

https://dspace.org/

The economic effects of the Coega mega-project on businesses in Motherwell: investigating the manner in which workers at Coega spend their income

Lande, Kwanda

2016

http://hdl.handle.net/10539/22683

Lande, Kwanda (2016) The economic effects of the Coega mega-project on businesses in Motherwell: investigating the manner in which workers at Coega spend their income, University of Witwatersrand, Johannesburg, < http://wiredspace.wits.ac.za/handle/10539/22683>

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

UNIVERSITY OF THE WITWATERSRAND, SCHOOL OF ARCHITECTURE AND PLANNING

The economic effects of the Coega mega-project on businesses in Motherwell:

Investigating the manner in which workers at Coega spend their income

Kwanda Lande

02/09/2016

Research report submitted to the School of Architecture and Planning, University of the Witwatersrand, in fulfilment of the requirements for the Master of Science in Development Planning. Co-supervised by Professor Aly Karam and Professor Sharad Chari

DECLARATION

I declare that this research report is my own work. It is submitted for the Master of Science in Development Planning to the School of Architecture and Planning, University of the Witwatersrand, Johannesburg. It has not been submitted for any degree to any other university.

…….

Signature

……day of……..year……

ACKNOWLEDGEMENTS

The existence of the supernatural being, undeniable, is the reason I have developed strength to finish this research. As SAM Mcetywa (1991) would say the supernatural power is the sources of the every bit of a strength that I have gained in the process of completing this research. As a result I would, firstly, love to thank and acknowledge God the creator of all nature because without God all of this would have never been possible. I also want to acknowledge the power of my ancestors (xhamela, mgcina, nokwindla, tyhopho ka phato, ncancashe, butsolo bentonga, gabul' ikhula, umalamb' ayendle athi izidulu zelithafa zigusha zalenfengu, into ezihamba zipheth' isali zithi ihashe zolifumana emlungwini) for establishing the connection between God and myself. To my parents, and my dear sisters and brothers thank you for allowing me the time and space to better myself. I extend my gratitude and acknowledgement to my supervisors Prof Aly Karam and Prof Sharad Chari for all the support and advice that I have received from them during the course of this research. I would also like to thank my financial sponsors the Centre for Indian Studies in Africa, I consider myself very privileged to have been part of this platform. I would also like to thank the Ntoi family for the friendly and generous reception that they have given to me in their home in Motherwell, and the assistance that they have provided to me in completing my fieldwork. Last but not least, I would like to thank the officials at the Motherwell Urban Renewal Programme and Workers from Coega for their participation in the study.

ABSTRACT

In South Africa, the promotion of economic zones by government is marked by a paradox. The Department of Trade and Industry promote economic zones in the promise of "regional development" (Department of trade and industry 2014). However, scholars including Chinguno (2009, 2011) and Robbins (pers. communication 2015) have argued that economic zones are not designed for this purpose. In particular, economic zones have been criticised for having minimal positive economic impact on adjacent communities (ibid.). This research as a result is located under the broad theme of economic impact or effects of economic zones, with a specific focus on induced economic effects of the Coega mega-project on businesses in Motherwell. In this research induced economic effects are understood in the context of income spending that result from direct effects (employment) of the Coega mega-project.

Income spending as a lens has been used to investigate the manner in which workers employed at Coega mega-project spend their income, with a particular interest on whether these workers do or not spend their income on businesses that are operating in Motherwell. Motherwell is one of the adjacent communities - to the Coega mega-project - that have been targeted by the Coega mega-project for development (Nelson Mandela Bay Municipality 2010a). This community as a choice or area of study is interesting since the existence of the Coega mega-project is encourage by the Nelson Mandela Bay Municipality because of its potential to create jobs and foster economic growth in Motherwell (see Nelson Mandela Bay Municipality 2010a, 2010b, 2014b). Primary data resulting from a survey that involved 30 workers demonstrates that there is about 10 different ways in which workers at Coega spend their income. This include renting accommodation - buying food, clothing/cosmetics, fuel - paying for medicine/doctor visits, child care, education, recreation and transportation. Moreover, workers at Coega who participated in this research also spend their income by sending it to family members and they also save their income with banks.

This research reveals that none of the workers who do not stay in Motherwell are spending their income on businesses that are operating in Motherwell. Moreover, this research also reveals that most of the income from the workers who stay in Motherwell is spent on businesses that are not operating in Motherwell. As a result of these challenges amongst other challenges for Motherwell - identified in this research - I have concluded this research by providing an intervention of what could be done to address issues of poverty and unemployment in Motherwell through income spending of workers at Coega. I have suggest that Motherwell should be developed to offer a safer and accessible urban structure/environment, characterised by mix of land uses at specific nodes that responds to income spending of workers at Coega.

CONTENTS OF THIS RESEARCH REPORT

DECLARATION i
ACKNOWLEDGEMENTS ii
ABSTRACT iii
LIST OF FIGURES vii
LISTS OF TABLES ix
ACRONYMS xi
CHAPTER ONE: 1
UNPACKING THE CONTEXT THAT INSPIRED THIS RESEEARCH 1
1.1. Economic Zone or Industrial Development Zone Policy in South Africa 2
1.2. Background: The Port of Ngqura and Coega IDZ mega-project (Coega mega-project) 4
1.3. Problem statement 7
1.4. Research Rationale and Aim 7
1.5. Introducing Motherwell 8
1.6. Research question: 11
1.6.1. Research sub-questions 11
1.7. Literature review 11
1.7.1. The Connection of Mega-Projects to Processes of Restructuring and Re-Scaling 12
1.7.2. Economic Effects of Mega-Projects 13
1.8. Research method: Data collection 13
CHAPTER TWO: 15
THE DESIGN OF ECONOMIC ZONES - WHEN EXPORT-ORIENTED INDUSTRIALISATION TRUMPS THE OBJECTIVE OF "REGIONAL DEVELOPMENT" 15
2.1. Broad Definitions of Mega-Projects 16
2.2. Specific Definitions to the Coega Mega-Project 17
2.3. The Connection of Mega-Projects to Processes of Restructuring and Re-Scaling 19
2.4. The Economic Effects of Mega-Projects 22
2.4.1. Economic Performance of the Coega Economic Zone 22
2.4.2. The Integration of Economic Zone into the International and Domestic Economy 26
2.4.3. The Effects of Mega-Project on Surrounding Communities 28
2.4.4. Understanding Township Economies 31
2.4.5. The Main Township Economic Sectors 31
2.5. Concluding remarks 33
CHAPTER THREE: 35

UNDERSTANDING THE STATUS QUO OF MOTHERWELL AS A PRODUCT OF A "VAST WEB OF OCCURRENCES" 35
3.1. Profiling Motherwell and the Nelson Mandela Bay Municipality - A Comparative Understanding of the Status Quo. 36
3.2. Development and the Economic Performance of Port Elizabeth 40
3.2.1. Three Phases of Industrial Development Built on the Motor Manufacturing Industry 41
3.2.2. A Period of Economic Decline 43
3.3. The Development of Motherwell 44
3.4. Concluding remarks 51
CHAPTER FOUR: 53
COLLECTING DATA - RESEARCH STRATEGY AND METHOD 53
4.1. Research strategy 53
4.2. Data Collection Method - Research Survey 55
4.3. Research Sample 56
4.4. Profiling the Workers 57
4.4.1. Racial Makeup 57
4.4.2. Age and Gender Distribution 58
4.4.3. Number of Family Members 59
4.4.4. Migration 60
4.4.5. Education 60
4.5. Limitations 62
CHAPTER FIVE: 64
WORKERS FROM THE PORT OF NGQURA AND COEGA IDZ MEGA-PROJECT SPENDING THEIR INCOME 64
5.1. Working at the Port Of Ngqura and Coega IDZ Mega-Project (Coega Mega-Project) 65
5.1.1. Reasons for Working at Coega 65
5.1.2. Previous Undertaking Prior to their Current Jobs 66
5.1.3. The Type of Work that is Being Done at Coega 67
5.1.4. How much are Workers at Coega Earning? 68
5.1.5. The Nature of Employment 69
5.2. Workers Spending their Income 69
5.2.1. Major Expenses Incurred by the employee at Coega 70
5.2.2. The Expenditure by Workers Who are Not from Motherwell in Motherwell 74
5.2.3 Expenditure by workers from Motherwell 76
5.2.4. Reasons on why workers do not spend their income in Motherwell 81
5.3. Concluding Remarks 84

CHAPTER SIX:.....86
HOW CAN THE ECONOMIC RELATIONSHIP BETWEEN COEGA AND MOTHERWELL BE ENHANCE?.....86
6.1. Problems Arising from the Findings.....87
6.2. Recommendation – A Vision to Enhance the Economic Relationship between the Manner in which Workers at Coega Spend their Income and Businesses in Motherwell.....89
6.2.1. The Best case scenario – the circulation of money in Motherwell.....91
6.3. Areas of Future Research.....94
6.4. Concluding Remarks.....97
Reference List.....98
ANNEXURE.....106

LIST OF FIGURES

Figure 1.1: demonstrates the location of the six IDZs that exist in South Africa.

Figure 1.2: illustrates the location of the Coega mega-project in relation to South Africa as a country and the Nelson Mandela Bay Municipality.

Figure 1.3: locates Motherwell in the Nelson Mandela Bay Municipality and in relation to Port Elisabeth CBD and Coega.

Figure 2.1: demonstrates the number of Investors signed by the CDC at Coega

Figure 2.2: demonstrates the number of Job created at Coega

Figure 2.3: demonstrates the amount of revenue generated by the CDC.

Figure 2.4: demonstrates the location of the Dube TradePort-King Shaka International Airport project in the eThekwini municipality.

Figure 2.5: demonstrates the location of the Porto Maravilha project in relation to the Rio state.

Figure 3.1: illustrates the different Neighbourhood Units, town centre and the buffer zone that were proposed by the 1982 master plan.

Figure 3.2: depicts the Thusong Centre in Motherwell.

Figure 3.3: depicts Public open space in Motherwell

Figure 3.4: depicts housing development in Motherwell.

Figure 3.5: depicts Motherwell Health Care Centre.

Figure 3.6: depicts Road Upgrading and Development in Motherwell.

Figure 3.7: depicts Informal trading in Motherwell.

Figure 3.8: depicts Sports fields in Motherwell.

Figure 3.9: depicts the South African Home Affairs located in Motherwell.

Figure 3.10: depicts the Addo Road pedestrian bridge in Motherwell.

Figure 3.11: depicts the Agri-hydroponics programme in Motherwell.

Figure 3.12: depicts the Carwash Initiative in Motherwell

Figure 4.1: demonstrates a one storey detached house at Vulindlela Accommodation

Figure 4.2: demonstrates three storey semi-detached houses at Vulindlela Accommodation

Figure 6.1: demonstrates a conceptual intervention for spending income by workers from Coega.

Figure 6.2: demonstrates the Local Spatial Development Framework for the Greater Motherwell Region

LISTS OF TABLES

Table 1.1: presents the names and the number of investors that are operational at Coega.

Table 2.1: illustrates the comparison of the number of jobs created by industries at Coega with the same amount of investment.

Table 2.2: illustrates the comparison of the number of jobs created by industries at Coega with the same amount of investment.

Table 3.1: a comparative table that depicts the population, racial makeup and first language of Motherwell and the NMBM.

Table 3.2: illustrates the levels of education of the people above the age of 20 years old of Motherwell and the Nelson Mandela Bay Municipality (NMBM) comparatively.

Table 3.3: illustrates a comparative employment statuses of Motherwell and the NMBM (age 15-64).

Table 3.4: depicts comparative figures for monthly income between the people employed of NMBM and Motherwell.

Table 4.1: demonstrates the number of workers interviewed and the organisation/entity they work for.

Table 4.2: illustrates the racial makeup of respondents.

Table 4.3: illustrates age and gender distribution of respondents.

Table 4.4: illustrates the number of family members of respondents.

Table 4.5: illustrates the town/municipality and the number of respondents that are originally from that town/municipality.

Table 4.6: illustrates the levels of education of the above the age of 20 years old of Motherwell and the respondents.

Table 5.1: depicts the reasons for working at the Coega.

Table 5.2: demonstrates the endeavours which workers were doing prior to being employed at Coega.

Table 5.3: depicts the different types of work that is being done at Coega.

Table 5.4: depicts the monthly income of the respondents.

Table 5.5: depicts the nature of employment of the respondents.

Table 5.6: depicts major expenses incurred by employees at Coega.

Table 5.7: illustrates the number of workers that spend their income by sending it to their family members in Motherwell.

Table 5.8: illustrates expenditure outside Motherwell by workers from Motherwell.

Table 5.9: illustrates expenditure in Motherwell by workers from Motherwell.

Table 5.10: illustrates expenditure on goods and services in and outside Motherwell simultaneously by workers from Motherwell.

Table 5.11: illustrates reasons why workers - who do not live in Motherwell - do not spend their income on goods/services in Motherwell.

Table 5.12: illustrates the reasons why some workers do not live in Motherwell.

