implemented by these states were unique in their agrarian transformation, which were accompanied by industrial accumulation without requiring the dispossession of land (Hart, 2002). Another marked difference between the East Asian Tigers and the rest of the developing world at the time was that while they were interested in tapping into the global market and developing viable export routes, they were also focused on the growth of their internal markets (Roy & Ong, 2011). These were implemented in a variety of ways, for example during the growth of the Malaysian economy, the dominance of the Chinese minority was balanced by harnessing its growth to the growth of ethnic Malays. In Japan, the consumption level of international products was intentionally limited so that the needs of the country would be met for the most part by local businesses (Freund, 2007).

2.4.4 The façade of a developmental state in South Africa

During the formative years of the African National Congress, there were clear signs that the party was much more than just a movement for political liberation and in fact many of its early supporters rallied to the cause because they identified with its moral underpinnings. It was not only opposed to the ideals of racism but it was also a strong proponent of political equality for all, seeking to create a place where all South Africans would be welcome and well represented. Thus when it came into power in 1994, many believed that it would begin to deliver on the ideals that it had championed for so long (Alexander, 2006). The developmental state that it claimed to be was seen to be the perfect vehicle through which radical socio economic transformation would be realised. It was always assumed that those who benefit the most from the liberation would be the urban and rural poor (Mkandawire, 2001). This was not the reality however, as the plans for the democratisation of the economy in order to empower those who were previously disadvantaged, developing all areas which were poor and geographically depressed, became plans to ensure that state support worked in tandem with private capital, to result in a state of political stability which was beneficial for everyone in South Africa. The priorities of the state eventually

became so muddled that it gave rise to the scourge of corruption and neopatrimonialism as the government developed a tendency of repeatedly targeting those who were loyal as benefactors of empowerment (Von Holdt, 2010).

The definitions and implementation of the developmental state in different countries have adapted to the conditions that prevail within each country, yet they have remained constant in a few basic criteria. These criteria have been expanded upon in the earlier parts of this section, and revolve around the development of the capabilities of their constituents as well as a dedication to the improvement of the administrative abilities of the state. Freund (2007) makes the argument that the developmental state implemented in South Africa is a superficial one. He argues that while the post-apartheid state has excelled in macro management, remained relatively uninhibited by debt and integrating into the global markets relatively well, there is an air of superficiality to these gains. He lists many reasons why he has taken this standpoint, firstly he notes the fact that despite the number of years that have passed since the dismantling of the apartheid government, the government has failed to substantially increase the skill levels of the people of South Africa. To further add to his points, he argues that the persistently high levels of unemployment and poverty despite the large sums of money that have been devoted to their alleviation means that there are no effective plans in place to rectify these issues. Despite the state's alleged 'commitment' to service delivery, one finds that the basic conditions of living for many South Africans are not corresponding with the nation's status as one of the biggest economies on the African continent. His final critique suggests that the South African state is not truly developmental because its delivery of services such as education, its level of literacy is lower than other African countries that have a much lower GNP (Freund, 2007).

2.4.5 How did the Vision of the Developmental State go so wrong in South Africa?

Many theorists (Von Holdt, 2010; van Jaarsveld, 2000) have weighed in on the reasons why the developmental state in South Africa has been a pale imitation. Arrighi *et al*. (2008) argue that the capitulation of the access to public services like social security, health and education during the apartheid regime has had a negative impact on the lives of Africans. Therefore, the reason why the developmental state has not been effective in this context, is as a consequence of the difficulty experienced by the state when it comes to restoring the delivery lines of these services. The impact of continuing with the ideal of the developmental state when such a key facet of its implementation is missing will always manifest itself in poor results. They contend that

without the radical structural reforms that will rejuvenate the service delivery sector, the welfare of the majority of the society will continue to suffer.

By virtue of the link within the developmental state between the welfare of the people and economic and social performance, the latter would continue to stagnate as well (Arrighi *et al*, 2008). Du Toit (2008) makes a similar point arguing that the South African state needs to relinquish its mentality that the wellbeing of all will come about as a by-product of growth. The focus needs to be reversed with the enhancing of the capabilities of the people being the objective. The reason for this is inherent in the ideals of the developmental state where the enhancing of the capabilities of the citizens allows for them to gain access to employment which will not only reduce the amount of people who are unemployed, it will also increase the contribution of the citizens to the GDP of the country. For her the inadequate access to education, health, housing, transport and all the other services by the state is limiting the potential of the people to contribute effectively. She concludes by stating that only when there is significant investment in the value of human capital and the socio economic environment will there be an increase in the productivity levels, growth potential and labour absorption capacity of the country (Du Toit, 2008).

The surge in the importance of technology and information as well as growing economic liberalism has meant that the scale and pace of development within society is making it increasingly difficult to create sustainable development within communities. The globalisation of the world economy has created a divide between those who reap the benefits of economic growth and those who pay the price. This increased polarisation in the distribution of wealth and living standards in society has reinforced the exclusion of people who are disadvantaged, and separated them from opportunities, jobs and services. Unless there is a change in the way that the developmental state is conceptualised in South Africa, there is a chance that it will remain a utopian ideal (Royal Town Planning Institute, 2001). The realities in this context are a far cry from the way in which the developmental state should be applied. It is imperative that the state begins to engage with the deep social interventions that are critical to enhancing the capabilities of its constituents. Development that prioritises these values would be more holistic and effective than the current form that is being demonstrated. The future of rejuvenating the developmental state in South Africa is hinged upon rectifying the historic imbalances with regards to skills and education within its constituents. Failure to lend them the helping hand they need, would result in them dragging down the collective, which is just as, if not more detrimental (Freund, 2007).

2.5 The role of Planning within the state

The role of the planning profession, due to its nature of being relatively young has had similar difficulties as the last child of a family would, namely carving a niche for itself in a world where many of the roles have been taken. This has led to the planning profession having to assimilate many aspects of other professions in order to combine them and fashion its own identity. As would be expected, these efforts have been met with resistance with many theorists criticising its "Jack of all Trades, Master of None" nature (Berrisford, 2006; Jupp & Inch, 2012; Campbell & Marshall, 2005). Regardless of these adversities however, the role of the planner has become clearer and clearer, so much so that there are now a variety of perspectives and practice categories that planners can inhabit and utilise. In tracing the development of the planning profession as it relates to the ideas of broad-based development and empowerment will provide a definitive foundation and basis for the evolving nature of who planners are, what they do and how they do it.

2.5.1 The Trials and Tribulations of the Planning Profession

The planning profession has often had difficulties in staking its claim in the professional world amongst the other, more established professions. Many of the tasks that are currently under the jurisdiction of planning were previously delegated to other professions. These duties were all strongly linked to the value systems of the society that was being planned for. The founding fathers of the planning profession, saw planning as a way in which to actualize their visions of the good city. From the radicalism in the 19th century of Ebenezer Howard and his Garden City concept to the creative destruction by Baron Haussmann, many of the plans for that era manifested the ideals of the planner who oversaw the project. The 19th century planners in particular sought to rectify the ills and chaos of the industrial city, remaking the city in order to epitomize order, beauty and efficiency. Therefore while their ideals were commendable, the end result was seen to be the manifestation of hubris and the result of the imposition of one person's vision on the city landscape. Since then, there has been widespread agreement and indeed support, not only from the planning community but also from academics and theorists, for the argument that no longer, should visionaries be able to impose their views on the city. Since then, planners have been restricted to identifying models that would

encapsulate what a good city would look and be like, with some even questioning whether that is even a possibility (Platt, 2004).

These developments have resulted in planning seeking to provide a definition of itself, in order to provide itself with the legitimacy it needs to support the decisions that it makes. These critiques have been levelled at planning from the range of the theoretical spectrum on a variety of different issues. Theorists from the left such as Harvey (2003) have critiqued planning for harbouring a class bias and fostering environments where the rich are enabled and the poor are marginalized. Other theorists such as Davidoff & Reinher (1962) and Yiftachel (1998) have described planning as being anti-democratic because it subdues the voice of the people and proceeds with its plans in a manner that is not unlike a dictatorship. This is not to mention those that believe that planning fails to accommodate difference within the cities that it plans for. Theorists form the Right have also weighed in with their critiques, with philosophers such as Hayek (1944) claiming that planning denies its constituents freedom, Anderson (1999) highlighting the inefficiency of the planning, and others such as Klosterman (1985) going as far as to say that the markets would be better equipped to allocate urban space than the planning profession. Even those who are neutral in the right vs left debate such as Altshuler & Luberoff (1965) agree with the critique that comprehensive planning is unattainable and undemocratic. Jane Jacobs goes as far as to call the modernist drive to reinvent the city as destructive to the urban fabric and indifferent to the needs of the people (Fainstein, 2006).

With all of these accusations continuing to batter against the identity of the planning profession, it comes as no surprise that the progressive/leftist arm of planning has recently grown in strength in order to combat the allegations levelled against the profession as a whole. This has been achieved by developing new methods and ways in which planners can engage with the communities they plan for, and in so doing reinvent themselves from the top down, modernist and authoritarian profession that everyone believes it to be (Fainstein, 2006). The South African Planning Institute defined its vision for planning in South Africa as the promotion of the sustainable use of resources whilst ensuring the economic and social development of all demographics of the population. The way in which it envisioned the implementation of this ideal was through the enactment and encouragement of reforms through programmes, policies and laws (Royal Town Planning Institute, 2001). The American Planning Association views the roles of planner as those who engage in collective action in order to enrich people's lives. This means assisting officials, leaders and citizens in their desire to create communities. They broaden the definition offered by

the RTPI by clarifying that planning can occur at different geographical scales such as the urban, local, regional and neighbourhood scale (Healey, 2010). These definitions are more or less replicated by planning agencies around the world. It encompasses issues concerning the environment, the economy and the social wellbeing of its constituents. These topics are so broad in their scales of expertise that there are many different roles that a planner can fulfil in their enactment of these ideals. The purpose of this section is to delineate the different types of roles that a planner can fulfil within the state and without, as well as the different types of planners that the profession produces. These will culminate in an assessment of the impact that planners are having in their diverse roles and approaches.

2.5.2 What do Planners do?

The role of the planner, especially those that serve within the state is to act within the administrative capacity. The reason for this is that the function that he/she performs permeates into the other fields of study. Development planning in particular is utilised by many state departments and organisations to outline the visions, missions and goals through which they aim to realise developmental ideals. Planning is thus the most effective way to achieve this because it offers decisive control and direction to coordinate the efforts of all those involved (Marcellus, 2009). Therefore, prior to the unpacking of what the role of the planner is within the developmental state it is imperative that one gains an understanding of development planning.

A simplistic way to go about this is by splitting up the term and analysing the root word before delving into its connection with the prefix. The word planning can be defined as making a decision in advance, with the specifics regarding what needs to be done, who will do it, how it will be done and when it will be done, being analysed to make an informed decision. This means that the practice of planning encompasses all of the activities that are required for the determination of objectives as well as the appropriate responses that will lead to their realisation. The difference between arbitrary planning and planning as a profession is the plans that are drafted are designed to achieve a specific result. These plans are blueprints for actions that will be consciously pursued. The plans stipulate and controls the directions and methods that will be utilized to reach a desired set of goals. The development aspect of the term entails the idea of incorporating the economy and the growth of the nation into considerations about the country's future. The economy is most often the key to a country's development and as a result the strategic guidance of the

economy is key to continuing the nation's development. This means that a central authority is required to deliberately control and guide the economy, so as to achieve the stipulated targets and goals within a specified timeframe (Jhingan, 2005).

The economic aspect of development planning is not the sole defining characteristic. It also involves the incorporation of the other facets of the citizen's lives such as the social, environmental, political, human and technological. The aim of planning is to foster economic development by raising the levels of income, savings and investment, these goals and objectives cannot be realised in isolation and without looking at the matter holistically. Thus the development aspect of planning supersedes the economic aspect and must be considered in conjunction with growth indices and quality of life indicators (Marcellus, 2009). The role of planning can therefore not be understated as planning aids in the creation of places that are better able to perform economically, environmentally and socially. Development that has being effectively planned leads to the enhanced viability of the area as well as stronger economic growth. By the same token, areas that are badly planned will result in weaker environments that are beset with negative externalities that can have a harmful effect on the level of investment in the area, resulting in higher costs for the societies that inhabit them as well as the individuals that constitute them (Marcellus, 2009).

The job of the planner is therefore, to engage with the spaces in which people live in order to create the kinds of places that people will want to live in. This requires an understanding of various fields of study as well as the acknowledgment of the fact that people interpret and engage with spaces in different ways and as a result one would have to cater to the different interests and experience of the constituents. In England, planners have struggled to carve a niche for themselves within certain areas of expertise which prohibit other fields of study from encroaching upon them. This is as a result of the diverse range of planner types and the ever increasing blurring of the distinction between public sector work and private sector work. In the past public sector work require the 'evangelistic' planner to give up the private sector and dedicate themselves to helping the community. In recent times however there are an increasing number of planners who straddle the divide, working in the private sector but remaining committed to the public interest. The shifting of the planning landscape is not solely a reflection of the changes within the ranks of planners but also as a result of the dynamic evolution of the state. The modern state is now more open, allowing for the engagement of a variety of external actors and agencies. This results in actors from the voluntary/community sector, social enterprises and the

private sector coming together to deliberate on matters of policy. This shift has resulted in planners becoming an additional set of actors within the process as opposed to the sole contributor. Within these new processes planners are now playing the role of the mediator, adjudicating between competing interests and liaising as an intermediary between the people, the state and the market. These new roles have resulted in an even more expanded role for the planners intervening as expert advisors to elected members of a committee or to communities, providers of goods, effective bureaucrats, reliable partners, advocates for social groups and services to customers even as members of the local community. The new modern setting requires that a planner be flexible enough to adapt to whichever role is required of him/her (Jupp & Inch, 2012).

2.5.3 How do Planners go about their Business?

The flexibility of the ways in which planners can invent themselves, is as varied as the personalities of the planner that embodies them. There are certain perspectives, however which can serve as broad categories for the types of planners that one can find. These perspectives are based upon the perceptions and opinions that certain types of planners share, which may have been influenced by the circumstances and temporal forces at play at the time. One therefore finds that despite the fact that the view of a certain period has faded over time, a few planners are still influenced by that perspective and utilise that perspective to understand the world around them. As a result, planning literature today is still influenced by these perspectives and with each of the movements within the spectrum comes a historical depiction. The history of the planning philosophies when combined, creates a narrative of planning history and helps us to understand planning theory today. The conviction of a planner and an understanding of the way they think can often be gleaned from the perspective that they hold. Therefore while there are trends and popular opinions during a period of time, these perspectives never really fade away and are opinions that are still widely held. These perspectives are constantly moving through a revision and reformulation process that is driven by the critiques that other perspectives lodge against them. New perspectives are formed as time goes on, but the old ones remain as a testament to the raging debate that goes on within planning discourse regarding how planners should fulfil their mandates (Combrink, 2010).

