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The perceived effects of urban renewal initiatives, such as NDPG-funded capital projects, as reported by Mdantsane's businesses on their operations.

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A **RESEARCH REPORT** SUBMITTED TO THE FACULTY OF ENGINEERING AND THE BUILT ENVIRONMENT, UNIVERSITY OF THE WITWATERSRAND, IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF SCIENCE IN DEVELOPMENT PLANNING

DECLARATION

I, SIZWE MSELENI, DECLARE THAT THIS RESEARCH IS MY OWN UNAIDED WORK. IT IS BEING SUBMITTED IN PARTIAL FULFILMENT OF THE MASTER OF SCIENCE IN DEVELOPMENT PLANNING DEGREE AT THE UNIVERSITY OF THE WITWATERSRAND, JOHANNESBURG. IT HAS NOT BEEN SUBMITTED FOR ANY OTHER DEGREE OR EXAMINATION AT ANY OTHER UNIVERSITY.



…….

(SIGNATURE OF CANDIDATE)

SIZWE MSELENI

25 OCTOBER 2017

ABSTRACT

As a result of apartheid planning, South Africa is left with a legacy of exclusionary planning, with many of its township areas still lacking necessary infrastructure, which has led to these areas lagging in development. Townships are one of the areas where this has been most evident and the post-apartheid government has the task of ensuring that their development is prioritised through public funding and public-private partnerships.

The national government of South Africa has initiated a strategy to fund public infrastructure upgrades by funding local municipalities through the Neighbourhood Development Partnership Grant. The Buffalo City Metropolitan Municipality as a recipient of this grant, has initiated projects in the Mdantsane Township to initiate infrastructure-led development and subsequently improve the lives of the township's inhabitants. Considering that the Mdantsane Central Business District (CBD) has been in existence for many decades, this study seeks to learn what impact the Urban Renewal Programme (URP) has had on the business sector and Local Economic Development (LED). The aim of the NDPG is to counter the effects of exclusionary planning and alleviate poverty by making the area more conducive for businesses operators and attractive to private investors.

The aim of this research report is to gain insight into the perceptions of business owners and operators of the upgraded township CBD. The challenges of BCMM officials are also detailed in the research in order to gain insight into the issues hindering the state from offering efficient service delivery and development. The qualitative research method is applied and interviews are utilised as a research tools. Municipal officials also give their input into the challenges faced by their respective offices when planning and implementing URP projects. Insight is gained into the complex relations that affect the planning and implementation of successful infrastructure led economic development.

BCMM officials involved in Urban Renewal need to prioritise service delivery, providing support to SMEs, crime prevention, improving design of planned projects in addition to infrastructure provision.

Key words: urban renewal, NDPG, infrastructure led development, local economic development, area-focused programmes, public sector investment, developmental state

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LIST OF ABBREVIATIONS

BCMM	-	BUFFALO CITY METROPOLITAN MUNICIPALITY
CBD	-	CENTRAL BUSINESS DISTRICT
COC	-	CHAMBER OF COMMERCE
COGTA	-	COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
DBSA	-	DEVELOPMENT BANK OF SOUTHERN AFRICA
DED	-	DEPARTMENT OF ECONOMIC DEVELOPMENT
DTI	-	DEPARTMENT OF TRADE AND INDUSTRY
DOHS	-	DEPARTMENT OF HUMAN SETTLEMENTS
EPMO	-	ENTERPRISE PROJECT MANAGEMENT OFFICE
EPWP	-	EXTENDED PUBLIC WORKS PROGRAMME
EU	-	EUROPEAN UNION
GEAR	-	GROWTH EMPLOYMENT AND REDISTRIBUTION
HSD	-	HUMAN SETTLEMENTS DIRECTORATE
IDP	-	INTEGRATED DEVELOPMENT PLAN
IDZ	-	INDUSTRIAL DEVELOPMENT ZONE

LED	-	LOCAL ECONOMIC DEVELOPMENT
MC	-	MUNICIPAL COUNCIL
MURP	-	MDANTSANE URBAN RENEWAL PROGRAMME
NAFCOC	-	NATIONAL AFRICAN FEDERATED CHAMBER OF COMMERCE
NDP	-	NATIONAL DEVELOPMENT PLAN
NDPG	-	NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT
NGP	-	NEW GROWTH PATH
NURP	-	NATIONAL URBAN RENEWAL PROGRAMME
RDP	-	REDISTRIBUTION DEVELOPMENT PROGRAME
SASSA	-	SOUTH AFRICAN SOCIAL SECURITY AGENCY
URP	-	URBAN RENEWAL PROGRAME

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CHAPTER 1 – INTRODUCTION & RESEARCH METHODOLOGY

1.1 INTRODUCTION

The South African spatial economy is characterised by areas of differing socio-economic distribution of resources, service delivery and infrastructure. Many cities are still characterised by separation and spatial fragmentation, a legacy of apartheid planning, which intentionally excluded certain areas. East London in the Buffalo City Metropolitan Municipality (BCMM) is characterised by high unemployment rates and poverty, with many households earning less than R1500 per month (BCMM & LED Network, 2010). A large number of these residents live in the marginalised township of Mdantsane, 17 kilometres away from the East London central business district (CBD) (BCMM & LED Network, 2010).

Due to the slow rate of growth and development of townships, as well as high poverty rates and a lack of investment in these underserved areas (Cameron R. , 2014), the South African government has engineered several urban renewal programmes (SACN, 2009) to foster economic and social development as well as infrastructure investment (CoGTA, 2014). Since 1994, the post-apartheid government has taken responsibility to redress the imbalances of the past by facilitating more equitable development, especially in areas that are far from the centre and on the periphery. One of the ways that the government has attempted to address this problem is to invest in infrastructure to facilitate township development in order to improve the socio-economic conditions of their inhabitants (SACN, 2009). Various programmes have been initiated to address these issues. The Neighbourhood Development Programme Unit was established in 2006 in order to manage the Neighbourhood Development Partnership Grant (NDPG). The Upgrading Support Programme of 2010 and the Urban Settlements Development Grant of 2012 were initiated by the Department of Human Settlements. The City Support Programme was created in 2012 by the National Treasury. In 2013, the Office of the Presidency announced the Integrated Urban Development Framework. These plans and programmes all aim to foster integrated development and to ensure that even underserved neighbourhoods are given equal opportunities for growth (Haferburg & Huchzermeyer, 2014).

The NDPG is a state-led funding strategy geared to improving the lives of people living in marginalised and previously disadvantaged communities through infrastructure investment to effect urban renewal. The investment of funds by the government into township development will contribute to the growth of the township economy by creating more opportunities for employment (SACN, 2016). In order to effect development in townships, targeted project funding has been made available from National Treasury and the Development Bank of South Africa (DBSA), as well as collaboration with the BCMM in order to utilise funding from the NDPG (Kagiso Urban Management, 2010). The NDPG has been instrumental in initiating township development projects in various nodes around the country in order to effect development. These are township nodes where there is a large daily convergence of people,

usually a transportation hub as well as a Central Business Districts (CBD) where there is high potential to attract more private investment (National Treasury, 2012). There have been projects initiated in townships across five different provinces, namely Alexandra in Gauteng province, Khayelitsha and Mitchell's Plein in the Western Cape Province, Galeshwe in the Northern Cape Province, KwaMashu and Inanda in KwaZulu Natal province, as well as Motherwell and Mdantsane both in the Eastern Cape Province (National Treasury, 2009). All these are old townships created during the apartheid years as dormitory settlements for black migrant workers (National Treasury, 2012).

The Mdantsane Urban Renewal Programme (MURP) was created by the Urban Renewal Unit of the BCMM in order to effect planning and development in the township of Mdantsane as initiated by the NDPG (ePropertyNews, 2008 & SACN, 2011). The Mdantsane Urban Renewal Programme (MURP) was initiated as a tool for initiating projects that are geared at the development, upliftment and renewal of the township of Mdantsane (Kagiso Urban Management, 2010). The MURP aims to initiate services that previously did not exist in the township, especially in the Mdantsane CBD. The MURP states that the Mdantsane CBD is a key location for initiating development of the township, especially transportation and economic development (Kagiso Urban Management, 2010). A large number of residents of the township are employed outside the township, and therefore commute using this node for both transportation and shopping activities (Kagiso Urban Management, 2010). The Mdantsane CBD is a central location where people make use of public transport for both local and long distance trips; therefore this is where they combine their transportation needs with their social and economic activities.

The three main focus areas of the MURP are the improvement of residents' lives, the stimulation of commercial activity, as well as the fostering of linkages with other parts of the city. The first focus area is on the improvement of the quality of life, as this covers many aspects of development, especially the delivery of infrastructure, because this gives local residents access to facilities that they previously did not have access to which will make their lives easier. The second aspect is the stimulation of economic activity to help businesses thrive in the node. The third aspect is fostering linkages with other parts of the city, such as the city centre, because many township residents still travel long distances to the city centre (East London CBD) in order to buy goods and get services (National Treasury, 2009). This illustrates the importance of developing and vitalising the Mdantsane CBD as it will ensure that growth occurs within the township.

1.2 PROBLEM STATEMENT

The poor performance of the NDPG in the Eastern Cape has affected the delivery of its goal of 'improving quality of life in townships' (Sogoni, 2011). The evaluation conducted by National Treasury and the parliamentary committee shows that the province including the Buffalo City Municipality failed to meet targeted objectives of the NDPG, while spending only 58% of allocated grant funding (Sogoni, 2011).

The effects of urban renewal programmes on the targeted areas have been a subject of much debate, because the outcomes of URPs have been ambiguous, with some good and some bad results. According to Morontse (2010) some reports find that URPs are engines for economic and social development, for example the building of a clinic or the plan to attract private investors to open their businesses in the township CBD. Other reports claim that they are a mechanism for the wealthy to use taxpayers' money for self-enrichment. For example, private investors will only go to areas like townships when the government has invested public funds to improve the area, as only then will private investors deem the place worthy of their further investment. Private investors will only invest in townships if they find there is opportunity to make large profits, not for them to enrich the community or change the lives of the residents. On the one hand, some reports show that the local community benefits from the revitalization, with the formation of community trusts to oversee the management of renewed spaces. On the other hand, some believe that the poor are marginalised further with the destruction of their neighbourhoods and gentrification of the CBD (Morontse, 2010). The URP projects that have been implemented have promoted economic development, but at the same time they undermined local economies with the opening of national chain stores, supermarkets and malls in these neighbourhoods resulting in local business owners struggling to survive. This is a problem because it goes against the initial aims of the NDPG and urban renewal programmes as a whole.

According to Donaldson & Du Plessis (2013), results have been mixed in attainment of the set goals of urban renewal programmes. On the one hand, the National Urban Renewal Programme (NURP) has succeeded in fostering economic growth, by establishing shopping centres with a strong black economic empowerment component, creating employment opportunities, and providing infrastructure investment. On the other hand, many failures have been reported where the local communities, as beneficiaries, have benefited very little from the renewal projects implemented. Reports have also found that the implementation of URP in marginal areas is challenging, therefore the desired outcomes are harder to achieve. For example the economy of marginal areas is shallow, because residents still commute to remote city centres to shop for goods and services. Therefore one of the challenges is how municipalities can attract private investors into townships, while simultaneously creating jobs within these neighbourhoods, which will then result in the local community spending their earnings within the local economy.

The important issue is whether the operators of businesses have reaped the benefits from having these projects implemented in the township CBD, in the local economy. The impact of such a programme should be assessed to ascertain whether the users of these interventions

have found it to be satisfactory (McGaffin, 2012). This study has attempted toed gain insight into the impact the NDPG has had on businesses in Mdantsane, especially since reports have indicated that the results of the urban renewal programmes have not always been unambiguously beneficial. Since there are reports of urban renewal projects having a negative impact on those who are meant to benefit from them, the impact needs to be further evaluated. For this reason it will be useful to get insight into the views and perceptions of business stakeholders in the affected township, in order to assess the extent to which the renewal strategy has had a positive impact on their businesses.

1.3 RESEARCH AIM AND OBJECTIVES

The aim of the study is to gather the perceptions of business stakeholders operating in the Mdantsane CBD on the effects that the NDPG implemented projects have had on their business, their environment and their quality of life.

This study is based on the following objectives:

- To gain insight into the perceptions of businesses in the renewed urban spaces
- To gain insight from officials about the urban renewal programme
- To gather evidence on what effect the changes made to the CBD has had on businesses and economic development in the area
- To obtain insight into the institutional capacity to undertake URP
- To gather any lessons that can be learnt about urban renewal in Mdantsane that can assist in future planning of urban renewal projects

1.4 RESEARCH QUESTIONS

How has the NDPG-funded development affected local businesses in the Mdantsane CBD?

Sub-questions include:

1. How have public sector urban renewal programmes contributed to local economic development in developing contexts?
2. How does the MURP propose to address Mdantsane's economic development challenges?
3. What are the perceptions of local businesses about the impact of the urban renewal projects?
4. What lessons can be learnt about urban renewal programmes from the experiences of businesses in the renewed space in Mdantsane?

1.5 RATIONALE FOR THE STUDY

The economic development of marginalised areas is important to the improvement of the lives of citizens of townships and other marginalised areas. This study seeks to find out whether the residents of townships, particularly those who operate businesses in the township CBD, have been positively or negatively impacted by the developments which occurred as a result of the NDPG initiative. Ensuring the sustained economic and social growth of townships is a growing subject of interest to South African researchers and the government (McGaffin, Napier, & Karuri-Sebina, 2015). Therefore by gathering the perceptions of business stakeholders on the receiving end of development programmes we enrich the knowledge base on the impact of these state led renewal programmes.

"When the eight URP nodes were identified, the intention was for them to be viewed as learning sites where government could gain experience on how to address the challenges of urban poverty and underdevelopment in a more integrated and effective manner to inform refinements in policy and practices" (SACN, 2011; 8). The URP Anchor Project Case Study report cited above does not include a report on what has transpired in Mdantsane regarding the NDPG initiated projects. Therefore in support of the knowledge-sharing agenda, this study intended to build on the lessons learnt by producing case study documentation on the Mdantsane node.

This adds to the knowledge already gained in other case studies that have been conducted on URPs in the rest of the country. With this knowledge the URP programme will be able to add to the knowledge base of what works and what does not work, specifically to enrich the lives of those who operate businesses in township CBDs. This study may also inform government officials on how to operate in a more effective manner when engaging in urban renewal. This knowledge may assist in the implementation of planned projects, in how officials engage in the practice of planning for such an environment and possibly to have an impact on policy.

1.6 METHODOLOGY

1.6.1 RESEARCH STRATEGY

The qualitative approach has been applied in this study. Qualitative research seeks to investigate aspects of social life and human behaviour (Patton & Cochran, 2002). Qualitative methods aim to ask the 'why, what and how' questions. This will assist in investigating how the business operators in the case study area have been impacted by the urban renewal. This method was chosen because of the following four main characteristics: firstly, it uses mainly non-numerical data (with few exceptions for economic data); secondly, that it was conducted on a specific or contextual population; thirdly, it was conducted on a population which is actively involved in the case study area; and fourthly, this method gives rise to inductive

inferences in its conclusions, meaning that the premises of the study supply strong evidence for the truth of the conclusion (Garbarino & Holland, 2009).

1.6.2 CASE STUDY

The qualitative case study methodology provides tools for researchers to study complex phenomena within a specific context. When the approach is applied correctly, it can enrich the academic research field and can inform professional practice or evidence-informed decision making in both clinical and policy realms (Baxter, 2008).

"The case study is unparalleled for its ability to consider a single or complex research question within an environment rich with contextual variables." (Schell, 1992; 3) Case studies, by design, usually take as their principal subject selected examples of a social entity within its normal context. Schell (1992) cites Yin (1984) who says that case studies at the simplest level, provides descriptive accounts of one or more cases, yet can also be used in an intellectually rigorous manner to achieve experimental isolation of one or more selected social factors within a real-life context.

According to Schell (1992), a case study is an empirical inquiry which uses multiple sources of evidence to investigate a contemporary phenomenon within its real-life context, especially in cases where the boundaries between such phenomena and context are not clearly evident. The researcher using a case study is able to use the historian's primary and secondary data or documentation but also has the added advantage of being able to use direct observation and interviews. Therefore the case study has the strength of being able to use a full range of evidence, including documentation, interviews, observation and artifacts (Schell, 1992).

There are three conditions which determine the type of research programme applied to the case study. First, the type of research question, the degree of control the investigator has and thirdly the degree of focus on contemporary events the researcher desires (Schell, 1992). When the researcher intends to apply a survey or interview programme, they have the option of asking the 'who, what where, why, how many and how much' questions. They also do not require control over the behavioural events of the subject and they may focus on contemporary events.

There are three possible strategies which may be applied in case studies; descriptive, explanatory or exploratory (Schell, 1992). Mile (1973) is cited in Schell (1992) as a critic of case study research, by saying that case study methods are limited to the exploratory strategy. While descriptive research are more appropriately matched with the use of surveys and histories, then the use of experiments is more appropriate for explanatory research. In choosing to embark on a case study method, one must seek to answer "how" and "why" questions. These types of questions are exploratory by nature.

1.6.3 ADVANTAGES AND DISADVANTAGES OF CASE STUDY RESEARCH

Many of the criticisms of the case study method relate to the highly labour intensive nature of this research strategy. Miles (1979) cited in Schell (1992). Critics claim that the process of preparing case studies takes too long and result in massive, unreadable documents. Miles (1979) cited in Schell (1992) suggested that one of the most serious criticisms is that unlike quantitative research, there are few conventions the researcher can rely upon to defend him/herself against the presentation of 'unreliable' or 'invalid' conclusions. Meaning the data collected cannot be generalised to a wider population.

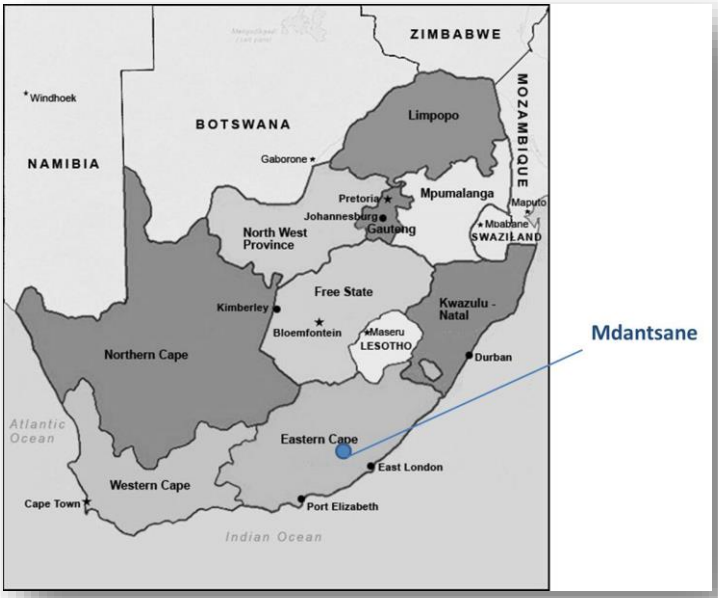
There are also various advantages to employing the case study method, such as the fact that it offers flexibility in design and application which are more sensitive to the complexities of social phenomena Schell, 1992).

Case studies as a qualitative research method has a long standing history as an exploratory strategy which captures the views of subjects more concisely (Schell, 1992). Therefore as long as the researcher takes into account the contemporary phenomena within its real life context and consideration is taken of the multiple sources of information, then a holistic view of the case study will be given. The result is even more reliable when triangulation of the different sources of information done.

1.6.4 JUSTIFICATION FOR CHOICE OF CASE STUDY

Mdantsane will help give an example of an underserved poor community and a township which is a marginalised area. Mdantsane is a township which faces all the problems of townships designed in the days of apartheid, being far from the main city centre, high unemployment and poverty rates, as well as a slow economic growth rate (Kagiso Urban Management, 2010). This township has been a beneficiary of the NDPG and the impact of the renewal has been experienced by residents and business operators in the study area. The area of Mdantsane is chosen for the study because it represents an old township created in the 1960s during the apartheid years. The township was an underserved (exclusion) area with large concentrations of poor black people. It also happens to be in one of the poorest provinces in the country and within the Buffalo City Metropolitan Municipality which is notorious for underperformance (Kagiso Urban Management, 2010 & Sogoni, 2011). The map below shows Mdantsane in relation to the city centre of East London, as one of the two largest cities in the Eastern Cape Province of South Africa.

MAP 0-1: MDANTSANE IN EAST LONDON, THE EASTERN CAPE PROVINCE (SOUTH AFRICA)



This case is a representative case study (Starman, 2013), where the characteristics of the township of Mdantsane are similar to those of any other township created in the apartheid years in a marginalised area. But considering that the progress of the NDPG planning and projects in the case study area has been very slow and has had mixed reviews so far, this might be a unique case in comparison to other areas which have received NDPG funding. The research findings may indicate that a different approach may be needed when applying renewal programmes in different settings and that not all townships or their economies are the same. The findings may be different from those of research conducted in a different province or township where the circumstances of residents differ considerably.

1.6.5 INTERVIEWS

The use of interviews allows one to get close to the information source, as opposed to using only documentation to collect data (Duminy, et al, 2014). Interviews allow and “evoke revelatory perceptions of case events” (Duminy, et al, 2014, 35). Therefore the perceptions of the users of the renewed space were gathered using interviews. The use of semi-structured interviews conducted with eighteen business operators in the Mdantsane CBD assisted in learning the impact of the urban renewal programme on businesses. Semi-structured interview questions are used in order to allow for easy deviation from the topic, in order to ask follow-up questions which will allow greater understanding of the revelations of respondents. The respondents were asked for input on the effects of the interventions on their businesses and the environment they operate in. They were also asked about their engagements with the local municipality, with regards to planned and implemented projects in the area.

The Chamber of Commerce gave input on their engagements with their constituency, which are business operators and owners in the Mdantsane hub, as well as their engagements with the municipality. They gave insight on the views of the business operators in the renewed space; their role in ensuring that development is planned and implemented with the best interests of those affected, as well as the effects of the planned and implemented projects on the environment and businesses.

To gather information about the state of Urban Renewal in the Buffalo City Metropolitan Municipality interviews were conducted with the URP officials. They were asked questions regarding their office's role in planning and implementing of urban renewal projects. They were also asked about the effects of the interventions on the environment they were implemented in and their effects on the business operators in the case study area. The officials were also asked about their engagement with the business community operating in the case study area, as well as engagement with other governmental departments with regards to project planning.

1.6.6 DATA SOURCES

A desktop analysis of grey literature on the case study was conducted, in order to gather all available information on the case. This desktop analysis reviewed policy documents, reports and media reports. Quantitative data was gathered, the use of statistical data allowed the comparison of data to indicate socio-economic shifts over time in the case study area.

Interviews were arranged and conducted with a representative of the CoC and business stakeholders who are directly affected by the public investment in the area. These interviews were conducted with three business sectors, i.e. the formal, semi-formal and the informal sector. Furthermore, interviews were conducted with operators of small, medium and large business.

Purposive sampling was used to select business stakeholders in the area. The purposive sampling method was chosen because it is a method based on the objectives of the study, and the characteristics of the population (Crossman, 2017). The study required a sample of the businesses in the township CBD who fit the criteria of the business types in the informal, semi-formal and formal sectors. These businesses were required to give their inputs on the effects of projects on their business. Business stakeholders in Mdantsane were contacted through the Chamber of Commerce as well as walk-in requests for interviews. The interviewees were chosen out of the available businesses in the CBD.

Interviews were conducted with operators of formal businesses, and a total sample size of four respondents was chosen, the same as for the semi-formal and informal traders. These

respondents all operate different types of businesses, in order to gather diverse sets of opinions. These businesses are located in different areas within the CBD so that evidence can be gathered on how the area-based infrastructure projects affect their business, if they are affected or not and if there are any upgrades done to their part of the CBD.

Then semi-formal business operators were approached who operate in the old Mdantsane Mall and the Shoprite shopping complex and registered taxi drivers operating from the taxi rank. Initially a sample size of 4 interviews was planned, but due to the respondents' interest in the study, the number of respondents increased to six. In the informal business category, the criteria used in order to choose participants who qualified to be interviewed is that the business must operate in an ad hoc fashion with no formal trading space, no permits, meaning they do not pay rent. Therefore, these are street traders and business operators who are not part of a recognised association. There were a total of eight (8) respondents in this category.

These business operators were chosen purposively, ensuring that no two business types are the same, for the sake of gathering diverse opinions. This was done in order to get the views of business people located in different circumstances and locations within the CBD. The different locations and circumstances of these business operators ensures that the research findings are representative of different views and perspectives when respondents are asked the same questions. This results in findings that are diverse and are representative of the business operators working in the CBD.

A total of eighteen business operators and one representative of the Chamber of Commerce were contacted for interviews, bringing the total for the business sector to nineteen respondents.

Municipal BCMM officials involved in the URP, a total of two, were approached and interviewed. They gave responses to the interviews conducted with business operators, municipal officials were also requested to give input on their role in the Urban Renewal process. The officials gave inputs on the effects of projects on the CBD and the challenges they faced in the planning and implementation of urban renewal projects.

1.6.7 DATA COLLECTION

The use of semi-structured interviews assisted in getting views and perceptions from different sources (Biggam, 2008). The use of a questionnaire with open ended questions aimed at soliciting meaningful and insightful responses from the interviewees (Biggam, 2008). The questions were aimed at finding out the nature of impact the infrastructure projects and renewal of the Mdantsane CBD has had on their businesses. The questions were designed to gather the perceptions of business operators and owners on the effects the changes made to the space, has had on their operations. Lastly, questions were meant to investigate to what

extent the rules and regulations in the renewed space have changed their experience of the place.

There are three sets of questions for the different types of business. They ask questions that are pertinent to the specific business operators. For example, if the street traders are allowed to operate within the Kuyasa Mall or outside the Shoprite centre in order to capture the attention of passing shoppers. Then there were follow up questions to determine what kind of experiences they have had with the renewed space. For all the business operators, questions were asked regarding whether they have seen any changes in their business since the renewal of the space. They were also asked about the recent changes in the environment, as well as how that has affected their business operations and business performance. This was meant to determine whether they have had an increase or decrease in their customer base, if the environment has improved, etc. The Chamber of Commerce also had questions tailored to their role in the business sector within the case study area and their engagements with other stakeholders. The URP and MURP officials also had two different questionnaire with specific questions guided by the different roles they play in the planning and implementation of urban renewal.

[Questionnaires are attached in the Annexures]

1.6.8 DATA ANALYSIS

The research findings were analysed in terms of whether business stakeholders in the Mdantsane CBD perceive the urban renewal programme's initiatives to have been effective at improving their day to day interactions with the renewed space. Analysis is based also on whether the business operators find the renewed spaces more conducive to operating businesses and what impact this has had on their businesses and their livelihoods.

The characteristics and factors that determine positive and negative impacts were outlined in the literature review and these characteristics of positive or negative effects of urban renewal programmes were used when assessing the data collected on site. The data analysis compared the desired outcomes of the URP and the NDPG with regard to infrastructure led economic development, to the outcomes of the implemented project interventions in the case study area. This assessment determined whether the implemented projects have achieved the intended goals or if there were any other unintended consequences which have occurred.

Analysis of data collected from interviews with municipal officials revealed the challenges faced by the officials and whether the objectives of the URP and the NDPG were met in the case study area. Data was analysed to reveal whether the objectives of the developmental state in using public sector investment to fund infrastructure development, as a means promote LED, are met.

Themes were extracted from the interview transcripts based on the most frequently occurring themes or topics as revealed by the respondents. These themes were then assessed in terms of their relevance to the study. Themes and topics were also chosen based on the topics found in the literature review chapter, found to be the key lessons learnt from other urban renewal programmes and developing contexts.

1.7 ETHICAL CONSIDERATIONS

The Wits Human Research and Ethics Committee states that all students undertaking any research at the University of the Witwatersrand must sign an ethics clearance form to make them aware of all ethical considerations (Wits Universty, undated). All the procedures were followed and this research was conducted in an ethical manner.

All interviewees and participants signed an informed consent form, stating that they are aware of what research they are participating in (ethicsguidebook.ac.uk, undated). This ensured that the participants and interviewees have chosen to participate in the study; they were not coerced to do so. The participants and interviewees were made aware that their names will not be published in this report. This is done mainly to ensure that the participants and interviewees are as forthcoming and honest as possible when responding to questions and they have no fear of retribution. This ensures that the research is as accurate as possible, because respondents are able to speak freely and openly regardless of the office they hold or the business they operate.

1.8 LIMITATIONS AND PROBLEMS

Limitations are issues that may arise in the course of conducting one's research that are beyond the control of the researcher (ethicsguidebook.ac.uk, undated). Therefore this study was not completed without its own problems, such as:

The MURP office and the URP official at the Human Settlements Directorate refused to offer documentation on the projects that have been implemented. The MURP official claimed not to have access to them, while the URP official at HSD claimed not to be at liberty to offer me those documents. When these documents were requested at the Knowledge Management office of the BCMM, they were unavailable. This documentation would have provided more accurate timelines on project planning and implementation. Even though both officials offered

verbal confirmation of timelines and project planning information, it would have been better to consult written documentation. As a result of this I had to confirm by observation, the presence and location of interventions on site. Observation on site was not part of the initial data collection method, but it became necessary to physically observe, in order to better understand the conditions on site.

Another limitation was the fact that quantitative data for Mdantsane is limited, and it is mostly available for the city of East London or for the BC Municipality. Data for infrastructure investment, property statistics is available and combined for both East London and Mdantsane. The use of this data would not truly reflect the conditions within the township, because development has been skewed towards East London, and Mdantsane is reportedly far less developed. The same applies for data on education, building plans and industry performance as well as social facilities; this data is only available for the city of East London, but no data is available for Mdantsane. Therefore, in order to get recent data, I had to consult reports authored in recent years which have some, although not all, of the relevant quantitative data.

The sample of interviewees is limited to only a total of 18 respondents. This means that the results of this research cannot be generalised for the wider population of the area.

1.9 CHAPTER OUTLINE

Chapter 1 – Introduction – This chapter includes the Background for the study, the Research Questions, Aims and Rationale for the research, as well as the Research Methods.

Chapter 2 – Literature Review - The literature review provides a detailed description of the concepts which will be dealt with in the research report. Urban renewal is discussed to gather its objectives and how it has been used to promote development in lagging areas. LED is critically discussed to give insight into how it can be used to foster development in marginalised areas. To also gather the fundamental criteria required to ensure successful implementation of LED policy and programmes. A critical assessment of past LED programmes is detailed to ascertain how they have addressed development issues in marginalised areas and townships. Lessons are drawn from the literature in order to assess what were the factors that led to success or failure of past projects.