ACRONYMS

DTI - Department of Trade and Industry

EPZ - Export Processing Zone

IDZ - Industrial Development Zone

SDI - Spatial-Development-Initiatives

GEAR - Growth, Employment and Redistribution

SADC – Southern African Development Community

PPP - Private sector Partnership

DTP-KSIA - Dube TradePort and King Shaka International Airport

RDP – Reconstruction and Development Programme

NU - Neighbourhood Unit

NDP - National Development Plan

CDC - Coega Development Corporation

MURP - Motherwell Urban renewal programme

NMBM - Nelson Mandela Bay Municipality

BBBEE - Broad Base Black Economic Empowerment

FDI - Foreign Direct Investment

LSDF - Local Spatial Development Framework

CHAPTER ONE:

UNPACKING THE CONTEXT THAT INSPIRED THIS RESEEARCH

The Department of Trade and Industry (DTI) (2014) promotes economic zones as an instrument towards the objective of "regional development". In promoting this objective, the department is upholding an imperative from section 4 (2) (h) of the Special Economic Zone Act of 2014. This Act states that government should promote economic zones for the purpose of "regional development". Regional development in this Act is defined to mean "linkages to, or integration with, the host province's growth strategies, local economic development of the host municipality and any other relevant cross-provincial economic initiatives" (Ibid: 9 – 10). This act further emphasis that economic zones should be promoted for the purpose of "creating decent work and other economic and social benefits in the region in which it is located, including the broadening of economic participation by promoting small, micro and medium enterprises and co-operatives, and promoting skills and technology transfer" (Ibid: 9). However, the promotion of economic zones by the DTI is marked by a paradox. Scholars such Chinguno (2009, 2011) and Robbins (Pers. Communication 2015) have argued that economic zones are not designed for the purpose of developing the economies of adjacent communities or local economic development.

In particular, economic zones in the South African context have been criticised for having minimal positive economic impact on hosting communities (Chinguno 2009, 2011 and Robbins Pers. Communication 2015). This is despite the varied and complex experience of economic zones internationally. Both Chinguno (2009, 2011) and Robbins (Pers. Communication 2015) mention that economic zones by their design exist to serve the interests of transnational capitalists, without necessarily favouring economic linkages with the local economy. This research is located under the broad theme of economic effects, with a specific focus on induced economic effects of the Coega mega-project. In this research induced economic effects are understood to be the development of economic activities that are taking place in the region around the project area, in which their development depends on the direct and indirect effects through "consumption" linkages (Benacchio et al 2000). In this research induced economic effects are understood in the context of income spending that result from direct effects (employment) of the Coega mega-project. Income spending as a lens has been used to investigate the manner in which workers employed at Coega mega-project spend their income, with a particular interest on whether these workers do or not spend their income on businesses that are operating in Motherwell.

Consequently, the primary aim of this research is to investigate the manner in which workers employed at Coega mega-project are spending their income.

1.1. Economic Zone or Industrial Development Zone Policy in South Africa

In South Africa, debates and inquiries around the notion of free trade zones or economic zones are not novel. According to Christian and Schulze (1999) a report released in 1971 by the Commission of Inquiry into the Export Trade of the Republic of South Africa dealt with the notion of free trade zone. In chapter 9 of this report, the Commission acknowledged that the concept of Export Processing Zones (EPZ) was suggested to them as an area of inquiry (Ibid.). However, in this same report, the commission stated that it did not study this proposal in depth; as a result IDZ was not adopted as a policy (Ibid.). In the late 1970s and mid 1980s the idea of adopting the EPZ as a policy was revisited, but again it was never adopted as a policy (Christian and Schulze 1999). Even in 1989 after the formulation of the Regional Development Advisory Committee EPZ Forum and in 1994 when the National Special Economic Zone Forum was formulated – the EPZ policy was never adopted (Ibid.). It was only in 1996 - where the IDZ idea was considered and incorporated as part of the Spatial-Development-Initiatives (SDI) scheme (Chinguno 2011). The SDIs were linked to the Growth, Employment and Redistribution (GEAR), a macroeconomic policy that emphasised export oriented and private sector led growth (Chinguno 2011).

The SDI policy as a result of its connection with the GEAR strategy, was an outward export led policy to connect the country to the global economy (Chinguno 2011).The initial focus of the SDI policy was to promote manufacturing because this focus was appropriate everywhere (Todes 2013). However, Todes (2013) also notes that this was changed after realising that not much was going on in reducing poverty and creating jobs. Economic activities which were viewed to hold greater potential for job creation such as agriculture and tourism were also included as part of the SDI policy (Ibid.). The South Africa IDZ policy consequently is part of a broad national industrial policy intended to enhance the manufacturing sector amongst other sectors as mentioned above (Chinguno 2011). Moreover, the IDZ policy was adopted to integrate the South African economy into the global economy (Ibid.). This policy was developed and is being implemented by the Department of Trade and Industry (DTI) (Ibid.). According to Davies (2008) the path taken by the DTI in developing the IDZ policy is different from the path followed in countries such as Mauritius, Tanzania and Zambia. In these countries; for example, labour wage concessions as a tool for creating competitive advantage for investors has been used as part of the EPZ policy (Ibid.). In contrast the DTI has not adopted the generic EPZ model - based on labour wage concessions - that characterised the path taken in countries such as Mauritius, Tanzania and Zambia (Ibid.).

In South Africa concessions have been made on tax - particular as it relates to the export of products produced by industries in IDZs - as a strategy to facilitate export-oriented industrialisation (Chinguno 2011). Furthermore, in South Africa, IDZs have been deliberately developed as industrial estates that are linked to international port or airport to enhance their competitive advantage (Department of Trade and Industry 2008). This advantageous geographical location (with regard to access to both international and local market) is complimented with comprehensive infrastructure (Tang 2008). This infrastructure allows industries located adjacent to ports in IDZs to gain greater competitive advantages over other industries located in other parts of the world (Ibid.). Moreover, a streamlined administration is then used to provide efficient and simplified administration that costs less in terms of time and other resources to investors (Chinguno 2011). According to Chinguno (2011) most of the South African IDZs were designed to have at least one customer centre that deals with all the administrative requirements of investors. This includes sorting out various operating licences that are a requirement for certain investors (Ibid.). Furthermore, in some cases a team is assembled to assist investors in importing and exporting various goods and services (Ibid.).

In putting into effect the IDZ policy the DTI designated and licensed six IDZs and their location in South Africa is illustrated in figure 1.1. This include the Coega IDZ in Port Elizabeth, 2001; East London IDZ, 2002; Richards Bay IDZ, 2002, OR Tambo International Airport IDZ, 2012, Saldanha Bay IDZ in Cape Town, 2013, and Dube TradePort in Durban, 2014 (Tang 2008, Chinguno 2011, 2009, Robbins 2015). On one hand the development of IDZs in South Africa is further supported by the National Development Plan (NDP) (2011) – although it does not elaborate on how their development should take place. The NDP proposes the promotion of exports and competitiveness through the development of areas of competitive advantage. On the other hand the Special Economic Zones Act (2014) - that legally allows the development of various types of special zones and of incentives to support them – elaborates on how their development should take place. This act provides for the establishment, development, operation, appointment of members of the Special Economic Zones Advisory Board amongst other things. Furthermore, the Special Economic Zones Act (2014) seeks to create a competitive advantage by introducing new tax benefits, to economic zones such as Coega. This includes a 15 % corporate tax, a building tax allowance, employment tax incentives, a customs controlled area, duty free and with VAT exceptions.

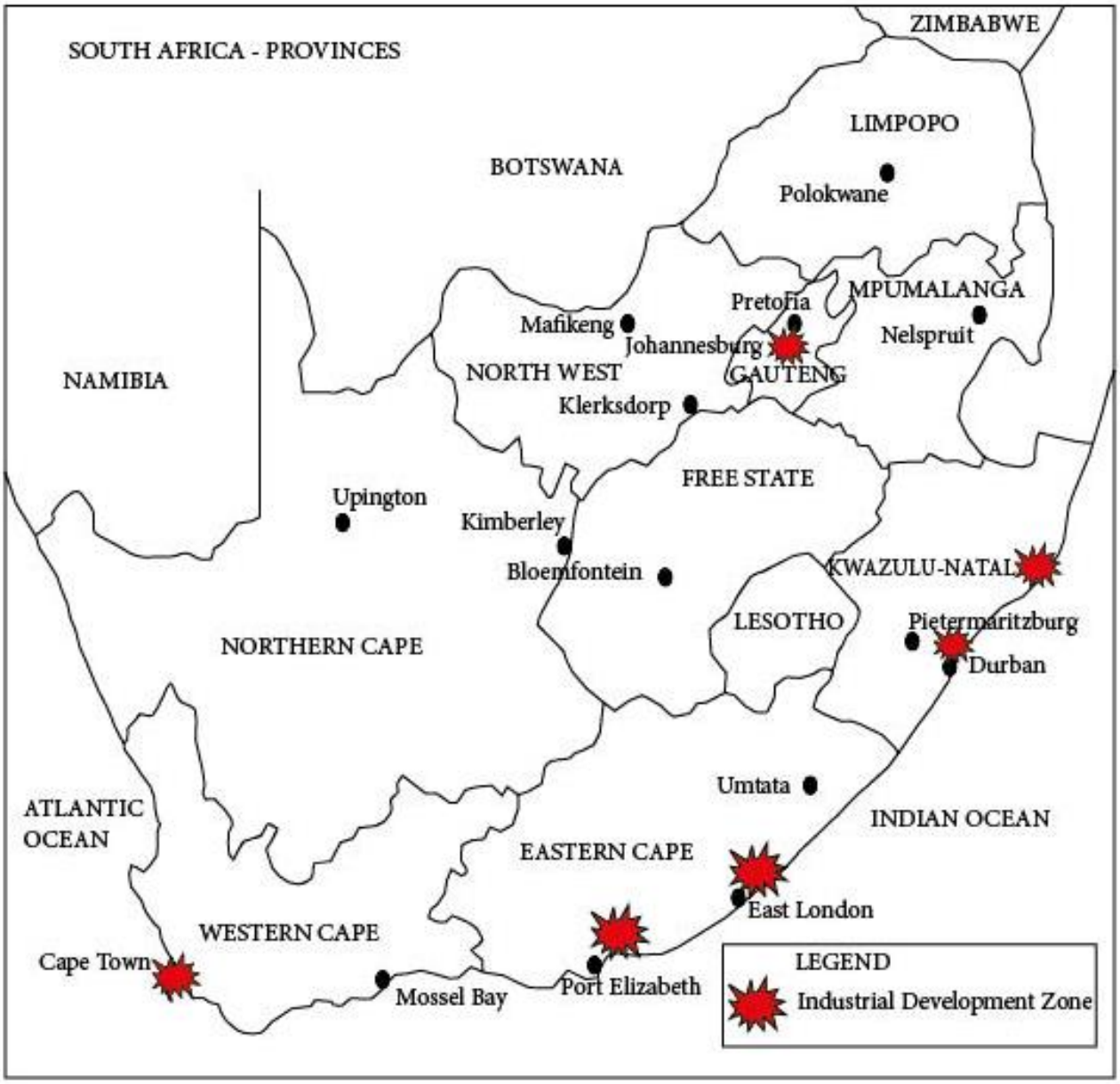


Figure 1.1: done by the author demonstrate the location of the six IDZs that exist in South Africa.

1.2. Background: The Port of Ngqura and Coega IDZ mega-project (Coega mega-project)

The Port of Ngqura and Coega IDZ mega-project is a Greenfield project designed around industrial clusters linked to the deep water Port of Ngqura (Chinguno 2011). This project was formalised in 1999 when the Coega Development Corporation (CDC) - a state owned entity to manage the project – was established (Coega Development Corporation 2015). The Coega mega-project – as illustrated in figure 1.2 - is situated in the Eastern Cape Province, on the periphery of the Nelson Mandela Bay Metropolitan Municipality (Dicken 2010). The project occupies an area of approximately 11 800 Hectares (Dicken 2010). As a result of the area that the Coega mega-project covers and capital investment – it is the largest project of its nature in Africa (Chinguno 2011). Tang (2008) states that a minimum of R8 billion has been spent to develop the Coega mega-project. According to Tang (2008)

R3.1 billion was used in the development of the Port of Ngqura, while R2 billion was spent in developing infrastructure in the IDZ. Among others this infrastructure includes factories, roads, warehouses, logistic park, commercial centre and accommodation (Chinguno 2011). Eskom (state owned entity responsible for power supply) has also spent about R2.1 billion in upgrading power supply to the IDZ and to the Port of Ngqura (Tang 2008). Transnet (state owned entity responsible for freight logistics chain that delivers goods and also managing the Port of Ngqura) also spent R500 million in upgrading the rail facilities in the Coega IDZ (Ibid.).