The first perspective that will be examined is the Synoptic model of planning which is also referred to as the Rational Comprehensive Model. This model was prevalent in

the post-war period in which the devastation of the cities required a large scale solution in order to rebuild. The planners of the time therefore attempted to propose logical solutions that were substantiated by knowledge and instrumental calculation. This perspective required an objective approach in which the proposed solution is one that will culminate in the best possible achievement of a predetermined goal. The main aspects of this model were dependent on the decision maker being able to isolate the problem and deal with it in isolation, as well as the hierarchical structure that the decision maker should be able to place his/her goals and objectives. This perspective requires quite a thorough analysis of all of the available solutions, before a decision can be made. These considerations take into account the different consequences and effects (both positive and negative) that each solution will have. Once all of this has been analysed thoroughly, the decision maker is then required to choose the option will maximise the achievement of the goals that they stipulated at the beginning of the process. The critiques against this model are that it was far too authoritarian and did not take the needs and opinions of those being planned for into consideration. It was also argued that the deeper, underlying sociological structures were ignored in the solution of the problem. Lastly, it was criticised for being a time consuming process that was impossible to implement in practice due to the extensive amount of research required to make a decision (Anderson, 2003).

The second perspective employed by planners to be discussed in this research report, is the Incremental Model. This model was developed as a result of the criticisms levelled against the rational comprehensive model, with many of its pitfalls improved upon in order to create this model. The application of this model is premised around making small or controlled alterations to the existing policy. The decisions made within this perspective also see the objectives and solutions as intrinsically linked as opposed to separate entities as conceptualised by the rational comprehensive model. Those who practice this perspective, place emphasis on the maintenance of the grand plan, so while they consider the repercussions of their interventions like the rational comprehensive model, the solutions that are proposed within this model are only required to be assessed for vital consequences. This approach is driven by an understanding that the solution to the ills of society cannot be rectified by any single solution, the approach views collective decisions as integral to shaping society. As a result the focus of this approach is on rectifying the current issues, rather than attempting to actualise a utopian vision. The decisions made are a product of agreement amongst the decision makers and therefore, not always the most appropriate or optimal. The criticism towards the incremental model is mainly directed at its glacial pace of change, which resists innovation and entrenches old

norms that may be hindering societal development. The argument against these small scale changes is exacerbated by the fact that in the event of a crisis, the incremental model is unable to react in a decisive manner to mitigate the damage. Critics argue that its fixation on minute interventions results in a narrow minded approach, where more drastic plans that will be more effective are forgone in exchange for stop gap measures that will only provide momentary relief (Anderson, 2003).

A planner is influenced by far more than just the approach they employ. Perspectives have also being shaped around the ideals and mentalities of planners. The perspective of advocacy planners is an example of this. Born in the 1960s during the period of protest movements, it is a perspective that is both radical and liberal. As with many of the perspectives, it begins with a critique for the way in which planning is conducted and offers a different approach. The critique that spawned the advocacy perspective was one that criticised the limits of white professional expertise and argued that the scientific knowledge that planners possessed should be practiced with a focus on equality, making it more easily accessible to the poor and marginalised. It advocated for the interests of the poor by encouraging the actions of professional experts to empower the marginalised or disadvantaged (Combrink, 2010). This perspective served as the foundation for planners in the years following its development to propagate community based action plans aimed at addressing racial inequality, the defence of minorities' programmes as well as opposing bureaucratic dictatorships. The major proponent of this perspective was Davidoff (1965), who through his work "Advocacy and Pluralism in Planning" encouraged the growth of planners who worked with people and argued that their role was to advocate and safeguard the interest of marginalised groups who were not being represented in the planning process. The technical ability of a planner should be utilised to improve communities as opposed to further entrenching the physical divide with the city.

A perspective that built upon the work of advocacy planning was the Transactive planning or New Humanism Model. This perspective highlighted the importance of mutual learning between the planner and those that they were planning for. This system of interpersonal discourse promoted the contribution of the people with regards to matters that affected their way of life and general welfare. Therefore while it is similar to the Advocacy planning model, it does not seek the representation of the people by planners, it argues instead that a system in which the people being planned for had a say in the solutions being implemented was key to a socially

cohesive city. This perspective was developed by John Friedmann in the early 1970s who saw planning as an opportunity for social learning in which dialogue would be established between planners and their client groups (Friedmann, 1973). He argued that planners tended to get caught up in the intricacies of decision making that they were unable to implement (successful) solutions that would improve the life of the communities they were planning for. Thus the solution that he proposed for this problem, would be to engage with the institutions that were community based, as they were more likely to know what would work within their communities than the centralised and bureaucratically organised agencies. The Transactive planning approach would incorporate the experiences of people in order to enrich it. Other planners who have taken this approach further include Healey (2003), whose work draws upon the work of Friedmann's ideas on transactive planning. She proposes that all planning activities need to be cognisant of the interactive relation between the various groups that make up urban power relations and that it is only through these interactions that governance capacity will have enough power to challenge the structural driving forces.

2.5.4 Where to? For the Planning profession

The purpose of this section of the research report has been to highlight the different perspectives that are present within planning literature. This has meant unpacking the different ways in which, not only the planning profession, but also planners themselves have reinvented themselves over the years. It was imperative to undertake such a task because it is critical to the understanding of how different planners conceptualize their role within the state, society and the academic world at large. This section underscored the ways in which theorists and academics have approached the execution of the planning mandates from their own perspectives and convictions. The objective was to identify the ways in which the paradigms that have held sway over planning theory have developed over time. The exploration of planning literature's development over time would therefore allow for an analysis on the ways in which the work of planners could be further developed.

This chapter sought to explore the different ways in which the concepts, the state, EE, the planning profession, planning methods and the role of planners within society has been conceptualised. These interpretations have often been highly contested, with few aspects been unanimously agreed upon. One aspect that all planners will agree with however, is that the effects of planners' decisions manifest themselves spatially in

one manner or other. This served as the basis for the choice of a research site. The property sector is a field of study that has close links with the effects of planning and policy interventions. Many interventions at the very least contain an element of space as solutions are often contextualised depending on where they are situated. Thus the purpose of the following section of the research report is to embark on a conceptual contextualisation, drawing upon the history, realities and linkages between the concepts the researcher will be exploring in this research report as well as the space within which he will be investigating them.

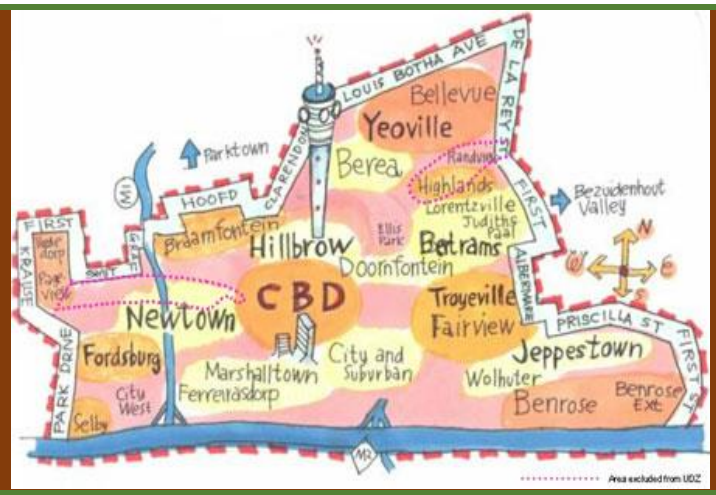
Chapter 3: THE JOHANNESBURG INNER CITY PROPERTY SCHEME: A MICROCOSM OF ECONOMIC EMPOWERMENT IN SOUTH AFRICA

3.1 Setting the Stage

The role of the property sector and by proxy the Inner City Property Scheme (ICPS) within this research report is by no means that of the main protagonist, but rather that of the supporting cast who sheds lights on the characteristics as well as flaws of the protagonist. The protagonist in this example is economic empowerment and the ideal of a developmental state. This mitigated role that the property sector plays means that only a cursory amount of attention will be paid to the details and intricacies of this line of inquiry and only aspects that were relevant to the research topic were incorporated and evaluated. With this in mind, the first section of this chapter provided a historical timeline of the events and circumstances that led to the birth of the ICPS and the versions before it. This included a brief overview of the issues that faced the inner city of Johannesburg, creating a need for such a response and what forms those responses from the CoJ have taken. The issues that these responses sought to address such as poverty and unemployment serve as the initial linkages between the aims of EE and those of the ICPS.

The inner city of Johannesburg forms part of the Johannesburg Inner City Urban Development Zone that was intended to encourage and promote more investment within the demarcated zones. The means through which these objectives were realised were through the reduction of costs pertaining to construction, demolition, water, power, sewage, drainage, waste disposal, access or parking, security, sidewalks and landscaping that was part of any development (City of Johannesburg, 2004). The demarcated boundaries of the Johannesburg UDZ inner city as illustrated in Figure. 3.1 below are:

- South boundary: M2 highway;
- West boundaries: Park Drive, Krause Street & Clarendon Place;
- East boundaries: De la Rey Street, 1st Street, Albemarie Street & First Street; and,
- North boundaries: First & Hoofd Streets, Louis Botha Avenue & Pricilla Street. (City of Johannesburg, 2004).



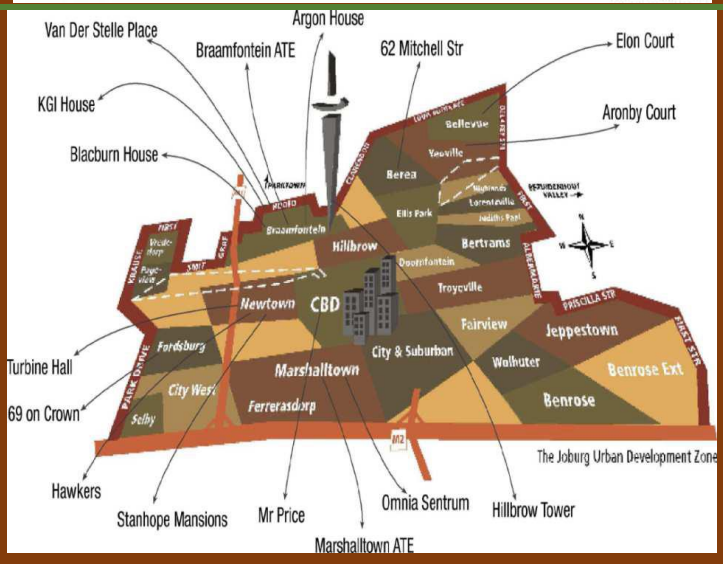


Figure 53.1*:** (left) Borders of the Inner City – Maps delineating the borders and boundaries of the Johannesburg Urban Development Zone, the inner city Urban Development Zone is comprised of the CBD and a number of surrounding neighbourhoods ***Source: *CoJ © 2015 from http://joburg.org.za/index.php?option=com_content&task=view&id=120&Itemid=58*

3.2 Much Ado about Property



Figure 3.2**:** *(above) A view of the Inner City* – This area has been plagued by a host of issues, and the city has attempted to address these issues in a variety of ways.
Source: *CoJ © 2012 from http://www.joburg.org.za/index.php?option=com_content&task=view&id=126&Itemid=58*

3.2.1 The Plight of the Inner City

In 1995, Johannesburg fully succumbed to the rapid physical, physical and financial decline[6] that had begun in the late 1980s. This was a time when a large portion of the asset values of private propkerty had deteriorated dramatically. The decline which spanned a period of ten years saw many livelihoods and businesses being destroyed and, in essence, created the conditions within which affordable housing could be provided within the inner city in its aftermath. The drive to create affordable housing in the inner city marked the beginning of a major regeneration effort by the public sector, the effects of which are still being felt in the inner city today. The decline of the inner city was a phenomenon that was not only spectacular in its rate of decay but also entirely predictable since many of the factors that contributed to this decline were consistent with the international cases taking place in other urban areas (Harrison et al, 2008). At the same time many of the factors that contributed to the decline were also specific to the South African context during the fall of the Apartheid regime. The timing of this decline with the shifting political terrain can therefore be seen as the reason why the problems have persisted into contemporary Johannesburg. A pivotal point in which the city could have taken action to stem the

[6] Features of this decline included the hiking of rents by racist landlords in a bid to try and exclude blacks, the overcrowding in flats as people wanted to share/split rents leading to sub-tenancy, the rise of slumlords and mismanagement of buildings, the takeover of buildings by 'democratic committees' within the buildings (property hijackers/space invaders), hijacking-related deaths, non-payment of rents by groups such as ACTSTOP and vandalism (Bremner, 2000)

tide of decline was during the early 1990s, but due to the political storm that was raging at the time, the plight of the inner city was of little consequence. Thus, by the time a single local authority was created to govern the city of Johannesburg, and Amos Masondo was elected mayor in 2000, it was already a case of too little too late (Bethlehem, 2013).

Perhaps the most common thread and biggest contributor to the deterioration of inner city Johannesburg, and one that is similar to other international examples, was the withdrawal of investment from the property sector. The withdrawal was as a result of a myriad of other issues such as poor public transport, urban sprawl, lax management of publicly-owned properties as well as the urban environment. These issues were exacerbated by local conditions created by a rigid planning system in the 1970s that prevented developers from creating underground spaces where users of the inner city could park. The combination of large offices with no parking spaces coupled with the inefficient public services system led to a situation where businesses fled the inner city in search of better conditions in decentralised office locations like Sandton. During this period, legislation such as the Group Areas Act as well as policy directives such as Influx Control were no longer viable and were repealed as a result. The removal of these Acts meant that the barriers to entry for a large and dynamic population were lifted and as a result many flocked to the city searching for better opportunities, a higher quality of life and housing that was close to these economic opportunities which placed strain on inner city because it was not designed to cater for the volume of people that it was now catering for (Winkler, 2012).

The neighbourhoods that met the criteria for their proximity to economic opportunities were primarily found in the residential districts on the outskirts of the CBD such as Hillbrow and Berea as well as within the CBD itself, resulting in the dramatic increase in density within these areas. The surge in the demand for housing left many building owners and proprietors unable to cope with the sheer volume of tenants within their establishments, leading to the mismanagement and the rapid deterioration of these buildings, with many owners abandoning their properties (Bremner, 2000). These events, coupled with the fact that the City's political hierarchy was being dismantled, created a situation in which a fledgling local authority was tasked with dealing with a wide range of problems. The new local government was unsurprisingly overwhelmed by these challenges despite large scale restructuring and eventually succumbed in 1998, filing for bankruptcy. As a result, the National Treasury was forced to step in and offer a bail out, initiating its own process of restructuring which resulted in the creation of a 'Unicity' (metropolitan municipality) in 2000

(Reddy, 2003). The efforts of the local government to address the issues that plagued them began in earnest from this point, with processes of urban regeneration being initiated to restore the city and to integrate the townships into the urban fabric (Bethlehem, 2013).