Chapter 3 – Overview of Case Study – The area of Mdantsane is introduced in this chapter, with background information on the area of study from its inception. Details are provided of where the intervention took place, in the Mdantsane CBD, as well as information on the population, social, economic and political dynamics in the area.

Chapter 4 – Presentation of Findings – The interviews were conducted with the various stakeholders in the business sector as well as municipal officials. The business sector gave insight into their experiences of the renewed space based on the effects of the projects on their business and the environment, as well as their level of engagement with the municipality. The municipal officials unpack their different roles in their respective offices and discuss the challenges they faced when implementing urban renewal projects.

Chapter 5 – Analysis of findings – The findings of the research are analysed in this chapter. The aim is to gather the effects the interventions of the NDPG has had on businesses in the Mdantsane CBD, as well as the environment. The responses are discussed and various topics arise out of the discussions with respondents, which relate to their experiences of the renewed space. These responses are analysed based on the goals and objectives of the NDPG and the URP. The analysis takes note of the key lessons detailed in chapter 2, which are the main of the analysis. The topics are; institutional capacity; co-ordination and cooperation; political will; participatory and inclusive processes; incorporating social and economic elements; careful design of physical interventions; understanding existing economic dynamics; and the dangers of displacing smaller economic activities. These key lessons are critical to assessing whether the BCMM is able to deliver on its mandate to delivers infrastructure-led economic development, as well as the analysis of whether the interviews found the implemented projects to have a positive or negative effect on their businesses.

Chapter 6 – Conclusions and Recommendations – This chapter sums up all the topics that have been discussed in this study and concludes all the key arguments that are discussed in terms of Urban Renewal, the NDPG and the role of the municipality in planning and implementation of projects. Then conclusions are written on the effects of intervention projects on the physical environment and on businesses, on how these projects have contributed to LED, on how these projects have affected the provision of basic services and safety and security. In light of the developmental challenges of the township CBD and the municipal challenges faced by BCMM officials, there are various recommendations made which address the issues. These recommendations are aimed at assisting with future planning and implementation of projects.

CHAPTER 2 – THE ROLE AND CONTRIBUTION OF PUBLIC SECTOR RENEWAL PROGRAMMES IN THE PROMOTION OF LED

2.1 INTRODUCTION

This chapter responds to sub-question 1, which asks about the role and contribution of public sector urban renewal programmes to local economic development in developing contexts.

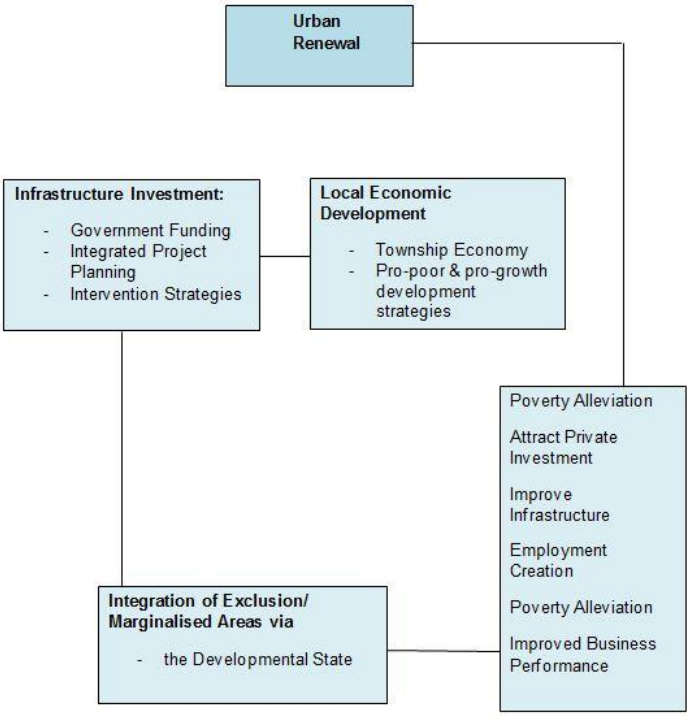
This study reviews a range of literature encompassing various topics ranging from; local economic development, urban renewal, integrated area development, government and public policy and programmes, infrastructure planning, place-based/area-focused development strategies.

Developmentalism is discussed as an alternative to neo-liberalism, as a way for the SA government to counteract the gross inequalities found in the country. The township economy is discussed, as well as the Neighbourhood Development Partnership Grant as a tool to bring urban renewal to South African townships. Then this literature review deals with the issue of public investment in infrastructure to ensure a better quality of life for residents as well as an improved environment to live and work in. The relationship between infrastructure-led development and improving local economies is discussed, with a focus on the factors and characteristics that are needed to ensure successful urban renewal programmes. Lessons are drawn from past intervention strategies and programmes to give insight into what promotes broad-based development of local economies. These topics ensure that the issues in this study are critically engaged. The study is embedded in the theory of developmentalism, where the state wishes to promote development through public investment.

2.1.1 CONCEPTUAL FRAMEWORK

The conceptual framework outlines the key focal areas of this research report. It pinpoints Urban Renewal as the main focus with the key elements of urban renewal being poverty alleviation, attracting private investors, improving infrastructure, employment creation and improving business performance in the targeted areas. It then pinpoints the integration of exclusion or marginalised areas as part of the developmental state's mandate. The development state is meant to ensure that there is sufficient investment in infrastructure through appropriate intervention strategies, government funding and integrated project planning. The integrated planning should focus on local economic development of the township economy through relevant development strategies. The themes to be discussed in the report emanate from the view that infrastructure provision is the state's way of ensuring integrated development.

DIAGRAM 0-1: CONCEPTUAL FRAMEWORK



Urban Renewal

The programmes and policies that are aimed at renewing and vitalising marginalised areas are reviewed to gain insight into their aims and objectives. The literature also gathers how policy has informed the programmes that have been initiated.

Infrastructure Development

The investment of the state into infrastructure development can have great benefits for environmental stability and economic growth, which in turn will lead to poverty alleviation (Thwala, 2009). The literature reviewed looks at how public infrastructure investment can influence growth of the local economy and what are the necessary steps that need to be taken by implementing agents, such as municipal officials, to ensure that public investment results in growth of the economy, an improved environment, which will attract more private investment and off set employment creation. This employment creation will lead to increased incomes and poverty alleviation, which are all necessary because of the socio-economic circumstances of the township.The developmental state integrating marginalised areas

The developmental state aims to address issues of inequality through resource redistribution and funding to areas of need and less means. The historical background of the country resulted in areas of exclusion by design, which necessitates that government enacts policy and programmes to remedy those marginalised areas.

Local Economic Development

The formulation and evolution of LED strategy informs the trajectory of the sector. The government also has a mandate to turn all lagging areas into leading areas, hence it may focus on pro-growth strategies and pro-poor strategies within the same locality. Successful LED depends on the creation of a conducive environment that will allow growth, hence the importance of the implementation of the right intervention projects.

2.2.1 URBAN RENEWAL

Urban renewal occurs when deterioration, neglect or decay has occurred in an urban environment that necessitates redevelopment. The transformation of urban environments occurs in cities due to a range of factors, such as migration, urbanisation, poverty and globalisation. This process of change affects cities in different ways and there is a greater tendency towards polarisation where concentrations of wealth and poverty become obvious (SACN, 2009). Much more urban degeneration which requires renewal occurs in poorer neighbourhoods than the wealthier, better serviced neighbourhoods. In the context of South Africa the transformation of cities has been complicated by the legacy of apartheid, the social and political transition which has since 1994 ensued, the inter-governmental relationships, capacity and financial constraints of government, politics and private sector investment decisions (SACN, 2009).

It is the responsibility of the government to invest public funds into the renewal of poor and underserved areas in efforts to stimulate growth and development (Cameron R. , 2014). The expectation of government planners is that there will be direct and indirect spin-offs from the infrastructure developments implemented through job creation, because the projects target the local population and local material suppliers (Morrow & Engel, 2003). However, the job

opportunities created during the construction phase of projects may not lead to long-term employment, and it is hoped that the diversification of land uses and economic developments will yield longer term results with regard to employment (Morrow & Engel, 2003). The investment in public infrastructure is meant to improve the quality of the environment in order to ensure that the private sector is comfortable enough to take the risk and invest in the these marginalised areas (Donaldson & Du Plessis, 2013).

2.2.1 URBAN RENEWAL PROGRAMME

The Urban Renewal Programme was first announced in 2001 and is a system rooted in the local municipality, with the aim of combat lack of development and poverty in urban areas (Kusel, 2009). “The main focus of Urban Renewal Programme is the renewal of townships in the sense of spatial, social and economic integration” (Kusel, 2009, 6). The plans of the URP are detailed in the local municipality’s IDP, as prescribed by the Municipal Systems Act (2002). It is one of the integrated development programmes (such as the SIPP and NDPG) designed by the South African government to emphasise infrastructure investment and governance reforms, as a platform to initiates infrastructure-led economic growth (Kusel, 2009; COGTA, 2012). This programme focused on eight urban nodes, and is meant to support government’s efforts at township renewal. The characteristic features of areas chosen for URP are:

- Apartheid townships, poverty and high crime,
- formal engineering infrastructure installed but decayed and in need of rehabilitation/upgrading,
- majority formal housing stock but also an informal housing component,
- need for substantial improvements in maintenance and operating,
- low in internal economic opportunities,
- low education and skills levels of resident population and
- poorly connected to surrounding neighbourhoods. (Kusel, 2009)

In order to drive change in an area with unique development challenges like the township, the following will need to take place as part of the interventions of the URP:

- Community participation
- Area-based planning and budgeting
- Intergovernmental planning
- Partnerships
- Crowding in of public investment

It is imperative to ensure that the implementation of URP’s is strategically oriented and in line with the cooperative government approach for public sector investment. Therefore according to Kusel (2009), there are three important strategies that are utilised for this programme to be efficient in its planning, budgeting and implementation. (1) Area-based Development Approach is a holistic approach to development which drives investment attraction, job creation and social inclusion. It is an area-based strategy that is people-driven to provide coordinated service delivery through anchor and catalytic projects. (2) Sector Master Plan Approach, which focuses on the eventual spatial impact of the key sector interventions. It is

defined as a tool for management of dialogue to support realistic implementation plans that are in line with the area-based development strategy. (3) Catalytic Project Approach then focuses on catalytic projects in each of the sectors, which will be implemented over the next two to five years.

2.2.2 THE NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)

"The social and economic re-development of South Africa's townships has been identified as a national priority. These areas represent a significant proportion of South Africa's population as well as vast amounts of underutilised social and economic potential" (National Treasury, 2007; 4). It is therefore on this basis that the South African government made it their mission to find ways to revitalise, regenerate and renew townships in order to unlock the massive economic potential that exists there. This potential requires investment in the urban space in order to foster social and economic development as well as growth. The Neighbourhood Development Partnership Grant (NDPG) was announced by the Minister of Finance in his budget speech on 15 February 2006. "The primary focus of the NDPG is to stimulate and accelerate investment in poor, underserved residential neighbourhoods by providing technical assistance and capital grant financing for municipal projects that have either a distinct private sector element or an intention to achieve this" (National Treasury, 2007). It is structured in the form of a conditional grant to municipalities through the Division of Revenue Act (DoRA). This funding model coincides with the Built Environment Performance Plan (BEPP), which is an annual process where inter-governmental projects are funded through various channels and incorporated into the national and municipal budgeting process (InfrastructureDialogues.co.za, 2015).

The NDPG is a state led intervention strategy geared at improving the lives of people living in marginalised and previously disadvantaged communities through urban renewal (National Treasury, 2012). The NDPG aims to enhance places by making them safer, with more social integration and better access to opportunities. The economy of the area will be improved with the creation of jobs and a more productive resilient economy (Cameron R. , 2014). The Neighbourhood Development Programme (NDP) Unit in the IGR Division of the National Treasury is responsible for the management of the NDP Grant (National Treasury, 2015). The Intergovernmental Relations (IGR) division coordinates financial relations between local, provincial and national government spheres. According the National Treasury (2015), the IGR division allocates all non-interest expenditure to municipalities and provinces, which is spent on provision of free basic services, education and health care, by coordinating inputs from the division of revenue. Since its inception in 2006/7 the NDPG has registered a total of 317 projects and a R2.5 billion has been spent on township projects.

Interventions that are supported by the NDPG are those planned for townships, as in spatially distinct neighbourhoods that were previously zoned for residential use by non-white people by apartheid-era municipalities. The programme is biased towards urban areas instead of rural, as well as larger populations because these are more likely to satisfy the DORA conditions of

attracting private sector investment (National Treasury, 2007). Projects initiated through the NDPG need to have a clear rationale for strategic economic development, through identification of economic opportunities of all financial flows and other impacts of projects. These projects are chosen because they demonstrate potential to contribute to local economic activity and must be sustainable in the longer-term. Projects need to make reference to a broader township regeneration strategy while implemented in the form of development of nodes and/or precincts, of internal and external linkages, as well as the general improvement of township environments (National Treasury, 2007). The other aim of the NDPG is to restructure land uses and diversify uses from mainly residential to accommodate retail and commercial use, as well as to ensure that the property market is boosted. When there are diverse land uses and bringing in investors, property prices will increase, especially the housing market, which will allow black people to participate more in the property market. Because the NDPG's initiatives will leverage private sector investment in the township, some of the purchasing power of residents will be retained within the township.

The NDPG is aimed at providing infrastructure investment that will create a viable environment for growth and development, especially in areas where potential has been identified, such as the Central Business Districts (CBD) of townships (Cameron, 2014). This kind of investment by government will leverage private sector investment and thereby achieve the policy objectives of alleviating poverty and improving quality of life. The key outcomes will be job creation, skills transfer, human resource development and social upliftment in these areas of great potential (Cameron, 2014).

"The NDP has its genesis in the recognition that strategic public sector investment in community facilities and places can provide the impetus for sustainable private sector investment and improvement in the collateral value of township properties. Thus the NDP focuses specifically on how this investment can lead to the sustained improvement in the investment desirability of the township" (National Treasury, 2007; 5)

Just as important is the focus of the NDPG programme improving the lives of people living in townships and those living in marginalised areas such as informal settlements (InfrastructureDialogues.co.za, 2015). One of the main objectives of this programme is the creation of jobs within the township, better access to goods and services in the township hubs as well as affording better access to jobs and resources in the city due to more efficient and cost-effective transportation systems (InfrastructureDialogues.co.za, 2015). In order to reach these goals, the concept of "connected agglomeration" has been adopted, where agglomeration has been identified to ensure maximum benefit is gained from clustering firms together based on certain factors. These specific factors will be identified in each township hub and plans will be tailor-made to ensure that these agglomerated firms are easily accessible to the central business district in the city (InfrastructureDialogues.co.za, 2015). It is from this idea of interconnectedness that the Urban Network Strategy was adopted. The Urban Network Strategy involves a specific focus on three areas, namely public investment in infrastructure and facilities, the leveraging of private investment through public investment in targeted commercial or residential areas, as well as investment in Precinct Management. The Urban Network Strategy is a methodology which targets specific areas, which are townships

and specific locations which are township hubs as they offer the greatest potential benefit from agglomeration. Additionally to this specific location focus, the strategy will target transport routes connecting the township to the city's CBD, as well as the development corridor adjacent to the transport routes and secondary routes (InfrastructureDialogues.co.za, 2015).

2.3 INFRASTRUCTURE DEVELOPMENT

Infrastructure, as the cornerstone of development and settlement planning, should be made available to the inhabitants of an area, but many areas are still lacking in the essential services that should be provided (Beukes, Vanderschuren, & Zuidgeest, 2011 & CoGTA, 2012). Investment in infrastructure is one of the mandates of the government, to provide for and ensure the economic, social and environmental wellbeing of all residents (SACN, 2009). There is policy in place in South Africa that is aimed at 1) targeting place, 2) targeting people and 3) targeted at 'integration'; therefore these are policies specifically meant to bridge the gap between leading and lagging areas (Todes , 2013, 6). When infrastructure (supplying electricity, water, sanitation, roads and transportation) is provided in lagging areas, the urban efficiencey of that area is increased which will support agglomeration economies. This investment in 'place' strengthens the city's ability for economic growth and development at a local level and is also a driver for national economic development (Todes , Spatial Targeting: Lessons from South African Experience, 2013).

Settlement upgrading programmes can improve the quality of life for residents as they are given better access to services, improved infrastructure, and the integration of the neighbourhood to the rest of the city as well as the increased market value of their physical assets due to the improvements to the environment. The provision of infrastructure serves the purpose of linking people, especially the poor to the economic mainstream, by providing them with spaces to conduct trade or even with good dependable modes of transport to allow them to get to their places of work efficiently and safely (SACN, 2009). According to McGaffin et al (2015), investment in physical and economic infrastructure can boost productivity of the inputs of new and existing businesses in the township as this will cut down on transportation, travel and communication costs. This will also encourage the formation of new inputs (in terms of suppliers) and output (in terms of customers) markets in the marginalised area. As a result, growth in the market will occur, as new private investment (in terms new firms and businesses opening) will be attracted (McGaffin et al, 2015). New micro and medium enterprises are formed as a result of the investment in infrastructure and services , which will create new job opportunities, ibid. Therefore the public investment in infrastructure may have a positive impact on private business. This is in addition to the poverty reduction that then occurs as a direct result of economic growth and development.

But the argument that is posed also by these authors is that the costs of an improved and renewed space will result in an increase in the prices of rentals for those operating businesses there, as well as residents whose incomes have not increased. This will result in the development not benefiting these poorer residents or most smaller businesses. Porter and Shaw (2009) agree that some of the outcomes of regeneration were not intended by the initiating government and the injustices that may occur when a regeneration project is initiated were not expected or planned for.

Therefore, more needs to be done to address negative impacts: The spatial changes made to an area directly affect the livelihoods of people as well as how they interact with the space; meaning that these people need to be consulted as stakeholders in the planning stages of development projects. This will ensure that projects are sustainable and effective at achieving the intended outcome of improving livelihoods (SACN, 2016).

2.4 LOCAL ECONOMIC DEVELOPMENT

LED is a place based approach to economic development (Rogerson, 2008 & Rogerson, 2014) and has now become increasingly significant in its application in countries of the global south (Rodríguez-Pose & Tijmstra, 2005 & Rogerson, 2014). According to Rodriguez-Pose (2008) , Turok, (2008), Barberia & Biderman (2010) and Rogerson (2014), traditional top-down development strategies have proven ineffective at generating the required level of local development in the global South. There is also an acceptance of a more customised concept of LED from the global North to the global South (Marais, 2010; Rogerson, Rogerson, 2010a; Akudugu, 2013, as cited in Rogerson 2014). These proponents of LED strategies claim that it offers an integrated approach to development rather than a 'one size fits all' solution. The main purpose of LED is 'to mobilise the local economic potential by bringing innovation to all its growth dimensions which range from infrastructure, to local SMEs and their skills, to attracting foreign direct investment, fostering territorial competitiveness, strengthening local institutions, better management of the development process and internalising local resources' (Rodriguez-Pose, 2008: 23). However, critics maintain that LED is simply 'a convenient response to both the neoliberal as well as post-development critiques of the mainstream development approaches promoted, without much success, after World War II' (Akudugu, Laube, 2013: 16).

2.4.1 BENEFITS OF USING LED STRATEGIES AS AN ALTERNATIVE APPROACH

LED strategies provide a number of potential social and economic benefits. They combine economic and social dimensions that are often hard to identify in traditional development strategies (Rodríguez-Pose & Tijmstra, 2005). LED seeks to join together the two objectives; first of addressing the needs of the poor in the territories in which it operates and second, of generating sustainable growth. The fact that LED strategies are mainly developed by the local government in conjunction with a range of local stakeholders means that LED strategies are

able to empower local societies and dynamise local resources. This is what has been described as ‘new regionalism’ or ‘new localism’ by writers like Keating (1998) and Rogerson (2009), where development is internally driven with a strong focus on local endowments, reliable institutions and indigenous enterprises (Turok , 2010).

There are two main benefits to adopting this strategy (Rodríguez-Pose & Tijmstra, 2005). Firstly it allows local people to adopt a more proactive stance with regards to shaping their own future, especially for those living in areas that have until in the past, had little control over the economic activities that take place in their territory. The active involvement of a variety of stakeholders helps to develop a stronger local civil society and also contributes to make local institutions more transparent and accountable. Secondly, successfully implemented LED strategies can help to create an environment that stimulates the creation of higher quality and sustainable employment. However, according to Rodríguez-Pose & Tijmstra (2005) if policies are badly designed or implemented, these benefits may not occur. Or if a small group of actors manages to capture the policy-making process, LED strategies may be geared towards the private interests of the few, instead of catering to the collective and the social needs and interests of the locality as a whole. At times, even without such problems of policy capture, the problems or challenges a locality faces may be too great or complex for local governments to effectively deal with.

According to Rodríguez-Pose & Tijmstra (2005) and Barberia & Biderman (2010), there are three reasons why Local Economic Development (LED) is a better approach when implementing development planning. Firstly, more traditional development strategies tended to adopt a sectoral approach to development, while LED makes use of a territorial approach: it focuses on the development of a locality or region rather than an industrial sector. Secondly, development strategies are generally top-down, meaning that central government decides where intervention is needed with little or no input from local actors. In contrast, the LED approach focuses on development from below (at local government or municipal level and local organisational level) and advocates the need for promoting economic development in all areas. National institutions are often too far-removed from the rapidly changing local and regional needs and therefore cannot be able to respond effectively to these needs, while local institutions can be much more easily and effectively interact with other local economic and social actors. They are better able to formulate development strategies tailored to local needs, in cooperation with local stakeholders.

Thirdly, traditional development strategies have tended to focus on large industrial projects or infrastructural investments to attract large firms using financial incentives, in the hope that this would foster additional economic activity. LED strategies instead, seek to exploit the development potential of each area and to stimulate the adjustment of local economic systems to the changing economic environment. LED aims to develop local strength and seeks to allow the locality to successfully harness the opportunities, in order to overcome weaknesses and threats it faces from the external environment. It is due to this flexibility of LED strategies that they have become increasingly popular in many developing countries, and South Africa is no

exception. This strategy is synonymous with poverty alleviation, self-reliance and survival, offering an alternative to relying on global markets and competitiveness (Rodríguez-Pose & Tijmstra, 2005; Barberia & Biderman (2010).

2.5 LED STRATEGIES IN OTHER DEVELOPING CONTEXTS

Helmsing (2001) studied twelve case studies of local and regional development in Latin America; in which LED activities are examined to assess the national economic restructuring of governments, especially due to globalisation, which has necessitated decentralisation in order to give opportunity to local initiatives. He finds that the new activities performed in these LED initiatives all seek to give rise to new forms of public-private partnerships (Helmsing, 2001). These partnerships are created through meso-institutions (institutions at sectoral or regional level) to facilitate these interactions, either at the level of the territory or locality or at the level of the sector or industry. These case studies are all predominantly focused on the physical redevelopment of the urban area or on business development. What Helmsing (2001) wanted to find out was regarding the inclusivity of the practices of initiating LED in these areas, whether they allow for better distribution of economic opportunities, and improved economic productivity. He finds that only one case study was able to answer this important question of whether economic productivity is improved. On the question of whether these new practices of LED initiation actually work he finds that there is little research done on the outcomes of these new initiatives and practices, where the outcomes are examined in relation to local efforts.

In Brazil, Barberia & Biderman (2010) find that there is little research done to prove that the success or lack there-of in LED initiatives is as a result of the newly implemented policies. This is because there is evidence that LED initiatives have been implemented since the mid-20th century. A survey done by Stohr (1972) in Latin America in the 1970's found that a total of 73 LED programmes had been initiated thus far. However, they share the view that indeed government is responsble for creating a favourable environment, through upgrades to factor conditions, which then allowed business activity to thrive (Barberia & Biderman, 2010).

Another finding that has been made in Latin American countries is that LED programmes are often initiated in response to (1) extreme need, (2) crises and (3) strategic administration (Barberia & Biderman, 2010). However the majority of the case study research is very descriptive but does not undertake evaluation or impact assessment of LED policies and is limited by scant data (Barberia & Biderman, 2010). It is mostly centred around estimated determinants, typologies and descriptions of the features to help explain the successes of LED. To address this issue they suggest more rigorous data collection to allow for more rigorous evaluation of LED programmes.

2.6.1 LED STRATEGIES IN SOUTH AFRICA

Since the end of apartheid, the South African national government has strongly encouraged LED activities, and has established the longest running and well documented LED strategy in Sub-Saharan Africa. SA's LED activities are considered pioneers in these parts (Rogerson, 2006 & Rogerson, 2010a; Rogerson, 2011; Akudugu, 2013; as cited in Rogerson 2014) because, according to Barberia & Biderman (2010), LED is considered to still be in the infancy stage in most of the developing world. Therefore, initially this demands that adjustments be made to local planning to allow for the implementation of LED strategies. This would ensure alignment with national and international economic dynamics, such as the global economic meltdown of 2008 and the expansion of South Africa's trade with BRICS bloc (Turok, 2008; Rogerson, 2014). Therefore the growth in LED in South Africa is consistent with this shift in thinking, as more emphasis has been placed on building local support organisations and experimentation with development projects to pin-point what works best in different localities (Turok I. , 2010).

According to Barberia & Biderman (2010) in Africa pro-poor LED programmes are very widespread, while pro-growth LED programmes are rare, with the only exception being South Africa where more pro-growth programmes are initiated in metropolitan cities. Meanwhile in Latin America pro-growth programmes are more prevalent as efforts to increase competitiveness are undertaken.

2.6.1 LEGISLATIVE FRAMEWORK CEMENTING LED

Decentralisation is an important driver towards locally-targeted development programmes. This is due to the increased amount of responsibility endowed on to municipalities, as they are given certain service delivery responsibilities and spending power (DPLG, 2000b; Barberia & Biderman, 2010).

The policy and legislative context for LED is underpinned by several key pieces of legislation (Nel, 2001; Rogerson, 2008; 2011a). First, the 1996 Constitution recognises the significance of local government and Section 152 obliges municipalities to promote economic development of local communities. Second, the 1998 White Paper on Local Government establishes the notion of 'developmental local government' which Sibanda (2013) defines as 'Local Government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives'. Third, the Local Government Municipal Systems Act of 2000 which makes the pursuit of Integrated Development Planning (IDP) a compulsory activity for local government as well as legislated a number of key LED functions and responsibilities (Nel, 2001; Nel & Binns, 2001; Rogerson, 2006; Meyer-Stamer, 2006; Rogerson, 2008). An important aim of the Act is to 'provide for the core principles, mechanisms and processes that are necessary to

enable municipalities to move progressively towards the social and economic upliftment of local communities' (Nel & Binns, 2003 & Rogerson, 2014).

In 2006 the adoption of Growth Employment and Redistribution (GEAR) macroeconomic strategy paved the way for the reshaping of the country's economy, with its emphasis on LED, while ensuring that the country accommodates the forces of globalisation (Rogerson, 2006). Then in 2009 the New Growth Path (NGP) was launched with a vision to create 5 million jobs by 2020 and with a focus on a new more inclusive, labour-absorbing development path (DED, 2010). The NGP document is aimed at fighting against poverty, reducing inequality by creating decent jobs and addressing rural development; thereby working towards its ultimate goal of addressing the structural problems inherent in South Africa's economy (National Treasury, 2012). The NGP's strong focus on LED is made evident in the statements that a 'national approach cannot provide sufficient flexibility to meet the different conditions in each region and locality' and further 'cannot exploit their particular advantages and opportunities for growth and development' (Turok, 2010: 268).

The National Development Plan (NDP) 2030, released in 2012 by the National Planning Commission (2011), shows a more neo-liberal outlook, in comparison to the NGP's emphasis upon the 'developmental state'. The NDP is the second significant framework to reshape development planning in South Africa. The NDP is focused on building a dynamic and more inclusive economy in which the benefits are shared more equally (Rogerson, 2014). This plan builds upon, however, the key proposals of the NGP for a supportive environment for growth and development, as well as creating new jobs.

However, the role of LED is hardly mentioned in the National Development Plan although its importance is acknowledged in the statement that for planning 'it is important that a one-size-fits-all approach is not taken – government and the private sector should understand the distinct challenges and potential of different areas and respond with a location-specific approach' (National Planning Commission, 2011: 237 cited in Rogerson 2014).

The main institution that has been responsible for LED has been the Department of Provincial and Local Government (now Cooperative Governance ad Traditional Affairs – CoGTA) which has produced various policy documents since 1995 (Nel & Binns, 2001 & Rogerson, 2006). While a few others are also influential in the shaping the socio-economic development of the country, such as the Department of Public Works for their role in infrastructure developemnt, or the Department of Trade and Industry (DTI) for their role in cluster initiatives, tax holidays and small business development (Rogerson, 2006 & Rogerson, 2008). The main distinction between the work done by the DTI and the DPLG is that the former focuses on issues of economic growth (called pro-growth initiatives), while the latter focuses on the alleviation of poverty (called pro-poor initiatives) (Rogerson, 2006). There needs to be a concerted effort to ensure that both sets of initatives are given equal attention, the one strives for global competitveness and the other strives for poverty reduction and they need to occur concurrently to ensure well-rounded prosperity in the country (Rogerson, 2006). It is the aim of researchers

and government to ensure that all municipalities are equiped to achieve pro-poor development as well as economic growth to improve competitiveness and poverty reduction (Rogerson, 2006).

The DPLG (2000b) makes recommendations, based on international experience, to local municipalities on several considerations when formulating strategies for LED. These are: (a) small, medium enterprise promotion, (b) investment attraction with aims to support small business, alleviate poverty and expand business development; (c) community economic development; (d) export promotion and industrial recruitment and place-making. A combination of these is useful in formulating a successful LED strategy for many local authorities (Nel & Binns, 2001). This combination of factors is used even when formulating strategy for urban renewal, as all these factors are necessary to ensure that any urban renewal strategy is successfully planned and implemented.

"With regard to LED planning six core principles are identified by the Department of Economic Development (DED), these are: (i) improving the labour absorption capacity of the economy and the labour intensity of economic growth; (ii) rebuilding the productive capacity of the economy; (iii) integrating green considerations in economic and actively identifying new opportunities in the green economy; (iv) focusing on supporting logistics and industrial opportunities on the African continent in order to strengthen the country's own employment base and economic development; (v) enhance the linkages between sectors such as for example between new infrastructure development and extension of local manufacturing capacity; and (vi) promoting partnerships between business, labour and government as critical instruments to drive the jobs goals" (DED, 2012a: 9).
It argued that if LED strategies are implemented in accordance with these core principles, there will be greater chances of success.