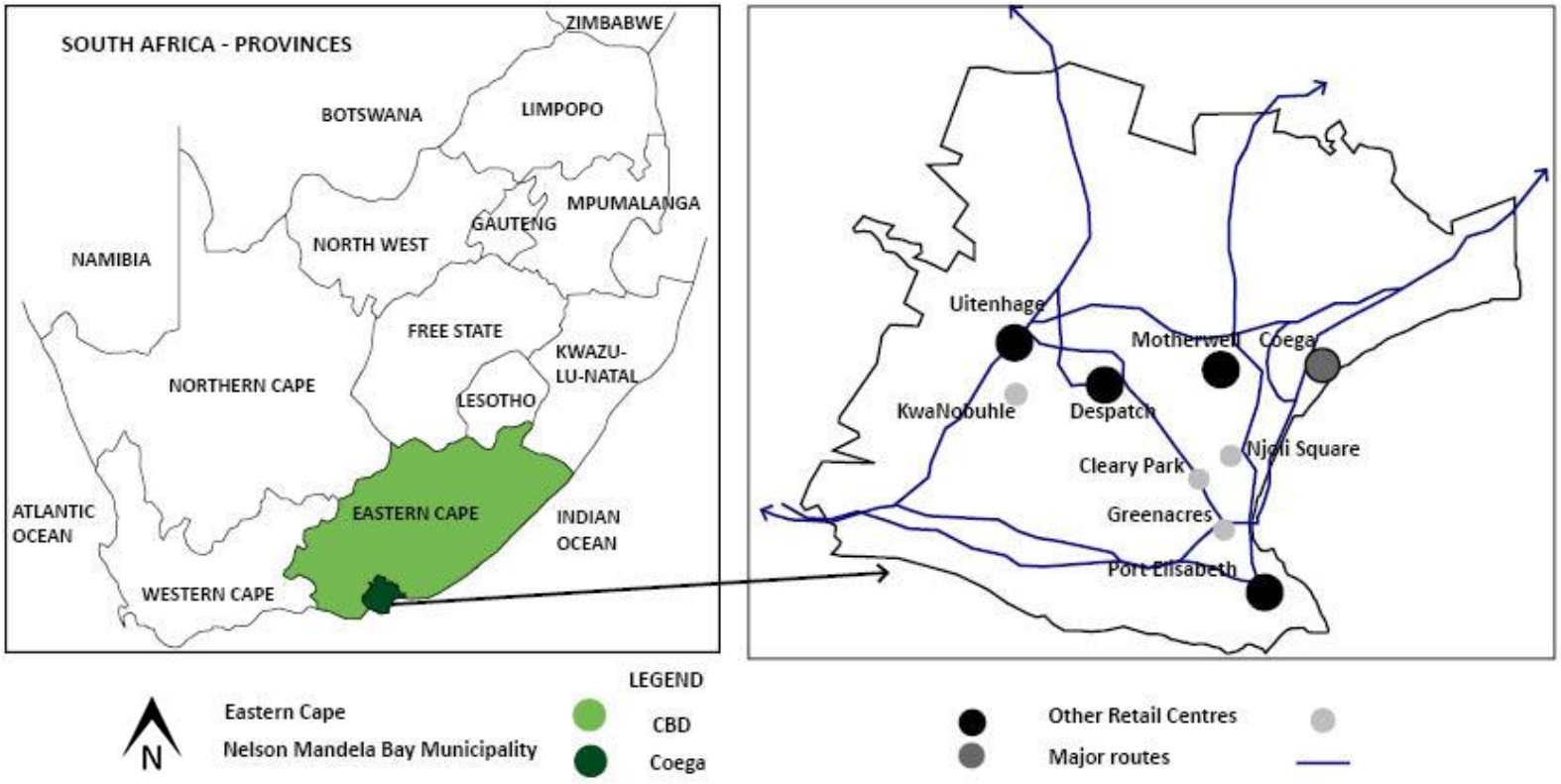


Figure 1.2: done by the author, illustrates the location of the Coega mega-project in relation to South Africa as a country and Nelson Mandela Bay Municipality.

The Coega mega-project is being developed in phases and when it is fully developed it will have clusters in the following categories: Logistics and light manufacturing, Automotive, General Industrial, BPO and ICT and Training, Metals, Metallurgical, Chemical, Material handling, Mari-culture and Energy (Chinguno 2011). The number of operational investors in Coega according to the Coega Development Corporation (2015) has increased to 28 investors since 2007 - where CDC signed its first Investor. Table 1.1 shows the names of investors that have become operational at Coega as well as the country in which each investor is coming from. The Coega mega-project is the host to 15 South African companies, while 13 companies that are located at Coega come from countries such as India, Germany, , Belgium, France, China, Holland, Spain and United State of America (see table 1.1).

According to Chinguno (2011: 9) the operational investors highlighted in table 1.1 are in sectors such as: "Auto components manufacturers' for the local and foreign market; Agro processing (dairy, tomato paste) and fruit processing for exports to North America and European markets; Brick Paving: Supply the local market; Bio fuel: For export to the European market; Salt production: for the local and regional market (Southern African Development Community); Financial Services: local and earmarked for the UK; Logistics".

Status	Number	Investors (Operational) and Ownership
Operational	28	Cerebos (SA), PE Cold Storage (SA), Dynamic Commodities (SA), Bosun Bricks (SA), Agni Steels (Indian), Faurecia (France), Rehau (Germany), UTI Couriers (SA). Electrawinds (Belgium), Benteler AG (Germany), Digistics (SA), Grupo Antolin (Spain), General Motors Part and Accessories Distribution Centre (SA/USA), Cape Concentrates (SA), Hella (Germany), Discovery Health (SA). First Automotive Works (China), DCD Wind Turbines (SA), Coega Dairy/Coega Cheese (SA). Air Products (USA/SA), Famous Brands (SA). Powerway JA Solar (China/SA), APM Terminal (SA/Holland), Afrox (SA), Inergy (France), MSC (SA), ITPASA (SA) and QPlas (SA).

Table 1.1: taken from Coega Development Corporation (2015) presents the names and the number of investors that are operational at Coega.

In 2005 the construction of the Coega IDZ was completed, and this includes the Vulidlela Accommodation – a residential accommodation constructed to house workers working in the port and for industries in Coega (Coega Development Corporation 2015). Another milestone worth mentioning is the completion of the Port of Ngqura in 2011. The Port of Ngqura in 2011 also became the third busiest container port in South Africa, surpassing the port of Port Elizabeth (Ibid.). Elsewhere the Coega Development Corporation (2015) prides itself for having raising the highest level of self-generated income of R290.7 million in 2012, since inception and for having created the highest number of jobs in 2012, since its inception at 13 569 jobs (Ibid.). There is a view, however, that the Coega mega-project is generally not doing so well – it is facing challenges in attracting significant investors, especially anchor investors (Chinguno 2011). It is also said that most investors in Coega are not new but relocated from other industrial parks within the Eastern Cape Province (Ibid.). Chapter two further unpacks the economic performance of the Coega mega-project from the 2007/2008 to 2014/2015 financial years.

1.3. Problem statement

In recent years mainstream thinking on urban development has been premised on the belief that mega-projects can address poverty and unemployment. This belief continues to predominate; for example, the Forum on China Africa Co-operation (FOCAC) summit in 2006 held in Beijing, resulted in China committing to establish a number of SEZ's in Africa. These SEZs were to be established with an intention to promote growth and employment creation through foreign direct investment (Davies 2008). Indeed the rhetoric behind the promotion of the economic zones by the DTI is founded on assumptions that the development of economic zones in South Africa will contribute in addressing poverty and unemployment (see Department of Trade and Industry 2014). The main problem as identified by Chinguno (2009, 2011) and Robbins (Pers. Communication 2015) is the fact that economic zones in South Africa cannot address issues of inequality, poverty, employment creation on hosting communities. Economic zones in South Africa tend to strive for maximum global connectivity without favouring economic linkages between the economic zones and the local economy. This is the case despite a general consensus that for economic zones to be successful in addressing issues of inequality, poverty alleviation, employment creation they have to be effectively linked to the domestic economy. In the context of the Coega mega-project this is evident when observing the status quo of Motherwell (one of the adjacent communities to Coega). This township - as it will be discussed elsewhere in this research - is faced with issues of unemployment, accessibility, low levels of education, safety and security. Consequently, it can be said that the Coega mega-project is struggling to contribute in addressing poverty and unemployment in Motherwell.

1.4. Research Rationale and Aim

This research is located under the body of academic work that seek to understand economic effects of economic zones. As it will be demonstrated in chapter two, in the context of South Africa economic effects of mega-projects/economic zone is under-researched. Research on economic effects of economic zones in most cases has focused on direct and indirect economic effects of these projects. For example, research has tended to evaluate employment creation based on the number of jobs directly created by industries inside the economic zones. The work of Chinguno (2011; 2009) on four economic zones in South Africa (Coega IDZ, East London IDZ, Richard's Bay IDZ and OR Tambo IDZ) comes to mind with his evaluation of these economic zones in relation to Export Growth, Foreign Direct Investment and Job Creation. On other similar studies in South Africa see Robbins and Van Coller (2009), Todes (2013), Tang (2008), Robbins (2015) and McCallum (2011).

In this research I have focused on induced economic effects - which are economic effects that result from direct or indirect economic effects through "consumption" linkages as explained above. In this research "consumption linkages" are understood in the context of income spending that result from direct effects (employment) of the Coega mega-project. Income spending as a lens has been used to investigate what I have termed the "economic relationship" between businesses in Motherwell and various ways in which workers at Coega spend their income. In this research, this economic relationship relates to the exchange of income from workers at Coega for goods and services from businesses. Consequently, the aim of this research is twofold. Firstly, to find out whether workers at Coega do or not spend their income on businesses that are operating in Motherwell. Secondly to understand the amount of their income which they spend in Motherwell comparative to the amount of their income which they spend elsewhere.

This way of studying induced economic effects allows for economic effects of the Coega mega-project to be disaggregated from other projects or initiatives that have happened in the area of study. In the following example – which is also a reflection on mistakes and improvements made in the process of this research - I aim to demonstrate this. Initially in this research I wanted to understand the economic effects of the Coega mega-project on businesses located in Motherwell. I wanted to do this by asking business owners whether their businesses have improved or not since the existence of the Coega mega-project. I then released that it was going to be difficult to link research findings to the Coega mega-project since other initiatives including the Motherwell Urban renewal programme (MURP) have taken place in Motherwell. These initiatives have the potential to improve businesses in Motherwell; for example the development of roads could mean easy access of delivery trucks to businesses in Motherwell. This can improve many businesses, especially if there was no access road for trucks delivering goods.

If I was to adopt the initial approach it was going to be difficult to argue that the improvement – if research finding were to reveal such - on businesses in Motherwell are a result of the Coega mega-project.

1.5. Introducing Motherwell

According to the Nelson Mandela Bay Municipality (2014a) Motherwell is situated 25 km from Port Elisabeth Central Business District (CBD) (refer to figure 1.3). Moreover, Motherwell is located 10-15km from the town of Uitenhage and 10km from the town of Despatch (Ibid.). It is located in the periphery of the Nelson Mandela Municipality, and occupies an area of about 25, 86 Km^2 in size (Ibid.). Motherwell consists of a total of 14 numbered neighbourhoods units (NU) (1 to 12 and 29 to

30); as well as Tjoksville and Ikamvelihle (Ibid.). Motherwell is bounded by two main river systems, the Swartkops Estuary on the west and Coega River System on the east and Tributaries (refer to figure 1.3) (Nelson Mandela Bay Municipality 2014a). On the south, Motherwell is bounded by the area of St George's Strand and Wells Estate and North it is bounded by the Spring Nature Reserve (Ibid.). Both these places together with Swartkops Estuary and Coega River System offer opportunities for recreation and ecotourism (Ibid.).

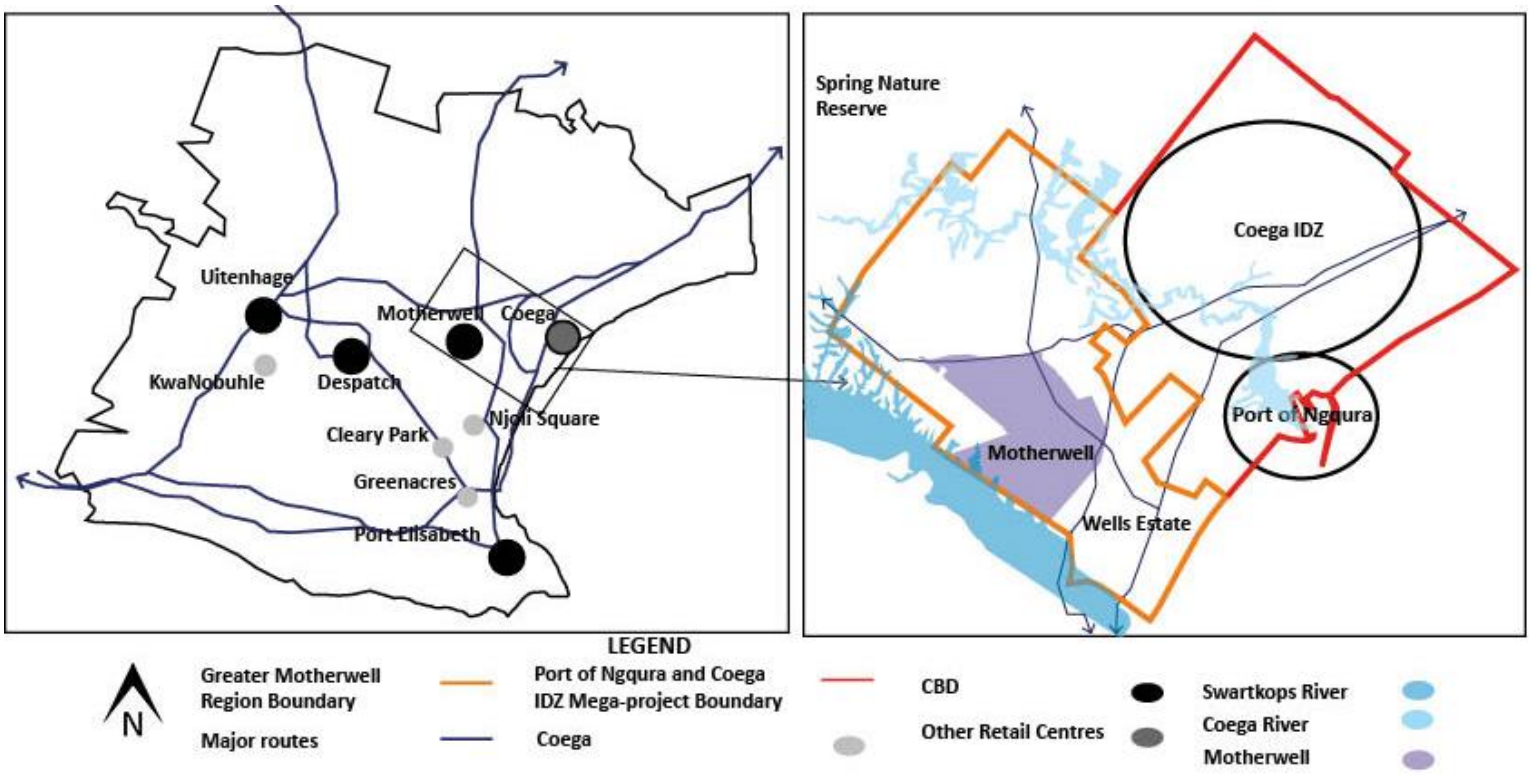


Figure 1.3: done by the author locates Motherwell in the Nelson Mandela Bay Municipality and in relation to Port Elisabeth CBD and Coega.