The challenges that the new metropolitan government was required to deal with related to the challenges that were simultaneously crippling the inner city and contributing to its continued decay. These challenges contributed to the dysfunctional nature of the area and ultimately led to negative returns on investment which in turn dissuaded potential investors. The challenges faced by the new metropolitan government included but were not limited to the high levels of crime in the area, the lack of enforcement of municipal by-laws, the lack of integration of informal traders and the taxi industry, the decay of residential buildings, a plethora of social ills as well as a lack of adequate service delivery. The high rates of crime that became synonymous with the area were not only restricted to cases of street crime, but also included cases of motor theft, burglary and more importantly for the research, property hijacking. The crime rates were particularly high, often escalating to serious crime, in neighbourhoods such as Hillbrow. A lack of enforcement of the municipal by-laws created a situation in which the land uses and building control regulations were ignored. This created a situation that was seized upon by the enterprising population who had flocked to the city in search of economic opportunities, who sought to be as close to these opportunities as possible. The office spaces and factory spaces in the CBD that were abandoned by fleeing capital were converted into residential spaces, but since the nature of these conversions was informal, the properties became prone to overcrowding and the spaces, which were not built for occupation thus became sites hamstrung by service delivery problems resulting in illegal dumping and littering (City of Johannesburg, 2001).

Since most of the inner city buildings in the CBD were not zoned for residential usage, many of the amenities and services provided to residential areas were not provided in the CBD area. These issues were not only restricted to amenities such as waste management as well as water and electricity provisions, they also encompassed the infrastructural requirements that residents would need. An example of this is transportation. The increase in the amount of people that resided within the inner city meant that there was also an increase in the need for transportation. The rise of the 'informal' taxi industry catered to the needs of the new demographic, however the internal public transport system in the inner city was unable to deal with the volume of taxis (Barrett, 2003). The quality of infrastructure within an area often has a profound

impact on the quality of life experienced by those who inhabit the space. Thus as was to be expected, in conjunction with all of the infrastructural issues being experienced in the area, there were also a myriad of social problems that arose which served as a hindrance to the individual and community's ability to access the opportunities afforded by their close proximity to the formal economy. Examples of these issues were high levels of homelessness, a lack of social cohesion, poverty, lack of recreational facilities as well as high levels of drug and alcohol usage.

Despite all of these factors, the premise that drew the aspiring immigrants into the inner city has remained, and that is the fact that the inner city remains a major economic generator that is able to provide employment. The state of its infrastructure notwithstanding, it still boasts a significant amount of value in terms of assets that could be revitalised if managed correctly. It remains the capital of the Gauteng province meaning that it retains its role as a major transport hub, thriving in tandem with a significant cultural base, the CoJ thus embarked on a plan to not only restore the city but turn it initially into 'The Golden Heartbeat of Africa' which was operational in the 1990s and more recently a 'World Class African City' (Bremner, 2000; City of Johannesburg, 2001).



Figure 3.3**:** *(above) Conditions of the Inner City* – Image depicting the conditions of some of the buildings in the Inner City
Source: The Daily Maverick © 2012 from http://www.dailymaverick.co.za/article/2012-04-12-in-search-of-joburgs-condemned-buildings/#.VidlOFQdBuA

3.2.2 The City of Johannesburg to the Rescue?

The drive to create a "World Class African City" consisted of many objectives and accordingly, many bodies to implement them, but for the purposes of this research report, the focus will be on the beginnings of the ICPS. The Inner City Office (ICO) was created in 1998 as a conduit through which the CoJ would address the issues that plagued the inner city. Within a year, the ICO had released its first plan to propagate urban renewal through the collaboration of property-based and market-led ideologies, with a plan that was referred to as the Bad Buildings Programme (BBP). There were many revisions to the BBP during its formative years from 1998 to 2002 due to fundamental conflicts between various objectives, but the constant focus of the programme was to reinvigorate the inner city of Johannesburg by creating a functional property market through the collaboration of the local authorities, property owners and property developers. During this period, the BBP was placed under the jurisdiction of the Johannesburg Property Company (JPC) and was renamed the Better Buildings Programme. Whilst the ideal – reinvigorating the inner city of Johannesburg - remained the same, there was more direction and the programme became geared towards enabling the CoJ to take control of sinkholes ('bad buildings'[7] and/or abandoned buildings). Such buildings would be acquired through the purchase or expropriation of the building from its owner and in this way, the owner would henceforth be acquitted of his/her debt to the City, as a result the CoJ would thus be free of the costs of its maintenance. The building would then be sold to investors, who would be selected from a predetermined pool, and they would be responsible for refurbishing the building in order to rent out its units (Rubin, 2013). Thus, the BBP served the dual purpose of not only reclaiming some – if not all - all of the debt owed by the 'bad buildings' but contributing to the revitalisation of tehe inner city Johannesburg via its buildings. These objectives were imperative at the time, especially since there was a sense of trepidation on the part of the CoJ towards the dangers[8] that the buildings posed to the CoJ and the building's inhabitants (City of Johannesburg, 2001). Many buildings in the city exhibited slum-like conditions and the CoJ saw the BBP as best policy to drive forward the rehabilitation of the inner city and the consequent attraction of private sector investors (back) to the inner city once

[7] The City issued a clarification, setting out the precise characteristics of what they termed 'Bad Buildings.' It had to be a building that had deteriorated to such a degree that the market value of the building was lower than the amount of debt to the city it had accrued (City of Johannesburg, 2001).
[8] The living conditions of a "Bad Building" were at a level where it had become extremely hazardous for its occupants to continue, for example running sewerage and garbage accumulation. Buildings in which the landlord charged steep rates, rented units that were over capacity, allowed the buildings to deteriorate whilst reneging on their payments to the city also constituted a classification of a "Bad Building" (Rubin, 2013).

more. The straightforward solution to the dereliction of the inner city was seen as one that would be beneficial to all involved and one which would make the inner city property market become more functional as well as sustainable (Rubin, 2013).

3.2.3 Enter the ICPS: the City's Hero of Revitalisation?

In April 2011, the CoJ revised its strategy once more, creating the ICPS that is seen today. The Bad Buildings Programme and the Better Buildings Programme were acknowledged to be programmes that only achieved a moderate amount of success because of the length of time it took to acquire the buildings. The worse the condition of the building and the higher the level of arrears, the more difficult and laborious the process turned out to be (Fraser, 2010). The focus on the CBD by all of these programmes reflected the paradigm of the CoJ, which considered the state and condition of the CBD, an indication of the City's commercial and economic prowess. The reasons provided by the CoJ for the limited impact of the BBP were the long periods required for expropriation, the screening of possible participants as well as the constitutional mandate to provide transitional housing to those who were displaced. Consequently the City reasoned that the ICPS would bypass all of the red tape for aspiring investors by procuring the buildings themselves and subsequently bestowing them upon predetermined companies (City of Johannesburg, 2011). What sets the ICPS apart from the Bad Buildings Programme and Better Buildings Programme is that whereas the two policies required the potential investors to shoulder the burden of the debt incurred by the buildings by themselves, which served as a deterrent to investors. In the execution of the ICPS, an Inner City Property Portfolio (called Newco) was created. This portfolio contained a catalogue of the buildings that the City owned and, through the ICPS, the properties in question would be loaned to new companies (Masondo, 2008). The ICPS continued the work of the Bad Buildings Programme and Better Buildings Programme but utilised engagement with the private sector to combat urban decay and revitalise the CBD.

In terms of the scope of the ICPS, the policy aimed to capitalize upon four key competitive advantages that they had identified in the inner city. The first was that there was an untapped workforce within the inner city, with statistics revealing the vast majority – approximately 80% of inner city inhabitants had a minimum level of secondary school education (City of Johannesburg, 2011). The second advantage of the inner city was that it was strategically placed in an area perforated with nodes for not only regional transportation but also for telecommunications (ibid). This led into

the next advantage which was the fact that with so many nodes concentrated in one area, there are many possibilities for establishing linkages to other regional growth clusters, and the City believed that this would create the perfect 'climate' for the headquarters of businesses which outsource the majority of their work (banks, insurance companies, logistical companies). The final advantage that the ICPS sought to tap into was the actuality that despite the high volumes of residents within the inner city, many of these people were underserved with the total number of people utilising the space on a daily basis reaching a million (200,000 residents and 800,000 daily commuters) (Inner City Property Scheme, 2008). The aims of the programme can therefore be split between the generic terms of economic development and empowerment. Underneath the umbrella term of economic development, the aims were to restore the confidence of investors in the inner city in order to raise and supplement the amount of revenue that the City received. It also aims to reinvigorate the effort of rejuvenation in the inner city with regards to bad buildings. Lastly it aims to reconstruct the landscape of Johannesburg into one that is a World Class African City, a thriving combination of living, working, shopping and entertainment. Underneath the umbrella term of empowerment, this programme seeks to develop a sustainable response to the restoration of the derelict buildings outlined by the BBP. This will be achieved in such a way that the residents will benefit in terms of reduced levels of poverty and unemployment due to the influx in investment and job opportunities (Inner City Property Scheme, 2008).

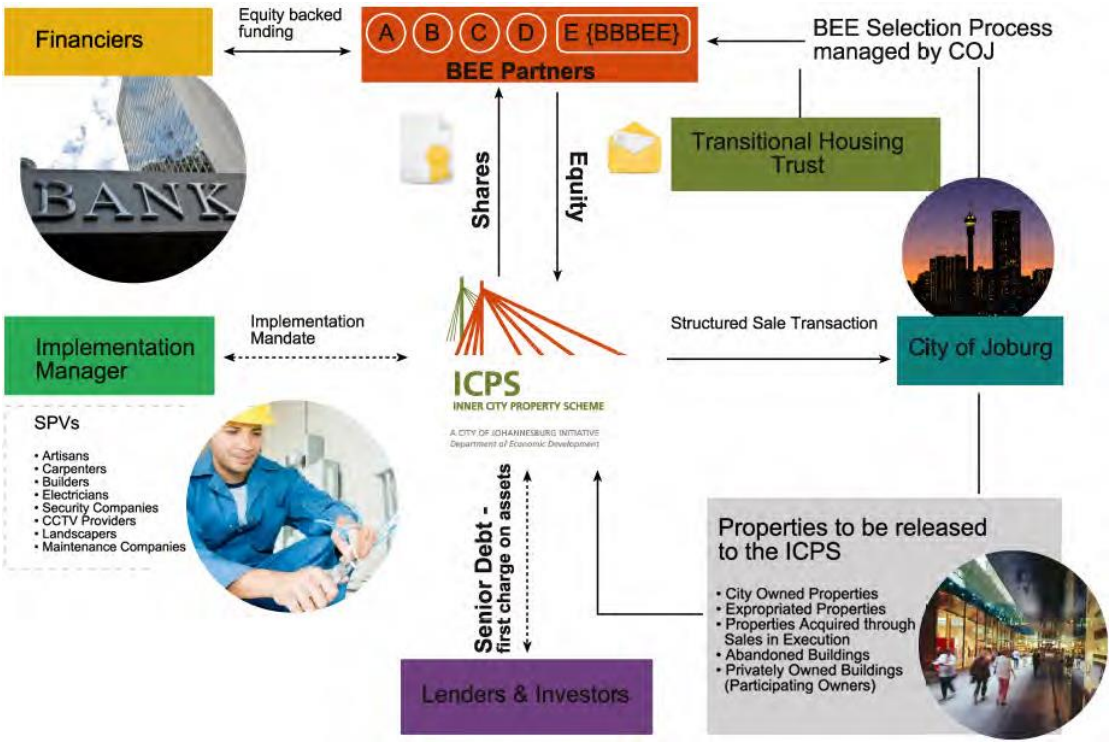


Figure 63.4: *(above) Linkages of the ICPS* – Diagram showing the ways in which the ICPS interacts with the other stakeholders in this process
Source: *The Inner City Property Scheme © 2008*

The Newco (Property Portfolio) that the ICPS introduced seeks to have BBBEE participants have a say in the way the process is implemented, and this was achieved by providing the participants with controlling shares in the Newco. The BBBEE participant entities who were included in this process were selected through Request for Proposal (RFP) process which mandated a minimum equity contribution of R5 million. In addition to the funds supplied by the BBBEE participant entities, more capital would be raised from lenders and other providers of debt by the Newco. The major difference between the ICPS and the BBP is that the investors are no longer required to make provisions depending on the current circumstances regarding the buildings that they will be acquiring. The City assumes the full responsibility of transferring the current properties that it owns into the Newco, provided that these buildings are dilapidated, abandoned, illegally occupied, hijacked or vacant. Once transferred into the Newco, the buildings are available to the BBBEE participant entities through a developmental lease with an option to buy. The City then seeks to add to the Newco through the acquisition of other bad buildings on a case-by-case basis. These agreements are then reached through abandonment agreements, expropriations and sales in execution deals (Masondo, 2008).

The expectation of the City is that the BBBEE participant entities will be able to, over the course of time, transform these buildings into refurbished and building code compliant buildings, which would in the long run become viable and productive economic assets. As such, even when the debt has been paid off to the City, the buildings will continue to provide a stable income in terms of rates and taxes. This process is made more sustainable through the usage of a panel of BBBEE service providers. The ICPS introduced this panel as part of its upgrade from the BBP, to ensure that the refurbishment will be executed in a way that benefits BEE. The introduction of this panel would mean that the vast majority of electricians, carpenters, builders and maintenance companies hired for the restorations of the buildings are BBBEE companies. The participant entities are required to make use of the services of these businesses as much as possible.

A drawback that affected many investors in the BBP was the fact that they had no contingency plans in place for the current occupiers of the buildings that they wanted to refurbish. These disputes often led to lengthy court battles that made the projects even more costly than before. The introduction of the ICPS was also made in order to address these issues. The City assumed all responsibility for the people in the buildings when it assimilated the acquired buildings into the Newco. As a result, the City made plans to provide transitional housing for those currently residing in the buildings that it expropriates. A Transitional Housing Trust (THT) was formed to manage this process as well as to ensure that displaced persons have a temporary place to stay. The THT is also subject to the same conditions as the participant entities, in the sense that it is also required to contract those on the panel of service providers. Furthermore, buildings in the Newco will be acquired by the THT in order to turn them into transitional housing facilities. The efforts made by these partnerships was intended to ensure that the decline of the inner city was halted and urban decay and grime in the inner city was mitigated, if not eradicated. In doing so, it would create one of the largest black owned inner city property schemes in South Africa, contributing towards the vision of economic empowerment whilst also empowering SMMEs in the construction and maintenance sectors. The ICPS was seen by the City as an innovative and creative solution that would radically transform the way the urban regeneration effort was being implemented in the inner city (Masondo, 2008).