2.7 PRO-POOR & PRO-GROWTH LED STRATEGIES: A COMPOSITE OF DEVELOPMENTALISM AND NEOLIBERALISM

2.7.1 NEOLIBERALISM VERSUS THE DEVELOPMENTAL STATE

The corner stone of neoliberal ideology is the belief that unregulated, open markets, free from any state interference is the optimal mechanism for ensuring economic growth and development (Brenner & Theodore, 2002; Turok I. , 2010). Neoliberalism was first applied in countries suffering from post-war depression, where as a way to boost economic growth and development, they dismantled basic institutional components to allow for easier freer trade and allow for more foreign investment to boost their economies. Neoliberalism argues that in order for capitalism to generate development, developing countries must remove obstacles to free market capitalism and this will generate wealth which will trickle down to everyone

(udel.edu, 1999). This resulted in, amongst other things, the relaxation of unionisation, scraping minimum wages, because of the belief that governments prevent development when they place too many restrictions on trade (revisesociology.com, 2015).

The biggest criticism of the ideology is that it led to market failures and social polarization where there is immense inequality between the owners of capital and the labourers (Brenner & Theodore, 2002). The ideology is rooted in the writings of the intellectual Bourdieu (1998) where he describes it as the "utopia of unlimited exploitation" (Brenner & Theodore, 2002). It is the view of dependency theorists, that neo-liberalism is merely a way to open up countries so they are more easily exploitable by Transnational Corporations. Meanwhile these Transnational Corporations do not tend to invest in the poorest countries, or poorer areas (Brenner & Theodore, 2002). What is of importance is the fact that the neoliberal policies were imposed on countries worldwide, especially in developing countries using structural adjustment policies prescribed by the World Bank and the International Monetary Fund (IMF) (revisesociology.com, 2015). The effects of neo-liberalism are still witnessed in the present day, where the rate of development of these countries was severely stalled. This is obvious in post-colonial countries in Africa where local economic development occurs at a low rate and there is large scale dependency on foreign investments (Brenner & Theodore, 2002; Turok I. , 2010).

South Africa has a vested interest in creating and maintaining a developmental state because of the challenges it faces; such as high unemployment rates, large income inequalities, a small micro-enterprise sector, the narrow economic base (mainly based on mining and financial services) which results in dependency on foreign markets, uneven capacity for strategic planning and infrastructure delivery bottlenecks resulting in protests in areas of historical neglect (Turok B. , 2008; Turok I. , 2010). "Development is the improvement of the complex of linked natural, economic, social, cultural and political conditions" (Peet & Hartwick, 2009; 3). Developmentalism by its nature is optimistic and all encompassing, which makes it different from growth. Both developmentalism and growth are modern and rational regimes of thought, but unlike development, growth is only technological, practical and class prejudiced (Peet & Hartwick, 2009). Therefore, in South Africa there are three key elements that have been identified which will ensure an effective adoption of a developmental state (Turok, 2010, 4). These are; the ability to *plan ahead*; meaning that the state has to make long-term strategic planning decisions to address political pressures and socio-economic challenges, therefore a priority for South Africa is to is to ensure a shift in the development path to be more dynamic and inclusive. Secondly, a *concerted effort* needs to be made by the government of SA to establish growth patterns, to create jobs, to improve co-operative government, for example in urban development transport, housing and basic services departments need to work better together to ensure cities are inclusive and efficient. Thirdly, a common purpose and sense of direction must be sought to further the democratic agenda of the developmental state. This means that in order to deliver services for the greater good of citizens and firms, partnerships must be forged with business, labour and the community.

But there are risks to using this strategy for the developmental state, such as the possibility of misdirecting these combined efforts, to where they may be fruitless. Another risk is that the process of coordinating efforts may delay or constrain planning and decision making (Turok I. , 2010). Therefore greater attention needs to be focused on the structure of the state, because the inherited institutions have varying circumstances and planning must be tailored accordingly to ascertain whether it will be best served at central, provincial or local level. *In places where there is extensive lack of capacity, infrastructure and skills, it may be harder to implement this 'new localism', therefore making it necessary to employ the countervailing oversight of central government*, to ensure that this strategy does not result in worsened inequality between localities (Turok I. , 2010) .

2.7.2 INEQUALITY

The South African economy is characterised by huge inequalities, between the poor and the rich. There are large portions of the population who live in abject poverty. When society is very unequal in terms of income differences, there are bound to be issues that jeopardise the wellbeing of that society, such as high crime rates. The myth of the "trickle –down" effect, this effect is rarely seen by the poor (Turok B. , 2008), further proving that neo-liberalism fails at delivering development and economic growth to all members of society.

Developing countries world-wide are characterised by their uneven internal development, due to their colonial heritage, where the foreign interests exploited the area for its resources and left the larger parts of these countries on the periphery undeveloped (Turok B. , 2008). The result of this is where one part of society has better economic relations with the capitalist world and the other parts are more isolated and less developed (Turok B. , 2008). According to Mbeki (2003), there is a structural fault in the South African economy which has resulted in a dual economy or society, as cited in Turok (2008). The country now has to contend with the persistent differences and problems arising from the differences in the developed formerly "white" areas and the underdeveloped formerly "black" areas (Turok, 2008; 181). Turok (2008) quotes Andre Gunder Frank (1969; 4) who refers to this phenomenon as the "core" and the "periphery".

The government has initiated many interventions through macro-economic policy, but these have proven to favour the first economy and doing very little to uplift the second economy (Turok B. , 2008). According to modernisation theory, higher inequality is to be expected to occur from the inception period of a successful development project (Freund, 2014). According to Freund (2014), many researchers and government officials believe that public investment in the main city and CBD would yield more returns by generating more income and employment than an equal investment in a township CBD would. But it is these types of opinions and beliefs that result in the perpetual inequality that exists in cities in the country.

2.7.3 PRO-POOR LED STRATEGIES

Pro-poor strategies are aimed at elevating and improving community-based business development, infrastructure development, municipal services, human capital formation as well as retaining and expanding local economic activity. The thrust of these strategies is aimed at marginalised areas targeting low-income communities by strengthening their asset base (Rogerson, 2006, 2014). The most important policy focus areas for pro-poor LED strategies are; the creation of employment opportunities by stimulating local economic activity, improving regulatory frameworks, as well as improving municipal service delivery (Beall and Todes, 2004 cited in Rogerson 2006). The support offered in pro-poor strategies will range from the provision of markets and availing premises for local businesses, to business incubators, to improving the built environment to support the activities of the emerging businesses (Rogerson, 2006). According to Cameron, Odendaal, & Todes, (2004), in the 1960s urban renewal strategies (especially in America) were considered to be pro-poor strategies as they responded to issues of social and economic exclusion as well as high concentrations of poverty in housing estates and poorer neighbourhoods.

The Reconstruction and Development Programme (RDP) emphasizes the importance of financing LED initiatives and strongly suggests that funding should be aimed at reaching the most impoverished and neglected areas of South Africa (Nel & Binns, 2001). The Local Economic Development Fund was created in 1999 by the DPLG, to financially support (by a maximum of R1.5 million) municipalities that are involved in projects that are aimed at poverty alleviation, job creation and equitable distribution (Harrison, 2000 cited in Nel and Binns, 2001). The LED Fund was aimed at funding projects that were innovative in their pursuit of partnerships that would build a strong national economy. Although as many as 827 municipalities applied for funding of their initiatives, only 48 were successful and received funding (LED News, 2000b; Rogerson, 2006).

Another source of funding for pro-poor LED initiatives came from the DPLG was called the Regeneration Study Grant from the Social Plan Fund to assist local authorities with a reported high number of retrenchments (LED News, 1999). According to Nel & Binns (2001) the funding of these LED initiatives was very limited and in light of the financial constraints faced by local municipalities, this funding needed to be increased dramatically in order to have a greater impact.

The Extended Public Works Programme (EPWP) was launched in 2004, as a nation-wide programme designed to absorb large numbers of the unemployed population in initiatives to upgrade infrastructure (Rogerson, 2006). According to McCord (2004) and Phillips (2004), cited in Rogerson (2006), the employment opportunities offered by this programme are temporary, but they have done a great deal to provide employment for the poor.

The Urban Renewal Programme was launched by the national government in 2001 in order to target localities that were most disadvantaged under apartheid by explicitly focusing on urban regeneration and support to township areas (Rogerson, 2006).

The Integrated Sustainable Rural Development Strategy (ISRDS) is a bottom-up approach to empowering local government to meet local demand-driven development goals, by coordinating the sectoral departments' actions towards more responsive delivery of rural development targets (Everatt, *et al*, 2004 cited in Rogerson, 2006).

The Integrated Small Business Development Strategy was redesigned in 2004, in order to better recognise and emphasize the importance of local-level interventions, especially the critical role of supporting local authorities in the providing infrastructure facilities, creating IDPs and improving the performance of SME's (DTI, 2004 cited in Rogerson, 2006). There is also a renewed focus in creation of support mechanisms for the informal sector of the economy in the formation of Local Business Support Centres which offer services such as micro-finance and capacity building for SMEs (Xaba, *et al*, 2002 cited in Rogerson, 2006).

2.7.4 PRO-GROWTH LED STRATEGIES

In an effort to make cities more competitive and productive, pro-growth LED interventions have been initiated that are tageted toward three key themes (Rogerson, 2006; Haferburg & Huchzermeyer, 2014). The first being the operationalisation of Business Improvement Districts to allow for the physical upgrading of the inner city area. The second is the enhancement of the urban form with interventions designed to decrease the local cost of doing business. Interventions like the improvement of pathways will improve logistics, thereby strengthening the relationship between infrastructture investment and economic growth. The third are interventions to improve safety and security, like the installation of closed-circuit television in the city centre, because high instances of crime have been proven to be a major deterent to business investment in the city centre.

LED planning in South Africa has been dominated by market-led activities aimed at achieving high economic growth rates and global economic competiveness (Rogerson, 2006). The strategies employed involve launching city improvement programmes and offering support to ensure growth of small and medium enterprises, as well as place entrepreneurialism where specific localities are promoted as competitive spaces for knowledge-based activity, production and consumption (Rogerson, 1997a; 2000 cited in Rogerson 2006). An important intervention has been the establishment of Industrial Development Zones (IDZ) which are export processing zones in areas such as East London and Nelspruit where locational competitiveness is harnessed. These zones created to establish to allow for pro-growth LED activities, are equipped with high quality infrastructure and streamlined bureaucratic processes, but are not premised on exploiting cheap labour or fiscal incentives (as done in the past) but on taking advantage of the regional competitiveness of the area (SACN, 2004 & Morrow & Engel, 2003 cited in Rogerson, 2006).

Leading cities find it imperative to fix their micro-economic constraints and increase production capacity so as to become globally competitive and become 'world-city' players (Rogerson, 2006; Haferburg & Huchzermeyer, 2014). All South African cities are embarking on microeconomic reform in order to attract and retain an agglomeration of 'knowledge-based activities' and to deepen their local skills pool (Rogerson, 2006). The structuring of these plans is detailed in the cities' IDPs, where there is a specific focus of sectoral development, such as the tourism sector. An example of when tourism-led planning was part of the city's vision, was seen in the years leading up to the 2010 FIFA World Cup or even the drive by the country's major cities to attract the lucrative business of convention tourism (Rogerson, 2006; Haferburg & Huchzermeyer, 2014). In Durban, researchers have found that there is a new focus on the development fo the property sector, which will boost tourism development (Hall & Robbins, 2002; Lovett & Freund, 2004; cited in Rogerson, 2006). These interventions have been conceptualised as a way to forge partnerships between the old business elites and the new in the city (Moffet & Freund, 2004). While in Ekurhuleni the main focus of LED activity is on the revival of the industrial base in order to increase its competitveness of the existing manufacturing enterprises and the aerotropolis focused on OR Tambo airport. (CDE, 2002; Rogerson 2004a, 2005; cited in Rogerson 2006).

In South Africas secondary cities, the LED activity is geared towards the fight against the threat of economic marginalistaion, to which Pillay (2004), cited in Rogerson (2006), suggests 'production development policies' approach. This is to fight against the decline that has been witnessed in cities like Witbank and Newcastle (Pillay, 2004), Mahikeng, Rustenberg and Klerksdorp (Mosiane, 2000,2002), as well as the Free State Goldfields (Nel & Binns, 2001, 2002a). These smaller cities, towns and rural areas, also called 'lagging area' by Todes (2013), are plagued by major challenges such as limited capacity, lack of resources, job losses, abject poverty and economic decline (Nel, 1995,1997,1999; Xuza, 1999; Lloyd & Horn, 2001; Seethal, 2002; Nel, et al, 2003; Nel, 2005).

It would not be enough to implement only pro-growth LED strategies in these lagging areas, as its ideals are of a neolibaral nature and there is no guarantee that the benefits would 'trickle-down' to the masses. Besides, the implementation of pro-growth strategies will likely have marginal success due to limited capacity and and other constraints and challenges faced by lagging areas. It then becomes clear that a good combination of pro-poor and pro-growth LED strategies needs to be employed in these areas (including townships) in order to effectively deal with all the challenges.

2.8 TOWNSHIP DEVELOPMENT PROJECTS AS A MEANS TO IMPROVE THE TOWNSHIP ECONOMY

South African townships are characterised by high numbers of unemployed people (60%) of working age, which makes up 38% of the population in the township (World Bank, 2014). Exclusion areas (such as townships) are areas which have been neglected by cities' government, by getting very little or no investment towards their development (SALGA, 2012). This came about as a result of apartheid planning and is a challenge which the post-apartheid government has to deal with by finding ways to redress the imbalances of the past (Haferburg & Huchzermeyer, 2014). It is therefore important to note that, because the large numbers of the citizens who reside in these areas, their development and improvement will ensure that many livelihoods are secured (SACN, 2009). This is the reason why public investment in infrastructure is necessary, in order to unlock the social and economic potential of these exclusion areas (Cameron R. , 2014).

The business environment in townships lacks a dynamic multi-skilled middle-income labour as well as businesses which will allow the township economy to perform better. At the same time, low skilled job opportunities to absorb the high number of unskilled and unemployed population are lacking in the township. In South African, the previously black settlements are plagued by large concentrations of poor households in both urban and rural locations and high levels of unemployment, as well as poorly performing residential property markets and slower household income growth than the national average (National Treasury, 2007). Income retention is also limited due to the lack of retail and commercial facilities which results in their limited income being spent in more established urban centres rather than the local economy (National Treasury, 2007). This is largely due to the fact that townships have undiversified and marginal local economies, which remain largely as they were originally planned by the apartheid planners as dormitories for cheap black labourers, characterised by limited retail and commercial activities (National Treasury, 2007). Therefore there is limited private sector investment which results in slow economic growth, high unemployment and poverty levels. The other challenge that faces townships is that they have become a considerable fiscal burden on the coffers of muncipalities, as they have the largest service backlogs, but contribute little to municpal income (National Treasury, 2007), even though they generally have the largest household population.

Townships have been the recipients of some property-led urban renewal initiatives, where construction of business premises is initiated and with a few anchor stores, with the hope that the existing business owners (mostly small and informal businesses) will also look to rent space in these new developed properties (Grogan & Proscio, 2000). However, according to McGaffin, et al (2015), past developments have resulted in small business owners and tenants being unable to afford rentals, this is due to the developers passing the price of construction on to them with higher rental prices. For many of these business owners, access to new business premises is not regarded as important, especially if it means they have to pay more for it. The returns on investment and conducting business in townships are low, this is because the township market is shallow; as a result of the residents' low incomes, their buying power is limited (Johnson, 2013; McGaffin, et al 2015). Due to the their profit margins being low as a result of the shallow market, these small and informal businesses have difficulty accessing funding, either for expanding their business or for getting better premises (McGaffin,et al, 2015). In addition, these returns are made even lower by the fact that the location of the

business in a marginal or peripheral area, which makes the acquisition of business inputs, such as supplies and stock, more expensive and thereby lessening the profits made (McGaffin, et al 2015). It is for all these reasons that some economic development projects have failed to yield the expected results of uplifting poor and marginalised communities, because the targeted business owners do not see much improvement on their business. The business community in a township would greatly benefit from interventions that are geared at their development, provided that they address all the issues that hinder their progress.

According to Rojas (2010) the problems of poor and low income households are often concentrated in areas that are far from the urban centre, that are marginalised and on the periphery. These settlements have poorer access to transport and other public services, than higher income neighbourhoods; therefore they are poorly connected to the rest of the city. The residents of these settlements have little access to employment opportunities where they stay which further isolates them from the social aspects of the urban environment. It is therefore the task of the government, whether local or central to rebuild the deteriorated social relations by building better public spaces and neighbourhood connectivity. It has been found that most settlements built on the periphery tend to host a large concentration of problems that affect vulnerable segments of the population, such as single mothers, adolescents, the handicapped, children and female headed households. The problems of these vulnerable groups, such as domestic violence, gangs, high instances of school dissertation, teenage pregnancy and drug trafficking, are magnified by the environment they live in, which tend to further deteriorate the urban, social and economic conditions. Therefore when projects are initiated, that target the place and the people, many of these issues can be addressed (Todes, 2013). A range of support policies can be used to stimulate local energy and community enterprises, in addition to the construction-related activities and social development initiatives (Todes, 2013).

The state may invest large sums of money into infrastructure projects to produce subsidised housing and providing services in the area, but there needs to be more careful attention paid to making the residents more active, more economically productive, so called ‘human agency’ (Freund, 2014). By inspiring residents to be innovative, to take charge of their own development and to find the means to sustain themselves without the assistance of government. Therefore interventions implimented should address all issues hindering the progress of the business community. It may be necessary to impliment policies specifically aimed at stimulating local energy and enterprise in addition to construction of infrastructure. This is why it is imprtant to build infrastructure that will create a supportive environment for business enterprise. Even though the muncipality’s capacity and funding to implement multi-faceted infrastructure-led development, they have the ability to source funding and support from national government and other government departments. This more integrated approach will ensure more success in renewal of lagging and marginalised areas.

2.9 SPATIAL TARGETING: AS A MEANS TO IMPROVE QUALITY OF LIFE

This section discusses local area focused programmes that have been implemented in line with policies that aim to initiate development in lagging areas. The discussion focuses on the outcomes of these projects as well as the lessons learnt from these projects and what were their implications on the local economic development of these areas.

2.9.1 LOCAL-AREA FOCUSED INITIATIVES

There have been five local area focused initiatives, namely:

- Special Integrated Presidential Projects (SIPPS)
- Urban Renewal Programme
- Integrated Sustainable Rural Development Programmes
- Neighbourhood Development Partnership Grant Programme (NDPG)
- eThekwini Area-Based Management Programme (ABM)

These programmes were based on the objectives of policies which seek to foster infrastructure and local economic development (Todes, 2013). These initiatives had varying impacts on social and economic development of the areas they were implemented in.

Special Integrated Presidential Projects (SIPPS)

This project was launched in 1994 as part of a broader set of policies that initiated the Reconstruction and Development Programme (RDP). It focused on communities in crisis, torn by violence and the aim was to initiate development in these areas, according to the RDP White Paper (1995). SIPPs were aimed at fast-tracking projects to deliver basic services, such as providing infrastructure, housing and community facilities, as well as job creation. The projects were part of a larger framework for transformation, as well as a new participatory mode of integrated planning and development According to Rust and Napier (2002), these projects were meant to be short-term 5 year projects, however many continued beyond 5 years.

There was a total of 13 projects initiated in all provinces with a budget of R1,88 billion from the RDP fund, but a total of R3.62 billion was spent from both public and private donor funding. Projects were chosen on the basis of their visibility, potential for impact, their capacity for implementation especially in alignment with housing policy objectives and the creation of viable communities (Todes, 2013). The largest SIPP projects were Katorus in East Rand, the Integrated Serviced Land Project in Cape Town and Duncan Village in East London. Because local government was in transition at the time the SIPPs had autonomy in their operation, although there were structures set up to relate to various government departments; the programme was under the RDP office but later moved to the Department of Housing (Rust

and Napier, 2002). The Cato Manor Development Project (CMDP) lasted the longest, until 2002, and was aimed at developing well-located land in Durban for mixed income populations in order to promote integrated development planning. Therefore based on evaluation of a few of the leading projects, such as Cato Manor, the reviews were mostly good, because the projects were effective at delivering housing, services and infrastructure in high conflict areas (Todes, 2013).

Urban Renewal and Integrated Sustainable Rural Development Programmes

These are Presidential Projects aimed at encouraging integrated action between government departments in a coordinated effort to deliver services and infrastructure in the specified nodes (Todes, 2013). While these programmes were initiated at local level, they were also coordinated by the Interdepartmental Task Team of the Social Sector Cluster, chaired by DPLG/COGTA and received support from local, provincial and national champions. These programmes had no allocated funding, as the expectation was that they would attract funding from the three spheres of government and the Department of Local Government (DPLG) provided additional funding. A total of eight urban nodes were identified and they had dedicated project teams to implement the multi-tiered anchor projects. These were mainly infrastructure-led projects such as the Khayelitsha CBD programme in Cape Town. While many of these URP nodes and anchor projects were a success and were delivered in conflict areas, some of them, mainly the Eastern Cape URPs were unsuccessful. They experienced problems with institutional capacity, political and staffing issues (Todes, 2013). Because the URPs mainly focused on housing and infrastructure development, they mostly succeeded at reaching goals, but the social and economic aspects of projects received less attention. Even though the projects were criticised for not being people-centred, they did manage to ensure a decrease in crime rates in townships due to CCTV camera installation, visible policing and improved infrastructure (COGTA, 2010).

Integrated Sustainable Rural Development Programmes

There were a total of thirteen rural nodes earmarked for development on the basis of population density, high levels of poverty and infrastructure backlogs (Todes, 2013). These projects spanned over large areas of land with a focus on agriculture, tourism, water infrastructure and enterprise development. But unfortunately they were largely deemed as unsuccessful, due to the lack of dedicated, experienced project teams and lack of adequate budgets; as well as lack of coordination and cooperation between departments. The enterprise development projects were challenging, mainly due to the fact that there was lack of private sector interest in rural areas (COGTA, 2010).

Neighbourhood Development Partnership Grant Programme (NDPG)

The NDPG programme was a unit at National Treasury aimed at providing capital grants and offering technical support to municipalities to deliver township development projects. The intention was for these projects to yield social, economic and financial returns (National Treasury, 2007). By 2011 a total of R88bn had been allocated to projects across 57 municipalities and 90 townships (National Treasury, 2010; Todes , 2013). Municipalities made their applications to National Treasury for the NDP Grant by providing a viable project strategy and some funding was allocated to metros, secondary cities and densely populated rural areas (Todes, 2013). Since 2012, the programme has shifted its focus towards a network development approach, where integrated nodes are developed at regional level with corridors and linking routes. This programme has not yet been assessed as it is still in development (Todes, 2013). However, the programme has faced challenges with the municipalities as over 50% were rated medium to low capacity and the municipalities had difficulty attracting private investment to the area as the environment was not substantially improved (National Treasury, 2010). The reason for this failure to improve environments in these municipalities were; lack of capacity, corruption, political interference, land issues and high staff turnover (National Treasury, 2010). This is in spite of the technical training and support offered through this programme to help with capacity building. According to Todes (2013) there was little impact on social and economic development as these projects mainly focused all attention on infrastructure provision.

eThekwini Area-Based Management Programme (ABM)

The eThekwini ABM was a municipal led initiative covering areas of the inner city, township areas, industrial areas (such as the Southern Development Basin) and rural areas. This programme secured funding from the European Union (EU), which allowed for the appointment of a dedicated project team, who were able to develop a wide range of projects (Todes, 2013). The ABM team was also able to leverage expenditure by government, and due to the EU funding they were able to employ some innovation in that they pioneered new approaches. They were successful in their provision of infrastructure improvements and service, although they were never assessed for their economic and social impacts (Todes, 2013).

Economic Impact of these Area Based Initiatives

The economic focus of these projects was never strong, there is no baseline economic studies were conducted nor have there been assessments of economic impact (Todes , 2013). The assumption was always that infrastructure investment would ultimately lead to economic development and only the UDZ's and some projects had a strong economic focus. These programmes were implemented mostly in marginal parts of cities and towns. There were economic initiatives included in the planning of these projects, such as corridors and nodes, new CBD areas, making townships more business and investment friendly through crime prevention and management, space for informal trades, urban agriculture, tourism and

preferential procurement for SMEs and external links for business (DPLG, 2006; Urban Landmark, 2009).

Firstly, these nodal development projects were plagued by poor planning and in some instances overambitious planning as a result of misunderstanding the local market dynamics (Todes , Spatial Targeting: Lessons from South African Experience, 2013). For example there was an oversupply of land for retail and industrial purposes with hopes that the development would attract more investment, but this did not happen. Second, according to Todes (2013) there was a lack of innovation in planning for long term economic development, in many projects there were no labour market surveys done, or skills development programmes. Therefore the economic development plans had marginal short-term success and no long-term feasibility or success (Todes , Spatial Targeting: Lessons from South African Experience, 2013). Third, very little effort was made to attract a wider range of firms, including municipal and government offices, to relocate to the newly developed nodes. These offices and nodes still preferred to move to more upmarket nodes outside the township (Todes , 2013; Rogerson, 2014).

Fourth, there have been too many failed attempts to create jobs through SMEs, the investment in those projects has not yielded sustained employment creation, and only Cato Manor has shown some good results in assessments (Nel & Binns, 2003; COGTA , 2010).

Fifth, the increased number of shopping centre developments is a direct result of the nodal developments and the use of shopping centres as anchor projects for LED is apparent (Todes , 2013; Donaldson & Du Plesis, 2013; McGaffin, et al, 2015). The biggest debate arises from the competition of these shopping complexes with local businesses, while they do offer a wider range of services, they also have a crippling effect on local businesses. For example, Lighthelm (2010) shows that 48% of firms within 5km of Soweto's Jabulani Mall were closed down within 2 years (Todes, 2013). Sixth, evidence shows that the market response to spatial targeting initiatives is spatially selective, meaning that projects implemented in metropoplitan areas had more success than those in smaller cities and towns (Demacon, 2013). Research has shown that large cities like Johannesburg have had better success with these projects, as they have more capacity to attract investment, to do more marketing as well as municipal capacity (Demacon, 2013; Donaldson & Du Plesis, 2013).

2.10 KEY LESSONS FROM OTHER DEVELOPING CONTEXTS

A key element to a successful urban renewal is that the residents have improved or increased incomes in order for them to have an improved quality of life. This is why Rojas (2010) advocates the need for an integrated approach to urban policy which will accommodate the creation of better employment opportunities, especially for those engaged in informal trade, in these neighbourhoods. Strategies need to be implemented to ensure the employment of people is sustainable and in sufficient quantities. These interventions must allow the

population to enter into the formal economy, as opposed to remaining in low skilled, less productive work in the informal sector. But in many cases it is paramount to improve the productivity of the informal sector as not all community members will be absorbed into the formal sector of the economy (Rojas, 2010).

Even though the scope of urban renewal upgrades may be spatially limited to specific neighbourhoods, therefore creating an island of good urban services (Rojas, 2010), those who benefit will gain improvement to their quality of life. In Latin America, Rojas (2010) argues that the upgrading programmes that are implemented in low income and poor neighbourhoods are too small in scale in comparison to the size of the problem. He states that the programmes often have a narrow focus and limited objectives which address very specific problems in a specifically defined territory, mainly to limited funding and competition for resources from local government. It also becomes important to bring integrated interventions where the local government does not only focus on housing, but other social and economic services which will require authorities to work with other departments.

According to Rojas (2010) these areas are plagued with social, political and economic issues which culminate in high instances of violence. Because people who live in low-income areas are involved in the informal economy, they have fewer resources to protect themselves, their jobs and their assets. It has been proven that the traditional method of peace keeping with police presence is mostly ineffective as the persistence of violence and crime has been noted. A necessary condition for improving the quality of the environment of residents of either informal areas or townships or deteriorated areas is security and ensuring harmonious coexistence. Therefore the authors like Rojas advocate that law enforcement be supplemented with infrastructure investment in preventative measures. This method is called “crime prevention through environmental design” (Rojas, 2010; 23), where the risk factors in these neighbourhoods are controlled with preventative measures, as opposed to defensive measures, for example improving street lighting, better connectivity between neighbourhoods and rehabilitation of derelict public spaces. This approach will necessitate the involvement of various government departments in a city wide campaign to rebuild deteriorated areas.

2.11 LESSONS LEARNT: CONSOLIDATING SA’S URP & LED STRATEGIES

Development programmes are designed to have a positive effect on the targeted place or space of implementation and any proposed development project is expected to have a positive impact on the lives of the people in that community and is expected to change their lives for the better (Thwala, 2009 & CoGTA, 2012). It must be noted that in any city or local municipality the planning for both pro-poor and pro-growth LED interventions has to be integrated, because they are interrelated (Rogerson, 2006, 2008; Haferburg & Huchzermeyer, 2014). While a strong bias has been shown by many South African cities and local governments toward

support for pro-growth LED strategies, more and more is being done to ensure that pro-poor interventions are also being prioritised (Nel & Binns, 2003; DED, 2012a; Rogerson, 2014). According to Meyer-Stamer (2006) LED activities have a tendency to ignore existing black businesses, even with provisions for BEE, which can be done in unsustainable ways. The preffered option is still for the improvement of the environment as this will have a positive impact on all existing businesses and possibly lead to strong job creation effects.

Based on analysis of literature on LED strategies applied in South African townships, it is apparent that there are areas that could be improved in the implementation of local-area based initiatives and projects. Improved strategies will ensure that businesses are given the opportunity to grow and improve their performance. The lessons learnt are as follows:

1. The need for a more flexible land use management because it normally takes too long to change land uses in order for the development to go ahead as planned according to schedule (Donaldson and Du Plessis, 2013). The local municipality should ensure that zoning regulations do not inhibit enterprise development and procurement of land for those interested in conducting business in the township. Another important issue for local municipalities to attend to is the proper regulation of utility charges for businesses in their area (DPLG, 2000b; Rogerson, 2008)

2. Informal trade is the main form of business in townships, therefore any project initiated has to accommodate this type of trade (Donaldson & Du Plessis, 2013). Any improvements made to precincts in townships will need to take into account the presence of informal traders who operate in the vicinity, but reports state that this not always been the case in past projects. There has been a reported loss of revenue to informal business operators who have difficulty operating after new big retailers have opened their businesses in these precincts. Municipal policy must accommodate the needs of SME's and the informal sector (Rogerson, 2008).