In the Nelson Mandela Bay Municipality (NMBM), Motherwell is unfavourably located in relation to existing places of employment, recreational and shopping facilities (Nelson Mandela Bay Municipality 2010a). It was the intention of the apartheid government to isolate Motherwell (through buffer zones and natural features such as the Swartkops River) to ensure that people of this township had minimal interaction with other people within the municipality (Hellsten and Tellden 2006). As a result the legacy of apartheid planning in Motherwell has meant that this township had to remain as an isolated suburb from the rest of the city. The township is poorly integrated even with the Port Elisabeth CBD as only one bridge crosses the Swartkops River to connect Motherwell with Port Elisabeth CBD (where most employment opportunities are in the NMBM) (Ibid.). The finding made by Hellsten and Tellden (2006) where they have pointed out that even the public transportation in Motherwell still functions very poorly have also been made in this research (see

chapter five). In light of the poor conditions of Motherwell discussed above the Nelson Mandela Bay Municipality (2010a) has noted that the existence of the Coega mega-project in close proximity presents a greater potential to alter the situation by creating job opportunities for Motherwell.

As Pernegger and Godehart (2007: 7) would say the perceived poor location of Motherwell in the Nelson Mandela Bay Municipality – in future - depends on "the patterns and direction of urban and economic growth" of the NMBM. Today some townships that used to be located at 'periphery' of cities are no longer locate at the 'periphery' due to the expansion of cities (Ibid.). For example, the Alexandra Township in Johannesburg is today well located as a result of Sandton and other economic nodes that have developed outside the historic central business district of Johannesburg (Ibid.). It can therefore be said that the development of the Coega mega-project adjacent to Motherwell – to a certain extent possesses a greater potential to alter the perceived poor location of Motherwell. Apart from the location issues of Motherwell, this township is also faced with the issue of unemployment – based on a narrow definition of unemployment - 30.67% of the population in Motherwell is unemployed in Motherwell (Quantec Research 2011). These are people in the age of 15 – 64 who are actively seeking employment. This number when compared to the NMBM unemployment figures that stand at 21.19% show that Motherwell is performing very badly within the NMBM area.

In an attempt to address these challenges in Motherwell various initiatives have been suggested, and/or implemented and this include the Motherwell Urban Renewal Programme (MURP). In February 2001, former President Thabo Mbeki identified eight nodes in six different cities in South Africa where an Urban Renewal Programme (URP) was to be implemented (Nelson Mandela Bay municipality 2010a). Nelson Mandela Bay Metropolitan, in particular Motherwell was earmarked as one of the URP nodes (Ibid.). The broad objectives guiding the MURP according to the Nelson Mandela Bay Metropolitan (2014a) include poverty alleviation, skills and human resource development, small-medium business development, and to reduce crime. The MURP according to the Nelson Mandela Bay Municipality (2014a) involves 12 flagship projects that translate into a plethora of ward base projects. These include housing development projects, public open space development projects, road upgrading and development projects, the building of a health care centres and other various social and economic services (Ibid.). According to the Nelson Mandela Bay Municipality (2014a) various social development initiatives have also been implemented as part of the MURP. The primary aim for these initiatives is to improved people's chances to find employment but also to encourage them to create their own business (Ibid.).

1.6. Research question:

In light of the context provided above, this research seeks to respond to the following research question:

What is the economic relationship between businesses in Motherwell and the ways in which workers at Coega spend their income?

As discussed above this research question will be answered by understanding the different ways in which workers employed at Coega mega-project spend their income, with a particular focus on whether these workers do or not spend their income on businesses that are operating in Motherwell.

1.6.1. Research sub-questions

The following research sub-questions are provided to further unpack the main research question above. These sub-questions attempt to break down the main research question into components which when combined will answer the research question.

1. What is the profile of the workers who are working at Coega?
    a. Where do these workers come from (their career path, places of birth and where they live now)?
    b. What kind of jobs are these workers doing at Coega?
    c. What are the reasons from these workers for working at Coega?
    d. What is the range of income that each of these workers earn from their different jobs?
2. How do workers employed at Coega spend their income?
    a. What are the different goods and services which these workers purchase?
    b. How much are these workers spending on each good and service?
3. Where (location) do these workers purchase each good and service?
4. How much is being spent on businesses that are operating in Motherwell?
5. How much is not spent on businesses that are operating in Motherwell?

1.7. Literature review

This section of the chapter seeks to provide a glimpse of the literature review covered extensively in chapter two. This literature review is divided into two components; firstly it looks at the connection of mega-projects to the idea of global economic restructuring and rescaling processes. The second

component looks at different ways in which the effects of economic zones have been measured on surrounding communities. The first component is reviewed to understand the global and national forces that have motivated the development of mega-projects such as the Coega mega-project. It has been discussed elsewhere in this chapter that this research is located under the body of academic work that seek to understand economic effects of economic zones. As a result literature on this body of academic work is explored to understand the current state of knowledge in this area and to identify theories that may help answer the research questions.

1.7.1. The Connection of Mega-Projects to Processes of Restructuring and Re-Scaling

There is considerable stimulating literature in particular from the neo-Marxist school of thought, attempting to explain strategies for creating competitive cities (Robbins et al 2011). One particular point of departure in much of this literature is the recognition that changes in global capitalism and technology have played a significant role in accelerating globalisation (Ibid.). Changes in global capitalism include changes in the spatial division of labour, changes in the location of capital and changes on technologies for industrial production (Ibid.). The effects of these processes combined, include the concentration of growth in urban centres (Robbins et al 2011). As a result cities are now competing for production and consequently they are now promoted as strategic assets of economic adjustment (Ibid.). Harvey (1989) understood these processes as demonstrating a shift of capitalist reproduction from the national scales to subnational scales. Subsequent scholars that continued in the same broad theoretical path (as Harvey), expanded with concepts such as global cities and glocal fixes (Sassen 2005; Brenner 1998). In using these concepts they wanted to explain specific ways in which different states seek to attract capital.

Global cities are understood by Sassen (2005) to be those cities that are selected and promoted by national states as global platforms to compete and host international investors. The glocal fixes concept represent space based interventions - by states - involving specialised infrastructure, and tax concessions in urban regions (Robbins et al 2011). Examples of glocal fixes include “fitted out production platforms in the form of industrial parks or state-of-the-art ports or nicely packaged redeveloped urban areas”, of which the Port of Ngqura and Coega IDZ mega-project can be considered as an example (Ibid.: 5). Examples of global fixes such as the one discussed above in some cases come in the form of mega-projects and they are used as strategies for creating competitive cities or global cities (Brenner 1998). This theoretical literature provides a lot of persuasive insights for understanding the Port of Ngqura and Coega IDZ phenomenon. This literature allows for an understanding on the connection between the growing importance of mega-projects in

cities and strategies by states to integrate national and urban economies into the global economic system.

1.7.2. Economic Effects of Mega-Projects

In this literature review a tri-partition of the economic effects of economic zones is considered. This include primary (direct), indirect and induced economic effects. According to Benacchio et al (2000) direct economic effects refer to all activities necessary for the operation and the use of the mega-project's facilities. Indirect economic effects refer to the development of economic activities in which their development depends on the direct activities through a "technical relationship" (Ibid.). While induced economic effect – as discussed above - refers to the development of economic activities in which their development depends on the direct and indirect effects through "consumption" linkages (Ibid.). As a result – on the part of direct effects of mega-project - literature that speaks about industries attracted by some of these mega-projects and employment created directly has been reviewed. On the part of indirect economic effects the work of Robbins (2015) reveals that the Dube TradePort IDZ resulted to the increase in property values in the area around the mega-project as the demand for accommodation was increasing. On the part of induced economic effects literature on economic effects is silent on the manner in which workers working in these mega-projects spend their income. As already pointed out above this is particular true in the case of South Africa – because there is limited research that speaks about the manner in which workers working on economic zones spend their income.

1.8. Research method: Data collection

The main method through which primary data was collected for this research is a research survey. According to Bhattacherjee (2012: 74) research survey is a research method that involves the use of "standardized questionnaires or interviews to collect data about people and their preferences, thoughts, and behaviours in a systematic manner". This research method has been used in this research to study individual people as the unit of analysis. This means that the method was used to study preferences and/or consuming behaviour of individual workers as a way of understanding them as a unit or a group – as workers. In the definition provided by Bhattacherjee (2012) (above) the research method adopted in this research is classified to involve both interview survey and questionnaire survey as instruments. As a result it is important to specify the precise instrument used in this research which is a questionnaire survey. In developing this instrument I have looked for guidance in the work of Bhattacherjee (2012). Bhattacherjee (2012: 75) notes that this instrument consists of a "set of questions (items) intended to capture responses from respondents in a

standardized manner". As a result the questionnaire used in this research consisted of a set of questions similar for every respondent. The questionnaire used in this research is made of a combination of unstructured and structured questions. This is to note that some questions have been asked to respondents with expectations that they will provide responses in their own words. In some questions they have been asked in a manner that allows respondents to select an answer from a given set of choices.

CHAPTER TWO:

THE DESIGN OF ECONOMIC ZONES - WHEN EXPORT-ORIENTED INDUSTRIALISATION TRUMPS THE OBJECTIVE OF "REGIONAL DEVELOPMENT"

In the public arena mega-projects have always gained attention and subsequently become subject for contestation especially in democratic political contexts. Mega-projects attract media attention forming newspaper headlines, journalistic books, and television specials. Opposing politicians work to expose failures, budget overruns with hopes of winning political votes amongst other things. As a result of public contestation some mega-projects become stalled, and some never come to execution due to citizen resistance. In the academic world according to Van Marrewijk (2013) much attention on mega-projects was, for a very long time, reserved to the engineering discipline. As a result research in this discipline has traditionally been directed to studying "planning techniques, methods and tools for optimising project performance, and project efficiency" (Ibid: 2). Moreover, Van Marrewijk (2013) points out that the main approach used to study mega-projects has been to quantitatively evaluate their performance, to understand the private-public partnerships that drive them, how they are managed, and lessons learned from challenges and risk associated with these projects (Ibid.). Robbins et al (2011) note that in recent years there has been a noticeable development of a strand in the academic literature that attempts to understand the connection between mega-projects to the ideas of global economic restructuring and rescaling process.

The re-scaling process includes the "shift in the spatial scales at which the conditions for capital formation are shaped, from national to subnational scales" (Robbins et al 2011: 7). Brenner (2004: 1) argues that this is a strategy deployed by states "… to promote the global competitive advantage of their major urban regions". David Harvey (1989) used the concepts of managerialism and entrepreneurialism to further explain this process. He explained that this process demonstrates a shift from managerialism where cities used to primarily focus on providing services to urban residents, into entrepreneurialism where cities, also took a mandate to promote economic growth. As identified in the previous chapter the concepts of global cities and global fixes are crucial in understanding the strategies of promoting cities as platforms for economic growth. As a result this chapter will also dwell into these concepts in particular as they relate to this research. The aim of this chapter is two-fold. Firstly, the aim of this chapter is to provide a critical understand of the global and national forces that have motivated the development of mega-projects such as the Port of Ngqura and Coega IDZ mega-project. This will be done by studying the connection of mega-projects to the ideas of global economic restructuring and rescaling processes. Secondly, the aim of

this chapter is to understand how economic effects of other similar mega-project as the Coega mega-project have been measured.