3.2.4 ICPS: The Perfect Test Subject

The advent of the 21st century saw theorists (Castells, 2010; Giddens *et al*, 2008; Harvey, 1989) shedding light upon the growing disparities that the globalisation of the world was exacerbating. Such academics argue that globalisation has become such a major phenomenon that its effects are increasingly being felt by all people, regardless of borders and nationalities. The powerful flows of cross-border trades were so strong that often times, the poor were paying the consequences for the decisions of the rich (Standing, 2009). As a result of this, there is an ever widening chasm in the distribution of wealth and living standards amongst members of society. This divide also serves to further separate the marginalised from opportunities, jobs and services (Royal Town Planning Institute, 2001). The developmental state was conceptualised as a way in which to rectify this socio-economic imbalance in such a manner as to maximise capabilities. The developmental state seeks to maximise the potential of all its inhabitants by providing opportunities to those who had suffered from the divide between those who reap the benefits of economic growth (the haves) and those who pay the price(the have-nots).

Despite the daunting task of unravelling centuries of oppression and inequality, the potential of a clean slate after the clearing of apartheid planning legislation and design, meant that if South Africa's new planning system, that was devised from scratch was able to tackle these issues effectively, then these visions could be made possible (Harrison et al, 2008). The advent of the ICPS was during this period of time, where planners and the city in general, were still grappling with how the planning system could be tailored to tackling these issues. The purpose of economic development in its truest form is to allow for the creation of a robust economy by incorporating a range of different people for the different tasks that are required. This entails providing jobs for people through the implementation of different projects. The ICPS is a good example of this because while it seeks to reinvigorate the "bad buildings" of the inner city, it also allows for the outsourcing of all of the different aspects of its construction to BBBEE companies, thereby concentrating the benefits within the previously disadvantaged population (Inner City Property Scheme, 2008).

The City has been seen to think in economic terms, an investment-driven city seeking to occupy a legible spot on the world map. This has been demonstrated through the local state's unsuccessful attempts to try and 'rejuvenate' inner city Johannesburg. Thus despite the fact that it claims to be developmental and supportive of informal traders – attempting to "facilitate the migration of informal traders into the formal

sector" - the City (2009; 2011) is to a large extent taken with the concept of the Global City, seeking to become a global city in Africa, by any means necessary, sometimes even to the detriment of the local people. The reliant nature of the city on property rates and tariffs has meant that the inner city remains the most critical generator of these rates, which may explain why the City is on a mission to gain control of the district through tools like Operation Identify Yourself targeting illegal immigrants and refugees – the state's wanting to know everyone living in the city and where they are from – with those 'hiding' from the state classified as people to be 'sent back home' (Kihato, 2011); Operation Clean Sweep – the state wanting to 'cleanse' the district to make way for high-end development projects as well as make every informal trader visible and/or registered (Bénit-Gbaffou, *et al*. 2014). The City is desperate to claim the inner city because there is so much opportunity there due to the competitive advantage, centrality, the tariffs which the City stands to gain/profit through the renting out parking space and renovated lofts to the middle class. Thus the use of the ICPS as a microcosm of economic empowerment in South Africa would allow one to evaluate the substance of the accusations against economic empowerment in South Africa. The ICPS has been branded as the improved version of the two previous BBPs. A criticism that has been levelled against the Better Buildings programme in particular by scholars such as is that it is guilty of:

"represent(ing) an instrument of a larger hegemonic project that was pushed by a coalition of private and public individuals who sought to turn Johannesburg into a "world class city". [This has resulted in a situation in which]) Poorer residents were excluded from the design and implementation of the BBP, which meant that they did not have any substantive opportunities for engagement." (Rubin, 2013: 93)

Those who have been displaced by the processes of gentrification within the inner city have been, for the most part, poor people from other provinces and/or other countries who are still finding their feet in the inner city of Johannesburg. They were not seen to be benefitting from the gentrified space the BBP created. The issue at hand is that although the ICPS is a different policy in name, its methods of empowerment are not much different from its two policy predecessors. It has been labelled as a course of action devised from the realisation of past mistakes but the mistakes of the previous policies have not been ameliorated. It has continued to commit the same sins as its previous renditions and EE at large, the sin of empowering the wrong targets.

These critiques against EE are neither new, nor specific to the case of the ICPS. Rather they have been levelled against nearly every representation of EE that has been implemented in South Africa. This critique of entrenching elite formation is seen to be the result of the historical evolution of the EE. The purpose of this research report is to propose a collective re-evaluation of how a concept that had pure intentions at the start has become a tool utilized by those in power to further their own agenda. The state's usage of its self-conceptualisation as a developmental state and by proxy its implementation of BEE as a means of Economic Empowerment provides a domestic example of power defining reality. The use of BEE as the champion of the mass empowerment and the driver of transformation while its actual progress has been incremental supports Flyvbjerg's view that "power defines, and creates, concrete physical, economic… and social realities" (Flyvbjerg, 1998).

Despite being redlined, avoided and overlooked by the CoJ, the inner city of Johannesburg remains a very resilient – perhaps even the most resilient - section of the city of Johannesburg. This holds especially true for transnational traders making a living for themselves and desiring to engage in cross-border economies[9]. Hence its vibrancy holds unprecedented importance for Africans from all walks of life, South Africans included (Peberdy & Crush, 2012). Inner city residents and/or stakeholders are still finding agency in their day-to-day lives, a phenomenon termed by Simone (2004) 'People as Infrastructure[10]'. The local state and the national and provincial states have done little for the inner city, but the people residing within it have still managed to make a living via survivalist activities such as informal trading.

The post-apartheid policies on the economic empowerment of the previously disadvantaged have been ineffective, despite the fact that it is not for want of those that desperately need it. The Constitution requires the government to actively seek to create a "rainbow nation". This demand has been temporarily suspended in hopes of rectifying the damages suffered at the hands of racial divisions (Republic of South Africa, 1996). The ICPS represents only a small fragment of the economic empowerment project in South Africa, yet it reveals the struggles within a state that claims to be developmental but utilises neoliberal policies, seeking to activate the trickle-down effect, empowering only those who can afford it. The City, through the ICPS also makes use of outsourcing ensuring that whilst the rents and tariffs are

[9] Zimbabwean, Mozambiquan and Nigerian entrepreneurs still rely heavily on this district for their livelihoods (Peberdy & Crush, 2012)

[10] He argues that if we are to understand the African city, the inner city included, we need to look at its people as social networks – infrastructure – negotiating for things such as food, money, shelter and so on (Simone, 2004)

accrued, the speed of economic growth in the City is accelerated because it outsources most of its labour[11]. This means that the problem of unemployment is not permanently addressed. The ICPS also represents an area in which planners can be influential, due to the fact that it is a spatial intervention, and as a result provides insight into the ways in which attention that is given to the more economic aspects of planning can also have an effect on the lives of people in urban areas. This research report thus seeks to investigate whether the ICPS's implementation of Broad Based is catering to the people who need it the most, encapsulating Amartya Sen's (1980) capabilities model, and fulfilling the mandate of the developmental state in the fullest sense.

[11] It is more cost effective for the city to do so because it results in no medical aid costs and any other costs incurred in the hiring of permanent labour/civil servants

Chapter 4: THE THREADS OF THE RESEARCH NARRATIVE, UNRAVELLED

4.1 Synthesizing the fruits of the Research

In the methodology section, the researcher outlined the ways in which data collection was approached for the purposes of the research report, with the primary method being the use of in depth interviews with respondents. This segment of the research report seeks to provide a narrative that displays the ways in which different stakeholders within the development of the inner city perceive and interpret the challenges they face. The aim of this chapter is to create a virtual environment in which the respondents discuss issues and approaches that have been divided into various parts. Over the course of the research endeavour, it became immediately apparent that the initial research question was slightly misguided. It was erroneous to expect to find that planning was heavily involved in the process. Rather what the researcher sought to produce was a nuanced perspective that conveys the ways in which planning can further contribute to development. The initial question did not encapsulate what the aim to investigation, thus the question was reformulated slightly. The Research Question should be:

How **can** the formulation and implementation of economic empowerment policy, in the property development sector, influence planning's scope for Broad Based development in Johannesburg?

The results of this investigation, will be presented across four sub sections within this chapter, and each sub section explores the perceptions of the respondents regarding different aspects that the research focuses upon. Through this process the researcher created a broad representation of the people involved in developments in the city and provide insight into the ways in which these views interact and engage with one another. Each of the respondents provided a biased account of the work that they do, but by facilitating the different angles of the discussion, a common ground was found leading to the different stakeholders being able to provide insight regarding the aspects in which each of the stakeholders could improve. This was valuable to have because each of the different stakeholders in the process have not sufficiently engaged with one another, which has led to a situation in which solutions that have been proposed and implemented have not had the desired effect on the people that they were targeted at.

The first sub section of this chapter deals with the way in which Economic Empowerment has been enacted in the inner city, through the ICPS. This provides insight into the way that it has been implemented and the perceptions surrounding it. The second sub section engages with the significance of the responses to the first section by delving into their perceptions regarding its successes and the ways in which it has been implemented. This provides us with the first glimpses into the overall mind sets and paradigms of the respective respondents. The third sub section draws upon the relationship between economic empowerment and the developmental state, seeking to provide a sense of the extent to which the South African developmental state has impacted upon the live of its constituents and how the issues that plague the implementation of EE are systemic within the state. The fourth sub section contextualises these challenges as it affects planners, providing insights into ways in which the role of planners has contributed to the contemporary state.

4.2 Deciphering the Discoveries of the Research

4.2.1 The ICPS: The Chronic Underperformer

This sub section of the findings deals with the first sub questions of the research report which asks: "How has the CoJ and the ICPS by extension, understood and interpreted black economic empowerment in policy and practice?" This is a pertinent question to ask because the city is one of many who seek to bring about change in the inner city. The city is expected to provide the framework upon which all other work can be developed. These sentiments were reflected by those who worked in the city, who saw the intervention of the city as being crucial to any work that they undertake.

"The city is broad, you have to acknowledge that… we [prophab] are still a small organisation, but even if you are small that does not mean you cannot have an impact... The city is on a bigger scale, but we can be a part of it, if the city could acknowledge our contribution, then the city could make our contribution more visible so that others can emulate it, because it is a good vision. Imagine the impact that it would have on the city of there were more organisations like ours doing the same work that we do, it would be a beautiful picture. The city provides tenders for a whole range of things, but how is it contributing to managing agents to renovate and upgrade buildings, I think If it [The City] did something like that, it would make a huge, huge difference."

– **SANDRA**, Manager at PropHab

The vision of multiple stakeholders buying into the revitalisation of the inner city is not a new one to the city, as covered in the contextualisation section of the third chapter, the City implemented the programme of the ICPS to seek to create the conditions within which more developers would come to the fore, revitalising the inner city whilst changing the long term dynamics of property owners in the inner city. The latter mandate was only introduced by the city after they acknowledged the weaknesses of the BBP.

"The city's approach to development in the inner city is that we have come up with different programmes before. There have been programmes such as the BBP. There have been interventions in the past and focus has been merely around how to regenerate the city, how to renew the inner city, looking into a space approach, looking at the economy, changing the economy and making sure that the viability of the place is in place. But never did we look into the players, who are the players? … But as time goes on, it became quite clear that those that were previously winning the contracts, those that were still owning the inner city, continued to do that unabated, continued to have an exclusive ownership of the inner city, irrespective of the fact that even now the players within a governing structure are now of a non-racial mixture. But the reflection on the economy especially on the inner city, especially on property in the inner city did not change. It still remained like it was in the old order of Apartheid, of a white exclusive domain. So that was the reason why the city felt it needed to intervene in the form of the Inner City Property Scheme. The ICPS's main focus is around transformation. Its main aim is to affirm those that were not players in the property within the inner city… If the government does not intervene, this trend will still continue, if not become worse than before, when it was legitimised. We really think it's an injustice, and therefore for justice to occur, issues around equity must come to the fore."

– **LUCIAN**, High Ranking Official in the City of Johannesburg

With an increased emphasis on the importance of equity, the discussions that took place earlier in the research report within the conceptual framework with regards to Equality and Justice begin to gain significance. The definition of equality stipulated that all people have the right to begin with the same range of opportunities in order to achieve access to advantages. The efforts of the ICPS at first glance seemed to be in line with that, balancing the playing field so that the previously marginalised would have a stake in the development of the inner city. In relation to this, the conceptualisation of the term justice saw the redistribution of private property and the means of production in a way that was most beneficial for the least advantaged as the best way to achieve that mandate. Once more the ICPS correlated with that

vision as the purpose of the city to affirm the previously disadvantaged ensured that those who benefitted would have to meet certain criteria. The stipulation of the criteria was very specific to ensure that those who received the affirmation were those who required it the most. These criteria are also tied into other governmental support structures that the city implements to ensure the success of these developers.

"When we have properties that we want to put out on tender, we call for proposals. What we do is we specify what types of people should respond to those proposals … We just put out an RFP and people will respond to that RFP, and then we will evaluate based on our criteria for EE… A developer who can show me that they have experience, a developer who can show me their BEE credentials. I also want to know if there is women empowerment in there. Perhaps you will say youth and so on. We set up a criteria and of course access to funding is key … Your specs must be right so that you get the right response and the right mix. Then you will transact with whoever meets your criteria after you have done your evaluation of the proposals. As a city you will support them. How we transact is that we will give them a developmental lease agreement over a 30 or 99 year period against each property. We give you a lease fee that is favourable, we might even go as far as giving you a rates holiday during the time of development of that property, so that you are not burdened by costs. We also have what we call UDZ incentives which you can apply for, so that when you do a development in the inner city you get those incentives from Treasury. So in terms of your tax you get favourable deductions, you get incentives that are linked to that development, depending on the size of the development and its value. There are a lot of underlying incentives that one can get from the City and of course once you've developed, you'll be paying your rates and taxes. And we say you can hold onto the property for 99 years, or if you want to buy the City out, after 5 years of development you can exercise that option to buy, in which case the property becomes yours and you can sell it if you want to."

– **CALEB**, Manager in the City of Johannesburg

Despite all of the ways in which the ICPS ticks the boxes of equity and support for their developers, the project has stagnated. The vision of a rejuvenated Inner City is still largely at the same stage of realisation as it was when the city initiated the ICPS. The lack of progress has become so pronounced that the city has had no other alternative than to own up to its shortcomings. These shortcomings have revolved largely around the fact that many of the buildings in the portfolio of the ICPS are still untouched by developers as well as the fact that the few that have made it into the hands of developers are for the most part, are not been ineffectively utilised.

"The ICPS has had limited success, simply because you have bad buildings. But unlike during the days of the BBP, it's difficult for us to evict people from the bad buildings because of the Constitutional Court ruling that says when you have evicted people, you must provide them with alternative accommodation. The City does not have facilities where it can put people as transitional accommodation or alternative accommodation, so that hamstrings us in terms of how we can move and the impact we can have in terms of dealing with bad buildings… The worst buildings you can find in the inner city. They [SERI] will put a stop to that process legally. So the City is hamstrung in terms of what it can and cannot do with regards to bad buildings. It's not as easy as it seems and the Inner City Property Scheme has got limitations insofar as that is concerned."