3. The advent of township malls also has resulted in loss of revenue for operators of spaza shops and vendors (Donaldson and Du Plessis, 2013). Evidence has shown that the infiltration of shopping malls into townships has led to the demise of local businesses (Rogerson, 2006; 2008; Todes , 2013; Donaldson & Du Plesis, 2013). While this is bad for some it can be good for others, such as shebeen operators who benefit from the larger volumes of foot traffic in the area of new malls and urban renewal projects. The development of large shopping malls in townships indicates a neglect of the "second economy" by planners (Van Donk, et al, 2008; Rogerson, 2008). The second economy is important to township development, because a large number of businesses that occupy those spaces are micro-enterprises and informal businesses, therefore their needs to be prioritised (Rogerson, 2008). However, the bigger the size of the retail space, the more variety it will have, therefore it will have a better chance at attracting more customers. Customers want value for money and

affordability as well a wide range of products to choose from, therefore a retailer that is well established will cater to all these needs (Rojas, 2010). This will lead to a growth in the local economy which may lead to even further job creation since the market is able to expand. This is the strategy that has been applied in many area-focused projects, with the hope that shopping mall development will lead to more employment in the formal economy (Todes, 2013; McGaffin, et al, 2015), but the unintended consequences of this strategy are hard to ignore.

4. There is a greater need to make projects more sustainable, using more consultation with the community on what their needs are (Donaldson & Du Plessis, 2013). The application of generic support interventions limits the potential of an area (Rogerson, 2008). The support initiatives and overall strategies need to be specifically tailored to the area of the development in order to ensure success at addressing the problems of the area (DPLG, 2006). Simon (2003) places an emphasis on participatory development in pursuit of a progressive agenda which seeks to learn the exact needs of the locality directly from the beneficiaries. Freund (2014) gives an example of an urban agriculture programme where the project had the best intentions of initiating enterprise for township communities but ultimately resulted in people requiring more government assistance and hand-outs rather than it being self-sustaining. Stating that these projects did not unlock a sense of agency in the beneficiaries; they did not take ownership of the projects because it was imposed on them by government officials. If need be, a community management company must be formed, it can be a non-profit company that looks after the interests of the community. An example of this is seen in the Khayelitsha CBD where community members formed a collective body in order to liaise with project leaders and business operators who will be operating in the newly revitalised precinct (Donaldson & Du Plessis, 2013).

5. There is a need for urban renewal projects to focus on social development, rather than on economic development only (Donaldson & Du Plessis, 2013). Greater focus should be placed, by all involved in the project's implementation, on the social aspect of urban revitalisation in townships as there are many aspects of people's lives that need to be uplifted than merely providing them with employment opportunities. These authors advocate for ways that the national retailers can coach and mentor the small business owners by offering business management advice especially on how to improve their businesses as their social responsibility and a duty to the township community they operate in. But it has been clear in the past that the social mandate has not been viewed as equally important by these commercially oriented role-players.

6. The fifth lesson is that the need for a dedicated project champion is often ignored (Donaldson and Du Plessis, 2013). The project champion ensures that administrative red tape involved in the implementation of a project is quickly manoeuvred and all the

complex aspects of a project administration and funding are taken care of. There is a need for qualified, dedicated staff to be employed to manage these area-focused initiatives (Rogerson, 2008). These staff members need to be experienced in order to be project champions, but employing and retaining qualified and experienced project leaders in municipalities has proven problematic (Rogerson, 2008; Todes, 2013). This was evidenced most in the ISRDPs where there was shortage of skilled and dedicated project leaders, leading to these initiatives having very marginal success (Todes, 2013). In the case of SME support initiatives, there needs to be knowledgeable staff that will give support and advice to emerging, micro and informal enterprises, to ensure they are better equipped to manage and grow their businesses (Rogerson, 2008).

7. The public investment aimed at attracting private investors into the township may not yield the expected results (Donaldson & Du Plessis, 2013). Because most private companies perceive the township to be too risky to invest in, the public sector aims to lessen that risk in order to attract more investment. There is a need for policies and programmes to be put in place to ensure that issues like discrimination, social exclusion and inequality are tackled on a bigger scale than neighbourhood level. The issue of safety and security is discussed by Rogerson (2006) where he indicates a strong relationship between lack of private sector investment in marginalised areas as a result of the high rates of crime and lack of security. When the area is known or perceived to be unsafe private business owners tend to stay away from these areas. In many cases the private companies that come to operate in the township will not use locally sourced infrastructure, supplies or labour, therefore the revenue will be directed outside the township. Government has little or no control over decisions taken by private companies; hence Donaldson and Du Plessis (2012) recommend the formation of a community trust.

8. The success of sectoral based or targeted interventions should be applied in more of these area-focused initiatives (Rogerson, 2008). The intervention strategy, to train artisans, applied to the manufacturing sector in Cato Manor led to sustained job[1] creation (Todes, 2013).

9. Capacity constraints are the other issue that plagues municipalities and hinders any progress when it comes to successful implementation of LED initiatives (Rogerson, 1998; Nel & Binns, 2001; Rogerson, 2006). .

2.12 CONCLUSION

[1] Job creation is needed due to the high number of people on welfare grants in townships…

Therefore it is essential for planners not to be naively overambitious or, pessimistic, due to the complex conditions found in South African townships (Simon, 2003). Planners must have a realistic sense of the key parameters and to ensure that the available resources are compatible with the key objectives. After all, according to Simon (2003) the most widespread reasons for the past failure of spatial development planning, especially at local scales, around the world have been; inadequate resources and powers relative to objectives and responsibilities; inappropriate institutional structures and divergent or contradictory powers and responsibilities; as well as; overambitious aims and objectives (Dewar, Todes and Watson, 1986b; Simon, 1990; cited in Simon, 2003). If these pitfalls can be avoided by planners, then intervention projects can be implemented with far more success than has been seen in past projects.

The renewal and vitalisation of township neighbourhoods is complex because of the initial design of townships as dormitories for black labour, with limited social and economic facilities. The challenge is to implement plans that will ensure that townships have a diverse economy with a variety of activities and sectors, using infrastructure-led development. With the implementation of infrastructure projects it is necessary to also implement broader social and economic initiatives to supplement the infrastructure, because infrastructure alone has had little success in promoting LED. The role of the government in ensuring economic growth occurs in these township neighbourhoods is complex because of the conditions of high crime, lack of infrastructure, lack of skills and lack of capacity may deter private sector from investing in townships. These interventions will be made possible if there is dedicated staff and a project champion available to ensure the project succeeds. The increased number of shopping malls in townships have an adverse effect on the local economy, forcing small enterprises to shut down and displacing the informal sector.

Urban renewal programmes have made some difference in the communities where they have been implemented, in many cases in neighbourhoods that have complicated political and social conditions. This may be because the implementing team was able to align the objectives they wanted to achieve with the available resources, whether it was funding, skilled staff and coordinating efforts with other departments. These issue are found most commonly in all areas that need targeted intervention and they will form the basis for the discussion of key findings in chapter 5 of this report.

CHAPTER 3 – THE MURP ADDRESSING MDANTSANE'S DEVELOPMENT CHALLENGES

3.1 INTRODUCTION

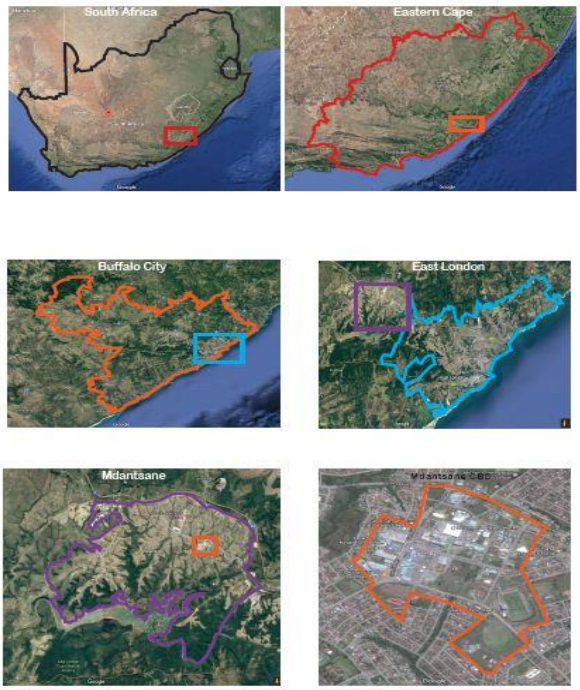
This chapter responds to the sub-question 2, which asks how the MURP proposes to address Mdantsane's developmental challenges. Details are given on how the township of Mdantsane first came into being in the 1960s. Then shows how the place has evolved over time to become what it is now. The details of the economy in the township are given, as well as the social, demographic and geographical aspects of the township. There is a specific focus on the developmental challenges in the township, pertaining to the economy, housing, social facilities and education and skills training. The next section focuses on how the Urban Renewal Programme proposes to use the NDP Grant to address the development challenges of the Mdantsane CBD. The last section briefly covers the BCMM's planned intervention projects and how they will develop and upgrade the township CBD.

3.2 BACKGROUND TO THE CASE STUDY

Mdantsane is a good example of an underserved poor community and a township which is an exclusion area. It is a township which faces all the problems of townships designed in the days of apartheid, being far from the main city centre, having high unemployment and poverty rates, as well as a slow economic growth rate (Kagiso Urban Management, 2010). This township has been a beneficiary of the NDPG and the impact of the renewal has been experienced by residents and business operators in the study area. The area of Mdantsane was chosen for the study because it represents an old township created in the 1960s during the apartheid years. The township was an underserved, marginalised area with large concentrations of poor black people who were meant to provide labour for the nearby economic centre, the city of East London (Kagiso Urban Management, 2010).

The apartheid government institutionalised residential segregation, so that areas for black communities were located far away from economic areas (for white people) with very limited infrastructure and social amenities. The local governance system that developed was therefore aimed at preserving racial divides and deepening of inequalities (Morontse, 2010).

MAP 0-1: CONTEXT MAPS INDICATING LOCATION OF STUDY AREA



(GOOGLE MAPS, 2016)

The township CBD is located in N.U.2 (Zone 2). It is called "Highway", named after Qumza Highway also known as the Mdantsane Access Road. [See context in Map 3.1 above.] This is the main road that runs through Mdantsane from Fort Jackson Industrial area to the East London city centre (Ford, 2016). There are many informal traders who trade on the streets and pavements of 'Highway'; it is also the location of the main taxi rank for the entire township. Formal businesses are located in shopping complexes in the township CBD. NDPG-funded projects have been initiated in and around the Mdantsane hub [see Map 3-2 below], in order to improve the environment in the area. They are designed to improve the performance of the CBD and as a result improve the lives of residents of the township.

MAP 0-2: MDANTSANE URBAN HUB & CBD (HIGHLIGHTED IN RED)



(CONCEPTS URBAN DESIGN, 2015)

The Mdantsane hub has many features that attract people to it. The taxi rank is where people access transport. The Kuyasa Mall has one (Spar) of the three (including Boxer and Shoprite) major supermarkets in the CBD. The Mdantsane (ECDC) mall is still operational but in a very dilapidated state, and houses over 50 semi-formal and informal businesses. There are some social services, with the area having a Home Affairs office, Municipal offices and a clinic providing healthcare services, as well as an arts centre and sports fields [see Map 3-3 below].

MAP 0-3: MAJOR ATTRACTIONS (LABELLED) IN THE MDANTSANE CBD



(KAGISO URBAN MANAGEMENT, 2010)

The image [Figure 3-1] below depicts a part of the case study area of the Mdantsane CBD, where a mix of formal as well as informal trade exists in a symbiotic relationship. Here commuters make use of taxis parked in the malls where they do their shopping. Figure 3-2, depicts the presence of informal traders just outside the entrance of the shopping centre.

FIGURE 0-1: MDANTSANE CBD: MALL AND TAXI RANK



Picture: Sizwe Mseleni (2016) KUYASA MALL TAXI RANK

FIGURE 0-2: STREET TRADERS AT DOORSTEP OF FORMAL BUSINESS



PICTURE: SIZWE MSELENI (2016). MALL AND STREET TRADEHISTORICAL EVOVLUTION OF MDANTSANE

3.3 HISTORICAL EVOLUTION OF MDANTSANE

Like all other homeland townships it began with the history of South Africa where black people, who lived in the region were engaged in battles with the white colonialists but unfortunately were overwhelmed (Cook & Opland, 1980). Black locations were formed due to migration from rural areas, but these locations became overcrowded. Nothing was done by the government of the time about these living conditions. In spite of the fact that the residents of the locations generated more revenue for the economy than any other settlers, surpassed only by the market place and rates collections (Cook & Opland, 1980). Then later, a concept was develped, to build a 'dormitory township' which would accommodate and later draw away the black residents from East London.

In 1958, farmland in an area called Mdanzani was released and marked as the site for the new black township (Cook & Opland, 1980). Construction of the first houses in Mdantsane[2] commenced in 1963 and the town planning scheme applied to this township was based on

[2] The name was altered to Mdantsane on the recommendations of the Linguistic Authorities of Bantu Languages at the Department of Education, Arts and Science (Cook & Opland, 1980)

the neighbourhood concept first introduced by Sir Ebenezer Howard in 1898, called the Garden City (ibid). This involved the design of a business or civic centre that would cater for all the high order needs of the population, which would be central to all the neighbourhoods arranged around or in clusters near this business node. With the exception of the factory built by the British Textile company, there were no other employment opportunities in the township, only residential development (Cook & Opland, 1980). Therefore the residents were meant to work in this factory, live in this dormitory township far from their real homes in the rural areas.

Political parties, such as the ANC and the PAC, have been very active in the township, with some of their best achievements being the mobilisation of gang members who were terrorising the township residents, and turning them into responsible members of society who make a positive contribution. Many political stalwarts and veterans also hail from this township, including Thozamile Gqweta, Ntombazana Gertrude Botha, Mlamli Ondala, Bangumzi Sifingo as well as Tata Ngidi who was a unionist and a preacher who fought bravely against the apartheid police's brutality (Charter, 2016).

3.4 DEMOGRAPHICS

Mdantsane has a population of 156 835 (StatsSA Census, 2011), which has declined from 175 789 in 2001 (StatsSA Census, 2001). This may be due to out-migration of people from the township, because people seek out better opportunities in other areas. This is evident in the decrease in the number of households from 45383 in 2001 to 43694 in 2011.

Based on this population data, the population of the township consisted of 54% female and 46% males in 2001, but in 2011 the female population declined to 52.7% and male population increased to 47,3%. The dependency ratio in Mdantsane stands at 48,1%, which is higher than the BCMM dependency ratio of 47% (Stats SA, 2012). A high dependency ratio has negative implications on the local economy, and government spending. It means that 48,1% of the population contribute nothing or very little towards tax, even though the government has a higher burden of providing free basic services for them, such as housing, health care and social welfare grants (United Nations, 2005). The high dependency ratio also indicates that a high number of people in Mdantsane do not contribute to the economy and that productivity and growth prospects for the area are low, especially when a large proportion of the population are over 65 years of age. This also means that those of working age have a larger burden in providing for those dependent on them.

3.5 DEVELOPMENTAL CHALLENGES

There are numerous developmental challenges that are experienced by this township, that are also typical of the majority of townships. These are some of the development challenges that exist in Mdantsane. First with regard to land use and planning, the land is mostly allocated for housing and very few other uses, therefore the land uses are undiversified. The other problem is that there are very few sites for retail, commercial and industrial commercial use (Kagiso Urban Management, 2010). This problem is a direct result of the initial planning of Mdantsane as a dormitory township for black workers which did not foresee the need to designate areas for different land uses, other than residential. There are therefore many instances of illegal usage of land which is an infringement of municipal bylaws by the informal sector. These infringements, such as illegal erection of buildings on open municipal land and unregistered building plans, go on unchecked, because there is poor enforcement of bylaws (Freund, 2014).

There are also challenges pertaining to infrastructure. The first being that the access points from the major transport routes into the township are limited, with the main one being only Qumza Highway. At peak times, such as the morning and evenings, there are traffic jams at all major exits. This is worsened by the unreliablity and inaccessibility of passenger rail transport and the limited bus services in the township, meaning that people rely on taxis and private vehicles (Kagiso Urban Management, 2010). These poor transport connections mean that movement is restricted and dispersed over very long distances making it hard for people to be connected to the economic node of the East London CBD. The linkages within Mdantsane are poor. For example some of the roads are unpaved, and this makes movement within the area difficult. The storm water drainage system is not well managed, which means that there is water loss as well damage to property which occurs when the drainage system does not function properly (Kagiso Urban Management, 2010).

The other developmental challenge is that there are limited social facilities and amenities. This is shown by the small number of municipal buildings with this use, which leads to low quality of social services on offer. Facilities such as sports fields and recreational spaces are unevenly dispersed in the neighbourhood, or very poor and some being unused (Kagiso Urban Management, 2010 & Freund, 2014).

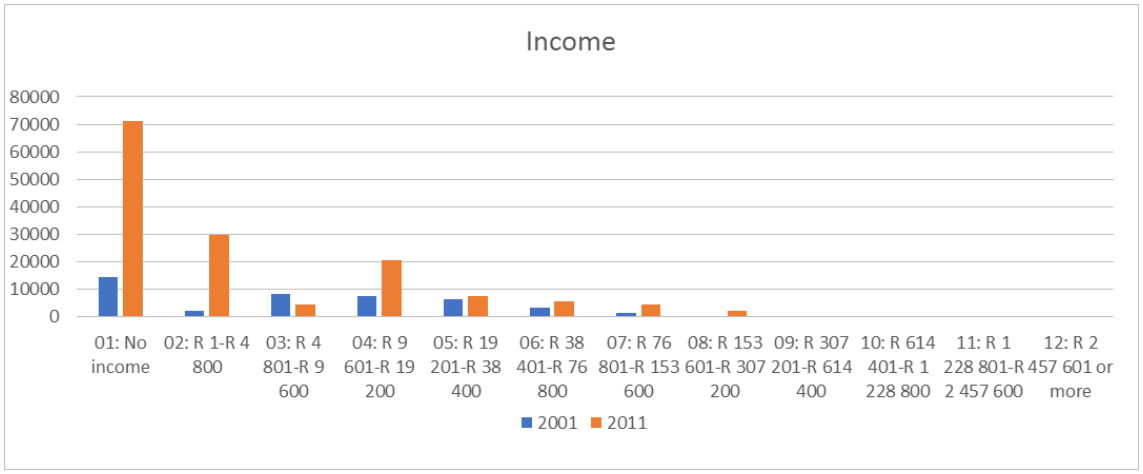
3.5.1 INCOME AND EMPLOYMENT

The East London – King William's Town (EL-KWT) metropolitan area had reported lower growth margins in the 1960s and 1970s than other regions (Cook & Opland, 1980). Even though the region experienced higher gross geographic product and higher employment figures, the faster population growth rate meant that the level of per capita income increased much slower than in other metropolitan regions. This lack of growth was ascribed by researchers to either an unfavourable industrial structure (not enough industrial production) or an unfavourable physical location of the region. According to Black in Cook & Opland (1980) both these phenomena are experienced by the EL-KWT area. The shortage in skills, capital, basic services, resources and poor financial concessions which lead to a generally adverse

business image, which is a direct result of unfavourable spatial location. The conventional solution employed by the government of the day was subsidisation of local industries, low interest loans and tax concessions (Cook & Opland, 1980). These measures were met with some success but proved to be unsustainable in the long term.

Based on the data depicted in the Graph 3-1, the number of people with no income is very high (increasing from 15000 in 2001 to 72000 in 2011) indicating that the level of unemployment rose in the period from 2001 to 2011 in Mdantsane (StatsSA, Census, 2001; 2011). Also the number of people who earn between R1 and R4800 per annum is extremely high (at just over 30000) which means that a large proportion of the population is reliant on informal activities. What is also interesting to note is the rise in the number of people in the income bracket of R9601 – R19 200, this may be due to the increased number of people who receive child support and old age grants, which fall within this income bracket. It is clear though that the township has high unemployment rates and very low incomes. This may be because people have very low levels of education and skills training, hence the high number of people who earn low incomes. This supports the need for interventions which will promote local economic development, to allow people to build and grow their own enterprises which will raise the levels of income for the residents of Mdantsane. The high level of unemployment may also be because there are very few employment opportunities in the township, because it was built as a dormitory township with limited socio-economic facilities. The high unemployment rate may lead to out-migration due to people leaving the township in search of employment opportunities elsewhere.

GRAPH 0-1: INCOME IN MDANTSANE



(STATSSA CENSUS, 2001; 2011)

The economic development of the area is a challenge, because there was a polarised growth in the city which ensured that the East London CBD grew over the years while the township

lagged behind it. This resulted in many people being employed in the East London CBD rather than where they lived in the township. The unemployment rate in Mdantsane is at 43 per cent, which is higher than the Buffalo City Municipality unemployment rate of 34,8 percent (Stats SA, 2011). As a result of this, the poverty levels are high in the township, especially since the income levels of those who are employed are low in comparison to those living or working outside of the township (Kagiso Urban Management, 2010).

According to the South African Cities Network (2016), research conducted on displaced settlements, Mdantsane residents are placed at a greater economic disadvantage compared to their black counterparts living in the central East London area. The residents of Mdantsane spend 22,5% on food while those in East London spend 15,3%, meaning those in Mdantsane may rely more on social support such as grants and remittance from family members. While residents of Mdantsane spend 1,4% of their income on transport costs, residents of East London spent 0,7% in 2013.

3.5.2 HOUSING & FACILITIES

The legacy of apartheid planning has resulted in townships being limited only to single use residential buildings and low-density built form. This undiversified residential settlement offers a limited range of housing choices, this is also due to “red lining”, which was practiced by banks when they refused to offer loans and mortgages in townships (National Treasury, 2009). But in more recent years all the major banks in South Africa have started to operate in Mdantsane (southafrica.info, 2013). One of the aims of the urban renewal programme is to ensure that the environment in the township is improved with better facilities and services (Concepts Urban Design, 2015). It is assumed that the improved facilities will result in an increase in the number of people interested in owning either commercial or residential property in the township.

The limited range and quality of social and economic infrastructure and services is a common feature of many of the country’s older townships (National Treasury, 2009). While the newer townships may have better services, they are still far from being good or enough. This means that for the most part, the old apartheid style, mono-functional dormitory style chararcter of old townships remains a huge challenge for the post 1994 government (Harrison, et al, 2014). Very little has changed in these marginalised neighbourhoods and the vibrance that was planned and hoped for is still a work in progress (Beukes, et al, 2011). This area that was planned for revitalization and vibrant development still remains marginalised. Limited mixed-use development has occurred in the township and a significant number of single-use housing has been built (Sokana, 2015). It is unfortunate that the data on approved building plans is only available for the entire Buffalo City, but not available for Mdantsane.

3.5.3 SKILLS DEVELOPMENT AND EMPLOYMENT

Even though World War II led to industrial growth and led to an increase in demand for unskilled labour, the South African government made sure that black labourers remained in the Homelands (Freund, 2014). But this changed around the 1970s where many of these black labourers could access jobs in government (mainly in the Bantustans) such as clerical work, nursing, teaching and policing. According to Freund (2014), this led to an increase in the middle class and a class differentiated township. This class differentiation has been increasing even after 1994, with an increasing number of educated and skilled people residing in townships. But even with that rise in education and skilled labour, the number of unskilled and uneducated, therefore largely unemployed, people remains very high (Freund, 2014). The problems identified to contribute to the level of unemployment are the lack of economic dynamism in Mdantsane and the low education levels. According to the SA Cities Network (2016), there has been a decrease, between 1996 and 2011, in the number of people with no schooling at all in Mdantsane from 15,1% to 3,4%, therefore the situation is improving.

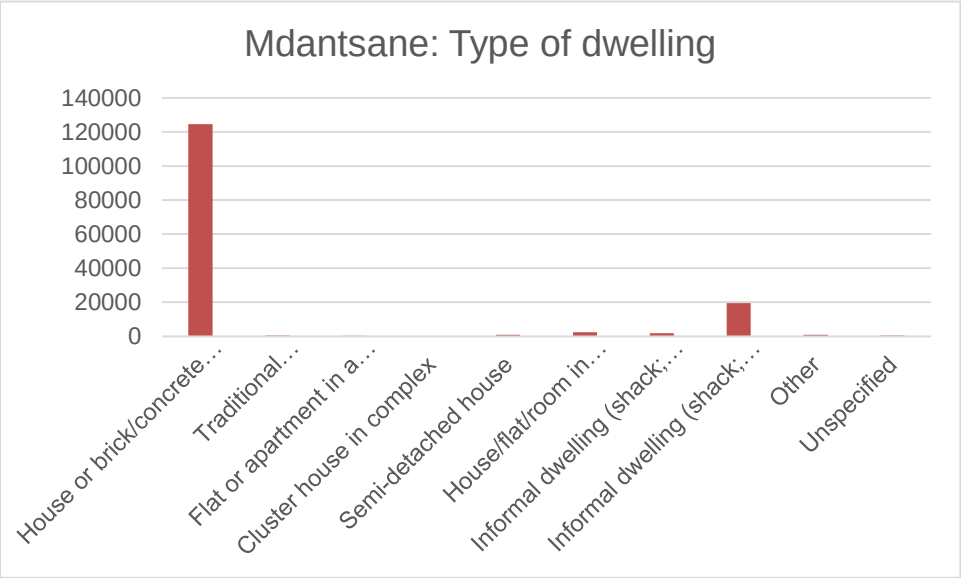
The other problem that has been identified to negatively affect the development and growth of Mdantsane is low skills levels and poor quality education (Freund, 2014). One solution that has been identified is that the government must raise the standards for job entry. This means that an upgrade will be needed from the current method of easing entry into the job market (Freund, 2014). The aim is to produce a multi-skilled work force, ready to be absorbed in more meaningful employment (the formal sector as opposed to the informal sector) or start their own business. This will result in less reliance on social welfare and hand-outs from government.

3.5.4 ACCESS TO FACILITIES

The level of access of residents to facilities is an indication of their wellbeing possibly level of satisfaction with where and how they live. The following is an analysis of the level of access that residents have to facilities, which also indicates the level of infrastructure provision to residents of Mdantsane.

The residents of Mdantsane mostly live in formal housing made of bricks or concrete, with more than 120 000 dwellings being of this nature. The second most dominant type of dwelling is are shacks or informal dwellings, made of either wood or corrugated iron sheeting, with nearly 20 000 of them in existence in the township, according to the Census(2011).

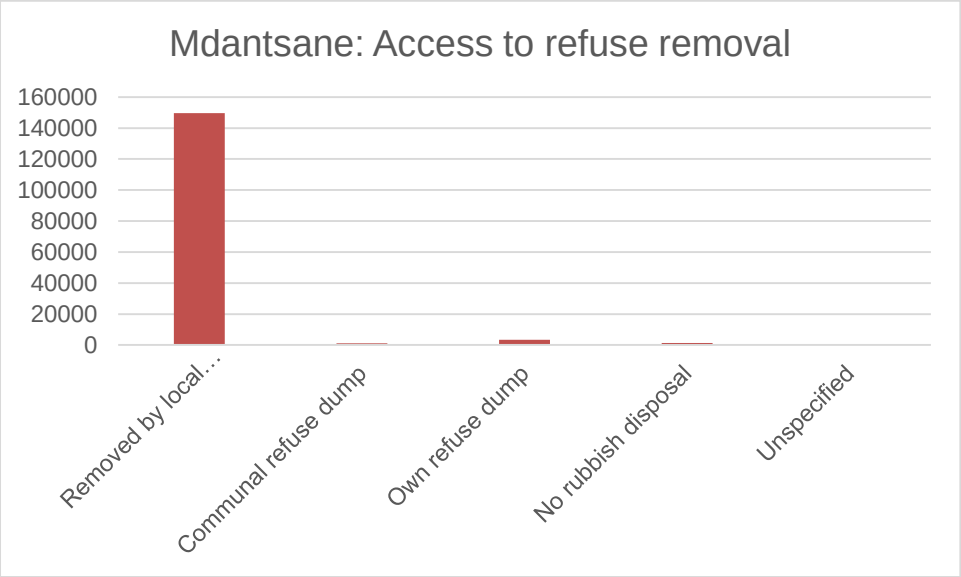
GRAPH 3.2: TYPE OF DWELLING



(STATSSA, 2011)

Access to refuse removal in the township is enjoyed by nearly all residents, as more than 150 000 persons have their refuse removed by the local municipal authority, while a small number of other residents (approximately 3000) make use of their own refuse dumps.

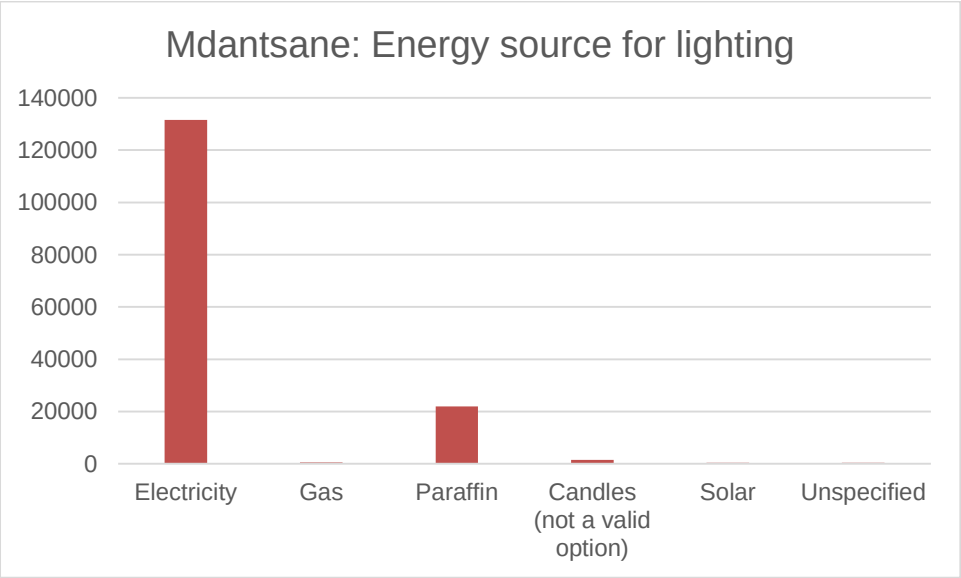
GRAPH 0-2: ACCESS TO REFUSE REMOVAL



(STATSSA CENSUS, 2011)

More than 131 000 member of the population make use of electricity for lighting their homes, which indicates that a large majority of residents have access to electricity infrastructure and can afford to pay for electricity. The second most common energy source used for lighting is paraffin, used either by those who reside in informal dwellings or possibly residents who find paraffin use more affordable than electricity.