2.1. Broad Definitions of Mega-Projects

Mega-projects are not new they have existed since the pyramids of Egypt, however, Van Marrewijk (2013) state that the term mega-project was conceptualised in the early 1970's. This term, simultaneously was conceptualised to explain large scale projects by the Canadian government and the American contractor Bechtel Group (Ibid.). The word attached to project, 'mega' has its origin from the Greek language. It is a word that can be attached to other words as with the case to mega-project. The word mega relates to the number - one million. For example, it is used with these words byte (megabyte) and cycle (megacycle) to demonstrate the one million size (Van Marrewijk 2013). Moreover, it can be used to describe very large or great things and things that are extra ordinary (for example megastar, megaphone) (Van Marrewijk 2013). Unlike 'magna' which describes large and great in a spiritual sense, 'mega' describes large and great in a material sense (for example, megaliths) (Ibid.). Thus by attaching the word 'mega' to 'project', an emphasis is made that the project is different - it is large in a material sense of the project, it is great - in terms of its magnitude.

The manner in which mega-project are defined varies. Some definitions of mega-projects are tied to specific project types, instead of providing a specific definition that encompasses all mega-projects. Strassman and Wells cited in Gellert and Lynch (2003: 15) provide an interesting broad definition that suggests that mega-projects are "projects which transform landscapes rapidly, intentionally, and profoundly in a very visible way, and require coordinated applications of capital and state power". Furthermore, Strassman and Wells cited in Gellert and Lynch (2003: 15) note that mega-projects "use heavy equipment and sophisticated technologies, usually imported from the global North and require coordinated flows of international finance capital". Van Marrewijk (2013) add an interesting dimension to understanding of mega-projects by stating that mega-projects are projects with capital for completion not less than one million United State dollars. Del Cerro Santamaria cited in Van Marrewijk (2013: 3) understand mega-projects "as large-scale development projects that sometimes have an iconic design component, that usually aim at transforming or have the potential to transform a city's or parts of a city's image, and are often promoted and perceived by the urban elite as crucial catalysts for growth and even as linkages to the larger world economy".

Gellert and Lynch (2003) divides mega-projects into four types for analysis and this includes (i) infrastructure mega-projects (for example ports, railroads); (ii) extraction mega-projects (for example minerals, gas); (iii) production mega-projects (for example, industrial development zones);

and (iv) consumption mega-projects (for example, malls, real estate developments). Gellert and Lynch (2003) state that, although they have divided mega-projects into four types for analysis in practice these different types usually take place in combination of two or more. For example, in the case of the Port of Ngqura and Coega IDZ mega-project, the project can be understood, at least to be a combination of port development and Industrial Development Zone project. Even these two types are a result of more sub-projects. For example, the port development project is a result of the installation of new berth, the upgrading of railroad and roads. The Coega Industrial Development Zone is a result of new industries, residential accommodation for workers, roads and railway routes.

2.2. Specific Definitions to the Coega Mega-Project

The Coega mega-project is an economic zone that combines port development with industrial development. Chinguno (2011) defines economic zones as industrial enclaves that are deliberately designed to offer a competitive advantage to investors. Chinguno (2011) notes three major objectives of economic zones, which includes job creation, export growth as well as stimulating the manufacturing sector. According to Ong (2006) economic zones are generally designed to create a competitive environment that is basically cheaper for investors compared to other areas. Designers of economic zones achieve this by distorting the 'normal' market rules and regulations in favour of investors through special incentives and removing bottlenecks to business efficiency (Cross 2010). This however, in some cases depends on the size of investment and technology involved (Chinguno 2011). In some other cases, it also depends on who is the investor and where does this investor come from. In South Africa, for example a lot of incentives are aligned with the Broad Base Black Economic Empowerment (BBBEE) policy. This is an economic empowerment initiative by the South Africa to redistribute the wealth to previously disadvantaged groups. In other cases designers of economic zones also pass regulations that allow raw materials and other forms of capital for industries in economic zones to be imported duty-free (Chinguno 2011).

Another practice advocated by economic zone designers includes allowing products produced by industries in IDZ to be exported duty free as a strategy for facilitating export-oriented industrialisation (Chinguno 2011). In most cases economic zones are linked to ports and according to Robbins (2015) this is done to enhance their competitive advantage because this location makes it easy to access both international and local market. This advantageous geographical location is complimented with comprehensive infrastructure that allows industries located adjacent to ports in IDZs to gain greater competitive advantages (Tang 2008). Moreover, a streamlined administration is then used to provide efficient and simplified administration that cost less in terms of time and other resources to investors (Chinguno 2011). As a result most economic zones have at least one customer

centre that deals with all the administrative requirements of investors, including sorting out various licences that are a requirement to certain investors (Ibid.). Furthermore, in some cases a team is assembled to assist investors in importing and exporting various goods and services (Ibid.). In the case of Zimbabwe, Namibia, and Kenya, Jauch (2002) states that the competitive advantage for investors is further enhanced through labour, environment and other social and/or health concessions. However, in South Africa, Chistian and Schulze (1999) state that no concessions were offered on labour and environmental legislations. In those cases where labour concessions are offered, McCallum (2011) states that even labour unions are not allowed to exist.

Ong in Cross (2010: 357) has defined Industrial Development Zones or economic zones to be "unique spaces, 'a country within a country', that has been carved out from the territory of the nation, 'encoded' for economic freedom and entrepreneurial activity". Ong (2006) uses the concept of 'neoliberal exception' to explain the phenomenon of carving a territory within a broader landscape and allowing its existence with its own distinct sovereign power. According to Ong (2006) 'neoliberal exception' explains the use of this sovereign power to create new economic possibilities and ways of governing population inside these zones. Generally, workers of economic zones are governed by distinct laws from the rest of the nations' governing laws (Cross 2010). As highlighted above some workers working in some economic zones are subjected to repressive laws, frequently exploited in terms of wages and the amount of work they do (Cross 2010). Also highlighted above is the fact that they are prevented basic social protection and some of their human and or legal rights such as forming labour unions that would defend their labour right (Ibid.). Physically, economic zones are mostly marked by clear boundaries that are emphasised through the construction of walls or electric fences that separate them and other parts of the hosting country (Ibid.). In India, Cross (2010) writes that the central government in many occasions had refused to formally recognise many economic zones until a compound wall was built.

Ong (2006) states that another feature of economic zones is the security personnel and other 24 hour surveillance practices that are used to protect the economic zone territory by ensuring that 'invaders' are kept out of the zone. Cross (2010) has argued that the language of "neoliberal exceptionality" that has been used above to define economic zone is not sufficient to explain how they actually work in modern India. The work done by Cross (2010) on economic zones which mainly focuses on the daily operation of the economic zones allow for certain possibilities to be imagined about economic zones. The argument presented by Cross (2010) concerns itself less with how economic zones are designed, but more with their daily operation. Although economic zones are designed with intentions to separate them from their original country by creating unique territorial, legal and discursive spaces. Cross (2010: 358) argues that economic zones in India are better

"theorised as unexceptional spaces that make legible, legitimate and visible the conditions of informality and precariousness under which most economic activity already takes place in South Asia". As result the "neoliberal imaginaries" that are put in place by economic zones designers are never "wholly realized" due to the reproduction of the practices - taking place outside the economic zone – within the economic zones (Castree 2007).

Cross (2010) states that the language of "neoliberalism as exceptionality" does not consider how economic zones are structurally embedded in both local and national economies. According to Cross (2010) an analysis into the every practices of economic zones demonstrates that things that happen outside the economic zone can be reproduced within the economic zone because of workers that spend their time in and out of these zones.

2.3. The Connection of Mega-Projects to Processes of Restructuring and Re-Scaling

There is considerable stimulating literature in particular from the neo-Marxist school of thought, attempting to explain strategies for creating competitive cities (Robbins et al 2011). One particular point of departure in much of this literature is the recognition that changes in global capitalism and technology have played a significant role in accelerating globalisation (Ibid.). As a result, states have been forced to engage in economic restructuring so as they can compete more successfully in the global economy (Ibid.). In North America and Europe, the 1970s economic recession, "linked to the decline of the dominant Fordist model of industrial production" was a major factor for the restructuring of many national economies (Robbins et al 2011: 5). This includes fundamental changes in the organisation and technologies for industrial production. Moreover, fundamental changes were also experienced in the spatial division of labour, both within countries and internationally (Ibid.). Also, experienced as part of the changes in global capitalism, was the production shift (informationalization) from manufacturing to service sector activities (Ibid.). The effects of these processes combined, as production disperses worldwide and also changing in its nature, include the concentration of growth in urban areas (Ibid.). As a result cities begun to be promoted as strategic assets of economic adjustment and they now compete for capital (Ibid.)

In the cities of the global South similar developments have been observed (Robbins et al 2011). This occurred as local actors aspire to have 'world class cities', as well as city economies beginning to be linked up to international markets (Ibid.). Harvey (1989), using the concept of urban entrepreneurialism was one of the first people to write about the above discussed processes of economic restructuring and re-scaling. In his writings Harvey (1989) used the public-private partnerships idea of promoting both development and urban growth. He understood these

processes as demonstrating a shift of capitalist reproduction from the national scales to subnational scales. Subsequent scholars that continued in the same broad theoretical path (as Harvey), expanded with concepts such as global cities and glocal fixes (Brenner 1998; Sassen 2005). In using these concepts they wanted to explain specific ways in which different states seek to attract capital (Ibid.). These are space based interventions by states that involves specialised infrastructure, and tax concessions in urban regions (Robbins et al 2011).

These interventions are understood to form part of the broader strategies - by states - of territorial restructuring and state re-scaling processes (Robbins et al 2011). Brenner (1998: 1) states that "state re-scaling is a major accumulation strategy through which 'glocal' territorial states attempt to promote the global competitive advantage of their major urban regions". Brenner (1998: 1) further states that "'global city formation and state re-scaling are therefore dialectically intertwined moments of a single dynamic of global capitalist restructuring". In making these remarks Brenner (1998) wanted to highlight the relationship between global cities and state re-scaling. Global cities are understood by Sassen (2005) to be those cities that are selected and promoted by national states as global platforms to compete and host international investors. Global city formation as a result is linked to the process of globalisation of capital and to the process of shifting responsibilities of territorial organisation from the national scales to sub-national scales. These concepts and theories allow for an understanding on the connection between the growing importance of mega-projects in cities and strategies by states to integrate national and urban economies into the global economic system. This integration strategy itself is also connected to the spreading neo-liberal agenda, in some instances as a result of international lending organisations (Robbins et al 2011).

According to Robbins et al (2011) the spread of the neo-liberal agenda became dominant in the 1980s and 1990s where structural adjustment loans were tied to specific economic reform packages. These packages included certain economic regulations being imposed on countries that borrowed money from these organisations (Ibid.). However, it is important to note that these economic regulations or models are never reproduced in exactly the same form, from place to place. As a result Hall and Soskice (2001) state that this gave rise to diverse forms of capitalism. It is imperative to note that the dissemination of neoliberalism does not simply imply a top-down process imposed by the global economic system or lending organisations. "The particular forms or aspects of neoliberalism adopted and implemented in countries and cities vary according to national and local contingencies, their social, political, economic and historical contexts" (Robbins et al 2011: 6). For example, Swyngedouw et al (2002) state that the nature of the economic systems that cities adopt represents the intersection of the shifts in global economic forces and people's lives in specific

places. This can be observed through the occasional resistance by some local stakeholders into the expansion of global interests in local places (Harrison, 2006; Pieterse, 2008).

In South Africa the most influential policy underlying the development of economic zones is GEAR (Growth, Employment and Redistribution). This policy was adopted in 1996 and according to Chinguno (2011) some observers have defined this policy as a neoliberal economic policy. The aim of the GEAR policy was to bring about a shift from inward industrialisation policy to an outward export led strategy as means to integrate South Africa with the global economy (Chinguno 2011). In this policy the capitalist system was placed at the centre, with beliefs that economic growth and the 'trickle down' that would result from the policy will lead to social upliftment (Ibid.). As a result cities were expected to play more of an enabling role for the private sector to drive economic growth (Ibid.). In some instances the Public – Private sector Partnership (PPP) mechanism was used as an important neo-liberal tool for driving urban development (Ibid.). This mechanism is particularly relevant to mega-projects in South African cities, where these partnerships are used to develop projects. The Coega mega-project, for example, was developed through a private-public partnership that saw government spending a minimum of R8 billion and the private sector investing a minimum of about R9.2 billion (Tang 2008; Chinguno 2011).

For the Coega mega-project the GEAR policy is particular relevant since the Special Development Initiatives (SDI) were linked to this policy. The SDIs were adopted in 1996 and the IDZ policy was considered and incorporated into this schema (Chinguno 2011). According to Todes (2013) SDIs aimed at redressing the spatial ills of apartheid which left certain areas underdeveloped, by supporting the development of small, medium and micro-enterprises in these areas. Todes (2013), mentions that the initial focus of the SDIs was to promote manufacturing. However, after realising that not much was going on in reducing poverty this was changed (Ibid.). Economic activities which were viewed to hold greater potential for job creation such as agriculture and tourism were also included (Ibid.). One major component to the SDI scheme as already discussed in chapter one is the IDZ policy, which proposed the establishment of IDZs (Tang 2008). In putting into effect the IDZ policy the Department of Trade and Industry (DTI) designated and licensed six industrial development zones. This include the Coega IDZ in Port Elizabeth, 2001; East London IDZ, 2002; Richards Bay IDZ, 2002, OR Tambo International Airport IDZ, 2012, Saldanha Bay IDZ in Cape Town, 2013, and Dube TradePort in Durban, 2014 (Tang 2008, Chinguno 2011, Robbins 2015).