– **CALEB**, Manager in the City of Johannesburg

"But what we are doing is that we are growing with these people… we went out of our way to actually make sure that … they got funding for working on these properties. We are not happy with the speed, absolutely not happy, we think they are very slow. We have more buildings that are in the pipelines. With the first group, we gave them thirty buildings. They've only renovated two of them. We are worried about the amount of time it has taken. We want to introduce a new set of people… giving them a similar offer, with the change being that we will insert terms. By setting timeframes in which they need to deliver, because if we don't give them timelines, these people can take forever and we have pressures around turning the inner city into a beautiful place."

– **LUCIAN**, High Ranking Official in the City of Johannesburg

The ICPS represents the only initiative on the part of the city that seeks to economically empower those who were previously disadvantaged people and who are interested in developing the inner city. The limitations of the programme show that despite the fact that the state claims to be concerned with empowerment in the inner city, it has not contributed in a positive way to the realisation of this objective through its use of the ICPS. These issues therefore raise the question that if the ICPS and by proxy EE from the City, is not having the desired effects on the Inner City, what are the effects that it is engendering? Buildings continue to be renovated and refurbished in the inner city, do the propagators of these renovations provide an alternative approach that the City could adopt?

4.2.2 The ICPS: Doing more harm than good?

The inner city of Johannesburg has, in recent times, become an area that has become synonymous with decay, decline and crime. The aims of the ICPS were to turn that around and in their pursuit of that, they identified beneficiaries who would prove to be instrumental in that process. The selection of their beneficiaries have drawn a lot of criticisms however, and that prompted one of the sub questions to be: How do the beneficiaries of the Inner City Property Scheme propagate the pursuit of Broad Based Development in the Inner City? This sub section deals with who the beneficiaries of the ICPS and by proxy EE in the Inner City have been and how they have contributed to the vision of Broad Based development. This was important to ascertain because although the aims of the ICPS were to bring about Equality and Justice, it has ended up becoming an example of the ways in which Economic Empowerment in South Africa has not had the desired effect. A representative of an Organisation that works in the Inner City summarises it as:

"The continuation of slums and decline is the status quo. Those are the issues that are preventing us from being able to achieve broad based development … The current situation that is being perpetuated by this "Ostrich burying its head in the sand" mentality is that the rich continue to be rich because they are able to raise funds… If the aim is that of economic empowerment? How does it serve our people? … it is a paradox of some nature. Yes there was regeneration, revitalisation, confidence exerted in a positive way to the investors about the inner cities, providing housing in the inner city when the BBP was in effect. But a side effect of what the ICPS has done is that it has reduced the availability of buildings and exposed the end user to higher rentals because at the end of the day... So to me that is the glaring failure of the whole concept."

– **THOMAS**, Officer at Trust for Urban Housing Finance

Many of the other interviewees agreed with this point of view, going further to elucidate on the issues that they felt were attributing to the problem that the city was facing with regards to rejuvenating the inner city. The issues were largely concerned with the fact that the impact that the city was having through the ICPS was actually negative because it was further excluding those who needed the help and restricting those who wanted to help.

"That idea (ICPS) of the City is not new …the City would prop up the money to people who would engage others to renovate …But I don't know who the beneficiaries are at this stage, that is the problem, but if that vision is still persisting in the City then I think we [PropHab] should also be considered, because we have that vision, and that vision was what the company was created to implement… So renovating these buildings allows us to rediscover our appreciation for these buildings, but how can we transform it without all the tools that we need?

– **SANDRA**, Manager at PropHab

"(The idea of the ICPS is) extremely wrong… The BBP was replaced by the ICPS. Now let's weigh and see here in terms of achievements. It has been nine years or so since the ICPS was launched. There is nothing that you can point to as a success. To say that this has been an achievement on the part of the ICPS. In less than three years the BBP program was able to actually initiate revitalisation of this City but in a manner that did not cover the PDI's (previously disadvantaged individuals). Our PDIs did not benefit out of the BBP. If they did, it was in the most insignificant way. A lot of big buildings were literally sold, for about a rand to an investor who demonstrated his interest by signing obligation agreements that he was going to renovate the building, which is exactly what we are doing! It was a great achievement but it only benefited the advantaged … There was nothing that said "twin with the PDI's so that there is a transfer of skills, equal opportunities." Thank God they noticed that, and stopped the BBP immediately but already some people had benefited…and they are buying buildings at expensive rates. Our people have still not been awarded an opportunity to taste the cake!"

– **THOMAS**, Officer at Trust for Urban Housing Finance

"It's [The ICPS] a crap policy I could be more technical if you like, but I think it is a poorly thought through and misapplied understanding of the property sector. I don't think that the lessons of why the BBP didn't work were then translated into the ICPS. The idea that the City could then take ownership of buildings, could gain them into some kind of portfolio, could sell them on was not a great idea to start with. It was not possible, I mean legally, you've got a bunch of legal instruments that say you simply aren't able to do that, so that's problematic. The second issue is that it was once again aiming for a gentrified, gentrification approach to a city, or inner city, population where… probably 3/4s of the inner city population are earning well below the R3500 margin. The ICPS… was looking at property and rentals far in excess of what would have to be about R12 000 a month. So it is misdirected in terms of who it was aimed at, who its target market would be after the ICPS was even put in place. Then the legal mechanisms and the institutional mechanisms weren't there. They simply don't exist, in order for the programme to take place. I don't think it's a good policy to start with. I

don't think it is translatable in any sense… I feel like the ICPS is not a good policy. There are better models out there, there are better models for both empowerment and to provide accommodation."

– **LILY**, Expert on the Inner City

The focus of the ICPS has been on empowering the developers to participate within the property market, but with the failure of the Scheme to be able to evict those occupying the bad buildings, it seems to have run out of other ideas on how it could propagate broad based development in other, more inclusive ways. The Scheme has defended itself against these critiques by arguing that the aim of the programme was never to provide housing as that fell within the jurisdiction of other bodies. The representative of the ICPS stressed the fact that:

"The inner city property scheme is more of an economic stimulation project in the property sector within the inner city. It's not a housing project as such. Its main objective is not provision of housing. There's a Housing Department of the City that has that responsibility …You also have the Johannesburg social housing company which is an entity of Joburg that provides social housing … They are struggling with providing alternative facilities … because they don't have enough stock where we can move people whilst their designated buildings are being developed … At the last count, there was something like 7500 people who are staying in buildings [that need to be evicted]…One has to take into account the fact that the City was not building purely for people who are in the bad buildings. Those are developments for people who were in the waiting list for housing, who had applied … (since] 1996, who still have to be accommodated, not purely people who are in the bad buildings. This is problematic because if you house them in those developments then it will be like they are jumping the queue. It's a very tricky situation we find ourselves in, but it is important to note that the ICPS is not a housing project. It is a property development, economic stimulation using assets in the inner city, attracting investment and facilitating access for previously disadvantaged, not a wholesale housing project. No we have a City Housing Department that is responsible for that and the Johannesburg Social Housing Company."

– **CALEB**, Manager in the City of Johannesburg

Thus within the microcosm of the Inner City, the research found that there were two different approaches to broad based development being utilised. These approaches were employed by the City on the one hand and small organisations that sought to renovate the Inner City on the other. TUHF is the example of these organisations.

"TUHF basically support very small scale landlords, across a range of scales, but they start with the small scale ... They will supply the funding … help you upgrade the facilities and help you with the financial management, so that it becomes a decent property. What they were trying to do was move buildings out of being slum buildings into being buildings that provided decent accommodation while at the same time ensuring that the very small guys, the very small owners have access to finances and they could grow and grow and grow"

– **LILY**, Expert on the Inner City

"We want people that were PDIs. Meaning immediately it excludes certain people that were advantaged, that's the first thing. The second thing is that even if that was the case (that you were a PDI), you need to have a certain amount of money because we give you a building and say … "Here's a building. The building is in a bad state. You must get R5 million to start renovating this building. You'll run with this building, collect money, pay us an amount every month up until say, 10 years or whatever period." At the end of the period this building gets transferred to you. We have our money, we have recovered our money. You have your money and you have a building, you are affirmed."

– **LUCIAN**, High Ranking Official in the City of Johannesburg

Whilst the City through the ICPS aims its interventions at a carefully selected group of people, organisations such as TUHF and Prophab approach development from the opposite angle, aiming to develop as many as they can reach. There was a degree of uncertainty that arose during the research with regards to the nature of TUHF's organisation, with the City claiming it to be a government organisation whilst others classified it as a private organisation.

"Similarly in the economy sector, people may want to participate in that particular sector but they might not have the track record to leverage funding from the commercial banks. That's why the government came up with funding mechanisms for people in the property space, such as … TUHF which is the Trust for Urban Housing Finance which is ***wholly owned by government****… But they are also players in the inner city space who provide funding at preferential terms, so they are also funding people that were previously excluded, so that is the transformation agenda that the City is also supporting. The City cannot fund you, we are not funders, we can provide you access to the property space by making assets of the city available, and you go and raise funding either through the commercial banks or state owned entities that do fund development in the property market."*

– **CALEB**, Manager in the City of Johannesburg

"TUHF is actually private equity. It's ***not like a government programme at all.*** *There is massive amounts of money running around for property investment …The SA property market was and still is in some cases offering that. The amount of floating capital that is around which isn't being used in the South African property market is massive! But that is completely separate to the kinds of government strategies of BBBEE."*

– **LILY**, Expert on the Inner City

Despite these discrepancies however, the kind of work that organisations such as TUHF and Prophab are doing in terms of assisting those who reside in the buildings reveals a polarising dynamic. This dynamic sees the targets of both approaches being completely different. The beneficiaries that the ICPS targets for empowerment are therefore not actually contributing towards the pursuit of broad based development because they are a select few whilst the definition of broad based, as provided earlier in the conceptual framework seeks to provide an equal footing for all, cater to a diverse mix and redistributes private property and the means of production in a way that is most beneficial for the least advantaged. The dynamic that is currently at play within the inner city reflects the different approaches to empowerment that are prevalent in the South African context, namely empowering the majority versus empowering the few.

4.2.3 Flaws of the ICPS reveals a bigger misconception

In the conceptual framework component of the research report, the ways in which the ideal of economic empowerment and the developmental state have been implemented within the South African context was covered in great detail. The purpose of that was to set the stage for its examination on a smaller scale within the ICPS context. This sub section reveals the effects of the evolution of the state's interpretation of developmentalism and empowerment since the promulgation of economic empowerment policy and how it has affected the lives of its constituents. It reveals the perceptions of the respondents with regards to issues regarding the empowering the masses versus empowering the few, the results of empowerment thus far and how the developmental state has manifested itself in South Africa. The development within the inner city, of a juxtaposition of approaches and ideologies is symbolic of larger mechanism that is at play. An interviewee summarises this to be an instance where:

"The one approach is to develop a new elite with the difference being that the skin colour is different and the other one is far more broadly based and I think you would have to develop a much more broadly based approach to economic empowerment in the country."

– **VICTOR**, Member of the National Planning Commission

The majority of those interviewed felt that the way in which economic empowerment had been implemented had only served towards the entrenchment of the elite. They advocated instead for the building up of the collective as opposed to singling out a select few to benefit.

"We've got a saying in this office that there are two angles here. One is the Cyril Ramaphosa angle and the other is a Simon Mzkhize angle. The Cyril Ramaphosa angle is a black guy who is very rich… and in that view he represents all the elite empowered type of group, be it white or black. But in the black arena he represents the empowered. The other angle is the Simon Mzkhize angle, who is an old man…He was a care taker in this particular building for years…We were able to lend (to) him. Since we lent him money until now, I am informed that he has paid off that building so in terms of economic empowerment, this to me is really economic empowerment. The Cyril angle is enabling one to perpetuate your business desires."

– **THOMAS**, Officer at Trust for Urban Housing Finance

"I would think that if you focus narrowly on enriching an elite or creating a black elite that does not necessarily assist in the building of an economy, you are not assisting anyone… It would be important to give access to the means of production to a number of entrepreneurial capitalists, who would be able to take us forward, who would be able to enter the space of innovation. It would be useful, but I think, when all is said and done, the best way of implementing development is always to try and bring as many people as possible into the fold…There are those people who will be looking for employment, who will start small/medium enterprises and I think that if you design empowerment interventions in a way that caters for this broad spectrum of people, you would be able to take us forward. Because otherwise if you just have these parasitic bourgeoisie, you are simply going to continue with the kind of economy that we have, which is not labour absorptive among other things, which is highly exploitative of workers and which excludes as many people, as many young people, as possible from participating."

– **JOHN**, Board Member at Gauteng Department of Social Development

There was however, a respondent who spun the discourse on its head, playing the devil's advocate. He argued that the few who were been empowered should rather be applauded for their efforts, and that we should turn our attention to criticizing the system that created the fact that only a few have access, rather than criticizing them for making it through the door.

"Let's take a look at the stock exchange. So far were talking about less than 3% that is black owned or part of that is BEE if you like…What does that say? It says that the people that were controlling and owning the economy in this country, are still in control, vastly in control. Let's look at the discourse that is critical of BEE…Many of the black people are critical of black empowerment and they are actually attacking those few people who have just started making the inroads into this economy. We've almost totally forgotten about the fact that the +95% is still owned by the people who used to be in control. If at all, we should be putting more effort to be critical of that system, than those who are just getting into the economy. This is not to say we shouldn't be critical of these people, but you cannot overturn the whole discourse, to be attacking the little, the few people that, yes faltering, are just making inroads. But the problem with this whole discourse is that we've turned everything around, but even worse, we are actually highly reductionist. It's like everyone, we are almost objectifying, abjectifying, to use Julia Kristeva's word demonising, anyone who seems to be making money and happens to be black in particular, when that person comes from the ANC…And that to me, that signifies a plantation mentality, that of attacking one another instead of really dealing with the enemy that is at the centre of the problem."

– **DARIUS**, Board Member at SACPLAN

Whilst those who argued that the masses should be the focus of empowerment were the majority, Darius's discontent with regards to the fact the system does not cater for broad based development provides a new paradigm to explore. Because whilst the City has proposed EE to be a vehicle through which the previously disadvantaged individuals gain access to the economy, the slow thoroughfare of those PDIs has resulted in a scenario where those who succeed are too few and far between. A high ranking official of the City stated that:

"BBBEE is an equitable way of addressing the injustices of the past. It is only fair that this system should be in place for as long as vestiges of the past, the past terrible laws, still have the effects of its ravages in many communities, still have deep rooted effects in many communities. If you go to many of those communities, and observe how people are living, it is still because of past legislation that they are in these conditions. So this intervention is really redressing the past, and for as long as the past is haunting us, I really think that we must continue with this intervention of BBBEE."

– **LUCIAN**, High Ranking Official in the City of Johannesburg

That is valid, but the fact that the mechanism through which these injustices are been addressed are only bringing about the transformation being sought at a snail's pace, demands an investigation into the mechanism in question. Some of the respondents supported this view, arguing that the concept has undergone a warping, causing it to produce unsatisfactory results.