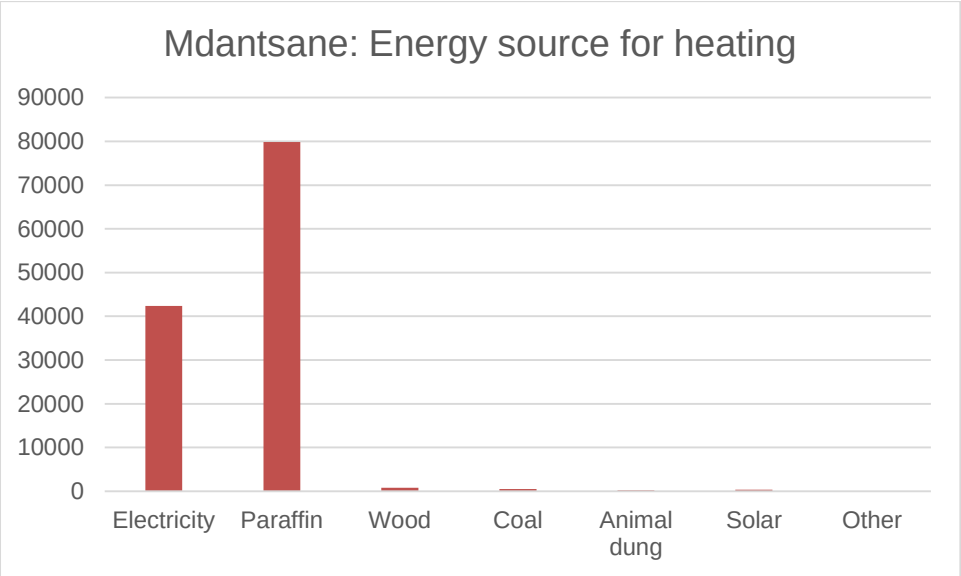
GRAPH 0-3: ENERGY SOURCE FOR LIGHTING



(STATSSA, 2011)

Meanwhile, when it comes to heating, the majority of the population of Mdantsane prefer to make use of paraffin as a source of energy, as compared to electricity. This may just be a result of the higher cost of heating using electricity, compared to paraffin usage.

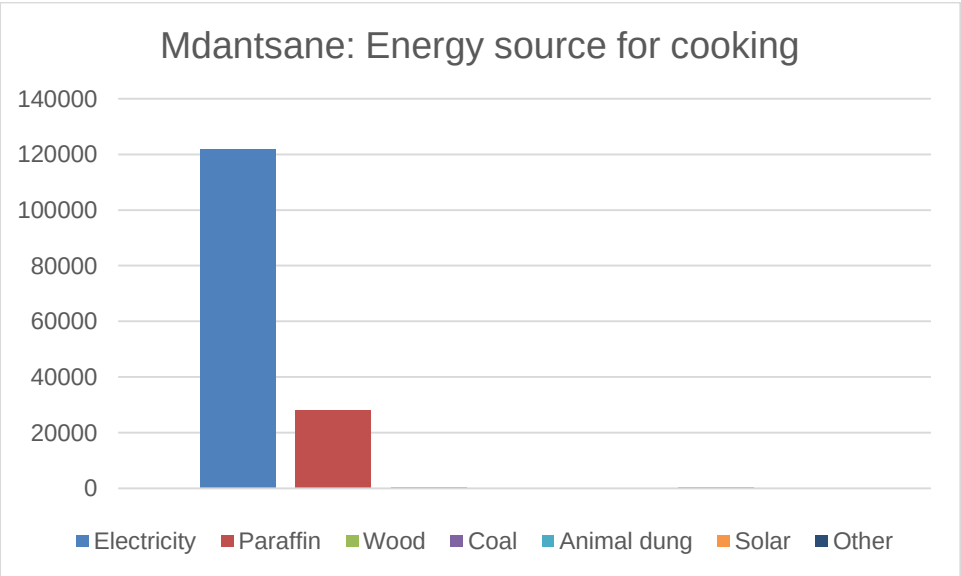
GRAPH 0-4: ENERGY SOURCE FOR HEATING



(STATSSA, 2011)

When it comes to energy sources for cooking, the large majority of the population prefer to make use of electricity (121 935), while only 28 173 of the population make use of paraffin for cooking.

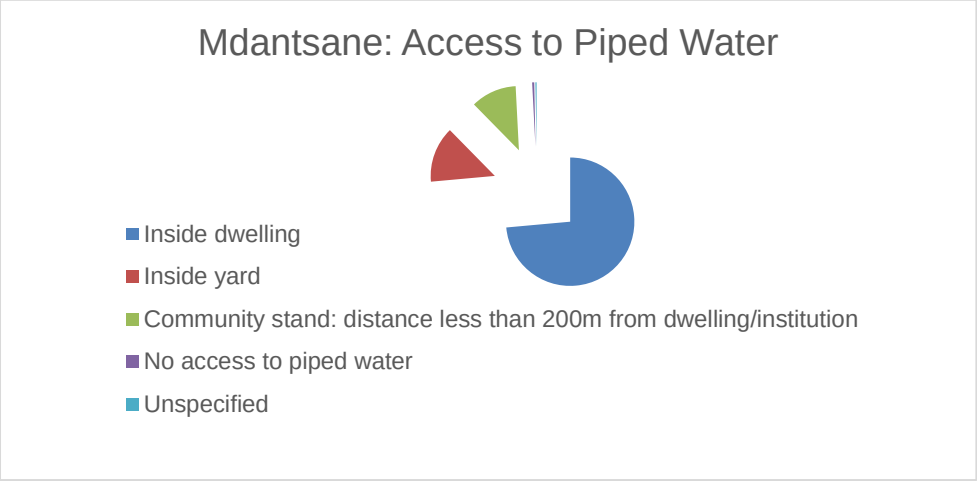
GRAPH 0-5: ENERGY SOURCE FOR COOKING



(STATSSA, 2011)

A large majority (111 183) of the population have access to piped/ tap water inside their dwelling, while 21 270 have access to water piped into their yard. There are still 17 436 members of the population in the township who have to access their water from a stand pipe which is less than 200m from their dwelling. There were only 795 members of the population recorded as having no access to piped water.

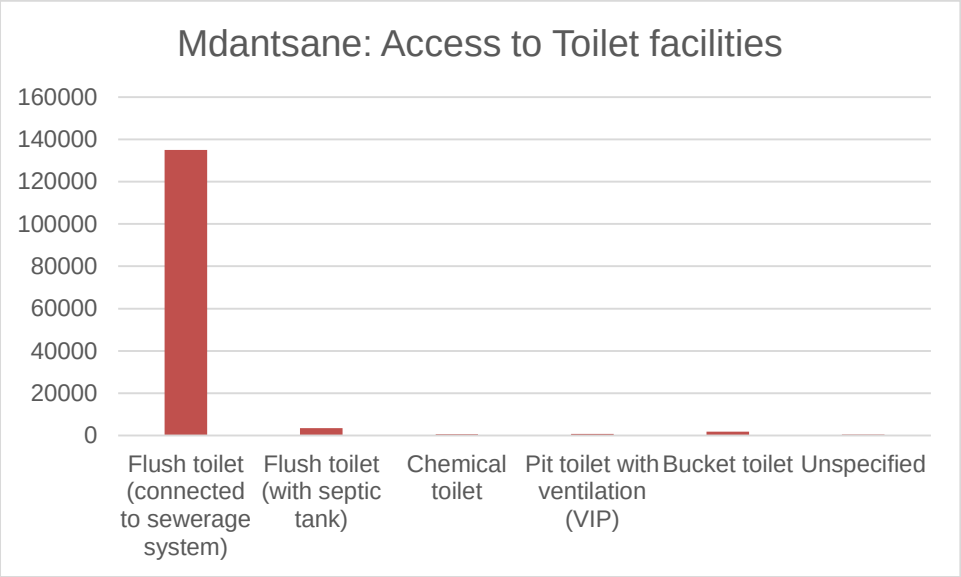
GRAPH 0-6: ACCESS TO PIPED WATER



(STATSSA, 2011)

There are 134 997 members of the population who have access to flush toilet facilities which are connected to a sewerage system in the township. Those members of the population who have access to flush toilets connected to a septic tank is 3 528, while there are 1 848 members of the population who make use of a bucket toilet system.

GRAPH 0-7: ACCESS TO TOILET FACILITIES



(STATSSA, 2011)

Is the situation improving or deteriorating in overall terms? These numbers are not too big in terms of the municipal authority's backlog of service delivery, but more could be done to ensure that all members of the poplation have access to facilities and that infrastructure is rolled out to even those residents who live in informal dwellings.

3.5.5 RIOTING: INFORMAL TRADERS FIGHT FOR THEIR RIGHTS TO THE CBD

The township of Mdantsane has been marred by service delivery protests which have often turned very violent, with the burning of tyres in the streets being a common feature of the protests. In recent years there have been many protests over RDP housing, the slow rate of delivery and small size, temporary electricity boxes, jobs, toilets, sewerage pipes that are burst, with residents of informal settlements voicing their discontent (AlgoaFM, 2012; Sokana, 2015). Charter (2016) reports on a taxi strike in the township CBD which shut down the whole of Mdantsane, as the Highway taxi rank was like a "ghost town" and all shop owners had to close their shops because some of them had been looted. Those who wanted to go to work struggled, because many of the major roads were blockaded with burning tyres. Schools had to postpone the writing of exams as many children could not attend school due to the protests (Charter, 2016).

There have been many threats of evictions of informal traders from the Mdantsane CBD. The ECDC plans to evict all traders from its mall in order to renovate the premises. The traders who operate in front of Shoprite were evicted by officials very early on a Sunday morning, according to Dispatch Live (Tanana, 2016). Pictured below are street traders whose stalls have been destroyed after law enforcement officials carried out an order from the BCMM to

evict them from the space in front of Shoprite on Sandile Road on Sunday 20 November 2016. According to Tana (2016), it is believed that the management of Shoprite filed a complaint to the municpality to have these traders removed.

FIGURE 0-3: *STREET TRADERS EVICTED IN FRONT OF SHOPRITE*



Picture: MBALI TANANA (2016 November 22). MAJOR BLOW. Retrieved from: http://www.dispatchlive.co.za/news/2016/11/22/uproar-officers-evict-mdantsanes-hawkers/

In another report by Dispatch Live (Ford, 2016), more than one hundred hawkers trading in the Mdantsane CBD took to the streets in protest against the eviction of hawkers from the front of Shoprite on Sandile Road (Ford, 2016). According to Ford (2106), this affected many neighbouring businesses, as they were forced to close, for fear of looting and damage being suffered as a result of the riots. The image below shows the violence that erupted when the hawkers decided to take to the streets and barricade them with burning tyres.

FIGURE 0-4: STREET TRADERS DEMONSTRATE ANGER OVER EVICTION



Picture: SINO MAJANGAZA (2016 December 7) BURNING ANGER. Retrieved from www.dispatchliveve.co.za /news/2016/12/07/evicted-hawkers-run-riot/

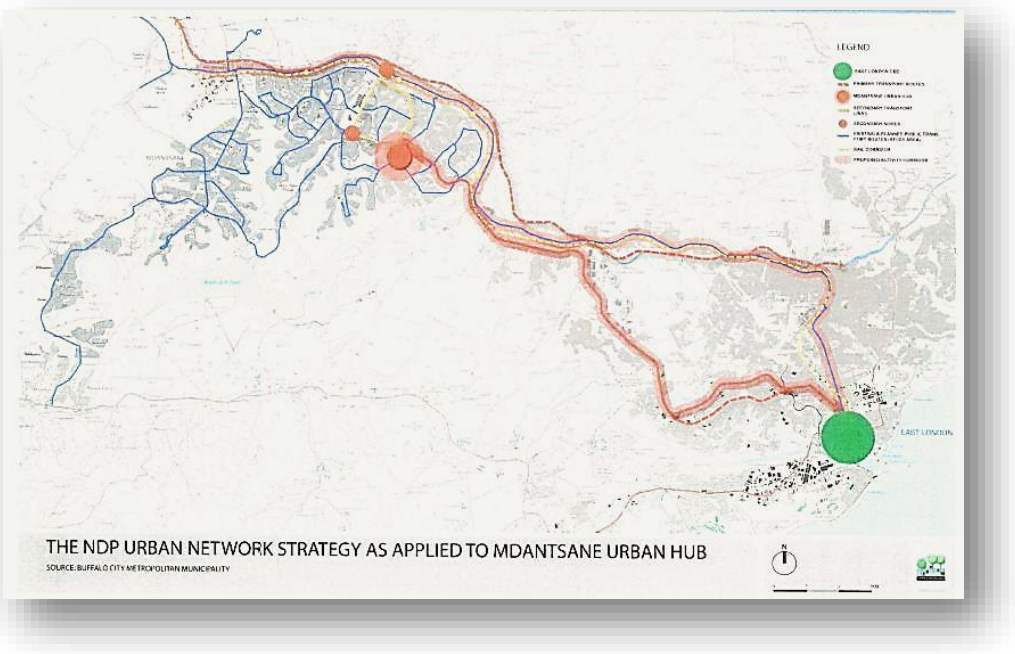
The riots and unrest of the informal sector is symbolic of the neglect that the sector has experienced in terms of planning for their needs by the municipality. There are no designated areas for them to trade from. The eviction of traders from the streets of the CBD leaves them with no income. The local authorities should take into account that these traders are contributing to the local economy by trading on the streets, as they would do elsewhere if they had other skills and training.

3.6 PLANNING & INTEGRATING THE TOWNSHIP

The legacy of apartheid planning is abundantly obvious in older townships like Mdantsane. There needs to be more intense efforts to ensure better integration of the township and its residents into the mainstream economy. Development that is aimed at a single residential unit will not assist in this regard, there needs to be more emphasis on connectivity and integration with the city to create a different kind of city scape (Freund, 2014). As a solution to this the plans made by the BCMM have included extensive improvements and upgrades to the transportation routes that connect the city of East London to the township of Mdantsane.

One of the mandates of the BCMM, as part of the NDPG's conditions, is to ensure that better connectivity is achieved through the improvement of roads and accomodation of non-motorised transport as well as other forms of transport into the (BCMM & LED Network, 2010). The major and the secondary routes that commuters use from the township to the city will be revamped, as well as the development corridor investment along these routes. These plans have already been implemented to some degree, but much more is still in the planning stages. The Precinct Plan for the Mdantsane Urban Hub (Concepts Urban Design, 2015) shows details of the different future developmental plans that the municipality has made for the hub [see Map 3-4 below]. This comes after many years of neglect in terms of connectivity of the township with the East London CBD.

MAP 0-4: PLANNED ROUTE DEVELOPMENT CONNECTING MDANTSANE TO EAST LONDON CBD



(CONCEPTS URBAN DESIGN, 2015)

3.6.1 MURP

The interventions that were implemented in the Mdantsane CBD were chosen by a team at the local municipality because they are appropriate for the environment. Consideration was taken of the local conditions before plans are implemented. This ensured that URP projects are more responsive to the environment and more successful in meeting the targeted goals. As Todes (2013, 43) suggests, "… the design of the form of spatial targeting needs to be adapted to the context: not all forms of spatial targeting were appropriate to the environment in which they were used."

The MURP has a dedicated LED office, which established the Mdantsane SMME Support Centre (Peter, 2008). The main goal of this Support Centre is to support growth and development of SMMEs in Mdantsane by offering the following services: business registration, business plan development, tender advice business skills training and information on business opportunities. According to Peter (2008), the SMME Support Centre has, for several years, operated on an annual budget of R400 000. According to the Acting General Manager for LED, this office is in need of much more resource allocation to allow it to facilitate economic growth and development in the second economy (Peter, 2008).

3.7 ANTICIPATING THE NDPG

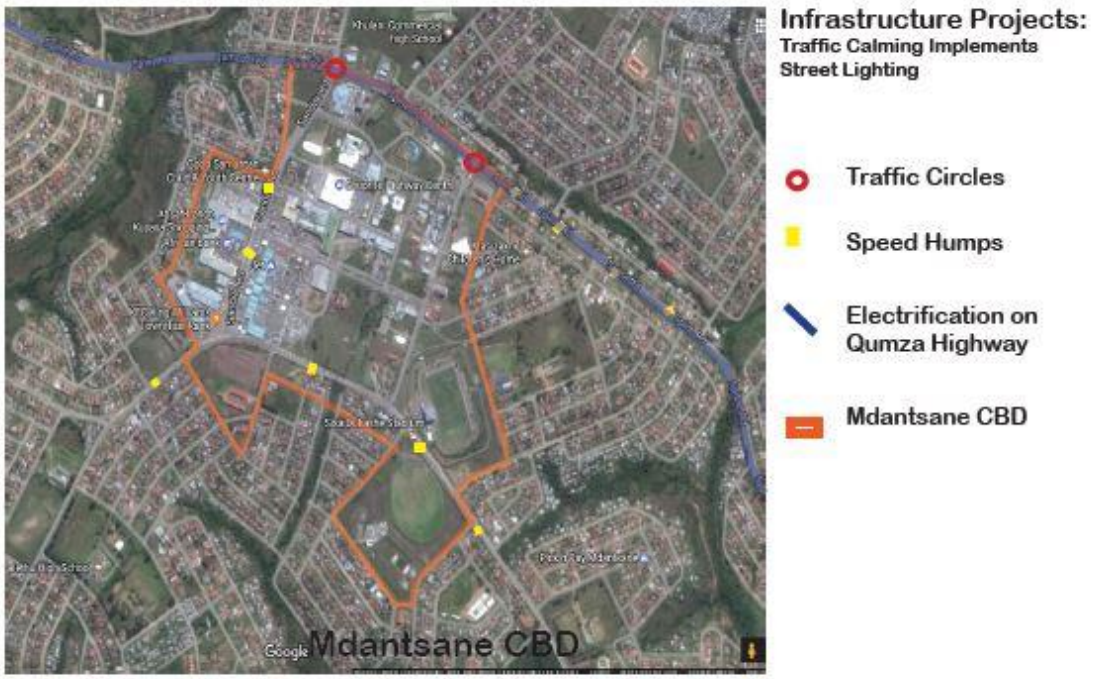
The BCMM has developed various plans aimed at the development of Mdantsane, because of the realisation that the area was lacking in many basic services, infrastructure, as well as social and economic development (Morrow & Engel, 2003). The following are some of the plans that were developed:

- Mdantsane Town Centre (Highway) Development Framework Plan (1996)
- Mdantsane/ Potsdam Development Plan (1997-1998)
- Mdantsane – East London Development (MELD) Corridor Planning Report (1998-1999)

The two latter plans have, with the identification of key nodes, provided the framework for integrated development in Mdantsane, which has informed the development of the precinct plans developed for the URP and the NDPG (Morrow & Engel, 2003).

In previous years, the BCMM's plans did not complement the mandate of the National Treasury and were not approved, therefore they could not access the funding (Senior MURP Official, 2016; Senior URP official at HSD, 2016). According to the senior URP official at the Human Settlements Directorate (HSD) of the BCMM, the first NDPG funded project was implemented in the 2011/2012 financial year and this was the electrification of Qumza Highway/ Mdantsane Access Road. This project was designed in line with the objectives of the grant and the URP to build infrastructure that creates connectivity between nodes (Senior URP official at HSD, 2016). The electrification project had a total budget of R6 million, which was all spent on the infrastructure provision. The second NDPG funded project was implemented in the 2013/2014 financial year (Senior URP official at HSD, 2016). National Treasury approved the improvement of the roads in and around the Mdantsane CBD, which included the installation of traffic calming infrastructure, such as speed humps and traffic circles, as well as improvements to the pavements. The map below [Map 3-5] shows where NDPG funded projects were implemented in the CBD.

MAP 0-5: DEPICTION OF IMPLEMENTED INFRASTRUCTURE PROJECTS



(GOOGLE MAPS, 2016)

These two interventions are part of the infrastructure-led development plans aimed at improving the environment in the CBD by targeting traffic congestion and improving connectivity (Senior URP official at HSD, 2016). According to the Senior MURP official (2016) the condition of the roads was bad due to lack of regular maintenance and the congestion made navigating the CBD undesirable, therefore these improvements were necessary. These are the only projects that have been approved to date and according to the senior URP official at the BCMM HSD, other plans are still awaiting approval by the Municipal Council.

3.8 BCMM'S PLANS FOR THE MDANTSANE HUB

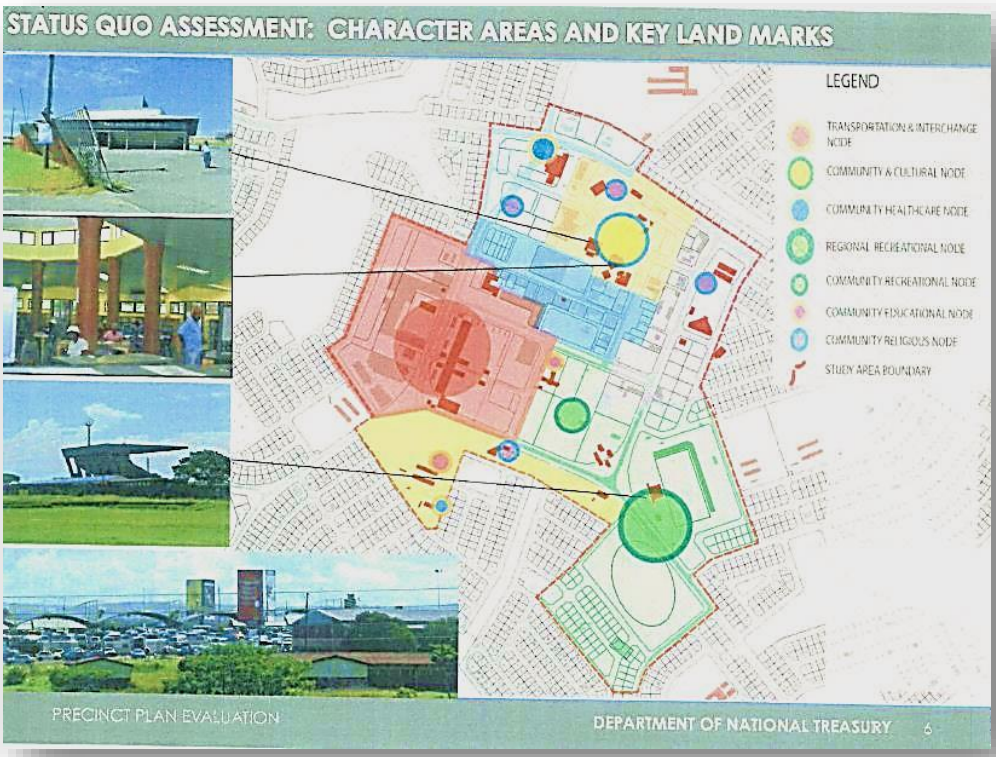
The BCMM has undertaken the task of drawing up a status quo report to determine the extent of the issues, as well as the required interventions. This report is what gave birth to the Precinct Plan (Concepts Urban Design, 2016) that has been drawn up, with short, medium and medium term goals for the implementation of the NDP projects. These projects are also planned in conjunction with other BCMM projects such as the planned housing project, which is not part of the NDP project. This plan indicates that many of the projects in the plan still need to be implemented and it will take some time before the entire plan is fully realised on the ground.

As the Mdantsane hub stands it has already been divided into six key zones or nodes, some with already functional projects and some zones in need of major vitalisation initiatives in order to get them to optimal functionality. Map 3.6 depicts the current layout of the hub with its key landmarks. In red, is the Transportation Interchange Node, where taxis (registered and unregistered) and buses operate from the local and long distance designated areas of the taxi-rank. The yellow zone is the Community and Cultural Node where there is currently a library, arts and culture centre, an ICT centre, a casino/night club, a community hall/cinema.

In the blue zone is the Economic Node, where two malls; (i) the ECDC mall which houses mostly informal local businesses with no major national retailers, and (ii) the Kuyasa Mall which houses 18 shops, 4 major banks or ATMs, and anchor stores like Spar and national retailers like PEP, Edgars, Dunns and a myriad of smaller retailers and service providers. There are also two shopping centres in this node; (i) Shoprite centre houses 5 shops including service providers like cell phone and shoe repairs, as well as another national retailer PEP, and (ii) the Boxer Superstore centre with two clothing retailers operating from the premises.

In the green zone is the Sports and Recreation Node, where the Sisa Dukashe Stadium, the community Swimming Pools and an open field/ green space are all located. Then in the purple zone lies the Community Healthcare Node, where the Nontyatyambo Community Clinic is located.

MAP 0-6: STATUS QUO ASSESSMENT: CHARACTER AREAS AND KEY LANDMARKS



(CONCEPTS.URBAN.DESIGN, 2015)

A number of the facilities found in the hub function relatively well, such as the different taxi ranks in the Transportation Interchange Node, which are organised by destination and by taxi associations (Charter, 2016). In the Economic Node, the Kuyasa Mall, Shoprite centre and the Boxer Superstore centre are all owned by private developers. The ECDC Mall which owned by a parastatal organisation, the Eastern Cape Development Corporation, which is poorly managed, and dirty (infested with rats due to untimely refuse collection). It is in the process of handing out notices of eviction to the tenants, as they plan to shut down for a much needed renovation (Senior MURP Official, 2016).

In the Healthcare Node, the Nontyatyambo Community Clinic has been open and operational since 2008, offering a combination of free and paying services (Senior MURP Official, 2016). In the Sport and Recreation Node, the Sisa Dukashe Stadium is a fully functional sports facility which hosts events on a regular basis, from school sporting games to musical concerts. The Swimming Pools are a haven for criminals and drug users as this facility is non-functional. In the Arts and Culture Node, the ICT centre is closed (Charter, 2016; Senior MURP Official, 2016). The community hall/cinema was shut down a few years ago, but the casino/ night club

is open for business and the library and arts and culture centre are fully functional (Senior MURP Official, 2016).

The BCMM decided revitalise the area, because even though some of the facilities are fully functional they could be used in a far more efficient manner. There could be more multi-functional, multi-purpose and more densified area in the hub which will ultimately enhance the experience of the users of the space. The public realm could be enhanced to give pedestrians a better experience. The infrastructure can be improved to attract more private investment. Thus the municipality has devised a plan according to priority, with the most urgent needs to be attended to immediately.

3.9 CONCLUSION

This chapter aimed to address the sub-question: How does the MURP propose to address Mdantsane's economic development challenges?

Since the community was marginalised due to apartheid planning, the inhabitants have to be resilient in order to find means to survive. Even though the poverty rate and the unemployment rate are both high, the people find ways to earn an income, regardless of their limited resources and skills. This is evident in the existence of informal traders working alongside the formal businesses that operate in the Mdantsane CBD. It is clear that the relationship is very strained between the formal and informal sector and there is a large amount of uncertainty faced by those operating in the semi-formal and informal sector. They operate in constant fear of eviction, as municipality tends to favour formal business interests over informal operators. There are many development challenges that need to be addressed by the BCMM and the NDPG is using infrastructure-led planning to introduce these development interventions. The two projects that have been implemented thus far address the issue of connectivity, with the much needed upgrades of the roads in the CBD and electrification of the main road Qumza Highway. These challenges are in the process of being addressed by the BCMM through the URP, which has identified the key priority areas that need intervention.

These upgrades aim to build an environment that is more conducive to productive business, which will be attractive to private investment. It is clear also that the municipality has embarked on a mission to clean up the streets of the CBD and decrease the number of street traders in order to make the area more attractive. But they have not yet addressed the needs of the informal sector by allocating designated trading areas for the street traders. The issue is that the Precinct Plan that has been drawn up by the municipality does address the issue of accommodating the informal sector, but the plan still needs final approval and will only be implemented in the next one to five years.

CHAPTER 4 – PRESENTATION OF FINDINGS

4.1 INTRODUCTION

This chapter presents the findings in order to address the second sub-question: What are the perceptions of local businesses about the impact of the urban renewal projects? Therefore interviews were conducted with business owners and operators who are affected by the urban renewal projects. In response to the views expressed by the business operators, the BCMMs Urban Renewal Programme officials were interviewed to give input on the their roles, challenges they face in implementing URP projects.

The respondents were classified into three categories, formal business, semi-formal and informal business owners or operators. The purposes of this is to get a wider representation of business owners and operators and in order to ensure that views are spread evenly across all different groupings or classes and categories of businesses as well as their owners and operators. The initial plan was to have four respondents per category, but upon engaging with some of the business operators, there was a huge willingness to cooperate and give input on the research. Hence some of the one-on-one interviews turned into group interviews and resulted in a larger number of respondents than earlier envisioned.

The questions posed to the member of the Chamber of Commerce were regarding the Chamber's level of involvement in businesses in Mdantsane; whether they are aware of the municipality's plans for the Mdantsane business hub; and the impact of the NDPG initiated projects on the environment. The representative was also asked about the amount of engagement the Chamber has with their constituency, as well as their engagement with the local municipality.

In the formal business category, a total of four (4) respondents were interviewed. In order for them to be chosen, they have to operate registered, medium-sized businesses operating in the Mdantsane CBD. In the semi-formal business category, the criteria used in order to choose participants who qualified to be interviewed in this category is that the business must be small (i.e., employing one or two other people), and it must be in a formal trading area meaning they pay rent to operate there. There were a total of six (6) respondents in this category: three small business owners and a group of 3 taxi drivers who operate at the central taxi rank and are affiliated with a taxi association.

In the informal business category, the criteria used in order to choose participants who qualified to be interviewed is that the business must operate in an ad hoc fashion with no

formal trading space meaning they do not pay rent, therefore street traders, and those who are not part of a recognised association. There were a total of eight (8) respondents in this category: one pavement salon owner, three street traders (also known as 'Nobhalansi') operating on Sandile Road in front of Shoprite, two street traders operating at the taxi rank and two 'phela' taxi (unregistered, often un-roadworthy, taxi operating from a small five-seater car) drivers.