In the above paragraph arguments have been presented that categorise the development of mega-projects as neoliberalism. In addition to these arguments Robbins et al (2011) argues that this

categorisation of state actions in the South African context need to be problematised. Robbins et al (2011) suggests that we need to pay particular attention to progressive orientated policies that goes in parallel with these 'neoliberal' state actions. For example, although municipalities compete for these 'neoliberal' state interventions, in some instances municipalities champion public housing and service provision within their jurisdiction (Ibid). Robbins et al (2011: 6) state that "alongside some relatively fraught PPP attempts there have been local states that – drawing on developmental state models – have sought to invest on mega-projects that would generate appropriate economic growth returns". Robbins et al (2011: 6) state that it is because of the above reason, some writers (Charlton and Kihato 2006; Harrison 2006) have categorised the South Africa approach as a "hybrid of neoliberal and populist social democratic agendas along with a populist nationalist influence, pointing out that it involves growing the social welfare programme, large scale subsidy driven public housing, a persistent commitment to state ownership of major parastatals, redistributive programmes and affirmative action".

2.4. The Economic Effects of Mega-Projects

In chapter one it has been noted that this literature review would consider a tri-partition of the economic effects of economic zones and this include direct, indirect and induced economic effects. As a result this section discusses some of the varied effects or impacts of economic zones and reflects broadly on some effects of mega-projects. The first part of this section will discuss economic performance of the Coega economic zone using indicators such as Investment, Job Creation and revenue created to evaluate their performance. The second part of this section will discuss the integration of economic zone into the international and domestic economy. Of particular interest in this aspect of the section is to understand whether economic zones have been planned to empower or develop local economies or serve only the interests of global capitalists. The third part of this section discusses broadly the effects of mega-project on surrounding communities, with a particular reference on two cases (the Dube TradePort and King Shaka International Airport in Durban, and the Porto Maravilha project in Rio de Janeiro).

2.4.1. Economic Performance of the Coega Economic Zone

According to Chinguno (2011) indicators such as export growth, foreign direct investment (FDI), and job creation are generally used to assess the performance of economic zones. It is important to note that the evaluation of economic zones using these indicators is however difficult. According to Chinguno (2011) this - to a larger extent - is due to the manner in which economic zones are designed (refer to the, Specific Definitions to the Coega Mega-Project, section above). Chinguno

(2011) states that in many countries this is the case because of the problems of access to empirical data – where information about the economic zones is usually changed and/or is undisclosed. This is also true even in the case of the Coega mega-project and chapter four on my fieldwork experience demonstrates this fact. At Coega I was prevented both access to workers inside the economic zone – where I had hoped that I was going to be allowed to speak to them. As highlighted in chapter four I was prevented access to workers inside the economic zone through what I have termed administrative and physically barriers. The Coega Economic Zone is interesting, not only because it is the first economic zone in South Africa. But because it has been labelled as the most successful economic zone in South Africa to date - compared to other economic zones in the country (Todes 2013). In reading the above statement it is important to note that in South Africa there has been a general agreement that the IDZ Policy is unsuccessful in terms of the performance indicators identified above.

This section will start from the 2007/2008 financial year in following the trajectory of how the Coega Development Corporation (CDC) has performed in terms of Job creation, the number of investors attracted, and the revenue generated by the economic zone. Revenue comprises government grants, interest income, rental income and income from project management services. Revenue generation is considered because of its importance to the development and sustainability of the CDC. The number of investment attracted represent companies that have either signed lease and/or expansion agreements within the economic zone. The Jobs created include only those that are directly created to the local economy by the economic zone (construction, operational, permanent, temporary jobs).

At the start of the 2007/2008 financial year there were six investors operating in the Coega economic zone which resulted to 1000 jobs (CDC 2008). As demonstrated in figure 2.1 and 2.2, in the 2007/2008 financial year the Coega economic zone managed to attract seven investors and created 5868 jobs (CDC 2008). This brought the number of total investors signed since inception to 15 by the end of the 2007/2008 financial year (Ibid.). This include one investor in the agro-processing, two in the logistics, one in the manufacturing/automotive, one in the biofuel, one in the construction, one in the salt production, one in the aluminium smelter, one in the cold storage/export facilities), one in the chlorine/water desalination, one in the steel metals, one in the business process outsource, and one in the interior plastics components/automotive sectors (Ibid.). In this financial year the CDC also managed to generate R41 million in revenue (see figure 2.3).



Figure 2.1: adopted from CDC (2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015) demonstrates the number of Investors signed by the CDC at Coega.

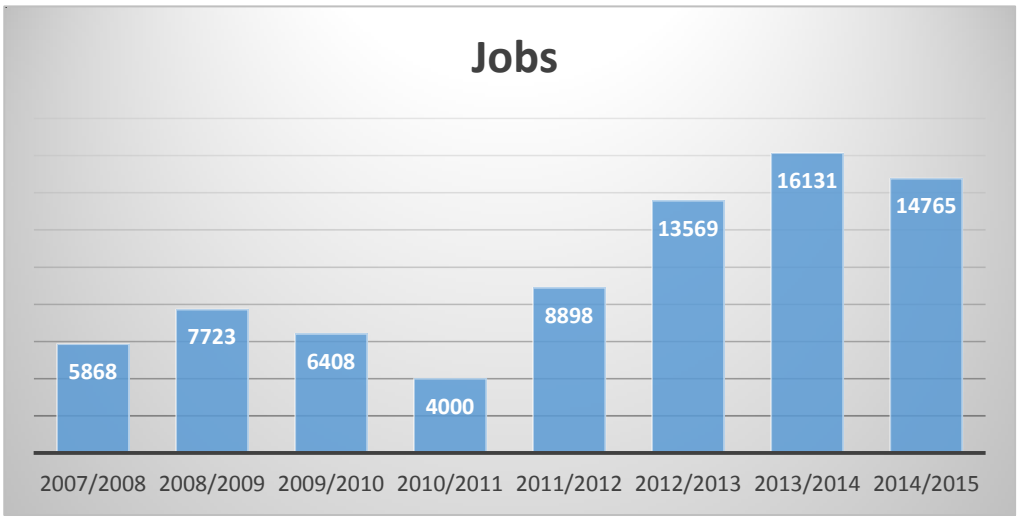


Figure 2.2: adopted from CDC (2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015) demonstrates the number of Job created at Coega.

In the 2008/2009 financial year, the Coega economic zone attracted six investors, in the automotive, food processing and aquaculture industries and Construction sectors (see figure 2.1) (CDC 2009). In this same year the CDC also managed to increase the number of jobs created to 7723 jobs and generating a revenue of R55.34 million (see figure 2.2 and 2.3) (Ibid.). Also important is the fact that the CDC also established partnership with Volkswagen South Africa and the Nelson Mandela Bay Municipality for the development of the Nelson Mandela Bay Logistics Park in Uitenhage (Ibid.). The Nelson Mandela Bay Logistics Park provides infrastructure and services to the automotive manufacturing industry (Ibid.). In the 2009/2010 financial year the CDC managed to attract four investors - two in the renewable energy, one in the manufacturing and one in the automotive

sectors (see figure 2.1) (CDC 2010). This resulted in the creation of 6408 jobs and the generation of R 61.14 million in revenue by the CDC (see figure 2.2 and 2.3) (Ibid.).

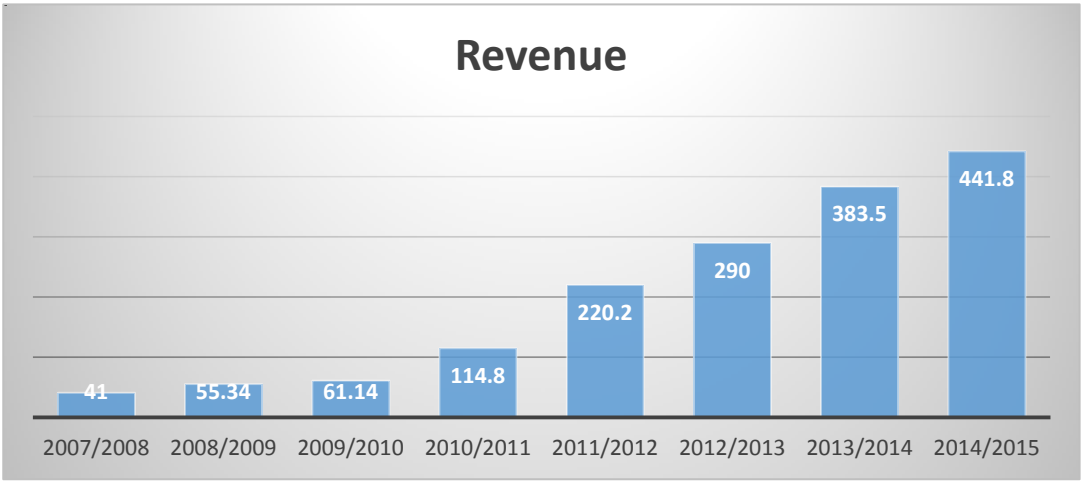


Figure 2.3: adopted from CDC (2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015) demonstrates the amount of revenue generated by the CDC.

In the 2010/2011 financial year the revenue generated by the CDC increased by 87% from R 61.14 m in 2009/10 to R114.8m in 2010/11 (see figure 2.3) (CDC 2011). According to CDC (2011) the increase in the number of tenants at the Vulindlela accommodation and the coming on stream of manufacturing facilities in the Nelson Mandela Bay Logistics Park were the reason for the strong financial performance of CDC. The number of new investments signed in the 2010/2011 financial year was five investors, one in the renewable energy, one in the agro-processing, two in the business process outsource and one in the logistics sectors (see figure 2.1) (Ibid.). This resulted in 4000 jobs being created in the 2010/2011 financial year (see figure 2.2). In the 2011/2012 financial year seven investor were signed by the CDC, one in the energy, one in the renewable energy, one in the automotive, one in the energy – component manufacturer, one in the logistics, one in the metals and one in the agro-processing sectors (see figure 2.1) (CDC 2012). A total of 8 898 jobs were created in the course of this financial year and 220.2 million of revenue was also generated by the CDC (see figure 2.2 and 2.3) (Ibid.).

The total number of signed investors over the 2012/2013 financial year was eight, one in the cement plant manufacturing, one in the air separation unit, one in the packaging and stationary manufacturing, one in the logistic, two in the cold storage and warehousing facility logistic and one in the fuel decanting sectors (see figure 2.1) (CDC 2013). In this financial year 13 569 jobs were created and R290 million of revenue was generated by the CDC (see figure 2.2 and 2.3) (Ibid.). In the 2013/2014 financial year the CDC attracted 10 new investors, as a result Coega became the first

economic zone in South Africa to attract double digit investment in one financial year (see figure 2.1) (CDC 2014). Two of the 10 investors were in the automotive sector, two in the logistics, one in the agro-processing, two in the manufacturing, two in the renewable energy and one in the chemicals sectors (Ibid.). During the 2013/2014 financial year the CDC also managed to create 16 131 jobs and generated a revenue of R383. 5 million (see figure 2.2 and 2.3) (Ibid.).

In the 2014/2015 financial year the CDC attracted a total of 19 investors (see figure 2.1) (CDC 2015). Of the 19 investors, five investors were in the agro-processing, one in the light manufacturing, one in the logistics, four in the metals, two in the renewable energy, one in the chemicals, four in the automotive and one in the business processing outsource (Ibid.). In this financial year the CDC created 14 765 jobs, while also generating a revenue of R441. 8-million (see figure 2.2 and 2.3) (Ibid.).

2.4.2. The Integration of Economic Zone into the International and Domestic Economy

In South Africa it was always the primary aim of the IDZ policy to connect IDZs to the international economy. As already mentioned above the IDZ policy was incorporated into the SDIs which were linked to the GEAR policy that aimed at shifting the country from an inward industrialization to an outward export led strategy (Chinguno 2011). Beyond attempts to connect the country's IDZs with the international economy, McCallum (2011) notes that it was anticipated that IDZs would also be connected with the domestic economy. This is the case because there is a general consensus that for economic zones to be successful they have to be effectively linked to the domestic economy through backward and forward linkages (Chinguno 2009). Forward linkages are defined by Chinguno (2009) as relating to the relationship between IDZs and consumers and/or other manufacturing industries, while backward linkages relates to the relationship between IDZs and suppliers of output. This means that forward linkages exists in cases where domestic consumers are purchasing goods and services from the IDZ, and backward linkages exists in cases where domestic suppliers are supplying goods and service to the IDZ. In most South African economic zones forward and backward linkages hardly come to light as the main focus is the export markets (Chinguno 2009).

In the case of Africa, Stein (2008) states that economic zones generally have poor backward and forward linkages because they are not designed for this purpose. Industries located in IDZs import most of their raw materials and in return export most of their products (McCallum 2011). For example, in the case of East London IDZ, Chinguno (2009) notes that – on one hand - more than 60% of the raw materials that are used in the manufacturing process are imported. On the other hand the East London IDZ is exporting products that amount to over 60%. Some exception where

industries in IDZs have established linkages with domestic economies include some industries at Coega that produce food and the Biomass wood brick (Chinguno 2009). These industries have entered into buying and selling relationships with businesses that are operating in the domestic economy arena (Ibid.). These industries - with domestic linkages - have proven to be more successful than those that have focused only on international linkages (McCallum 2011). For example, Dynamic Commodities - an enterprise at Coega with domestic linkages - has managed to create "700 new jobs with an investment of $7 million" while Acoustex - an enterprise at Coega without domestic linkages - "created 75 jobs from the same amount of investment" (refer to table 2.2) (Chinguno 2009: 50). Chinguno (2009) however recognizes that this comparison between the two industries at Coega is only based on one dimension as a result there might be other explanations to this disparity.