"If you talk about economic empowerment as a policy of the country... I know that it has not been as successful as it ought to be, but as a policy I think it is the right policy, I just think that the discourse which informs economic empowerment is the wrong one, and it is defined by certain powers of white supremacy. White supremacy that percolates its thought processes of what they want it to be, and so the way that we think about economic empowerment is actually distorted … If you look at the stock exchange, if you look at land distribution, the breakdown of the so-called national cake, in terms of economic empowerment between different races in the country, you will realise that it is still a very small proportion of it that is actually accruing for blacks, blacks in general, but even less for black Africans in particular."

– **VICTOR**, Member of National Planning Commission

"In many ways, I think what is understood as empowerment in the South African context is largely an attempt at deracialising the economy, not necessarily improving economy development… Therefore, I think what has happened to a large extent, is that you've deracialised or you're attempting to deracialise, because there are only a few people that are benefiting from that process, so those few people have not necessarily become capitalist 'in the true sense of the word, but they've rather become parasitic bourgeoisie that relies largely on the state and serves as a mediator, and that does not assist economic development in any way."

– **JOHN**, Board Member at Gauteng Department of Social Development

The reason for this warping could be said to be a conflation, in the South African context, of political and economic objectives. These have been manifested through the usage of economic access as political leverage.

"Well, the way it has been implemented has primarily been a political project I would think, that happens in any context with elite formation, with people protecting their interests. There has been an element of a more broadly based approach ...So I'm not saying it's just about elite formation but the consequence has not been to significantly broaden the distribution of income in the country. There has been a reduction in inequality to a limited degree, but I think that has largely been because of the equalisation of state grants."

– **VICTOR**, Member of National Planning Commission

"I think the two (political and economic project) in SA are completely interlinked. The political project has been an economic project, because the disempowerment was a political disempowerment and an economic disempowerment. So you can't somehow disentangle the two, and also what we know, and this is true of all economies is that political power means economic power. If you have money, and large amounts of it, you can then contribute to the political direction of any country...the politics and the economics are totally intertwined, I don't think one can separate them. If you were asking me a slightly different question, which is "do I think that the project has been about creating wealth within a particular sub-set of society, which has been politically driven?" then yes, I think it has been. I think politicians have been careful around who has received the benefits of some of the big games, the big projects."

– **LILY**, Expert on the Inner City

At the apex of the warping that is seen, in the South African context, is the state. The conceptual framework detailed the ways in which the developmental state has been implemented both in the East Asian Tiger countries as well as in South Africa. The issues that arise in the implementation of EE can be traced to its conceptualisation as a Developmental State, because the implementation of that has also not matched the ideal. Asked about whether or not they felt the South African state encapsulated the ideals of a developmental state, many of them disagreed:

"I think the state certainly sees itself as a developmental state, but I think the problem is that a developmental state is not only about the objectives but also about the capacity, and unfortunately the state's capacity has run down over time. A developmental state needs strong internal capacity, so think that's a big challenge in terms of the ability to act developmental. A developmental state also requires progressive building up of education and skills, but our education sector is in a lot of trouble. And of course we've also faced problems with state corruption and so on. So I think the attempts to build a developmental state are there and I think that's great. It might get manipulated a bit politically but the focus on state capability and the focus on developing the skills base and the focus in terms of building from the bottom up is weak, so I don't think we can claim to be a developmental state, not in the sense of the East Asian developmental state, where state capacity was quite strong. Of course it's a bit more complicated for us because we are trying to build a democratic development state, which is different from the authoritarian developmental state in the East Asian, South Korean, Taiwan, Singapore etc. so it is more of a challenge, but we've still got a long way to go, And it's not certain with the sort of neo patrimonial state that we have, that we are moving quite far in the direction of, to improve state capacity."

– **VICTOR**, Member of National Planning Commission

"I personally think that the moment that you say you are a developmental state, the first thing that you should be able to do is to impart direction into the economy, so you must be able to put in place, incentives and disincentives that will push industries, firms and so on in a particular direction. You must be able to make them build the kind of economy that you want to build, and one of the things that you could require in exchange for supporting these firms, these industrials etc. is that they enter into economic activities that are labour absorptive, that they partner with as many previously disadvantaged people as possible. In spaces where it is possible to work with cooperatives, you create the kinds of partnerships that would allow for skills transfer and those kinds of things. So I think that the fact that we say that we are a developmental state would mean that we should invest in building capacity for reaching as many people as possible in the kind of developmental way that we are talking about. At the centre of the developmental state, is the whole notion of industrialisation in the economy... I do not see many links between this economic empowerment story and industrial policy as a starting point. Two, I do not see a situation where industrial policy has filtered down through to the different spheres of government. It might have done so in Gauteng …I do not know if that is consistent across all of the other provinces. So filtering what national government is saying down to provinces and municipalities is something else. So for me we are only beginning to conceptualise industrial policy that

can take us in the direction of becoming a developmental state, but we are not yet there. We are far from it, and I don't see us attempting to link BEE, broad or narrow to industrial policy."

– **JOHN**, Board Member at Gauteng Department of Social Development

The state's interpretation of EE and the developmental state have been largely revolving around the empowerment of a select few and the development of the capacity of that elite sect. This interpretation has had the effect of marginalizing even further the capacity, of not only those who were previously disadvantaged but of all the citizens under its jurisdiction. With the respondents arguing that the current configuration of the state is far from the ideal of the developmental state that it seeks to become, it therefore begs the question of what planners, as the strategic guides of the state, are doing to contribute towards the alignment of the contemporary state, with the vision of a truly developmental state, that seeks to build capacity?

4.2.4 The Contributions of Planners to the Vision of Development

The purpose of the segment within the conceptual framework that was dedicated to exploring the role of the planner, what planners do and how they go about their business serves as the platform to engaging with this sub section. The contested role of the planner within the state has often resulted in planners developing different parts to play with little consensus being reached with regards to what the role of the planner should be. This has created discrepancies in terms of how different planners conceptualise the state and their role in it. An objective in this research report was to seek to understand the perspectives that planners employ with regards to their profession. This was encapsulated by the sub question: To what extent are the realities facing South African citizens a result of the manner in which planners have understood and conceptualised the developmental state? This sub-section probes the perceptions of planners and reveals the different ways that they perceive the problems within the state as well as what these perceptions have meant for the communities they plan for. An important component of planning revolves around the way in which planners understand and conceptualise how much influence they feel the profession can have on the state at large. Amongst my respondents, there were planners like Victor who sat on a Council that dealt with planning related matters, who felt that:

"The planning system in the broad sense of a strategic planning system in the country is far more coherent than it was in the past… I think in terms of strategic planning nationally, there is a lot more

coherence … I don't think it's the planner's role, I mean a planner producing a plan, it needs to be an implementable plan … There is that link, but you can't say it's the planner's role essentially for implementation. I think there is reasonably good strategic planning that is happening in the country. There is the weakness of implementation and then there is the problem of the diversity of different interests with a fairly weak centre. So although the planning system might be coherent, it doesn't make the government overall coherent ... So planning can't do everything. Planning is a limited instrument, I think planning is better than it was before, but by sorting out planning, you are not going to sort out the problems. You've got to sort out the problems politically. You've got to sort out the problems institutionally, and you've got to develop the implementational capacity and everything can't be burdened on planning."

– **VICTOR**, Member of National Planning Commission

Some of the other respondents felt that this approach resulted in the pigeon-holing of what the profession could do and what it could achieve. They felt that there were ways in which planners could still shape the direction of development even in those roles. These planners such as John, who has worked within the state, felt that:

"There is a tendency of talking of planning narrowly, as spatial planning, as land use management and all of that. If you speak about planning in that sense, it would mean that you design interventions in the built environment space in a manner that allows for a developmental state and industrial policy to be implemented… As a planner you would be very central, for instance in the development of the Integrated Transport Plan of the CoJ, and part of that Integrated Transport Plan of the CoJ would include the Rea Vaya. What the Rea Vaya would entail? Is there a need to set up the infrastructure? So in the actual construction of roads and all of that, who comes in, with what material to build those roads? Its an important consideration to make, but once those have been laid out, where you source the buses that then travel on those roads becomes a second critical component of doing industrial policy. So if we are not producing buses locally, this Rea Vaya project, because you are now implementing it in every city in the country, if Johannesburg bought buses from Germany, let's make sure that when you do it in Cape Town, eThekwini and Polokwane, you are now having buses that are sourced locally. For me, in that way, through your transport plan, through your Rea Vaya project that you could be managing as a planner you have contributed to industrialisation and to empowerment because you are talking local content, you are talking development of skills and so on."

– **JOHN**, Board Member at Gauteng Department of Social Development

Whilst other respondents completely disagreed with the conceptualisation of planners contributing towards the developmental state, arguing a more damning perspective, which was that planners were not actually contributing towards the broad based development of its constituents.

"Planning is contributing to neoliberal nation building… It is contributing to the creation of spaces and society that is marked by class and race division. If you have the money, everyone has the money, black, white, yellow, whatever. If you have the money then you will benefit from this. Class! If you are White, by large majority, yes! But … if you are poor, you are not going to get much from planning, I can tell you that! I mean we don't even get the kinds of houses that suit our own cultures and values. It's pathetic! It's just that we are so used to these pathetic things, that we've made it to be normal… I think planning has been weak in the sense that, although we say we are more participatory, the participation itself is either truncated or placated. On Arnstein's ladder of participation, we are actually operating at the bottom."

– **DARIUS**, Board Member at SACPLAN

The significance of the plethora of perceptions, regarding not only the role of planning and its efficacy but also what it is propagating led to the questioning of who the policies of the current approach were benefitting. In the conceptual framework, it was shown that planners were or should be contributing towards the creation of a just city, one that ensured greater justice in their policy formulation and implementation. The current direction appears to be that:

"Planning is helping to at least renovate certain spaces. We have seen that Braamfontein is back! The question is back for whom? If we are going to create a revamped city as Neil Smith puts it, upgrade it, make it better and then the people with money come in … And those that were here we push them forward, and we carry on with that sort of thing. What are we really doing? Because that is what planning is doing, to a large extent. Planning in general is not really accruing a lot of interest and benefit for people that are actually poor… [And that holds true] even when you provide that RDP house… In [a research report, a researcher] indicated that a lot of people are actually selling those RDP houses, hence the government has become concerned that people are selling their houses. You know why? In terms of cost benefits, they are not realising the benefits of having that house."

– **DARIUS**, Board Member at SACPLAN

One could argue that the reason why planners engage in the type of work that is outlined above is due to the fact that they are often naïve as to the economic impact of their actions. This naivety proves to be even more costly when one takes into account the fact that much of the work that planners undertake are so heavily impacted upon by the market. A point that is further explained by Darius:

"Planning has adopted the ethos of individualistic values, hence things such as privatisation, competitiveness... Define the interest of the individual and undermine interests that are associated with the public or what could be communally shared. So this individualistic ethic, if you like, has percolated to the extent that even public projects or public structures that are supposed to be shared by everyone are now compromised. So you see that spaces are now largely becoming more individualistic. Let's look at all spaces. Most of the spaces that you see are marked by ownership. They are marked by times that you can be there and they are marked by in/outs kinds of ethos. Not to mention the walls and the high fences and so on. Let's look at Braamfontein. [it is] now marked by class. You can only be here if you as an individual has the money to buy and consume, or else your value is really thin there, You can walk through, don't sit here for too long. But that is the reality, you might say. But yeah, there are RDP houses, but RDP houses are precisely the outcome of planning. That is the success of class definition. Because the moment you have RDP houses, that's really the classic outcome of class definition in the city. You know where they are, you know for what class they are built. They are on the outskirts, they are nicely packaged for you to define where they belong. Out of the city, with the monotonous design, that is what it is."

– **DARIUS**, Board Member at SACPLAN

These perceptions are an indictment on the ways in which planning has been conceptualized and implemented. These perceptions reveal the underlying issue which is that regardless of how one conceptualizes planning, whether it be spatial intervention or strategic guidance, the manifestation of these decisions have had profoundly negative impacts on space and those who dwell within it. These interventions have also continued to propagate the very structural inequalities that they were seeking to undo, not unlike the way the misused vision of EE in the form of the ICPS has hampered the rejuvenation of the Inner City. With many similarities becoming apparent between the pitfalls of EE and the shortcomings of Planning, it stands to reason that many of the solutions that can be applied to EE can also be applied to planning, hence the research question of my report: How can the formulation and implementation of economic empowerment policy, in the property development sector, influence planning's scope for Broad Based development.

4.3 Summarizing the Discoveries of the Research

Major Findings of the Research Endeavour

- The ICPS has been ineffective in its attempt to implement broad based development in the inner city of Johannesburg
- The failure of the ICPS has resulted in the limitation of other stakeholders to contribute to the fulfilment of broad based development in the inner city of Johannesburg
- The failure of the ICPS to effectively implement EE can be traced back to the state's failure to effectively target the building of the capacity of those at the bottom, resulting in more of a Neoliberal State than a Developmental state
- Planners have underestimated the impact that the profession can have and as a result have contributed to SA's misapplied rendition of the developmental state.

The role of the City is to provide guidelines for the other stakeholders involved in the process to follow. In the property sector, that guideline was the ICPS, which claimed to be a programme that had learnt from the failings of its predecessors, the BBP. The ownership of property was intended as the vehicle through which equality and justice would be achieved, by identifying targets who had been previously disadvantaged. These attempts have been unsuccessful with many of the buildings identified for revitalisation, remaining in the same state of decay. The ideal of creating equality and justice for a broad based constituency is important for any redistributive policy, yet the implementation has gone wrong because the wrong targets have been set within the ICPS. The failings of this scheme would be attributed to the system of oppression that hierarchy engenders, which uses private property ownership as a tool, by the Marxists (Kymlicka, 2002). The efforts of the ICPS has resulted in a situation in which the inhabitants of the 'bad buildings' have assumed the role of the worker or proletariat in Marxist thinking, and have become alienated from the spaces in which they live and exploited by the expropriation of their living spaces. The ICPS has become a misshapen irony of itself because its efforts to create more equality are resulting in higher levels of inequality as the few buildings that undergo the process experience gentrification. The previous inhabitants are evicted from their homes and the spaces are rented/sold to wealthier class of people. The very beneficiaries of the Scheme are a select few that have been chosen through a rigorous process that excludes those with little or no resources and capital, the very people the redistributive process such as the ICPS should target in the first place.

The exclusion of these individuals through the policies that are designed to help them mean that even more of them remained mired in poverty because the avenues for them to gain financial independence are blocked off and unavailable to them. As mentioned above, the City is responsible for creating the framework within which other groups and individuals can contribute to the vision of a better, more inclusive city for all, but if the City fails in that regard, that creates an untenable position, one in which those who seek to help are hamstrung and blocked by the City (Fainstein, 2006). This occurs within the inner city through the buildings that the ICPS targets becoming unavailable for other organisations to intervene. Therefore whilst the building is not being renovated by the ICPS, it continues to propagate an image of the inner city buildings being 'bad', an unwanted situation for the City, the organisations working in the inner city as well as the inhabitants themselves.