The findings are presented according to the themes covered in the interviews. The first section of this chapter presents the findings from the interviews with a representative of the Chamber of Commerce, as well as formal and informal business owners and operators. These were based on four themes: (a) what the effect the NDPG initiated projects had on the environment; (b) what effect the projects had on the businesses run by the interviewees; (c) whether the municipality has engaged with the business owners with regards to the plans that they have for the Mdantsane CBD; and (d) whether the business owners and operators were aware of the NDPG funded projects that have been implemented as well as the ones that are planned for the Mdantsane CBD. In all engagements with the respondents, first an explanation had to be given of what the NDPG is, because none of the respondents knew what it was or what it meant. None of them knew which projects were implemented through the NDPG , so those details had to be given to the participants.

In the second section of this chapter the responses of the two Buffalo City municipal officials are presented to give their views on their progress on implementing these projects, the effects of the NDPG funded projects, and their experiences while working on urban renewal projects.

4.2 BUSINESS SECTOR

4.2.1 THE ROLE OF THE CHAMBER OF COMMERCE

The business people in Mdantsane use this office of the CoC to coordinate activities, meetings and information sessions, "because they are in business, they cannot afford the luxury of employing staff and managing an office of their own". The Chamber of Commerce is able to coordinate the activities and help meet the needs of many of the smaller sectorial business chambers, such as the retail association, or the builders association, etc. At this level, the Chamber of Commerce is better able to connect and liaise with government departments, and municipalities than individual businesses.

The association is aware that Mdantsane is one of the areas that have been identified by government for intensive infrastructure investment. There are currently three contractors who have been awarded a tender by the municipality to extend part of Qumza Highway (the Mdantsane Access Road).

4.2.1 IMPACT OF PROJECTS ON THE PHYSICAL ENVIRONMENT

- **Chamber of Commerce:**
  The representative expressed dissatisfaction with the slow progress in implementation of plans by the municipality. Firmly believes that the planned developments will be good for the people using the space.

- **Formal Business Owners/ operators:**
  Two out of four respondents strongly feel the projects have made little differences to the environment and are dissatisfied with what has been done so far. All four respondents believe that more should be done by the municipality.

  Two respondents feel the projects implemented have had a positive impact on the environment.

- **Semi-formal business Owners/Operators:**
  Two out of six respondents feel that the projects implemented had no effect on the environment. The streets are still dirty because of inadequate basic municipal services.

  Three out of six respondents reported not being safe in the streets of the CBD, expressing a wish for better security and police presence.

  Three respondents, taxi operators, expressed satisfaction with improvements on the road especially the traffic calming infrastructure, but also said they are not being used properly by other drivers, resulting in traffic congestion.

- **Informal Business Owners/Operators:**
  One out of eight respondents reports having seen the positive effects of the traffic calming projects on the environment, but says they are still witness to violence which occurs when drivers collide into each other.

  Five out of eight respondents report seeing no change to the environment, the pavements they operate on have not changed.

  Two respondents, unregistered taxi drivers, report that crime is the environments biggest problem. The humps help but do nothing for the environment.

4.2.2 IMPACT OF NDPG PROJECTS ON BUSINESS

- **CoC:**

Feel the projects implemented so far are good for the environment. The planned projects will also be good once implemented, even though some business people do not understand the long-term benefits currently.

- **Formal Business Owners/ operators:**

  One respondent reports the traffic calming has had a negative impact on his business.

  Two respondents report no real impact on their business.

  One respondent reports that no projects have been implemented on their street; therefore there is no impact on their business. Also reporting a need for storm water drains to be maintained by the municipality as flooding negatively affects the business.

- **Semi-formal business Owners/Operators:**

  Three respondents report that there is no impact on their business and there is no difference to the space they operate in. The projects have been implemented in other parts of the CBD, so their problems still remain the same.

  Three respondents, all taxi drivers, appreciate the improvements to the roads. But are very unhappy about the plans of the municipality to build a mall and place taxis in the basement. They believe that this disadvantages their business, because they may lose their passengers.

- **Informal Business Owners/Operators:**

  Four respondents are worried about eviction from where they work, the pavement, because there have been constant threats of eviction from the municipality. There is a contradiction raised about how they will improve the pavement but remove them from the pavements.

  The NDPG projects have not helped the businesses at all, but one group of street traders is grateful to the municipality for inviting them to operate food stalls at stadium events.

  The electrification of the Qumza Highway is a failed project, because the majority of those lights no longer work, as noted by two respondents who drive daily on that road.

  Two respondents believe the humps contribute to the chaos on Sandile Road; they get robbed when there is traffic congestion due to the humps slowing traffic down to a standstill. This has negatively affected their taxi business.

4.2.3 AWARENESS OF PROJECTS AND ENGAGEMENT WITH MUNICIPALITY

- **CoC**

  The association has strong ties to the municipality, partly because of political affiliations to the ruling political party, the ANC, as well as their business interests in the area. They have been able to make demands of the municipality to ensure they protect the interests of small business as a way of promoting LED in the township.
  The engagements they hold on a regular basis with the members of the association are designed to ensure that the association fulfils its obligations to the constituency, as well as possibly to further the agenda of the ruling political party. The association is always informed of plans and asked to give inputs to influence decision-making as a result of their affiliation to politicians, as well the fact that their members are business leaders in the area, owning and managing the largest businesses in the township.

- **Formal Business Owners/ Operators:**

  One respondent out of four reports that they have been involved in consultation with municipal officials, but the officials only make empty promises, as none of the plans they talk about are ever realised. wo respondents report that they have heard of municipal projects from the centre management of the building they operate from. This engagement with municipal officials is selective as it is clear that they only get told what will directly affect them, especially in the short-term, but no long-term plans are discussed with them.

  One respondent reports that they have never heard of plans, especially not from the municipal officials. The only project they have heard of is the Boxing Museum, but only because it was reported in the local newspaper.

- **Semi-formal business Owners/Operators:**

  Three respondents report that they have never been told of plans in the CBD; one believes that it is because they are not South African citizens that they are excluded from the meetings or information sessions. One respondent believes that they need to form an organisation amongst the business owners in order for them to get information.

  Three respondents, all taxi drivers, report that they were informed of the plan to upgrade the taxi rank by municipal officials who came to the taxi association's office. They were even referred to the newly built mall in the East London CBD to give them an idea of what to expect. There are doubts as to whether the basement location of the new taxi rank in the planned mall will be an ideal location for these drivers.
  One respondent reports that the threat of eviction from the ECDC mall is the biggest problem. They do not know, or care what the plans of the municipality are, because

they may never get to see them come to fruition, especially once they have been evicted.

- **Informal Business Owners/Operators:**

  Five respondents are concerned about being evicted, one was very certain that eviction is coming soon because it has already happened in other parts of the CBD.
  While two respondents reported that they were present at a consultation meeting with municipal officials, where the street traders refused to listen to the officials because they did not like the plan to build stalls for them where they will have to pay rent. The problem is that they will be forced to stop selling in between the taxi lanes and they won't be able to capture their primary market of people coming in and out of taxis.
  Two respondents, Phela taxi drivers, report that they have never had any consultations with municipal officials, but this is because they are not based in the taxi rank, as their taxis are always moving around the entire township.

4.3 INTERVIEWS WITH BCMM OFFICIALS

This section seeks to learn what the duties of the officials are that are involved with the planning, implementation and management of Urban Renewal Projects in the BCMM. They were asked about the role of their respective offices in the implementation of Urban Renewal as well as the offices role in the hierarchy of the municipality. They then asked to reveal what they have found to be most challenging about the process of implementing Urban Renewal projects in a township. They were also asked to speak about the role of the BCMM institutional and political structures, as well as how these impact on how projects are implemented and managed, as well as the challenges that they pose. Lastly the officials were asked to comment on the effects of the projects that were implemented through the NDPG funding, on the community as beneficiaries. The first respondent is a senior official in the Mdantsane Urban Renewal Programme (MURP) office. The second respondent is a senior official in the Human Settlements Directorate of the BCMM, he was previously in-charge of Enterprise Project Management Office (EPMO) and is now in-charge of Urban Renewal Programme (both within the same directorate).

4.3.1 THE DUTIES OF THE MURP OFFICE

The duty of the Mdantsane Urban Renewal Programme (MURP) office is to coordinate local municipal projects that are implemented in the Mdantsane area. This is done in "cooperation" with the Human Settlements Directorate of BCMM, which plans, infrastructure and manages all projects that are funded by the NDPG in the entire municipality. Therefore this means that the MURP office is invited to meetings, but has very little decision-making or implementation

power when it comes to projects. Even though we take direction from the Human Settlements Directorate, this office still has to perform the task of coordinating project implementation and management.

4.3.2 THE DUTIES OF THE URP OFFICE AT THE HSD

The duties of this office are to plan and implement infrastructure projects regarding Urban Renewal, in the entire Buffalo City Metropolitan Municipality. This includes projects that are implemented in Mdantsane. The HSD works in “collaboration with the MURP office” on the planning and implementation of projects, as that office is the one that coordinates projects locally. This coordination is not possible at times, because the management of enterprise and infrastructure projects is the sole responsibility of the Human Settlements Directorate, therefore the MURP office cannot be fully involved in decision making and planning of projects.

4.3.3 CHALLENGES FACED BY THE MURP AND URP OFFICES

MURP OFFICIAL

The MURP had funding from the European Union (EU), as well as the NDPG to ensure that projects were successfully carried out. Now that the funding from the EU is no longer available, the office is unable to implement its own projects. There are certain projects that have had to be stopped because of lack of funding. For example the ICT Centre in the Mdantsane hub had to be closed due to the lack of resources to keep it functioning. It was very helpful to the community at large, as it offered accredited ICT training and internet as well as printing facilities at affordable prices to the general public.

The business plan that the MURP office had drawn up to increase fees to be charged to the consumer was rejected on the basis that “the municipality was not to be turned into a profit making institution”. The proposal had stated that the centre was to be made self-sustaining by the fee increases and the introduction of other services that will generate income for the centre. Following the rejection of this proposal by the municipality, the ICT Centre had to be closed and remains closed pending the allocation of resources to facilitate the reopening and successful running of the centre.

The coordination of urban renewal projects is made difficult by three factors. Firstly, the involvement of political influencers in the project management space causes many complications. For example, politicians have gone to the media with plans that have not yet been approved just to gain more “popularity”, even though they cannot deliver on the promises they make to the public. This makes the BCMM “look incompetent to the public”, because they raise the expectations of the public, but there is no way that they can delivery on those promises. For example the Boxing Museum was announced in the media even before there was planning and budgeting for it at the municipality. Secondly, the exclusion of MURP officials

from planning and decision making due to their low ranking in the hierarchy of municipal management. Thirdly, the municipality's inability to coordinate and efficiently manage the NDPG project planning.

The biggest challenge that these officials have encountered when it comes to successful implementation and running of projects is the fact that the "BCMM employs people who are not qualified and so we struggle to meet our targets because of those people who do not perform at their jobs". Another challenge is that the BCMM does not set aside proper budgets for the MURP and NDPG capital projects' long-term management. The closure due to lack resources of the ICT Centre is the first example of the lack of proper management and maintenance as well as budgeting by the municipality.

The electrification of Qumza Highway is the second example, where the lights are not maintained by the municipality and therefore now remain non-functional and the road is dark again. Even though the local municipality understands that they are the beneficiaries of these projects and therefore it falls on them to maintain the infrastructure, they "have not been able to allocate the funding". Mainly because projects that were initiated by the municipality get first preference when it comes to funding, therefore these NDPG projects and EU funded MURP projects "are not prioritised".

URP OFFICIAL AT HUMAN SETTLEMENTS DIRECTORATE

The delivery of NDPG projects has been slow, as a result of the procedures that have to be followed which take a long time to be completed. "There is just so much red tape." This is compounded by the fact that the employees of the BCMM also delay these processes unnecessarily. The 'older generation' of employees are the ones with the highest rate of absenteeism in the office. "The very stringent procedures set by these 'older generation' employees when you need to consult with them, in that he or she will refer you to their secretary in order to schedule an appointment, whereas they could have quickly made time to consult instead of delaying things by another week or so. It is because of this that forms and documents take so long to get processed as they will be sitting in an individual's inbox or desk for days or weeks without being attended to". This negatively affects the effectiveness of the BCMM in delivering services.

The intervention of politicians interferes with the effective delivery of services. The Municipal Council (MC) is comprised of politicians and they have the power to delay the approval of certain projects when they feel that they are not in line with their political strategies. They also have the power to expedite the approval and implementation of certain projects which they feel will make them "look good'" to their constituency. This is especially so when it is an election

year, such as 2016. However, after the election passed there has been a halt in many of the tasks performed by the MC, because the old council has vacated their positions and a new one still needs to start doing the work required of it. This political involvement causes complications for the officials who have to carry out the work of implementing plans.

4.3.4 IMPLEMENTED AND PLANNED PROJECTS

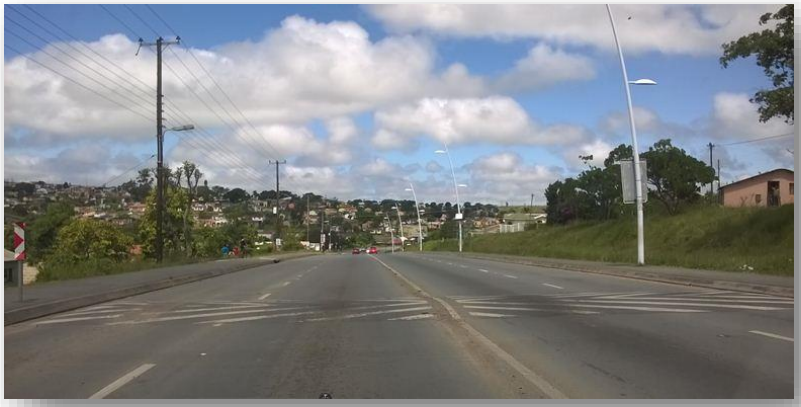
URP OFFICIAL AT HUMAN SETTLEMENTS DIRECTORATE

Most of the funds that were allocated to the BCMM by the NDPG have not been utilised as the projects that were planned were not approved by National Treasury. There is an unused amount of about R20million that is in the funding envelope of the BCMM, allocated by National Treasury in the 2014/2015 financial year, which is awaiting the implementation of approved projects.

This delay is as a result of BCMM not yet being ready to implement projects, as the planned projects have not yet been approved by the Municipal Council.. The first phase of the process of approval of the proposed project plans has been completed, and what is left now is for the MC to approve the Management Plan that is being currently compiled by a private consulting company. Once this management plan has been submitted to the municipality it will need to be approved by the MC before it can be implemented. These long processes are some of the reasons why the municipality has implemented so few projects to date.

In the past there have been projects that were approved and funded through the NDPG, such as the installation of traffic calming measures in and around the Mdantsane hub in the 2013/2014 financial year. The installation of speed humps and, traffic islands and circles on the Qumza Highway (also known as the Mdantsane Access Road), was deemed a success. This was done to ease traffic congestion in the hub and to ensure that commuters and pedestrians can safely move through the streets of the hub.

FIGURE 0-1: SPEED HUMPS ON QUMZA HIGHWAY/ MDANTSANE ACCESS ROAD



Picture: Sizwe Mseleni (2016) HUMPS ON QUMZA

FIGURE 0-2: TRAFFIC CIRCLE ON QUMZA HIGHWAY & SANDILE ROAD



Picture: Sizwe Mseleni (2016) TRAFFIC CIRCLE, CORNER QUMZA & SANDILE ROAD

In the 2010/2011 financial year, the electrification of the main road, Qumza Highway was also funded through the NDPG. This project went according to plan and the road now has lights. It was designed to allow for connectivity throughout the community of Mdantsane, because before the electrification one would travel for long distances in the dark. The lights stretch from the traffic lights near the Da Gama Factory complex, at the entrance of Mdantsane, along Qumza Highway/ Mdantsane Access Road, to the other end of the Mdantsane Access Road at Fort Jackson Industrial Precinct.

FIGURE 0-3: ELECTRIFICATION OF QUMZA HIGHWAY/ MDANTSANE ACCESS ROAD



Picture: Sizwe Mseleni (2016) ELECTRIFICATION OF QUMZA

This new precinct plan has many elements to it which will be implemented and managed by the Human Settlements directorate, such as electrification, water supply, and roads and transport planning and management. As for the other elements of the project, such as the arts and culture centre, and the sports and recreation area, the relevant directorates have been contacted and engaged for their inputs on their area of this plan.

4.3.5 IMPACT AND EFFECTS OF PROJECTS ON MDANTSANE BUSINESS HUB ENVIRONMENT

URP OFFICIAL AT HUMAN SETTLEMENTS DIRECTORATE

The impact of the projects that have been implemented in the Mdantsane hub has been assessed, starting from before they were even implemented. An “impact assessment is always done to ensure that the best use of resources” is achieved with the maximum benefit to the end-users of these services.

“According to [the BCMM] assessment, the road traffic infrastructure was very much needed and the outcome of it was successful.” There are fewer incidents of traffic collisions occurring now in the area than before. The electrification of Qumza Highway is also useful to the community as it promotes better connectivity for residents of the township.

The aim of this new precinct plan is to attract new and private investment into the Mdantsane hub, by ensuring that the area is clean and safe, the environment is conducive for businesses

and for residents and the entire Mdantsane community. The new improvements will ensure growth and development occurs in the area.

4.3.6 THE IMPLEMENTATION ISSUES

MURP OFFICIAL

The implementation of NDPG projects has not yet 'taken off' in the BCMM. There are three challenges that face the MURP office and hinder their progress in ensuring that NDPG project initiation is successful. The first reason is due to the fact that in the earlier years, there was no proper planning of projects by the municipality, so National Treasury did not approve many of the capital projects proposed by BCMM. National Treasury has many criteria that need to be met before projects are approved, therefore the BCMM has had trouble meeting these requirements and this has considerably slowed down their progress in terms of getting approval and implementation of plans.

The second challenge is that the MURP office is not well informed of projects which are planned for the area, because of their ranking in the hierarchy of the municipality. This office is tasked with the role of managing and coordinating projects that are approved for the Mdantsane area, but this does not happen most times. The office that has taken over that role is the Enterprise Project Management Office, which is part of the Human Settlements Directorate which handles Urban Renewal in the entire municipality. This office is now responsible for Urban Renewal projects, which means that the MURP officials are only invited to meetings where issues have already been decided. For example when the new Precinct Plan for the Mdantsane CBD was planned the MURP office was not consulted or informed except when a consulting firm was appointed and they requested a meeting with the MURP office. This highlights the lack of cooperation between the two offices involved in urban renewal.

The third challenge is that the MURP office no longer has access to adequate funding to allow for more implementation and better management of projects. The management and maintenance of projects was much easier when the MURP had funding for these projects from the European Union (EU). Now that the funding has ended, the lack of resources negatively affects the projects and the community at large. The EU funding assisted the MURP office in the planning and opening of the Mdantsane library and the Nyibiba Police Station (not NDPG funded projects). These are still very functional due to funding being channelled from other departments within government.

4.3.7 ENGAGEMENT WITH OTHER GOVERNMENT DEPARTMENTS

URP OFFICIAL AT HUMAN SETTLEMENTS DIRECTORATE

The municipality places a strong emphasis on cooperation, and the various offices working together to achieve the mandate of improving people's lives as well as the city as a whole. There are plans to work together with the Departments of Home Affairs, South African Social Security Agency (SASSA) and Department of Sports and Recreation amongst others to ensure the successful implementation of plans.

4.3.8 ENGAGEMENT WITH THE MDANTSANE BUSINESS COMMUNITY

URP OFFICIAL AT HUMAN SETTLEMENTS DIRECTORATE

The business owners and local residents are always consulted before the plans are approved by the MC. This ensures that every plan made is in the best interest of the people who will be using the space the most. Several meetings were held with business owners, as well as informal traders and taxi drivers at the Mdantsane hub.

“This time the municipality has decided to approach the community with a complete and final plan that has already been drawn up and approved as we feel that this is a good way to begin talks with civil society. We approach them with a complete plan because the various representatives will have very different and sector specific suggestions which may not have the best interests of the public at large.”

There was a considerable amount of disagreement between the municipal officials who were conducting the meetings and the informal traders and taxi associations. Business people “were challenging the plan that was brought forward at the meeting”, in opposition of the construction of stalls for the informal traders to operate from and the placement of the taxi rank in the basement of the mall. This means that the traders will no longer be allowed to sell their goods anywhere, except in the designated stalls.

4.9 CONCLUSION

The Buffalo City Metropolitan Municipality’s officials were very informative, by shedding light on the various aspects of project planning, management and implementation. They spoke openly about the challenges that they face when tasked with the work of urban renewal.

The subject of engagement with the municipality was explored with the business owners and operators, who were not very positive about their engagements or lack thereof with the municipality. There were discussions also about whether they were informed of the improvements that are planned for the space they operate in. The interviewees expressed their concerns and their views on the plans that they heard of as well the plans they had just been informed of during the interview, as many were not aware that these projects were NDPG initiatives. A large number of the views on the impact of these projects on business and the environment were also given.

CHAPTER 5 – ANALYSIS OF FINDINGS

5.1 INTRODUCTION

This chapter seeks to answer the sub-question: What lessons can be learnt about urban renewal programmes from the experiences of users of the renewed space in Mdantsane? Therefore it reflects on the findings that are detailed in the previous chapter. The themes that are discussed in the chapter are those that are found in the interviews that were conducted with the respondents, as well as those that were discussed in the literature review.

5.2 ANALYSIS OF RESEARCH FINDINGS

The analysis of findings is based on the various topics found in the preceding chapter presenting the findings. There are themes that arise out of the findings and the analysis is based on those themes. Section 2.10 in the literature review chapter discusses lessons learnt from other developing contexts about urban renewal. Rojas (2010) discusses issues of law enforcement, using an integrated approach to project planning and implementation, as well as the need to increase the scale of urban renewal projects to address wider societal issues. These are reflected on in the following analysis. In section 2.11 of the literature review a consolidation of the key lessons found in South Africa's Urban Renewal and Local Economic Development strategies is given. That section discusses following issues; capacity constraints at municipal level, land use management shortfalls, township mall establishment, consideration of informal traders, lack of consultation of locals, sector based targeted interventions, the need for social development focused initiatives, as well as the need for dedicated project champions. These issues, highlighted in chapter two, laid the foundation for the analysis of the findings from the interviews.

The first section of this analysis discusses the following themes: institutional capacity and co-ordination; political will; participatory and inclusive processes; incorporating social and economic elements; careful design of physical interventions; understanding existing economic dynamics; and the dangers of displacing smaller economic activities. Then the second section discusses issues that hinder the states mandate to deliver LED, which derives from the Conceptual Framework detailed in chapter 2 which examines the state's role in ensuring developmental outcomes for all citizens. The issues are discussed under the following headings: URP, NDPG, funding, institutional capacity, LED, basic service delivery, policing and security, municipal engagement with the public, consideration of the informal sector, as well as the physical environment.

5.2.1 INSTITUTIONAL CAPACITY

The municipality's inability to provide essential basic services such as storm water drain maintenance negatively impacts businesses, resulting in closure of business due to flooding. Therefore the projects implemented have not helped them; in fact the municipality has failed these businesses. On-going operational and maintenance issues are very problematic. This points to institutional weaknesses at the BCMM, such as lack of resource allocation; lack of capacity and poor management.

Business (semi-formal) operators working in the ECDC mall, which is planned for upgrade, indicated their fear of losing their livelihood when they are evicted from the premises. They do not know where they will operate their businesses from once the mall is closed, they would like to be relocated. A senior official at the BCMM was questioned about this matter, indicated that they have "no authority to speak on this as that mall belongs to the ECDC, it is private property". This indicates an inability to engage with very real concerns of business owners, as these are beyond public sector's mandate.

> The MURP office has a duty to coordinate and manage local municipal projects that are implemented in Mdantsane. This local office has no decision-making power, or authority, when it comes to deciding which projects will be implemented where or how. All that responsibility lies with the URP office at the Human Settlements Directorate of the BCMM. The URP office at Human Settlements is responsible for all infrastructure projects funded through the NDPG; therefore they have no obligation to involve the MURP office in their decisions.
>
> MURP official at BCMM

This renders the MURP office as toothless; they have no power to operate unless they are given marching orders by the URP office at the HSD. The complexity of implementing Urban Renewal projects requires that there is cooperation and coordination between various departments and offices involved in the area-focused development project (Todes, 2013). A lack of cooperative governance has been listed as one of the reasons why many development projects fail, such as the ISRDP and other URPs in the Eastern Cape, such as Motherwell (Rogerson, 2008; Todes, 2013).

5.2.2 COORDINATION AND COOPERATION

The lack of cooperation between MURP and URP office resulted in project planning for NDPG projects has taking more than ten years since Mdantsane was first announced to be part of the NDPG programme.

> The inability of the municipality to draw up viable project plans has resulted in delayed implementation of vital infrastructure development projects. The handing over of planning to private consulting firms is also a factor that contributes to delayed processes. There may be a tendering process leading up to the awarding of the contract to the “best candidate” consulting firm.
>
> URP official at BCMM HSD

If this same procedure was followed in the past, why did National Treasury reject the proposals that were tabled? This begs the question of why did they choose the consulting companies that they chose, in order to draw up the plans? There is no proof that the consulting company that is appointed will deliver the best project management plans. Why is the municipality unable to plan in-house? Is the appointment of consultants better than planning in-house, considering that this system has failed them before? It is obviously not the quickest way to plan projects and definitely contributes to the slow pace of implementation of development projects. Of course this is debatable, because it seems clear that there isn’t capacity within the municipality to plan and implement complex development projects. If this is the case, the best option is to hire in those services.

It seems that the institutional boundaries set by the municipality in order to delineate the functions of the various offices within the municipality, are the cause of the breakdown in cooperation between the offices. According to the URP official at the BCMM Human Settlements Directorate, the URP office is responsible for planning and implementing urban renewal projects and has no obligation to report to the MURP office. If it were not for the institutional boundaries, there would be better communication and cooperation between the MURP and the URP office at the HSD. “Institutional boundaries determine the parameters within which officials have to operate and govern the actions they can or cannot take.” Therefore if the institutional boundaries do not foster cooperation amongst the various offices or the different departments, then the result will be a lack of cooperation.

Intergovernmental cooperation is vital to the effective planning and implementation of development projects, because in most cases a single project will require inputs from different government departments. The NDPG toolkit (2012) also prescribes that when municipality endeavours to undertake project planning, there should be consideration for the departments that will need to be involved for successful implementation. It is apparent that the BCMM needs to engage various departments in the execution of the planned upgrades to the Mdantsane CBD. But the question remains whether these departments will cooperate fully or not. There is evidence that shows that some departments have not cooperated in the past with the MURP in order to ensure essential services are provided or maintained such as the ICT centre and the electrification of Qumza Highway.

The prescriptions of policy that govern the implementation of URP projects emphasises cooperation between local authorities and other governments departments to ensure efficient implementation of plans (COGTA, 2010; 2012). When government departments and local authorities fail to cooperate for any reason, whether it is political issues, lack of interpersonal relations or lack of institutional capacity, this leads to inefficient management of projects (DPLG, 2006; InfrastructureDialogues.co.za, 2015). The end result will be project failure to meet the set targets of improving the environment, improving the local economy, failure to attract and retain private investment and improve the quality of life of residents (Cameron, et al, 2004).

The municipal finance department is unable to recognise the need for funding to keep its entities, such as the MURP fully functional and there is a lack of funding to maintain key infrastructure, such as street lights on Qumza Highway, functioning. Another issue that decreases the institutional capacity of BCMM to deliver on their LED mandate, is lack of funding, which remains the biggest challenge that the MURP office has. It seems that when they had access to funding they could perform better and were more efficient in their execution of their duties. Now that there are no resources, they are unable to implement any projects. “The ICT centre, which was a good initiative by the MURP could have been saved from having to close down and could have remained an initiative that contributed positively to the community of Mdantsane,” said the MURP official at BCMM. The failure of the municipality to recognise innovative initiatives by officials that would have ultimately assisted in more efficient management of state resources has put the community at a disadvantage where they have been robbed of services due to mismanagement

5.2.3 POLITICAL WILL

> The CoC is an association which represents the business owners who have a vested interest in Mdantsane because they have businesses located in the area and who may benefit from contracts with the municipality.
>
> CoC Representative

This association only represents the interests of their members but not the vast majority of smaller business owners and operators in the locality. Respondents from the semi-formal and informal sector reported that they were not part of any association or organisation; therefore they are not informed of municipal plans. It seems as though the CoC is well informed of all plans made by the municipality and they were consulted, in addition they expressed that plans will be good for the Mdantsane CBD.

The fact that the CoC does not sympathise with the plight of the majority of business owners and operators is noteworthy, especially with regard to the imminent evictions. The view of the CoC representative is that “people need to be told” what developments will be good for them; meaning that the complaints and dissatisfaction of those business people is not important to the CoC. If the CoC cannot fight for the needs of the majority of the business operators’, then who will represent them? This structure should not be pandering to the decisions of the municipality, while ignoring the needs of its constituency. This may be a direct result of the fact that the CoC has strong ties to the ruling political party, the ANC, in the municipality. Therefore this organisation is unable to criticise the decisions of the municipality.

Both the MURP and URP at HSD officials find that there are problems arising from the influence of politicians in the planning, approval and implementation of projects. The politicians are seen to have an undue influence on the decision-making at the municipality, because:

> they have put their support and energy behind projects or ideas that will garner more votes for themselves and their political parties, instead of projects that will serve the greater good of the community at large. This is evident in the Boxing Museum idea, where this was spoken of in the media years before there was planning done for it, no budget set aside and this was not even in the IDP as part of the municipality’s plans.
>
> MURP official at BCMM

The red tape and bureaucracy slows down the planning, approval and implementation of projects in the municipality. This is caused by two specific reasons, according to the URP official at BCMM HSD, firstly the more senior officials in high management positions who “delay procedure by not urgently attending to matters and document processing”. The second reason is that the process of getting approvals from the MC of BCMM takes too long and is “made worse by the terms of office of politicians which has come to an end because this was an election year”. These are processes that the officials who are not in political offices have to contend with and operate within, even though they hamper the delivery of services. If there was a way to fast track procedures without having to deal with the slow procedure these officials would be able to deliver on their mandates at a much faster pace. It is unfortunate that the municipality has not been able to implement more of the comprehensive plan it has drawn up, because the community and business owners have to endure the lack of vital services for much longer, even though the money has been made available by National Treasury.