IDZ Investor	**Amount of Investment**	**Number of jobs created**
Dynamic Commodities	$7m	700
Acoustex	$7m	75

Table 2.1: adopted from Chinguno (2009) illustrates the comparison of the number of jobs created by industries at Coega with the same amount of investment.

One of the fundamental problems with limited domestic linkages and strong global linkages is the fact that economic zones get exposed to global economic crises and pressures (McCullum, 2011). Chinguno (2009) writing in the middle of the 2008 financial crisis states that this global crisis has affected the IDZ industries in South Africa because these industries are amongst the most integrated into the global market. As a result of the 2008 financial crises, Chinguno (2009) further notes that globally there was a decline in demand of most products that were being produced from the South African economic zones. For example, the demands for Mercedes Benz – manufactured at the East London IDZ – declined globally resulting in the decrease of production and consequently decrease in job creation (Chinguno 2009). In the case of Coega IDZ, Acoustex which used to be located at Coega and supplying components to the General Motors South Africa – also located at Coega - lost about "75% of its orders due to the decline in the demand of motor vehicles manufactured by General Motors globally" (Chinguno 2009: 51).

The response - in terms of the South African legislation – on the 2008 global financial crises was that retrenchment by industries should only come as a last option (Chinguno 2009). Consequently – due to the decline in global demand for some products produced by South Africa's IDZs - a number of

industries have developed ways of cost saving (Ibid.). This includes job sharing amongst the workers as a way of avoiding retrenchment (Ibid.). This means that workers had to share a job that was reserved for one person and share the salary as well. Moreover, other industries responded by reducing the amount of hours that workers had to work and this resulted in the reduction of salaries as well (Ibid.). The consequences of the desire to link economic zones with the global economy are also observed in Ports development. In most cases the desire to link industries located within IDZs is accompanied by the development of well-functioning and/or competitive ports (Merk 2013). This is the reason Robbins (Pers. Communication 2015) believes that the development of the Port of Ngqura next to the Coega IDZ is not a coincidence. Robbins (Pers. Communication 2015) further notes that competitive Ports are part of broader strategy to create a competitive advantage for industries located within economic zones.

One way to achieve competitive ports according to Merk (2013) is to strengthen oceanic links, port logistics and linkages to hinterland functions that support ports. The idea for competitive ports involves the introduction of latest technological infrastructure as a way to transform 'traditional' ports into 'modern' and efficient ports (Bonacich and Wilson 2008). The phenomenon of logistic revolution explained in the work of Bonacich and Wilson (2008) can help to understanding the impact that this have in terms of employment. The work by Bonacich and Wilson (2008) is based on the experience of Southern California ports of Los Angeles and Long Beach. One of the findings made by Bonacich and Wilson (2008) is that the advent of containerization (as a technological solution to enhance competitiveness), which has completely altered the nature of the work done by longshore workers, has resulted in some people losing their jobs. For example, before, longshore workers would go down into the hold of a ship and load or unload packages sent down by pallet. Now they are loaded by overhead cranes that are operated by a few skilled workers (Ibid.).

2.4.3. The Effects of Mega-Project on Surrounding Communities

The literature considered in the above sections demonstrates that induced economic effects of economic zones are one area – under the broad theme of economic effects of economic zones - that is under-researched. This section as a result will turn to the literature on mega-project to seek an understanding on how induced economic effects and other forms of effects have been studied from a mega-project perspective. Gellert and Lynch (2003) state that one of the consequences of mega-projects is the fact that they are inherently displacing, not only on humans and their communities but also mountaintops, flora and fauna. Gellert and Lynch (2003) refer to mega-projects as "creative destruction'' in a material sense due to their ability to rapidly and radically alter landscapes. The displacement by mega-project occurs during both the construction and operational phased. Some of

the impacts that can be experience during the operational phase include environmental risks for those who live in close proximity to the project, such as the generation of air, noise and water pollution (Ibid.). The work of Robbins (2015) on the Dube TradePort and King Shaka International Airport (DTP-KSIA) in Durban demonstrates the impact of this mega-project on the region around the mega-project during the operation phase.

In figure 2.4 the location of the DTP-KSIA mega-project in the EThekwini Municipality is illustrated. In terms of its location this mega-project is similar to the Coega mega-project which is located on the periphery of the Nelson Mandela Bay Municipality (see figure 1.2). According to Robbins (2015) after the implementation of DTP-KSIA mega-project property values in the region around the mega-project increased as the demand for accommodation was increasing from airport workers. Robbins and Van Coller (2009) in Robbins (2015: 199) described how "property in the north of the city Durban where the DTP-KSIA mega-project is located has shown a strong demand and sustained higher prices above locations to the south and west of the city centre". Robbins and Van Coller (2009) further state that a high share of building plans were submitted and passed by the eThekwini Municipality since the implementation of the DTP-KSIA mega-project in the northern region of

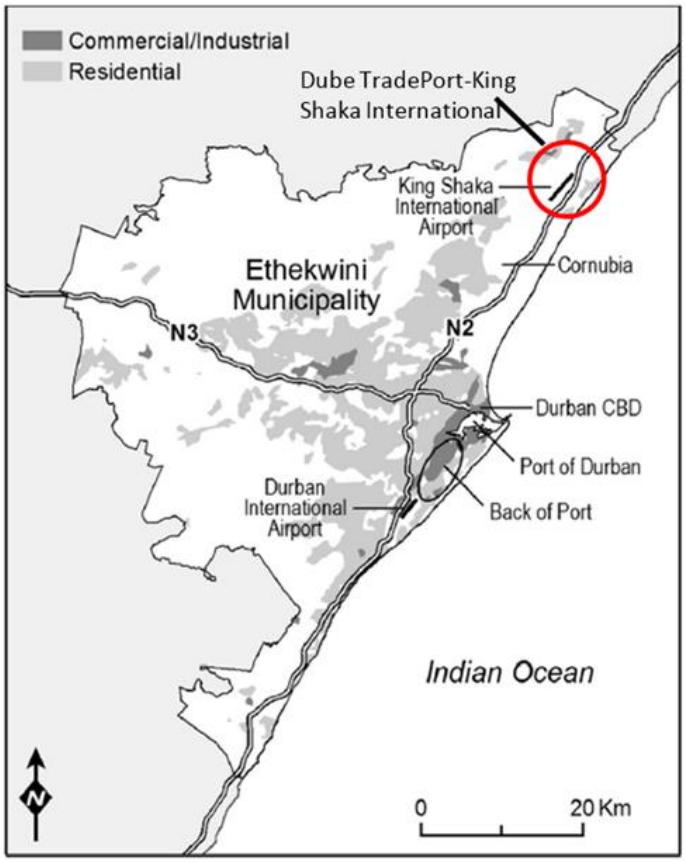


Figure 2.4: taken from Robbins (2015) demonstrates the location of the Dube TradePort-King Shaka International Airport project in the eThekwini municipality.

Durban. This shows that the demand for property development was increasing in the northern part of the EThekwini Municipality. Robbins (2015) further note that as property values were increasing, so was the amount to rent accommodation and this resulted into those who used to rent in the area - but now could no longer afford the rent - being displaced.

The displacement and increasing rentals in the area around the DTP-KSIA mega-project motivated community activism from local civic groups that have attempted to assist community members to deal with rapidly rising rentals (Robbins and Van Coller, 2009). These unintended consequences in the form of community mobilisation and cohesion are also evident in the Porto Maravilha project in Rio de Janeiro. The aim of the Porto Maravilha project is to regenerate and revitalisation the Porto Maravilha (demonstrated in figure 2.5); as a result the port is being restructured in terms of its functions and social activities (Miami Herald 3 June 2014). The Porto Maravilha project, which began in 2009 is a response to a port that had declined in terms of activities and had become home to the low-income group (Ibid.). As a result public authorities in Rio de Janeiro had characterised this area to be an area that had decayed therefore requiring revitalization (Robbins et al 2011). This triggered mobilisation from the low income group associations and activists as they knew that this project could result in them being displaced (Ibid.). In particular, these groups were reacting to direct threats of eviction and/or gentrification.

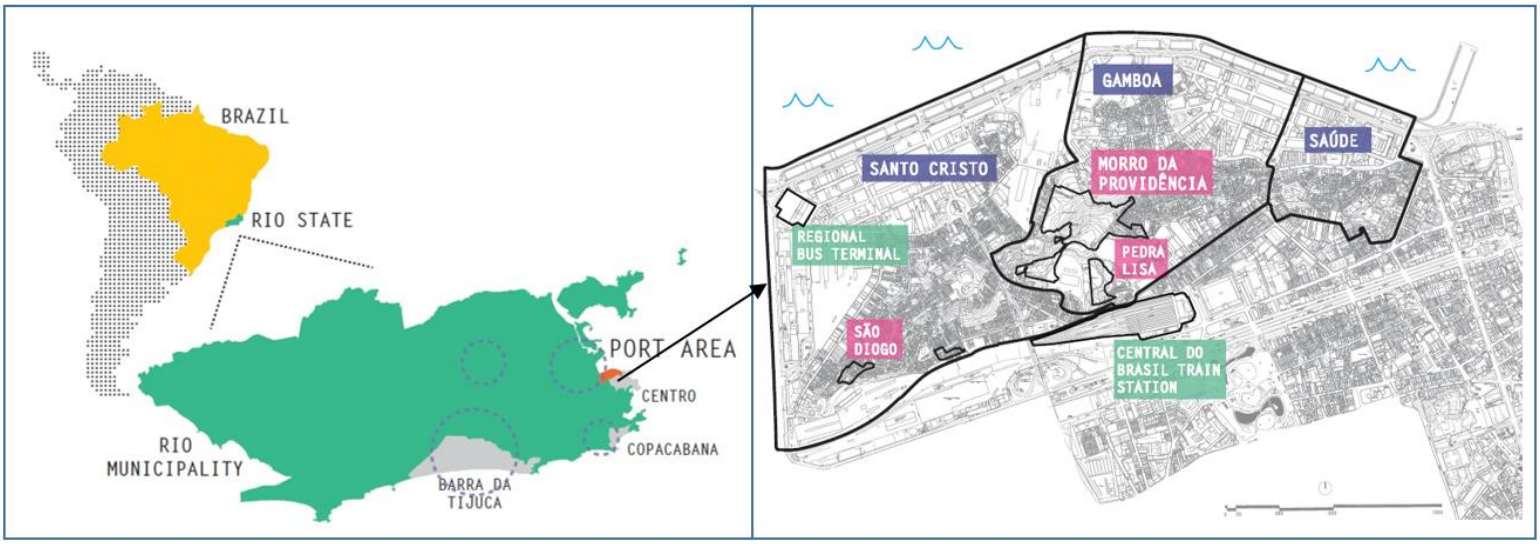


Figure 2.5: adopted from Mazarro (2012) demonstrates the location of the Porto Maravilha project in relation to the Rio state.

2.4.4. Understanding Township Economies

The legal term 'township', in the context of South Africa, is also used to define areas that were designated to accommodate non-white people. The primary aim which was to create labour pools for the colonial and apartheid economies. As a result, Karuri-Sebina et al (2015) understand 'township economies' as microeconomic and related activities that are taking place in areas known as 'townships'. The purpose of this section is to deliberate on the concept of 'township economies' by highlighting characteristics that are common to most townships. This does not withstand the differences in location, histories, current dynamics, potentials and constraints of different townships. In this regard the point of departure is to understand 'township economies' as small and open regional economies linked to the wider economy (Philip 2014). This is the case because most households in townships often work outside and spend most of their income on goods and services produced outside their townships economy (Ibid.).

As a result of the abovementioned linkages, township households are also affected by external changes (South African Cities Network 2009). For example, an increase in employment from outside economic nodes can lead to an increase in employment for township residents. It is important, however, to note that some townships residents are engaged on some economic activities within their townships (South African Cities Network 2009). Moreover, township are also characterised by high levels of unemployment, under-employment and widespread poverty (Ibid.). In relation to income levels townships generally have a disproportionate concentration of lower to middle income households, with lower income being the majority (Ibid.). On skills levels they generally have a varying population of lower skilled to semi-skilled people, lower being the majority (Ibid.).

2.4.5. The Main Township Economic Sectors

This section discusses the main economic sectors that dominate the most common economic activities in townships. Karuri-Sebina et al (2015) identify urban agriculture, manufacturing, retail, personal and household services, and financial services, and the transport and tourism as the dominant sectors. Those who are engage on townships urban agriculture use this sector for survivalist purposes and at a scale of subsistence farming rather than as commercial farming that can contribute to township economic development (Ibid.). Township urban agriculture is internally focused, meaning that it does not have forward linkages with markets existing outside townships (Ibid.). However, it does have limited forward linkages to informal local retail outlets (Ibid.). Some of the constraints to the development of this sector include the lack of land, infrastructure, skills and funds to purchase the necessary inputs (Ibid.).