The misapplied vision of EE in the ICPS serves as a microcosm through which one can begin to identify similar misapplied visions of empowerment occurring across the fabric of South African development. The gap between not only the rich and the poor but also the poor and the middle class is growing ever wider. The purpose of redistributive policies is to provide those without access to opportunities to develop their capabilities an avenue to do so (Sen, 1980). In the South African case, its developmental state has been unable to funnel those opportunities to those at the very bottom, with only those who have access to opportunities and information being able to take advantage of the redistributive policies. This has resulted in a characteristic of the South African developmental state being the growth of a group of black bourgeoisie reaping the benefits of a policy that is aimed at developing the capacity of the masses. Whilst this situation is unsustainable, the crux of the fault does not lie with these entrepreneurs who are taking advantage of the opportunities, as the state had intended but with the state for creating a system in which the middle and the upper class have more access to the opportunities being generated than the lower class for whom the opportunities should be provided. This shift in target from the state can be identified through its focus on thirty to sixty individuals to regenerate inner city buildings that cater to hundreds of thousands. The discussions highlight the issues that plague not only inner city development but the planning profession as well. The misconception of planners with regards to the role that they fulfil within the state has resulted in planners becoming more often than not those who implement plans rather than those who guide their formulation. The result of the implementation of plans is that planners are translating the misapplied vision of EE spatially, which has led to the further entrenchment of inequalities and the continuation of divisive fragmentation.

Chapter 5: DIAGNOSIS AND PANACEA: PROPOSING SOLUTIONS TO BRING ABOUT BROAD BASED DEVELOPMENT

5.1 Gathering one's Bearings

Over the course of the research report, the different stages of the report have sought to delineate the string of logic that connects the seemingly disparate topics. The conceptual framework provided the understanding of the term broad based, which was utilised repeatedly by the state in order to substantiate its vision of economic empowerment, cannot be attributed to EE as a characteristic. The translation of the vision of economic empowerment in South Africa has fallen short of its lofty aspirations and resulted in a misshapen rendition instead. This rendition whilst problematic, is trivial, when it is recognized as a symptom of an equally warped manifestation of the developmental state in South Africa. These conditions, which were already objectionable, served as the arena in which the insecure planning profession, seeking validation, was placed. This insecurity has made it amenable to manipulation by the state, enacting policies that did not benefit those placed under its jurisdiction. Therefore whilst, in recent times, the planning profession has sought to atone for those sins, there is still room for improvement and with many of the issues that plague it being similar to the issues that plague economic empowerment, the use of the ICPS as an example could reveal ways in which planners can head in the right direction. Economic empowerment, and by extension the ICPS, much like the planning profession has knowingly or unknowingly furthered the development and entrenchment of the elite over the development of the majority (Broad Based). This final section deals with solutions that can be implemented in order to improve things in a multidisciplinary and more inclusive way. It will also elucidate upon the challenges that were faced in the compilation of this research report, the lessons that were learnt through the process as well as identify areas of research that could be taken up in order to develop on this research.

5.2 Addressing the Structural Issues of the Problem

The influence that the formulation and implementation of EE policy, in the property development sector, can have on planning's scope for Broad Based development is that it can teach us a series of lessons. The comparisons that have been drawn between EE and the planning profession have been to investigate the phenomenon that ails both areas and how it can be utilised to provide solutions. This sub section will seek to answer the last research sub question which was: Has planning actually grasped the potential benefits or pitfalls of economic empowerment?

Many of the pitfalls that resulted in the misapplied vision of Economic empowerment have to do with the fact that there was no real engagement and support for those who were at the bottom of the chain. This component which could be described as being broad based entails ensuring that those on the outskirts of the economy are included in the processes. In order to achieve this, the state would have to develop the capacity of those people and build from the ground up. Many of the respondents echoed this sentiment:

"I think what would really help [EE] is support for small scale entrepreneurialism, and a lot more active support, I mean there is support now but a lot more active support than is currently happening, and to build entrepreneurialism bottom up rather than through the big deals. And in that way, we can move towards a more broadly based approach…"

– **VICTOR**, Member of the National Planning Commission

"I would focus my stimulation from the ground, from the community, I would need to put legislation but more than anything, it has to be on the ground, so what I would do is that I would try to mobilise community, individual funding or resources... I think you would be creating more jobs, more small businesses, just in terms of investment and economic empowerment. For me that would be economic empowerment."

– **DARIUS**, Board Member at SACPLAN

"TUHF's alternative is a good alternative, the very small approach, the small land landlords, moving them up the chain, access to small equity deals, those are really the kinds of things [that would work]."

– **LILY**, Expert on the Inner City

Another of the key components of the state moving towards a rendition in which it builds and develops on the capacity of its constituents is that it collaborates and

pools its energies with those who are working towards a similar vision. This does not only entail collaboration within and between the different government structures but also with organisations and stakeholders who inhabit the realm within which these developments are taking place. The onus is not only upon the state however, organisations have to also pull their weight and organise themselves in order to make their petitions to the City impossible to ignore.

"One of the key things for me, is to ensure that all of government speaks the same language... because if we do so, we will be able to know… which sectors, which provinces and which municipalities we are prioritizing... Once we have agreed on that, we would all know what incentives and disincentives exist in relation to supporting textile or furniture, and we would be able to utilize those instruments to influence where industry would invest, and where it wouldn't invest. That is the first part of what you could do... Secondly link all of these instruments such as preferential procurement, which is linked to empowerment, to some agenda of empowering your SMMEs, your cooperatives which are run by people who were previously marginalised ... So understand the value chain, intervene in each component of that value chain, and empower people in those aspects and make sure that the big monopolies and so on work with these small firms to build an economy that you desire. For me that is how you link your empowerment interventions with industrial policy and if you do industrial policy well, you are building towards a developmental state."

– **JOHN**, Board Member at Gauteng Department of Social Development

"We [Prophab] also believe that in order to address these issues there are three parties that must play a role. It is not simply about us contributing, it is about the City, the community/the people and us. There are limitations on the impact that we can have because we have to work within a framework. The City has to give that framework for how buildings must be developed in the inner city... Managing agents also have need of a forum, in which they could network with other people who are also working in the inner city, to create a common vision, which is something that we can outline at this point as something which we do not have …The problems that all the people living in the inner city and those that have or manage properties in the inner city can agree on would be discussed within the forum, without external biases."

– **SANDRA**, Manager at PropHab

"We are quite open in the stakeholder engagements, We have on an ongoing and a continuous basis got more and more people involved in the inner city, stakeholder engagement … With regards to stakeholders you will always get people that are crying "it is not enough, you could do more" I agree!

But our doors have always been open … For any city issues with regards to stakeholders, we are always happy to meet with them on an ongoing basis. The more that they are organised the better for us, because if we have to deal with them individually, it takes time. But if it is a group of people that come together…We do listen to them and respond to issues as they raise them. On an ongoing basis we meet with various stakeholders."

– **LUCIAN**, High Ranking Official in the City of Johannesburg

There are many difficulties and dangers that lie between all those who seek to make not just the City, the inner city but also the country more broad based, but the most pertinent danger is the divisions and disagreements that are bound to erupt. This is because each party enters into the arena with an agenda. But it is imperative that these agendas do not deter or hinder the realisation of the common vision that they all share. It is inevitable that the different parties will have to sacrifice something, but if it is towards the realisation of the common goal then it is worth the sacrifice.

"Well the problem is that economic policy is so contested. There is such deep divisions, social divisions, if you like The social pact that was produced in the 1990s, has unravelled to some extent. I think a re-stitching of the social pact, would be necessary. The give and take between different players. And I think maybe if we enter into a period of real economic crisis, maybe that is the opportunity to do that… The question is what would it take to develop the kind of social pact that can produce some sort of coherence in terms of economic policy? At the moment everyone is pulling in different directions, fiercely contested. To develop a system for more broad based economic development requires some sort of commitment from business, government and labour, and some sort of agreement and pact between them which would require some sort of give and take."

– **VICTOR**, Member of the National Planning Commission

"I would want to see a scenario, and this is obviously farfetched, where the government says "in the next 5 years there will be no salary increases for the ministers." To me, that would be a demonstration. You can't go out there and criticize the mining sector for increasing salaries for private CEO's, who are earning salaries that are unimaginably huge and simultaneously the government is doing the same thing!"

– **THOMAS**, Officer at Trust for Urban Housing Finance

It is not only the state and those who are involved in developments in the inner city that need to learn of the importance of engaging meaningfully with others, but

planning as well. The planning profession needs to make its peace with the fact that due to the nature of its involvement in many other fields of study, there are bound to be areas in which their expertise is limited, areas in which the understanding of other disciplines are simply greater than their own. One of those areas is the field of economics, which is not only pertinent with regards to this specific case study but also the general practice of interventions that planners propose. If planners engaged with the principles of economics, many of the interventions that sought to bring about economic development and empowerment would be vastly more effective due to the fact that the interventions were laced with an understanding of the economic dynamics in the area.

"I mean of course there are planners who are engaging quite deeply in terms of economic aspects, but if you are talking about spatial planners, more specifically and more narrowly, the answer is of course, they have to [engage with economics more]. One of the problems is that a lot of the planners are fairly naïve in economic terms because spatial planners don't have enough grounding in the economic realities, possibilities and opportunities."

– **VICTOR**, Member of the National Planning Commission

"I just think that, planning for a start needs to realise that there is no way it can be successful without engaging other disciplines... This is where planners can actually make a difference… by working with engineers, media, anthropologists, sociologists and so on and so forth…You need to bring various actors into the process so that whatever you are doing. Your products are not objectified, they are not defined by class, and they are not defined by race, in particular implicitly."

– **DARIUS**, Board Member at SACPLAN

The lessons that the planning profession can learn from economic empowerment are not solely restricted to the importance of engaging with other disciplines but they are interwoven into the problem which is described succinctly:

"Planning has been overwhelmed by market interests in my opinion, which are highly individualistic, they serve competition, and so the outcomes of planning tends to serve the interest of the market rather than of the people. Henceforth benefits that accrue from planning, if at all they benefit the poor, it is just because maybe there is another legislation or policy that requires the attachment of the poor in the improvement of a particular space. Planning to a large extent has reconfigured, I'm talking the CoJ or the Metros in this country, has reconfigured space in such a way that it is fragmented along the lines of class, along the lines of race. Basically, somehow we are completing the apartheid project."

– **DARIUS**, Board Member at SACPLAN

Once planners have been able to engage meaningfully with the fact that the economic aspects of an intervention is just as important as the social and the environmental, then they might find, that many of the problems, which they have been grappling with, required the economic dimension to be considered, in order to make it successful.

"*Should planners engage more with the economic aspects of development?*"

"Absolutely! 100 thousand percent! …We don't engage enough in the economic implications of what we are doing, we tend to think often …in a very pro poor kind of way, which is great, but we don't necessarily think through the economics of how these things work, how the financial models can really be put in place to sustain low income accommodation, sustain rate spaces in cities, those kinds of questions which are really important actually, which make the difference to poorer people's lives in a lot of ways. I don't think we really engage in it, and I don't think we talk about it enough ….We don't really consider [the fact that people make a lot of money out of property] when we do a lot of our planning schemes, and we also don't leverage enough out of property…Planners in the city are certainly getting better at that, and we're seeing it both in the corridors. We're seeing it in the mixed housing developments … But up until now, I don't think that we have been considering the economic aspects well enough. Either in terms of how the city will benefit or the individuals, the small guys, who need to be empowered, I don't think any of us have been considering that enough."

– **LILY**, Expert on the Inner City

"Always! Because for instance, we've been chasing the housing backlog since 1994, and it keeps growing! It doesn't matter how many houses we build per year, it doesn't matter how many title deeds you transfer and so on. That thing is growing, why is it growing? … About 60% of those people [in SA] earn below R3500 a month. Those people who earn that much are the same people that the state must

cater for… What is the way of shrinking this number? The way in which you can shrink this number does not lie in you building many houses. It lies in you creating as much employment as possible, as much economic opportunity as possible, so that you have fewer people earning below R3500 a month. So your housing question is in fact an economy question, it is about how you shrink the number of people who are low income or no income earners and you expand your middle income category of people, your richer people etc. This is because if you expand your middle income section, you shrink your low income section, you shrink the backlog, and you shrink the need for the state to provide housing. So if you are a planner, you cannot narrowly be interested in the housing backlog and those various programmes, provided for in the National Housing Code to try and resolve the housing question... When you say that you want to restructure the economic geography of the city, you want to bring people closer to employment and bring employment closer to people, what does it mean? It means that you must build an economy in townships like Soweto, literally. Now if you are narrowly interested in arranging land use elements and all of that, and not interested in the mechanics of economic development, how are you going to bring people closer to opportunities and opportunities closer to people? You need to be deeply interested in the workings of the economy, because at the centre of development, is economic development."

– **JOHN**, Board Member at Gauteng Department of Social Development

The benefits of engaging with other disciplines and of engaging with the economic aspect of development are immense. The planning profession might be the "jack of all trades and master of none" but what that also means is that the planning profession is in the best position to be able to coordinate the efforts of all those who are working towards the vision of creating a Just City. The knowledge that the planning professional has, and the skills that they have honed, with regards to been able to liaise with different stakeholders, will be invaluable in the pursuit of reaching a state in which all parts contribute towards a greater whole.

5.3 Emerging from the Trials and Tribulations

From the outset of the research endeavour, one was forewarned as to how challenging this report would be, but facing the realities of it is another matter entirely. The deceptively straightforward task of producing a report belies how

demanding that process will be whilst in the midst of it. The first challenge that it presented was that the assignment could not be approached with the same mentality of previous submissions, in terms of the amount of time spent defining clearly what the objective is. In retrospect, I did not spend enough time refining what the objectives of the report were from the very beginning, only truly understanding it and getting to grips with it much later. This was detrimental as this research required constant interrogations of one's perspective and ensuring the argument remained coherent. Going forward, I have learnt the importance of engaging deeply with the initial research question and objectives as that sets the tone for the rest of the report.

Given the fact that my research relied heavily upon the input of respondents in order to gain a sense of their perceptions towards certain issues, human engagement was key to the success of this report. The pace of this process was hampered quite significantly by the slow and laborious process of setting up the interviews, which were extremely difficult as the responses were often slow, if they replied at all. With the interviews trickling in, it was very difficult to gain a sense of the overall perceptions as the interviews were spaced so far apart from one another. Even when I had managed to secure the final interview, it was at a much later stage than I had initially anticipated and as a result, I had a limited period with which to engage with the findings. Learning from that, for my reports in the future, it would be imperative to ensure that the engagement with the respondents is secured much earlier in advance, instead of waiting until I was ready before reaching out to them.

The objective of this research report was very difficult to pin down in the initial stages of conceptualisation, with the area which I wanted to investigate quite clear in my mind (EE), the challenge was figuring out how to go about it. A significant amount of time was lost because I remained fixated on an untenable approach, which blinded me from the other avenues in which this report could be investigated. This has taught me the importance of remaining fluid enough to accept when you have made a fundamental error in your normative formulation. At the same time I think that I spread myself too thin by trying to cover too many concepts at the same time. The pursuit of an investigation into the 'Bad Buildings', the Developmental state as well as perceptions surrounding the planning profession resulted in each of the components only been briefly touched upon, resulting in a report that can serve as a foundation into these components as opposed to an engagement with a specific aspect.