5.2.4 PARTICIPATORY AND INCLUSIVE PROCESSES

The support initiatives and overall strategies need to be specifically tailored to the area of the development in order to ensure success at addressing the problems of the area (DPLG, 2006). In order for the local municipality to draw up plans that will improve the quality of life of residents, there needs to be a clear understanding of what people need. It is for this reason

that it is important to consult and engage the public before the plans are implemented (Engelbrecht, nd; Hull, 2009; McGaffin et al, 2015). However, there is evidence to show that in past projects the BCMM has neglected the needs of the public and the business operators operating in the Mdantsane CBD. For example, the construction of bins at the taxi rank, where the street traders conduct their business. This resulted in the traders removing those bins, because their businesses were disrupted by their presence on the pavement and ultimately the bins were a waste of municipal resources.

Selective engagement occurs mainly because the municipal officials will only engage with recognised structures such as the Chamber of Business, but does not engage with 'Umzabalazo Wonobhalansi', the street traders union as it is "not recognised" (CoC Representative) or registered. The BCMM officials also consult only recognised registered businesses and their owners, such as shopping centre managers but not the tenants. They do not consult with the smaller and informal businesses, many report to have heard of planned upgrading projects and evictions via word of mouth from other users of the space and never get the opportunity to contribute to planning.

Business operators in the Mdantsane CBD were consulted by BCMM officials, but further investigation revealed that this public participation was selective and not all business operators were afforded the opportunity to give their views on which projects they feel would assist them or improve their environment. They were simply "told" of planned projects that affected them and made to believe that these developments would be good for them, according to the URP official at BCMM HSD. The same official confirmed that there had been "considerable disagreement" from the street traders, with the plans to build stalls for them in order to control where they conduct their business. Also distrustful relations have developed between traders and the municipality, as they are weary of the municipality's plans which put them at a disadvantage. This is the reason why street traders took to the streets in protest. The importance of participation and inclusion has been stressed in the literature for LED and area-based development. Simon (2003) places an emphasis on participatory development in pursuit of a progressive agenda which seeks to learn the exact needs of the locality directly from the beneficiaries.

The CoC has ties to the ruling political party which governs the municipality; this allows them better access to the structures of the municipality, as they are well connected to the people in positions of power. This CoC does not accommodate members who own very small, unregistered businesses, because none of the semi-formal and informal business owners knew of or had memberships to the association. This raises questions about exactly how representative the association is of the interests of the majority of business operators. How does the CoC use the influence that it has within the municipality, is it for the greater good of the public or is it just to further the interests of the select few who are members of their association? This is possibly the reason why the interests of the formal business are prioritised over those of informal traders. The CoC gets invitations from the municipality to engage on plans and they gave plans their approval, knowing that they may lead to displacement of informal traders. Informal traders operate in constant fear of eviction and their needs are not prioritised.

It is clear that the BCMM has engaged in practices that are exclusionary to certain business operators, particularly those in SMEs, and informal trade. It would be better for the municipality to be inclusive of all business operators by inviting them all to public consultation meetings. This would prevent them from making decisions that will not assist the public at large, not only the interests of the few.

5.2.5 INCORPORATING SOCIAL AND ECONOMIC ELEMENTS

One of the lessons learnt from other urban renewal programmes is that there is need for urban renewal projects to have a greater focus on social development, rather than on economic or infrastructure development only (Donaldson & Du Plessis, 2013). There needs to be greater focus by all involved in the project's implementation on the social aspect of urban revitalisation in townships as there are many aspects of people's lives that need to be uplifted than merely providing them with employment opportunities.

When the environment is improved and is conducive to conducting business then more shoppers will purchase goods in the township CBD and more people will make use of the space. Store operators in the Kuyasa Mall find that their "environment is more conducive to attracting customers" (Business Owner 2) as there is controlled access on the premises, "there are no street traders allowed on the premises, the environment is clean and there is less criminal activity" (Business Owner 3). Although this better environment in the mall is not a result of the infrastructure upgrades in the CBD, it is merely because of restrictions in place by the property owner; this very same logic may be applied to the rest of the CBD by the municipality.

The satisfaction of formal business operators with projects that have been implemented is not conclusive. Many of the business operators feel that the projects 'do not' benefit them 'directly' in their business dealings; they only contribute to the 'improvement of the environment'. This is important to note, because it suggests that infrastructure provision does not automatically lead to improved business performance or increased investment.

However, some business operators do believe that the projects have a positive impact on the perceptions of people of the Mdantsane CBD, therefore making more people want to shop in the area and reducing their preference for shopping in town or the East London CBD. This means that they get to have more customers, as they are not discouraged from using the Mdantsane CBD when choosing shopping destinations. This means that the improved physical environment has had a positive impact by increasing the customer base.

The threat of eviction due to planned upgrades of the old ECDC mall results in uncertainty for some business operators. These business people are unable to think of other possibilities, such as growing their business; they are worried about how they will survive after the mall is closed. There is nowhere else for them to go, either to complain or to relocate their business to within the township CBD. If only there was a functional business incubation or support centre in the Mdantsane CBD, these SMEs might be able to get help. Business performance is not only related to infrastructure provision and physical environment upgrading, but also concerns about rentals/rates and security of tenure. These factors are often outside the realm of the public sector, hence the BC municipality cannot intervene on this issue.

5.2.6 ADDRESSING CRIME

A necessary condition for improving the quality of the environment of residents of either informal areas or townships or deteriorated areas is security and ensuring harmonious coexistence (Rojas, 2010). The fear of many people that there are too many criminal elements in the space will only be reduced when there is more police visibility. Meanwhile, many of the business operators are witnesses to crimes being committed daily and there is no visible police presence.

The improvement of infrastructure such as street lighting allows people to make use of the area for longer, even after dark. As prescribed by Rojas (2010) the design of the environment should be geared toward crime prevention. Although the infrastructure for electrification of Qumza Highway is in place, the poor maintenance means that portions of this road remain dark, because the lights do not all work. Regardless of the electrification with street lights, many of the business operators ensure that they close shops and leave before it is dark in order to avoid criminals who operate at night. If the environment was safer, these businesses would be able to stay open for longer and possibly be more profitable. Therefore it seems that the municipality is not doing enough to prevent crime in the CBD.

5.2.7 CAREFUL DESIGN OF PHYSICAL INTERVENTIONS

Urban renewal is intended at revitalising deteriorated urban areas and in the case of townships it is meant to vitalise historically marginalised areas. This is done through improving infrastructure in order to ensure better access to services, to improve the environment, to foster economic growth as a way increase employment levels and to alleviate poverty. One of the main aims of the Urban Renewal Programme is to improve the environment, so that it is conducive to operating business and that it is attractive to private investors who may want to participate in the township market (DPLG, nd; National Treasury, 2009).

Many of the business operators do not see the value of projects to improve the environment, such as the positioning of rubbish bins at key points in the CBD, hence their removal of them. The construction of pavements and designated walkways allows for connectedness in the spaces that people use in the area, thereby making it easier for individuals to commute from one place to the next. But the pavements that do exist within the CBD are mostly used by street traders. This makes the walkways harder to walk on, contributing to congestion in the streets. The speed humps may help drivers on the road, but do nothing for the majority of business operators, especially because the basic services that they need are not provided. As Rojas (2010) argued, the scope of the upgrade projects is often too narrow and deals only with a specific problem; therefore it does not address all the problems experienced by the residents or businesses.

Informal traders were marginalised when it comes to the planning of projects; they revealed that there are instances where the municipality will

> build structures to hold rubbish bins exactly where we operate our business on pavements. So because traders we were not consulted…
>
> (Business Owner 13; 14).

This has resulted in wasteful expenditure, because these structures and the bins were removed by the street traders immediately after they were installed and they became of no use to the public or the environment. The design and placement of these structures could have been better had the municipality deliberated more on the needs of people in the Mdantsane CBD.

The business operators (street traders) indicated that they would not be happy with planned stalls that will be provided as they will remove them from their customers and their current market. This would be detrimental to their business and would “decrease profits” (Business Owner 11). While, the informal taxi ‘phela’ operators expressed dissatisfaction with the traffic congestion that occurs due to the presence of speed humps on Sandile Road, which slows them down, as their business operates on speed and constant visibility on the roads. In addition the crime, such as theft, that they experience when they are “forced to stop” (Business Owner 15) due to traffic congestion resulting from the speed humps is detrimental to their business. This indicates that infrastructure provision has unintended consequences for these business operators.

The same applies for registered taxi operators who indicated they will not be happy with the planned changes to the taxi rank as this means their taxi will not be out in the open and easily accessible to the public. This will have a detrimental impact on their business as they fear that they will have fewer passengers as a result of being placed in the basement of a shopping mall. Again the municipality needs to design infrastructure in a more careful manner.

The humps on Sandile Road have posed a challenge for formal business operators, such as supermarkets and building and hardware stores, whose suppliers refuse to deliver to their shops because the “humps slow down traffic and allow criminals to climb into the back of trucks and offload goods before they are delivered” (Business Owner 1). This has resulted in these stores having less variety of stock because of unwillingness of suppliers to deliver, causing these stores to have limited stock and thereby lessen their profits.

However, according to the URP official at the HSD, impact assessments are always conducted to assess what the community needs as well as what is necessary to improve the environment. But this impact assessment did not take into account the effects that the traffic calming infrastructure would have on the environment. The circumstances and environment in the Mdantsane CBD is unique, surely if closer attention was paid to the what happens on Sandile Road, specifically to the area in front of the Kuyasa Mall. The high level of crime and the traffic congestion, maybe the speed humps would have been located in different positions. The humps contribute more to the congestion of traffic and give criminals more opportunity to loot delivery trucks and rob taxi drivers. Rogerson (2008) and Todes (2013) say that tailor made solutions should be applied to every area-focus project, and municipal officials should be innovative in their application of policy. There seems to have been a lack of innovation in the planning for service delivery in this environment and no consideration was taken for the conditions on the ground.

5.2.8 UNDERSTANDING EXISTING ECONOMIC DYNAMICS

The ability of municipal officials to apply innovative interventions requires them to have a good understanding of existing socio-political and economic dynamics in the area. The second issue is the lack of cooperation between the MURP office and the HSD because the MURP office is ranked lower in the hierarchy of the municipality. This office should be the first to be consulted on the needs of the community because they are embedded in the community, their advice on project priorities should be sought first.

Street traders operating on the pavements on Sandile Road, near Shoprite, indicated that they would like better cooperation between them and the owners of Shoprite as well as the municipality. They would appreciate the opportunity to operate their businesses freely on the pavement as this area has many customers passing through. They are constantly being “harassed and evicted” (Business Owner 9) from this area and this is detrimental to their business. Exactly who is harassing them? Is it the municipal officials or is the municipality doing this on behalf of the management of the Supermarket? The connections and linkages between different stakeholders are critical for LED and the officials as well as other stakeholders should do more to foster these linkages.

The state seems to be an agent of capitalism; they will always strive to increase their tax revenue and their tax base by accommodating tax paying businesses. The activities of the municipality appear to explicitly support only the interests of large businesses in the township. For this reason the BCMM will be willing to evict informal traders operating near the entrance of a major national retailer such as Shoprite, because they allegedly expressed their concern for the negative impact the informal traders are having on their business. The informal traders have no power, except to protest, in this situation as their businesses are not recognised by the state. This is because they are not registered nor do they provide the municipality a source of revenue through trading licences and permits. Even more so, because they operate in an area that is not designated for conducting business, the pavement.

The municipality may have a valid argument in saying that the street traders are contributing to the poor physical environment of the CBD, as they take up all the space on the pavement making pedestrians unable to walk on it. They also “increase the amount of litter in the streets” (MURP official at BCMM); they also trade in goods that are unhygienic, as they sell meat products out in the open in front of a store that needs to be inspected for cleanliness. This increases the amount of pests in the area, such as flies and rats, which puts businesses such as Shoprite and Spar in jeopardy. Also other traders have complained about the quality of the environment. The question then is how do they mitigate the situation and find a compromise where all business owners and operators are able to coexist in the space? This is especially unfair to the informal trader who has limited leverage to bargain with the state and the owners of big businesses. Their only solution to the problem and their outlet is to embark on protests in order to get the attention of the authorities and the other businesses in the area.

5.2.9 THE DANGERS OF DISPLACING SMALLER ECONOMIC ACTIVITIES

Informal trade is the main form of business in townships; therefore any project initiated has to accommodate this type of trade (Donaldson & Du Plessis, 2013). However, those who are trading in the informal sector are not catered to when plans are made by the municipality. The only solution offered by public officials is to remove them from the pavements, with no consideration for their livelihoods. The question then is how are they supposed to earn a living when there are no designated trading spaces? A common criticism of upgrading projects is the displacement of existing small and informal businesses. Lack of understanding of existing economic dynamics can be highly destructive. However, it may also stem from an antagonism towards informal traders (implicit or explicit) and greater support of formal businesses by the municipality as evidenced by the recent protests and removals.

The informal sector is the most informed of what is planned for the spaces they operate in because they are in constant fear of eviction. This causes them to be inquisitive and engage amongst themselves ask questions about what others have heard. There is always tension! They are worried about their livelihoods! Fear of eviction without an alternative space to operate from, as well as the fear that they will be priced out of the township CBD once the upgrades have been completed. Will these planned upgrades lead to gentrification of the area, or will it still be accessible to the vast majority of the traders operating in this space? Therefore in order to avoid loss of revenue to informal business operators, the municipality should accommodate the needs of the informal sector and SMEs (Rogerson, 2008).

A contradiction exists between the initiatives of the municipality which are aimed at alleviating poverty by creating employment and the manner in which the municipality is willing to evict the same people from where they conduct business. The aim of the URP is to improve people's lives, especially the lives of the poor that are operating businesses in the township CBD by improving the environment in which they operate their businesses. Therefore it should be the municipality's main priority to ensure that informal traders and their needs are put first. But this does not seem to be the case, especially not where informal traders and small business owners are concerned. The informal traders are constantly in fear of being evicted from the pavements of the township CBD, because they have been evicted before. Those operating their businesses from the ECDC mall are also in constant fear of eviction hoping that they will get sufficient notice before eviction so they can organise alternative spaces to trade from. Those who are trading informally in the township CBD are trying to earn an income the best way they know how, using the available space in the area. If there were better alternatives available to them they would make use of them, but there are none. This means that they need to trade on the pavements and the streets where they are not authorised to do so. For these traders, this mode of business is their livelihood, therefore if they are evicted their means of survival is taken from them.

5.3 ISSUES HINDERING THE STATE'S MANDATE TO DELIVER LED

In order for the state to be truly developmental, the issues that hinder the delivery of the state's mandate need to be addressed. These issues arise from the findings detailed in the previous chapter

5.3.1 URP

It is important to take account of the past successes and failures of developmental programmes, in order to learn from them and not repeat the same mistakes that were made previously. The country has implemented different kinds of policies geared towards urban renewal, specifically spatial targeting. Lessons from the projects that were deemed a success will help guide future planning, especially for a municipality which has had many issues with project planning and implementation. It would be good to take into account that the aim of the URP is to meet the basic needs of the public, through the provision of infrastructure. Therefore in the provision of this infrastructure and basic services, the municipality may not displace people.

In addition to the focus on infrastructure, the URP should also focus its attention on projects that will improve LED. Initiatives that specifically address the need for skills development, training and business centre development are key components that should go hand-in-hand with infrastructure projects.

The infrastructure that has been implemented through the URP is targeted at creating more urban efficiency; more connectivity within the local township and with the surrounding areas. The infrastructure has improved some degree improved the conditions, connectivity to city centre improved because the roads are improved However, conditions within Mdantsane and the CBD have not improved. Urban efficiency internally seems to be unsuccessful, considering that the electrification project is not a complete success, the traffic calming infrastructure have received some unfavourable reviews and the majority of the plan has not yet been implemented.

5.3.2 NDPG

The funding of projects has allowed for the implementation of only two projects so far, more could be done, considering the amount of time since Mdantsane was ear-marked as a recipient of this grant.

Road Improvement project

The majority of business respondents are not affected by the improvements to the roads, with the exception of those who drive taxis. Even those in the taxi business are not entirely happy with the traffic calming infrastructure because of the increased congestion they have experienced. The traffic congestion has resulted in delays and in the taxi business, time is money, they make more money when they are on the road, not when standing still in traffic. The refusal of suppliers to deliver goods to the supermarket and the building material wholesaler has occurred as a direct result of the traffic calming interventions.

Electrification of Qumza Highway

This project had the objective of creating a connection between the different areas of the township. “While it was implemented with some degree of success, the lights do not span the entire Mdantsane Access Road” (MURP official at BCMM), therefore some areas do not benefit at all from the project as the lights did not reach all areas. This is no different now that the lights have been reported to not be working due to lack of maintenance by the municipality. This project had the best intentions but fell short of reaching the targeted level of impact.

5.3.3 FUNDING

The funding of the MURP office needs to be prioritised by the municipality, in order to make sure this office has the capacity to plan and maintain its own projects.

Considering that the BCMM has R20 mill in the funding envelope form the National Treasury, then one would think that projects would be implemented at a much faster rate. But clearly funding from the NDPG is not the issue, in fact the NDPG has honoured its commitment to the BCMM, but the municipality is the party that is failing to honour its commitments.

5.3.4 BCMM - INSTITUTIONAL CAPACITY

The failure of the municipality to draw up plans that were acceptable to National Treasury resulted in the municipality’s inability to implement development plans. The municipality could have taken advantage of the funding provided by the NDPG much sooner. The employment of people based on their political affiliation or their popularity within the municipal structures has had an influence on the failure to implement development plans effectively.

“Skills and training should be made a priority in the municipality” (MURP official at BCMM) because the staff contingent seems to lack the capacity to successfully plan and implement development projects. If the issue of capacitating and developing the skills level of employees is not addressed at the municipality, many more failures will occur and delivery on mandates will remain slow.

5.3.5 LED

The aim of urban renewal is to ensure that environments are improved with better infrastructure, which will also allow the business sector to thrive and lead to economic growth and poverty alleviation. It is also about enhancing the local strengths by fostering growth of local existing businesses. If local business is to be improved the projects and initiatives implemented in the CBD should have a stronger focus on developing the informal sector. This is because the majority of businesses are small and informal. It is unfortunate that the BCMM has rather chosen to evict street traders and informal traders from the areas they are trading from.

5.3.6 BASIC SERVICE DELIVERY

One of the mandates of local municipalities is to ensure that basic services are provided. The local municipality has failed the business people in the Mdantsane CBD in their delivery of some of the basic services. The respondents report that their “environment has not been improved” (Business Owner 5). Refuse removal does not occur on a regular basis, according to Business Owner 7, therefore they report that there are rodents roaming everywhere. “Stormwater drains are not managed regularly” (Business Owner 4), meaning that stores get flooded after rains. When the basics are not managed or improved by the municipality, then the Mdantsane CBD is not a conducive environment for businesses thrive.

5.3.7 POLICING AND SECURITY: THE FIGHT AGAINST CRIME

The respondents all complained about the amount of crime in the CBD. The local police service has failed the business owners and operators, because they feel personally unsafe and their businesses are also at risk of getting robbed. The high crime rate results in the CBD retaining a bad reputation for being a crime hotspot, which renders it unattractive to new investment. Ridding the area of crime should be the one of the major priorities of the URP, in order to ensure that the environment is more conducive to productive business and economic growth, but this is not the case.

5.3.8 MUNICIPAL ENGAGEMENT WITH THE PUBLIC

In the past the municipality has not made efforts to ensure that the engagements and consultation meeting that are held between them and the business stakeholders in the township CBD are more representative. It is necessary to gather as many people as possible to ensure that plans are representative of what the people’s needs are.

5.3.9 CONSIDERATION FOR THE INFORMAL SECTOR’S NEEDS

Since the large majority of business operators in the township are informal businesses, more should be done to accommodate their needs. The municipality’s idea to formalise and provide structure for the informal sector is noteworthy, but none of the respondents are happy with the manner in which the municipality has enforced these ideas. The eviction of street traders without alternative areas for them to trade from is a problem, which will lead to more rioting and unrest in the CBD and the community. If the evictions continue, the high level of unemployment and poverty in the township will continue unabated.

5.3.10 PHYSICAL ENVIRONMENT

All respondents complained about the amount of dirt on the streets and the environment being unsanitary. The municipality should do more to ensure the environment is clean. Furthermore the people using the space, such as business operators should be educated to take initiative to ensure that the environment is kept clean. The municipality has made some efforts to make people aware of the need to keep their environment clean, but more needs to be done, especially in light of the fact that the traders have felt the need to remove rubbish bins provided by the municipality. Perhaps when the part of the new plan that introduces trees and green zones is implemented then the green environment in the township CBD will be improved.

5.4 CONCLUSION

The purpose of this chapter is to analyse the findings in order to answer sub-question 4. In this chapter the findings are considered in the light of the Key Lessons that have been identified in Chapter 2. These are: institutional capacity, which is found to be less than satisfactory in light of the fact that the municipality has not been able to deliver on its mandate to deliver economic development through infrastructure provision. In terms of co-ordination and co-operation, the officers responsible for URP are unable to cooperate due to the institutional boundaries placed by the municipality. On the topic of political will, it is clear that the complex political dynamics and political personnel in the municipality are more of a hindrance to delivery of services and implementation of URP projects. In terms of participatory and inclusive processes, these processes are skirted by the municipal officials responsible for URP planning whereas if they would engage better with the community they serve they would deliver services that are more easily accepted by the business operators in the township CBD.

In the case of incorporating social and economic elements, there is evidence to show that officials involved in URP are unable to incorporate social and economic elements into the projects. They merely have focused on infrastructure provision. More careful design of physical interventions is needed, because the projects that have been implemented have been narrow in their scope not taking full consideration of business operators' needs. The municipal officials do not seem to understand existing economic dynamics in the Mdantsane CBD, because they have been unable to implement innovative measures to ensure economic development through the infrastructure provisions implemented. Another key lesson learnt in Mdantsane is that there are dangers of displacing smaller economic activities when municipal officials are not careful with the projects they implement in the area-focused programme. This is evident in the evictions and protest action by informal sector business operators.

The Mdantsane Urban Renewal Programme seemingly has not paid enough attention to the key lessons that have been learnt from other URPs. This ignorance of key lessons has had detrimental effects on the economic development of the CBD and severely disadvantaged the operators of businesses in the formal, semi-formal and informal sectors.

CHAPTER 6 – CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

The chapter focuses on the overall findings of the study and summarises and concludes what has been detailed in the previous chapters in an effort to address the main research question: How has the NDPG-funded development affected local businesses in the Mdantsane CBD? The overall aim of the study was to investigate the effects of projects that were initiated by the Buffalo City Metropolitan Municipality through the NDPG in the Mdantsane CBD. The study sought to find out what impact these initiatives have had on the community at large but specifically those who operate businesses in the Mdantsane CBD. Lessons were gathered about urban renewal in Mdantsane, which will assist in the planning and implementation of future projects either within the MURP, or BCMM or other URPs in the country. The perceptions of business operators and municipal officials were gathered using interviews. Some observation was done, to seek clarity on the issues experienced by business operators and the location of interventions projects. Then an assessment of how the intervention projects have addressed the developmental challenges faced by the community as beneficiaries.

This study aimed to respond to the following sub-questions:

1. How have public sector urban renewal programmes contributed to local economic development in developing contexts?
2. How does the MURP propose to address Mdantsane's economic development challenges?
3. What are the perceptions of local businesses about the impact of the urban renewal projects?
4. What lessons can be learnt about urban renewal programmes from the experiences of users of the renewed space in Mdantsane?

6.2 CONSOLIDATION OF KEY FINDINGS

In response to the question of what are the perceptions of local businesses about the impact of the urban renewal projects. The respondents revealed that their businesses were mostly unchanged by the implemented projects, saying that “things are still the same” (Business Owner 5) and “crime is high” (Business Owners 6). They expressed that the renewal projects did not affect the physical environment of the CBD as many still experienced problems with crime and poor service delivery. The only business operators who appreciated the road improvements were those who drove taxis (Business Owners 16; 17; 18). However, even those who drive taxis have experienced the unintended consequences of traffic calming measures, such as slow traffic and congestion, with Phela taxi drivers saying they are “forced to stop” (Business Owner 13). Respondents revealed that the traffic calming measures resulted in them losing some of their business due to crime (Business Owner 14; 1; 13) which occurs at the areas of the implemented project. This led to the conclusion that the projects were designed and implemented poorly, as the officials did not consider the socio-economic or spatial dynamics of the area.

In cases where the respondents expressed an appreciation for the implemented projects, they revealed also that the road improvement did not improve the business performance. Those who did not have an issue with the environment and crime levels are situated inside the Kuyasa Mall, “which is secure and has controlled access” (Business Owner 2). The boundaries of the mall shield these business operators from the harsh realities of the surrounding environment. On the contrary those operating in the ECDC mall complained of imminent evictions, and fear for their livelihoods being taken away once the mall is closed for renovations.

Although the municipal officials interviewed revealed that they had “conducted impact assessments before implementing projects” (URP official at BCMM HSD), the evidence shows that this assessment was not rigorous enough. The issues that arose from the bad placement of traffic calming measures, point to a lack foresight, which could have been gained through consultation with members of the CBD community. A better assessment could have revealed that infrastructure projects would not be successful without accompanying social and economic interventions to address poverty alleviation and crime. The problems that are experienced by business operators with “poor delivery of basic services” (Business Owner 7), render the township CBD undesirable and unattractive to private investment. Therefore the BCMM officials involved in URP have to prioritise service delivery, providing support to SMEs, crime prevention, improving design of planned projects in addition to infrastructure provision.

In response to the question of how have public sector urban renewal programmes contributed to local economic development in developing contexts? Literature in the field of urban renewal, LED and infrastructure-led development and area-focused renewal programmes was explored. It is clear that the issue of deteriorated and neglected urban areas is an issue worldwide, as detailed in the lessons learnt from other urban renewal programme implemented in other developing contexts. Based on the literature it is found that the employment of

developmental state policy is preferred by developing countries as a means to lessen inequalities and integrate marginalised areas. The policy emphasises pro-poor development strategies because of the state's awareness that large proportions of the population are poor, working in the informal sector and deprived of basic services. These may be employed in conjunction with pro-growth development strategies to ensure that lagging areas are turned into leading areas.

In the South African context, area-focused initiatives combine both pro-poor and pro-growth strategies which are aimed at fostering LED. Researchers have found that many of the strategies were implemented in complex socio-political contexts with some success. But the majority of these programmes implemented in SA have had marginal success in achieving all the goals. Some have been reported to fail due to political intervention, poor capacity, poor planning, corruption, and unsustainability of implemented job creation measures, a poor focus on economic development and merely focusing on infrastructure only. Therefore the URP unit in the local municipalities needs to ensure that plans meet the basic requirements of promoting LED, integration of communities, improving environments, ensuring growth and alleviating poverty.

The creation of cooperative and coordinated government departments and institutions will ensure that project planning and implementation is a success. The creation of partnerships between all stakeholders involved in the urban renewal process and the area of implementation are critical to successful interventions. Taking into account that the BCMM officials involved in urban renewal do not work together, they are facing implementation challenges. Although international case study research finds that data is inconclusive as to whether the implementation of area-focused strategies has in fact improved LED, there is hope that area-focused strategies will lead to successful LED.

In response to the question of what lessons can be learnt about urban renewal programmes from the experiences of users of the renewed space in Mdantsane. The implementation of urban renewal programmes is expected to have a positive impact on the area of implementation, there is evidence to prove that infrastructure projects can have unintended consequences. Despite the good intentions of municipal officials, the implemented projects have had a negative effect on businesses in the CBD. This is due to poor design of implemented and planned projects. There is fear and tension amongst business operators that the planned projects will result in gentrification of the area. There is evidence to show that renewal has negatively affecting already existing SMEs, as there have been evictions of some operators from pavements and the ECDC mall. There is lack of support for smaller business operators in the CBD and the municipality does not prioritise the needs of the informal sector. There is also evidence that the URP officials have not engaged with the business operators in order to tailor the interventions to suit all needs of the operators. The implemented projects do not seem to address the needs for improved safety and security or basic service delivery such as storm water drain management and refuse collection. The wish by business operators

for basic service delivery is expressed clearly by respondents; therefore this is a major focus area to be prioritised by URP officials.

However, the officials were very clear in their responses about the challenges they face when planning and implementing urban renewal projects. They expressed that there are institutional capacity constraints, such as lack of dedicated staff, lack of funding and political interference in project planning. To remedy these issues, researchers found that there is a need for dedicated staff and a project champion who is able to coordinate efforts of different departments, who are innovative in approaches to urban renewal. Although the officials are aware of these issues and remedies for them, they are constrained by the institutional boundaries they have to operate within, which do not allow for cooperation and coordination of governmental efforts.

In response to the question of how the MURP proposes to address Mdantsane's developmental challenges, the case study area is reviewed. The MURP has planned and implemented infrastructure-led development plans to integrate the Mdantsane township and CBD to the East London CBD through better road infrastructure. The linkages between the two CBDs are important in ensuring that the township CBD is more equipped and better suited to LED. Although the majority of plans by the BCMM are still in the planning stages, they promise to address the challenges of the township. These plans will improve the environment, by upgrading infrastructure, which will attract private sector investment and create more employment opportunities. The MURP has made use of NDPG funding to implement some of these plans (electrification of Qumza Highway and traffic calming infrastructure), successfully, after many failed attempts to access funds from National Treasury. This failure to submit comprehensive, feasible plans to National Treasury resulted in the slow implementation of urban renewal projects and plans in the township. Some of the planned infrastructure projects, such as improvements to walkways and pavements, will be implemented in the short term. While renewal projects planned for the transportation, economic and sports and recreation nodes will occur in the medium to long term.

Although National Treasury has provided funding and guidance to the local municipality officials responsible for the MURP, this has not been enough to ensure that there is delivery of their mandate. The BCMM is struggling with capacity issues, political interference, poor planning of projects, local municipality budgets and funding problems, co-ordination and cooperation between institutions, as well exclusionary participation processes. If the municipality can overcome these problems then the effects of the projects on the physical and business environment would be more positive. As it stands, the business sector in the Mdantsane CBD is dissatisfied with the effects of the implemented projects on both the physical and business environment.

It became clear that the municipality has paid insufficient attention to the lessons learnt in other urban renewal programmes. The BCMM would benefit greatly by considering the

lessons and experiences gained from other programmes as this would improve their delivery on their mandate, ensure that the municipality's resources are utilised wisely and are of benefit to the business sector. This would also ensure that LED is fostered and that the environment is conducive to economic growth. The issues the respondents have identified which affect their environment; their businesses as well as their working environments require the municipal officials' attention. Possibly the municipality can be more careful when planning and implementing projects in future, be more inclusive when designing for urban renewal, while taking into consideration all the social and economic dynamics of the area; not merely focusing on infrastructure.