The task of compiling a research report is a very challenging one that induces a burst of growth, the challenges of creating the report have been highlighted but the reality

of life is that each challenge simply presents you with an opportunity to grow and develop. This research endeavour has ensured that I did both not only as a person but also as an academic. This research endeavour entailed engagement with a series of knowledgeable respondents. Their valued insights were greatly appreciated, but laced within their persuasive arguments was the risk that the research would be won over to their perspective. Engaging with these individuals taught me the importance, as a researcher, of maintaining one's own perspective throughout the constant stream of persuasive arguments and remaining open minded with regards to seeking to understand the standpoints of others. It also taught me the value of time management and remaining professional because not only does one have to make the most out of the allotted time in order to be successful but one has to also be cognisant of the fact that the people you engage with are not obliged to respond to you, so you should be appreciative if they do and professional if they do not.

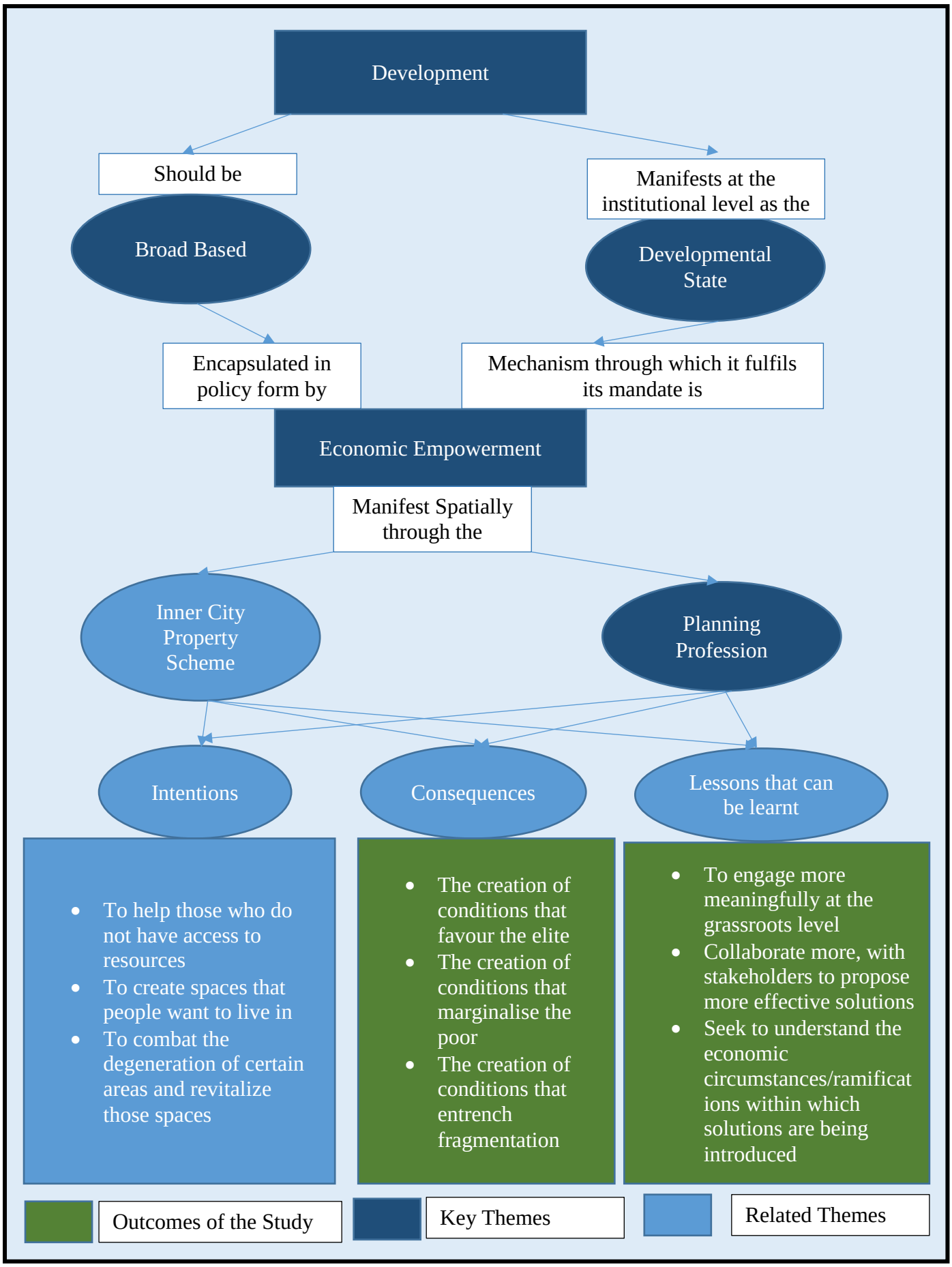


Figure 5.1: *How did the themes come together?* – A diagrammatic representation of the linkages between the Key Concepts and how the consequences and lessons for both the ICPS and the Planning profession are similar.

5.4 Passing the Torch

This research report serves as the foundation into many realms, which I believe have been left unexplored by the planning profession. These realms draw on many other fields of study but it does not mean that it is exclusive to them. The beauty of the planning profession is its ability to amalgamate a wide range of different perspectives and provide an informed view. This ability has been eroded over time as planners have sought to carve a niche for themselves, separate and distinct from other professions in areas such as spatial planning and land use management. These areas are worth considering but they are only skimming the surface of what a planner can achieve and the impact that they can have, not only on the physical realm but on society as a whole.

The areas of study that could be studied further have all been touched upon at different stages of this research report. The first way in which this research could be taken further is through investigations into the ICPS. This path would seek to investigate how the issue of inner city 'bad buildings' has been conceptualised and framed for state intervention by the City of Johannesburg (CoJ). The case of the ICPS in this report has been investigated in broad strokes, but a researcher seeking to take this further would place emphasis on the conceptualisation of the "bad buildings", seek to understand the dynamics that perpetuates it as well as the people that dwell within it.

Another way in which this report can be explored in further detail is by investigating the manifestation of the developmental state in SA. The usage of the developmental state in this research report was simply to draw attention to the link that it has with the projects that the city initiates as well as the ideals that it strives towards. An exploration into this area would seek to understand why progressive policies seem to, more often than not fail. This could be examined through the lens of a case study that highlights this reality.

The last avenue that can be explored pertains to investigations into better ways in which economic empowerment can be implemented. This investigation, much like the previous example, could utilize different case studies to understand the ways in which BEE and BBBEE programmes are implemented in the city. Examples of case studies that pertain to the CoJ are Jozi@Work, the Inner City Property Scheme and construction tenders processes. These are only a few examples of the ways in which this research report could inspire others to examine matters of urban change and

question the state, its practices, perceptions, machinations and modes of implementation. The function of the state is to shape the city and it is our mandate as academics to investigate the extent to which it is fulfilling its role.

5.5 Concluding Thoughts

This research report was about challenging the conceptualisations that not only the City has about broad based development and Economic Empowerment but also the conceptualisations of planners and their role in the engendering of this. These terms have become so common place that each party assumes that their definition correlates with that of the other parties, but that is not the case. The truth of the matter is that the lack of clarity with regards to the conceptualisation of these terms has resulted in equally distorted manifestations. It was imperative that the different ways in which the different parties interpret these terms be made clear, so that we can all begin to work towards a unified vision. In the pursuit of this unified vision, it is important that the developmental state is not an ideal that only City officials must aspire towards but planners as well. The development of the capacity of individuals within society would address many of the concerns that planners have become preoccupied with. This development would be impossible to achieve until planners not only engage with the state, in order to guide it towards being more developmental, but also engage with the economic aspects that influence these developments.

The distance that planners feel towards the economic aspects of the development of city has resulted in our plans for those developments lacking the economic relevance to stay sustainable. We need to take more cognisance of the effects that our plans have on the people we plan for. Many of the interventions that planners have implemented such as the RDP have not taken the economic factors at play into consideration, such as in the case of the RDP, the needs of the people for employment or the use of the building as economic collateral. These oversights have resulted in the results of planning becoming the instruments of structural class division. The research report attempts to create a comparison between the ways that planning has prioritized the rich and marginalised the poor, with the way the government's BEE policies have only benefitted the empowered and failed to effect Broad based development.

Stories such as the one below, told by Thomas, about a care taker whose boss left him in charge of the building when he immigrated to Australia, represent part of the

reasons why it is imperative for planners to play a more active role in enhancing the capabilities, and providing the opportunities, for those who do not have the access.

"A guy who has been sweeping the building since 1958, he had nothing, I looked at this old man and he told me a lot of things about the building, a lot of things about the area in which the building was located and he was 80 something years old….If a guy who cannot speak English, who cannot write his own name, is able to run a building on behalf of someone who is not in the country for years and years at a time, dating as far back as 1958. Was just a sweeper, has become more of a caretaker than a sweeper, why would I not fund that type of guy and guess what? I was thinking about doing just that and 3 months down the line, the old man died. It's one of the experiences that I continue to think about because that old man stayed in a room smaller than this for the duration of the period between 1958 and the time that he died. He had a single bed, the storeroom was a place where a lot of goods, that had been left behind by previous tenants, were the only things he owned in his lifetime."

– **THOMAS**, Officer at Trust for Urban Housing Finance

I think that we, not only as planners, but as functionaries of the state as a whole, have become too caught up in the intricacies and logistics of economic empowerment, so much so that we have lost sight of the reason why it was so important to initiate policies like it in the first place. Many people who were previously disadvantaged are still unable to lift themselves from the cycle of poverty and deprivation. The contributions that these people could have made, and their vast potential have gone unfulfilled. The benefits of economic empowerment are only primarily about empowering the black people, secondarily and more long term, these benefits would ripple across the country as capable individuals would be abundant and there would be lower levels of poverty and by extension less people that the city/country would have had to cater for. These vibrant potentials could have made the country progress in leaps and bounds but instead we are all stuck wondering what the missing factor is, that prevents us from escaping the mires of 'maldevelopment' (Darius, 2015). My greatest fear, and what I believe should be the country's greatest fear is the fact that we may have already lost that next great potential, which would have taken us to the next level. Every day that we hesitate to correct the glaring weaknesses of our implementation is another opportunity that that nightmare is given the chance to be made manifest.

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Annexures

Annexure A – List of Interviewees

Darius - Respondent A, Board Member at SACPLAN. Date Interviewed: 28 August 2015. Place Interviewed: 2nd floor Office, University of Witwatersrand, Johannesburg.

John - Respondent B, Board Member at Gauteng Department of Social Development. Date Interviewed: 9 October 2015. Place Interviewed: Umthombo Building, University of Witwatersrand, Johannesburg.

Victor - Respondent C, Member of the National Planning Commission. Date Interviewed: 21 September 2015. Place Interviewed: Post Graduate Office, University of Witwatersrand, Johannesburg.

Lily – Respondent D, An Expert on the Inner City. Date Interviewed: 29 September 2015. Place Interviewed: Post Graduate Office, University of Witwatersrand, Johannesburg.

Sandra - Respondent E, Manager at PropHab, Property Rehabilitation, an Organisation involved with Inner City Regeneration. Date Interviewed: 7 October 2015. Place Interviewed: Unit 4 Brenthurst Place, 2 Paul Nel Street, Hillbrow, Johannesburg.

Thomas - Respondent F, Officer at Trust for Urban Housing Finance, an Organisation involved with Inner City Regeneration. Date Interviewed: 9 October 2015. Place Interviewed: Libridge Building, 10 Hoofd Street, Braamfontein, Johannesburg.

Lucian - Respondent G, High Ranking Official in the City of Johannesburg. Date Interviewed: 13 October 2015. Place Interviewed: 66 Jorissen Str, 15th Floor, Braamfontein, Johannesburg.

Caleb - Respondent H, Manager in the City of Johannesburg. Date Interviewed: 13 October 2015. Place Interviewed: 66 Jorissen Str, 5th Floor, Braamfontein, Johannesburg.

Annexure B – Interview Questions

Questions for Academics

1. When someone uses the term "economic empowerment", how do you understand and interpret that in your own mind, firstly as a planner but also as a theorist with extensive knowledge of development policy in general?
2. Economic empowerment has been a fiercely contested notion. Do you believe that it is the best approach to rectifying the economic and income inequality? And do you think empowerment is principally a political or economic project?
3. In recent times the state has become more focused on the empowerment of the captains of industry as opposed to empowering the masses of the poor. Which approach would you envision is more likely to succeed given the state's capacity to develop? Should the state really be concerned with this in the first place, given its capacity limitations and its marginal influence on the private market space?
4. How would you describe the impact that planning has had in the articulation of the developmental state?
5. Has Planning tangibly contributed towards the propagation of economic empowerment?
6. Should planners engage more with the economic aspects of development?

Questions for the Organisations involved in Inner City Regeneration

1. When was your organisation founded? what were the circumstances that prompted its creation?
2. What are the objectives of your Organisation?
3. When someone uses the term economic empowerment, how do you understand and interpret it?
4. What is your organisation's conceptualisation of the term Broad Based Development?
5. Do you think this vision differs from the way the city conceptualises it?
6. The inner city property scheme proposes to revitalise the inner city by appropriating what the city has termed "Bad Buildings". What are your thoughts on this approach's ability to bring about broad based development?

7. The approach of the City has been to attract investors who could contribute at least R5 million to the revitalisation of the inner city. How does your approach differ from this?
8. Do you believe that your approach is "Broad Based", in the sense that it caters to a large number of people who require assistance?
9. How would you describe the difference in terms of impact that your organisation has had on the lives of those dwelling in the inner city, compared to the impact that the city has had?
10. A leading theorist, Amartya Sen argues the capability model, which states that it is our responsibility to ensure that each individual has the opportunity to achieve their potential. Do you feel we are currently fulfilling that mandate? If not, what must be done to reach that state?

Questions for the City of Johannesburg Officials

1. What is the CoJ's vision for the city?
2. When someone uses the term economic empowerment, how do you understand and interpret it?
3. What is the city's conceptualisation of the term Broad Based Development?
4. The inner city property scheme proposes to revitalise the inner city by appropriating what's been termed "Bad Buildings". What are your thoughts on this approach's ability to bring about broad based development?
5. The approach of the city has been to attract investors who could contribute at least R5 million to the revitalisation of the inner city. How does this approach contribute towards Broad Based Development?
6. Do you believe that your approach is "Broad Based", in the sense that it caters to a large number of people who require assistance?
7. How would you describe the impact that the city has had on the lives of those dwelling in the inner city?
8. A leading theorist, Amartya Sen argues the capability model, which states that it is our responsibility to ensure that each individual has the opportunity to achieve their potential. Do you feel we are currently fulfilling that mandate? If not, what must be done to reach that state?