6.1 IMPLICATIONS OF KEY FINDINGS

FOR THE NDPG/NATIONAL GOVERNMENT WHEN CONCEPTUALISING URBAN RENEWAL PROJECTS

1. Close monitoring of Urban Renewal projects should be done in order to ascertain whether the goals and objectives are met;

2. Strategies and policies should be revised before the implementation of project plans in order to tailor these to the unique local conditions found in the area. The beneficiaries of the area-based development programme need to be engaged in more inclusive participatory processes. These participatory processes will guide the development planning process so that it is tailored to the local conditions;

3. National Treasury should streamline the procedures needed for the approval of projects, as well as requirements for approval of projects, in order to expedite the process of project plan approvals. This will ensure that project planning and implementation is fast tracked;

4. Policy should more explicitly emphasise creation of linkages between the township CBD and other existing larger business districts. This will create more opportunities for growth in the local economy

5. Projects implemented through URP should encompass social and economic development efforts and projects instead of focusing solely on infrastructure provisions.

FOR BCMM: HOW TO PROCEED WITH THE IMPLEMENTATION OF THE MURP

1. More rigorous Impact Assessment should be undertaken before as well as after project planning and implementation. If the impact assessment is conducted by engineers, their perspective may not include/ be wide enough to recognise other environmental factors

which need serious consideration, such as criminal elements in an area. This will go a long way to mitigate against the unintended consequences of implemented projects;

2. Safety and security measures should be improved in the area, possibly with the formation of neighbourhood safety watch committees. Policing should not just be the responsibility of the SAPS, the local community should also be mobilised to ensure their own safety. The implementation of crime preventative design measures are to be an integral part of infrastructure projects;

3. Consideration of informal traders' needs should be made a priority by the municipality, especially since the informal sector forms the majority of businesses in the township

4. Engagement by the municipality with business sector stakeholders should not be selective, it should be all inclusive. The inputs of all business owners and operators will contribute to the development of the area;

5. Vetting of all municipal employees should be prioritised, in order to ensure that capable employees are appointed into key positions. This will ensure that officials are able to perform the duties expected of them in their respective positions;

6.

7. The municipality should streamline the procedures needed for the approval of projects, in order for project planning and implementation to be fast tracked;

8. Education of operators (especially street traders) on the importance of the physical environment and keeping the environment clean is needed. Therefore when public participation meetings are held, there needs to be information sessions conducted on why the municipality provides bins and why keeping their space would benefit the traders.

9. Engagement with taxi associations about location of taxi ranks/stations, to ensure their business is not compromised by the design of the planned new taxi rank

10. Increased funding should be offered to the existing SME Support Centre in order for it to offer more support to emerging businesses and improve the productivity of the local economy and increase pro-poor development. Skills and training development should be offered to local business owners and operators in order to equip them with knowledge on how to improve and grow their businesses, with the view to grow the economy. This will ensure that business operators are equipped with more than just infrastructure, but other social needs are met.

6.3 CONCLUSION

Some of the effects of the NDPG-funded interventions in Mdantsane CBD have been assessed from the perspective of its formal and informal businesses. The township context has been found to have had significant improvement in infrastructure provision. The complementary actions by stakeholders (the BCMM, National Treasury and the business operators) have been interrogated along with various responses from municipal officials, and these findings have revealed many challenges. The lock-ins (which are infrastructure projects and plans) have been discussed and their impact on businesses in the township CBD being assessed in terms of the perceptions of business operators. The views of business operators are varied, some having found the projects effective in the improvement of the space, while others having experienced the unintended, negative consequences of the interventions. The different changes that have occurred to the space have been described in the analysis of findings and the conclusion is that the right logic was applied in providing infrastructure interventions, but more needs to be done in researching the possible outcomes of implemented projects.

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LIST OF INTERVIEWEES

Human Settlements Development Officer at BCMM (31 October 2016) Interview with S. Mseleni

MURP Officer at BCMM (26 October 2016) Interview with S. Mseleni

Business Owners

Formal Business Owners, Interviewed by S. Mseleni (15 - 31 October 2016)

- Business Owner 1
- Business Owner 2
- Business Owner 3
- Business Owner 4

Semi-formal Business Owners, Interviewed by S. Mseleni (15 - 31 October 2016)

- Business Owner 5
- Business Owner 6
- Business Owner 7
- Business Owner 8
- Business Owner 9
- Business Owner 10

Informal Business Owners, Interviewed by S. Mseleni (15 - 31 October 2016)

- Business Owner 11
- Business Owner 12
- Business Owner 13
- Business Owner 14

- Business Owner 15
- Business Owner 16
- Business Owner 17
- Business Owner 18

7 APPENDIX 1: BCMM'S NDPG PROPOSED PRECINCT PLAN

Proposed Implementation Plan (based on NDP criteria)

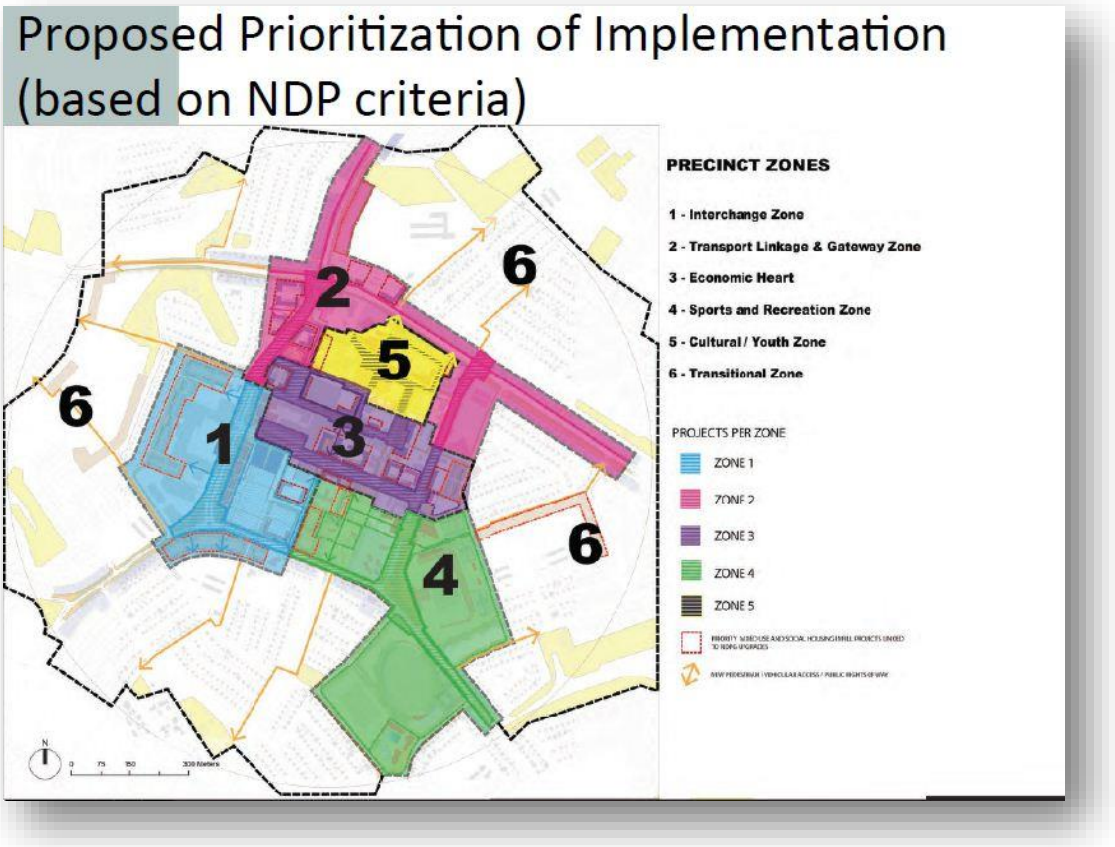


FIGURE 1: KEY NODES IN THE MDANTSANE HUB, NUMBERED ACCORDING TO PRIORITIZATION (Concepts Urban Design, 2016)

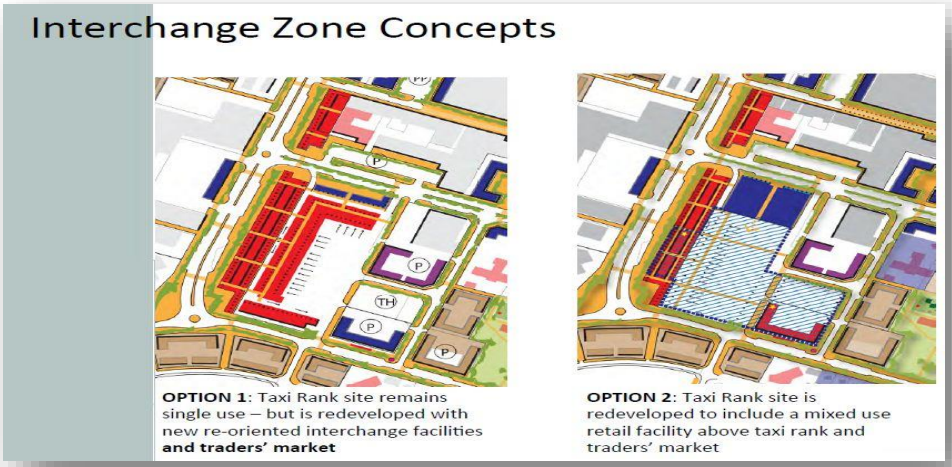
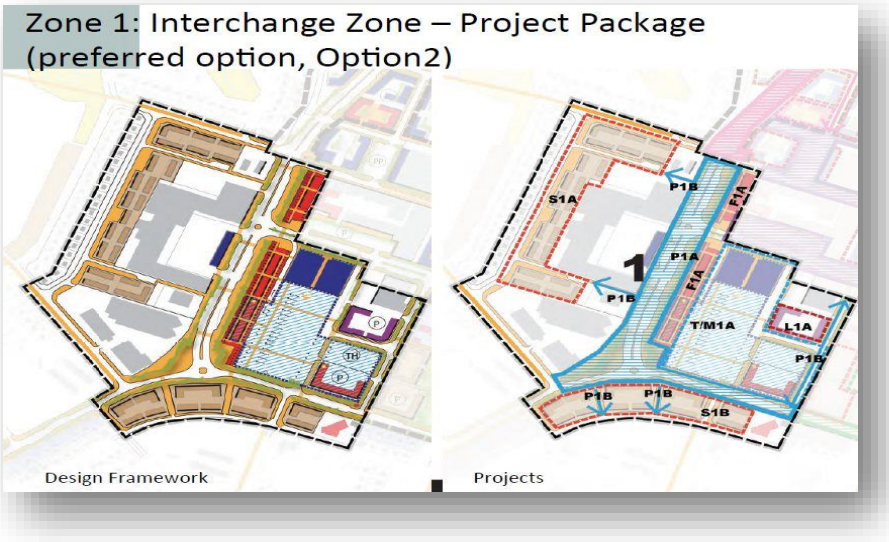


FIGURE 2: INTERCHANGE ZONE 1 (Concepts Urban Design, 2016)

In Zone 1 the plan is to build a new traders market facility on Sandile Thusi Road, which will be linked to the Mdantsane taxi rank development.



F1A = New Traders Market

T/MA = Mixed Use Development of Mdantsane Taxi Rank

P1A = Tree Lined Public Space, Forecourt to Taxi Rank

P1B = New Pedestrian and Road Linkages

FIGURE 3: INTERCHANGE ZONE 1 – PROJECT PACKAGE (Concepts Urban Design, 2016)

These upgrades are planned for the short term time frame of within 0 – 3 years and there is an estimated budget of R447.3 million. (Concepts Urban Design, 2016)

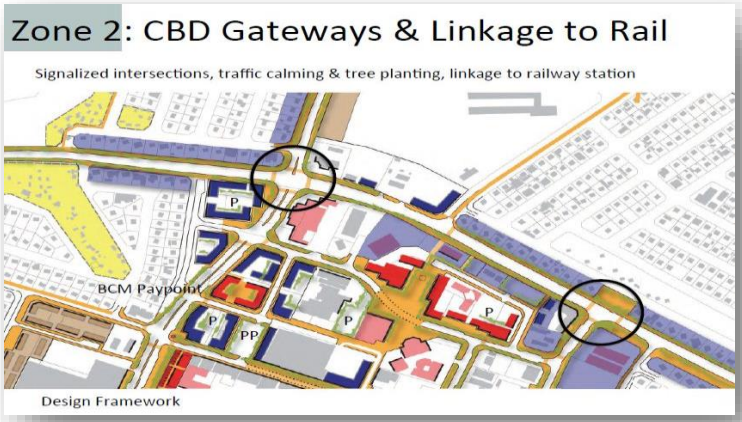
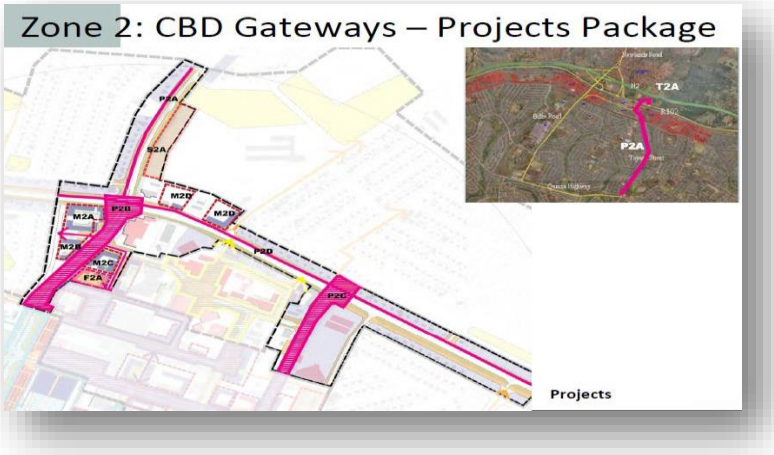


FIGURE 4: CBD GATEWAYS & LINKAGE TO RAIL – ZONE 2 (Concepts Urban Design, 2016)

In Zone 2 there are plans to upgrade Toyana Road, Sandile Road, Shai Road and Qumza Highway to pave the pedestrian walkway, to add street lighting, narrowing of traffic island, as well as tree planting and landscaping.



P2A = Toyana Road upgrade: Paved pedestrian walk, street lighting and tree planting

P2B = Sandile Thusi Road: Narrowing of Traffic Island Signalised Intersection & Gateway

P2C = Shai Road & Qumza Highway Gateway: Upgrade of Shai Road

P2D = Avenue Tree Planting & Landscaping on Qumza Highway

FIGURE 5: CBD GATEWAYS – ZONE 2: PROJECT PACKAGE (Concepts Urban Design, 2016)

Theses upgrades are planned for a short term time frame of 0 – 3 years and their estimated budget is R29.2 million. (Concepts Urban Design, 2016)

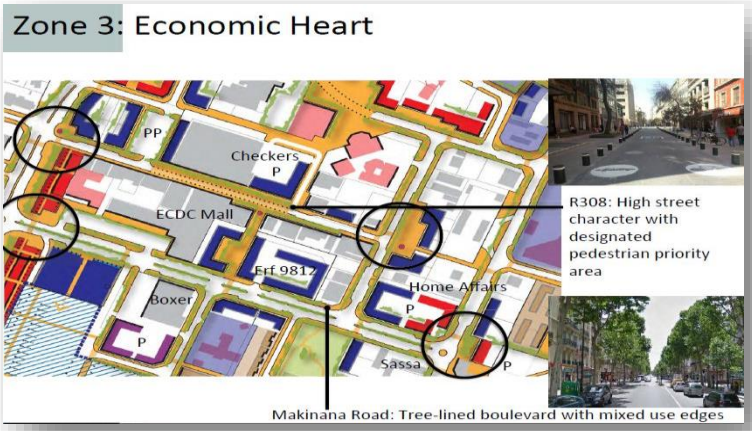
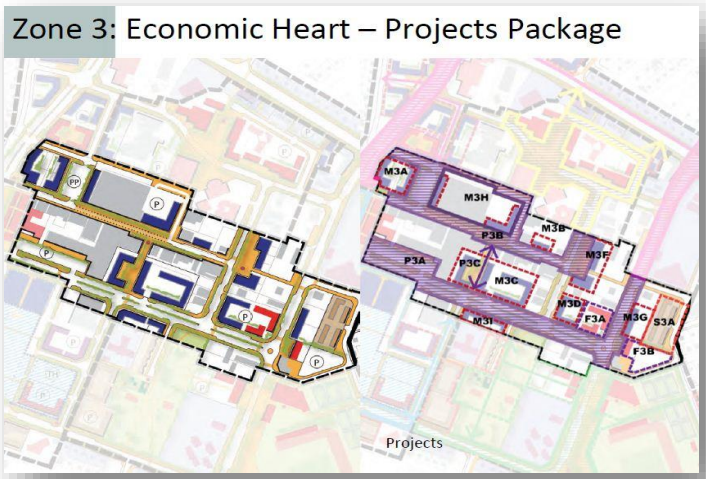


FIGURE 6: ECONOMIC HEART – ZONE 3 (Concepts Urban Design, 2016)

In Zone 3 the plan is to upgrade Makinana Road and Shai Road, with the creation of a new pedestrian realm and linkages.



P3A = Makinana Road Upgrade, Pedestrian Upgrade to Shai Road, Narrowing of Traffic Island & Creation of New Pedestrian Realm

P3B = Partial Pedestrianisation of R308 & Associated Upgrades

P3C = New Pedestrian Link through Home Affairs Site

FIGURE 7: ECONOMIC HEART - ZONE 3: PROJECT PACKAGE (Concepts Urban Design, 2016)

These upgrades are planned for a medium term time frame of 3 – 5 years and the estimated budget is R38.5 million. (Concepts Urban Design, 2016)

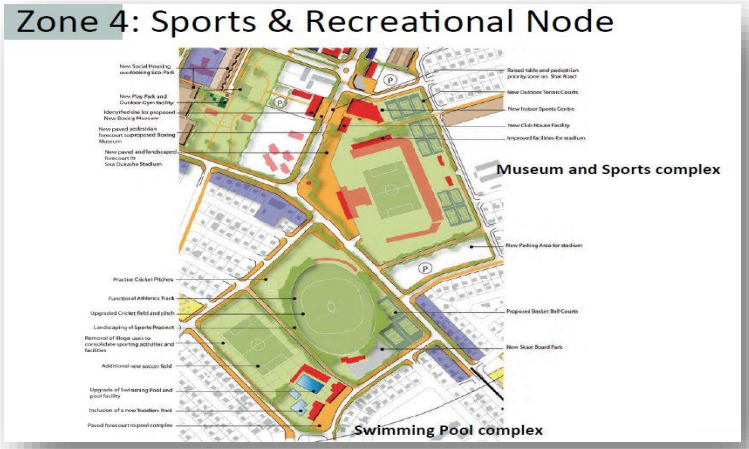
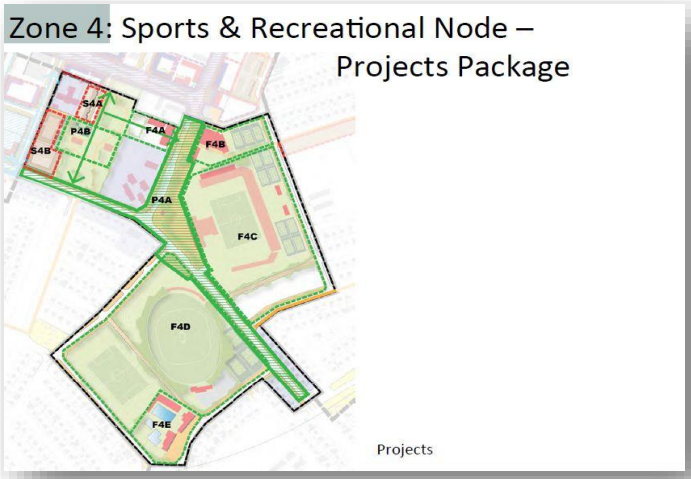


FIGURE 8: SPORTS & RECREATION NODE – ZONE 4 (Concepts Urban Design, 2016)

In Zone 4 the plan is to pave and landscape the forecourt to the stadium. Pedestrian walkway upgrades to Saule Road and Shai Road.



P4A = Paved & Landscaped Forecourt to Sisa Dukashe Stadium.

Phase 3: Pedestrian Upgrades to Shai Road.

Phase 2: Pedestrian Upgrades to Saule Road

P4B = Construction of New Children's Play Park & Outdoor Gym on the Eco-park

FIGURE 9: SPORTS & RECREATION NODE – ZONE 4: PROJECT PACKAGE (Concepts Urban Design, 2016)

These upgrades are planned for a medium term time frame of 3 – 5 years and the estimated budget is R23 million. (Concepts Urban Design, 2016)

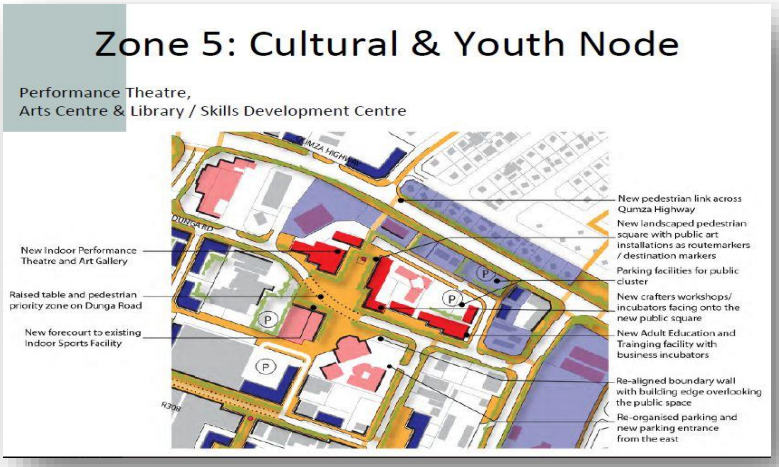
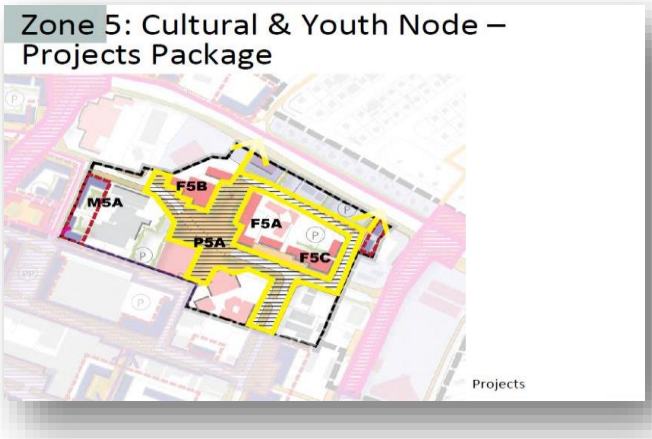


FIGURE 10: CULTURAL & YOUTH NODE – ZONE 5 (Concepts Urban Design, 2016)

In Zone 5 the plan is to build pedestrian priority zones, pedestrian linkages to Qumza Highway, indoor performance theatre and gallery, new forecourt to existing indoor sports facility, new parking facilities, new adult education and training centre and a crafters workshop.



P5A = New Public Square & Pedestrian Forecourt to the Mdantsane Cultural Complex

FIGURE 11: CULTURAL & YOUTH NODE – ZONE 5: PROJECT PACKAGE (Concepts Urban Design, 2016)

These upgrades are planned for a medium term time frame, to be implemented in 3 – 5 years and the estimated budget is R18.3 million (Concepts Urban Design, 2016).



FIGURE 12: TRANSITIONAL ZONE – ZONE 6 (Concepts Urban Design, 2016)

In Zone 6 the plan is to build pedestrian sidewalks to link to the proposed BCMM housing project.

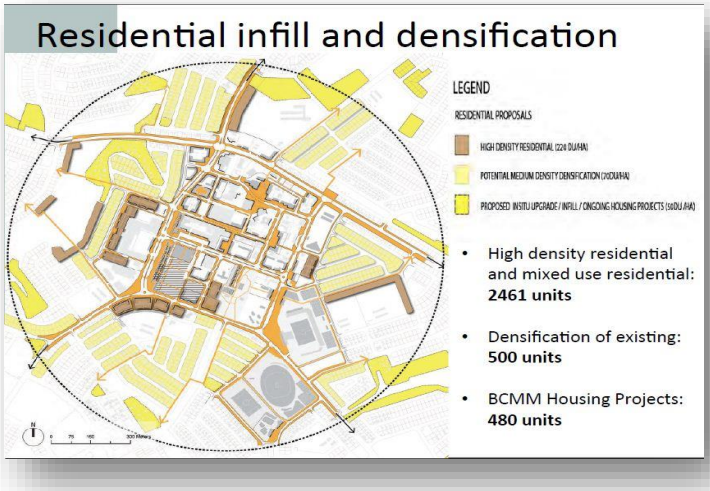


FIGURE 13: RESIDENTIAL INFILL & DENSIFICATION WITH BCMM HOUSING PROJECT

These upgrades are planned for long term time frame of 5 -7 years and the estimated budget is R 26 million (Concepts Urban Design, 2016).

8 APPENDIX 2: INTERVIEW QUESTIONNAIRES

INTERVIEW QUESTIONNAIRE – FORMAL & SEMI-FORMAL BUSINESS OWNERS

1. Since the municipality initiated urban renewal, what changes have you seen in this space?
   -Electrification of Qumza Highway…Do u walk there? How is visibility?
   -The pavements and improved walkways & Speed bumps… Have they slowed traffic down?

2. What has their impact been on the quality of the space and the environment?

3. Has this improved your business?

4. Are there more people to sell to?

5. What about these improvements do you find most useful?

6. What impact have the urban renewal projects had on your businesses performance?

7. What problems did you have with the space before the municipality intervened?

8. Have those problems decreased?

9. Is the space cleaner?

10. Did you know that municipality is planning the construction of formalised Hawker Stalls, a Boxing Museum and arts and culture area, Social housing /Student Accommodation, new fields and pools, in the Mdantsane hub?

11. Did the municipality invite you to the meetings where they informed all business people operating here?

12. Will this increase your profit when the improved space and increase in customers?

13. What initiatives have been initiated to ensure that business owners and shoppers take pride in the space and keep it clean?

14. Have the improvements in pavements helped you conduct your business better?

15. What does this mean for your future plans? Any possibility of expansion of your business?

16. Are you possibly interested in moving to different premises in a different location, for example the newer Mdantsane City Mall?

17. Do you understand what the Mdantsane Urban Renewal Programme is? Do you understand what the NDPG is and what it is meant for?

INTERVIEW QUESTIONNAIRE - INFORMAL BUSINESS

1. Since the municipality initiated urban renewal, what changes have you seen in this space?

-Electrification of Qumza Highway…Do u walk there? Hows visibility?

-The pavements and improved walkways & Speed bumps… Have they slowed traffic down?

2. What has their impact been on the quality of the space and the environment?

3. Has this improved your business?

4. Are there more people to sell to?

5. What about these improvements do you find most useful?

6. What impact have the urban renewal projects had on your businesses performance?

7. What problems did you have with the space before the municipality intervened?

8. Have those problems decreased?

9. Is the space cleaner?

10. Did you know that municipality is planning the construction of formalised Hawker Stalls, a Boxing Museum and arts and culture area, Social housing /Student Accommodation, new fields and pools, in the Mdantsane hub?

11. Did the municipality invite you to the meetings where they informed all business people operating here?

12. Will this increase your profit when the improved space and increase in customers?

13. What initiatives have been initiated to ensure that business owners and shoppers take pride in the space and keep it clean?

14. Have the improvements in pavements helped you conduct your business better?

INTERVIEW QUESTIONNAIRE –MDANTSANE CHAMBER OF COMMERCE

1. You must be aware of the urban renewal projects that were initiated by the BCMM in the Mdantsane CBD?

2. What was the Chambers involvement in the planning of this renewed space?

3. Did the local authorities consult local businesses on the changes they had planned?

4. Were business owners able to give their views and opinions on what would be good for their business operations and what projects would benefit them the most?

5. Have the MURP initiatives had a positive or negative impact on businesses in the area?

6. Has the quality of the environment been improved?

7. Has the quality of life of residents of the township been improved?

8. Have their livelihoods been improved due to the improvements made to the CBD?

INTERVIEW QUESTIONNAIRE –MDANTSANE URBAN RENEWAL PROGRAMME OFFICIAL

1. What urban renewal projects were initiated by the BCMM in the Mdantsane CBD?

2. Which of these projects were initiated through the NDPG?

3. What was the extent of the MURPs involvement in the planning of this renewed space?

4. Did the MURP consult local businesses, such as the Mdantsane Chamber of Commerce, on the changes they had planned?

5. Were business owners able to give their views and opinions on what would be good for their business operations and what projects would benefit them the most?

6. There have been reports in the media that the MURP has planned to initiate the following projects: a boxing museum, student accommodation as well as a community clinic in or near the Mdantsane CBD.

- Were any of these projects initiated or funded through the NDPG?

- When were these projects started? (I would appreciate a timeline for when these projects were started till when they ended)

- At what stage of implementation are these projects?

- For those that are complete; what has been their **effect** on the community, on 'improving quality of life' and on business in the Mdantsane CBD?

7. Have the MURP initiatives had a positive or negative impact on businesses in the area?

8. Has the quality of the environment been improved?

9. Has the quality of life of residents of the township been improved?

10. Have their livelihoods been improved due to the improvements made to the CBD?

9 APPENDIX 3: ETHICS CLEARANCE CERTIFICATE

[redacted]

SCHOOL OF ARCHITECTURE AND PLANNING
HUMAN RESERCH ETHICS COMMITTEE

SCHOOL OF ARCHITECTURE PLANNING

CLEARANCE CERTIFICATE
PROTOCOL NUMBER: SOAP123/01/09/2016

PROJECT TITLE:	The effects of the Neighbourhood Development Partnership Grant on businesses in Mdantsane
INVESTIGATOR/S:	Sizwe Mseleni (Student No. 1281351)
SCHOOL:	*Architecture and Planning*
DEGREE PROGRAMME:	Master of Science in Development Planning (MSc DP)
DATE CONSIDERED:	21 November 2016
DECISION OF THE COMMITTEE:	APPROVED
EXPIRY DATE:	21 November 2017

CHAIRPERSON
(Professor Daniel Irurah)

DATE:

cc: Supervisor/s: Amanda Williamson

DECLARATION OF INVESTIGATORS

I/We fully understand the conditions under which I am/we are authorized to carry out the abovementioned research and I/we guarantee to endure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I/we undertake to resubmit the protocol to the Committee.

Signature **Date** 15 December 2016

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