Township manufacturing occurs at a small scale, with limited local backward and forward linkages. Township manufacturing occur inside people's home and it often lacks forward linkages with places outside the area in which it is operating (Karuri-Sebina et al 2015). Township manufacturing includes activities such as sewing, baking, furniture manufacture, metal products (Ibid.). Some of the constraints to the development of this sector include the lack of infrastructure, poor location, access to suppliers and modern distribution networks in townships (Ibid.). Township retail businesses is different in terms of scale as it include both small to large scale retail businesses. It involves regional shopping centres to small, informal retail businesses, such as street trading and spaza shops (South African Cities Network 2009). Consequently, the services and goods that are available include food and beverages, clothing and footwear, home electronics and furniture. In terms of linkages, small scale township retail serve local residents while large scale serve both local and residents from neighbouring residents (Ibid.).

According to Ligthelm (2010) the growing middle class living in townships and the increase in population have played a significant role in the development of the township retail sector. This is also a reason why national retailers have moved to capitalise on the emerging markets in townships (Ibid.). This, however, has exposed small scale township retail to dangers of losing out to large shopping centres (Ibid.). Like small scale retail services, businesses providing personal and household services in townships have local forward linkages with the local market as their clients are township residents and purchase input locally (South African Cities Network 2009). These services include hair salon, childcare, mechanics, traditional healers, plumbers and electricians (Ibid.). Karuri-Sebina et al (2015) mentions that these businesses operate out of residential properties or spaza-type properties closer to their clients. Some of the constraint in the development of this sector include the overall low levels of income from township residents (Ibid.).

Township financial services, include accounting and book-keeping, cash loaning, funeral services, financial advice and insurance brokerage (Karuri-Sebina et al 2015). The spatial location of these businesses depends on the size of the business, with small scale businesses operating inside residential properties and middle scale operating in rented office buildings within townships (Ibid.). In terms of linkages, township financial services have local forward linkages (Ibid.). Some of the constraint in the development of this sector include the low skills and education levels in townships (Ibid.). Another important economic sector is township transport and most township residents rely on taxis, trains and public transport to commute to work as most do not have private transport (South African Cities Network 2009). In terms of linkages, township transport services are driven by local forward linkages (Ibid.). Some of the constraint to development with regards to this sector

include inefficiencies, long distances between places of economic opportunities and townships (Ibid.).

According to Rogerson (2011) township tourism is driven by people who come from outside townships to experience the 'township culture'. Moreover, some of these tourists visits townships to better understand South Africa's racial history of separate development (Ibid.). Areas that are dominant to township tourism include cultural and political sites, crafts markets, shebeens and local restaurants (Ibid.). In terms of the scale with regard to hospitality for tourists, the services are often provided in people's homes, in the form of bed and breakfast accommodation (Ibid.). Some of the constraint in the development of this sector include difficulties to access finance for the marketing of establishments and the upgrading of premises, lack of training and business information.

2.5. Concluding remarks

This literature review provides many compelling insights for understanding the processes I intend to study, notably the different effects of economic zones. Moreover, this literature review provides insights about the growing importance of mega-projects in cities. Mega-project form part of the strategies by states to attract capital and integrate national and urban economies into the global economic system. This literature review has also revealed the consequences of global connectivity at the expense of domestic economic linkages of some of these mega-projects/economic zones with local economies. In this literature review it has also been highlighted that for economic zones to be successful they have to be effectively linked to the domestic economy through backward and forward linkages. In this literature review the manner in which economic zones are being designed has also been discussed. On one hand it has been revealed that some scholars argue that economic zones have been deliberately detached from a country where they are located, in terms of access, how they are governed, and operate.

These off-shore enclaves – economic zones - are governed by capitalist rules that are put in place on purpose to serve the investors interests and not community interests. On the other hand this literature review has also revealed that some scholars believe that economic zones are not entirely separated from the country where they are located as a result they have effects or impact on the surroundings. For example, Robbins (2015) writing in the context of the DTP-KSIA mega-project has made findings that demonstrates that workers who are part of the DTP-KSIA mega-project are spending their income on accommodation of surrounding communities. However, the research conducted by Robbins and Van Coller (2009) and Robbins (2015) does not give us an extensive perspective about the dynamics that are play in different economic zones in South Africa. The case

of Motherwell is interesting since it will test the ability of an economic zone to have spill over effects through workers spending their income in a township.

This literature review tells us that economic zones can have economic effects on adjacent communities through workers expenditure. But at the same time, townships have been struggling to develop economic activities that would result in people spending their income in townships. The case of Coega is interesting since it is adjacent to Motherwell, and we know that elsewhere workers working in an economic zone do spend their income on accommodation on adjacent communities. There is a need for research to be conducted in this area because – if not - we might be tempted into assuming that in all economic zones workers do spend their income on accommodation in adjacent communities. Moreover, we might also assume that workers from an economic zone do not spend their income on adjacent community that is a township.

CHAPTER THREE:

UNDERSTANDING THE STATUS QUO OF MOTHERWELL AS A PRODUCT OF A "VAST WEB OF OCCURRENCES"

Roy (2012) argues that occurrences that take place in a particular time and space need to be understood as historical conjunctures. Consequently, any better understanding of these occurrences depends on the elucidation of facts and meaningful interpretation of prior events and/or occurrences that have shaped the status quo. The development of the Coega mega-project adjacent to Motherwell is one of the major developments amongst many that have existed before and shaped the status quo of Motherwell. The development of the Coega mega-project is located within a particular history of developments that have shaped Motherwell as I will demonstrate in this chapter. It is difficult then to think about or study the effects of Coega mega-project on Motherwell without recognising the "vast web of occurrences" that explains the status quo (Roy 2012). This will allow for an understanding to why certain decision were taken, and opens for argument why certain position and decision should be taken going forward, and possible ways in which the phenomenon which is of concern can be studied. In relation to this research, for example I wish to argue that Motherwell cannot continue to be isolated as it was during the apartheid area. As a result development, especially adjacent development, needs to benefit or be significant to this community.

The primary aim of this chapter is to discuss the status quo of Motherwell - which to a certain extent – will reveal the effects of the Coega mega-project. However, it is difficult to identify these effects without understanding what was happening before the Coega intervention. Moreover - as I have mentioned in chapter one - this needs to be accompanied by a study that allows for effects of the project to be disaggregated from other projects that have also taken place in Motherwell. As a result this chapter will discuss key moments in the history of the area of study with an intention of providing a picture of how this area has developed throughout the years. This will include key moments in the development of the broader Port Elisabeth and Motherwell. The reason for discussing both the history of Port Elizabeth and that of Motherwell is because it is difficult to separate the two. This is the case because the history of Motherwell is the product of historical developments of the broader Port Elisabeth region as I will demonstrate in this chapter. Moreover, in this chapter I will also discuss the status quo of the area of study (Motherwell), compared to the broader municipal region. This will allow for the performance of Motherwell to be evaluated in relation to the broader municipality.

3.1. Profiling Motherwell and the Nelson Mandela Bay Municipality - A Comparative Understanding of the Status Quo.

The total population that occupies the municipality of Nelson Mandela Bay is recorded by the Census 2011; Statistics South Africa to be 1 152 115 people and Motherwell constitutes 165 469 people of this population. Of this population - in the case of the Nelson Mandela Bay Municipality (NMBM) – 60.1 % are Black Africans, 23.6 % are Colored people, 14.4 % are White people and the last 1.1 %, are Indian people (see table 3.1) (Ibid.). In the case of Motherwell the situation is completely different with 99.2 % of the population being categorised as Black Africans, and the last 0.8 % representing all the other groups mentioned above (see table 3.1) (Ibid.). Another interesting characteristic that defines the population of Motherwell and that of the NMBM is the language that people speak. In the case of the NMBM 53.9 % of the population is speaking IsiXhosa, 29.3 % is speaking Afrikaans, 13.5 % is speaking English and the last 3.3 % include people who are speaking other languages not mentioned above (see table 3.1) (Ibid.). In Motherwell – again the situation is completely different - 93.1 % of the population is speaking IsiXhosa, while 2.9 % of the population speaks English and the last 4 % of the population speak other languages that are not mentioned above (see table 3.1) (Ibid.).

	Nelson Mandela Bay Municipality		Motherwell
Population	1,152,115		165 469
Racial Makeup	Black Africans	60.1 %	99.2 %
	Colored	23.6 %	0.8 %
	White	14.4 %	
	Indian	1.1 %	
First Language	IsiXhosa	53.9 %	93.1 %
	English	13.5 %	2.9 %
	Afrikaans	29.3 %	-
	Other	3.3 %	4.0 %

Table 3.1: adopted from Census 2011; Statistics South Africa is a comparative table that depicts the population, racial makeup and first language of Motherwell and the NMBM.

The second type of characteristics in which the NMBM and Motherwell can be compared is education. This is one of the significant characteristics in defining or profiling a community because it is one of the core elements in eliminating poverty and reducing inequality (National Development

Plan 2011). The key role of education is to empower communities and people to a level where they can take control of their lives; it gives people abilities to overcome poverty and unemployment (Ibid.). In this section the figures presented on education exclude the current population of pre-school and school going age of 0-19. Moreover, in the NMBM 1.5 % of residents above the age of 20 are unspecified (refer to table 3.2) (Quantec Research 2011). In Motherwell the percentage for unspecified residents is 0.3%. In the NMBM, 3 % of the population have no schooling, while in Motherwell the percentage of those with no schooling is 3.7 % (refer to table 3.2) (Ibid.). According to the Quantec Research (2011) in the NMBM 13.3 % of the residents have either completed primary or have some primary education (refer to table 3.2). In Motherwell the percentage of the residents that have completed primary or have some primary education is 15.6 % (refer to table 3.2) (Ibid.).

	NMBM		Motherwell	
No Schooling	22 646	3%	3909	3.7%
Some Primary	67 404	8.9%	11419	10.9%
Completed Primary	33 379	4.4%	4913	4.7%
Some Secondary	301 656	39.8%	44477	42.5%
Completed Grade 12	225 862	29.8%	31447	30%
Higher Education	91 365	12. 1%	7923	7.6%
Unspecified	3 121	0.4%	257	0.3%
Not Applicable (e.g. institutional transients)	11 683	1.5%	336	0.3%
Total	757116	100%	104681	100%

Table 3.2: adopted from Quantec Research (2011) illustrates the levels of education of the people above the age of 20 years old of Motherwell and the Nelson Mandela Bay Municipality (NMBM) comparatively.

Table 3.2 also demonstrates that in the NMBM 39.8 % of the residents have some secondary education but they never completed Matric or Grade 12 (Quantec Research 2011). For Motherwell, the percentage for residents that have some secondary education is 42.5 % as illustrated in table 3.2 (Ibid.). In the above comparative presentation of education levels between the NMBM and Motherwell it is evident that the difference is not that much in percentages. When excluding higher education Motherwell is performing in levels that are slightly higher than the levels of the NMBM. Important to note is the fact that the percentage of residents that have completed Grade 12 in Motherwell is slightly above to that of the NMBM. In the NMBM 29.8 % of residents have completed

Grade 12, while in Motherwell 30 % of the residents have completed Grade 12 (refer to table 3.2) (Quantec Research 2011). In the case of higher education as demonstrated in table 3.2 Motherwell is not doing so well as it only have 7.6 % of its residents with higher education compared to the NMBM that have 12.1 % (refer to table 3.2) (Ibid.).

The third type of characteristics in which the NMBM and Motherwell can be compared is employment and levels of income. Based on a narrow definition of unemployment - 30.67 % of the population is unemployed in Motherwell (refer to table 3.3) (Quantec Research 2011). These are people in the age of 15 – 64 who are actively seeking employment. The figures for unemployment in Motherwell when compared to the NMBM unemployment figures that stand at 21.19 % show that Motherwell is performing very badly within the NMBM area (refer to table 3.3) (Ibid.). The unemployment of both Motherwell and the NMBM as per the narrow definition of unemployment excludes those who are not actively seeking employment and those who were looking for employment and are now discouraged. In the case of the NMBM 5.3 % of the working population constitute discouraged job seekers and this percentage is slightly lower than 6.35 % of the discouraged workers in Motherwell (refer to table 3.3) (Ibid.). The figures for those who are not economically active stand at 36.74 % for the NMBM and at 31.63 % for Motherwell (refer to table 3.3) (Ibid.). Other interesting figures are employment figures which shows that the township of Motherwell is doing badly comparatively to the NMBM. For Motherwell the percentage of employed residents is at 31.34 % compared to 36.77 % of employed residents in the NMBM (refer to table 3.3) (Quantec Research 2011).

	NMBM		Motherwell	
	Total	Percentage	Total	Percentage
Employed	290155	36.77%	35919	31.34%
Unemployed	167229	21.19%	35147	30.67%
Discouraged work-seeker	41859	5.3%	7279	6.35%
Not economically active	289969	36.74%	36247	31.63%
Total	789212	100%	114590	100%

Table 3.3: adopted from Quantec Research (2011) illustrates a comparative employment statuses of Motherwell and the NMBM (age 15-64).

In terms of monthly income table 3.4 demonstrates that – apart from those who earn no income – the percentages of the people who earn income decrease as the level of income increases. These

percentages, however, are different in the rate in which they decrease. For the NMBM the percentage decrease at a rate that is lower than that of Motherwell. This means that the NMBM is performing much better that Motherwell is terms of the number of people who earn higher incomes compared to the number of people who earn lower income. Based on the people who are employed in the NMBM and in Motherwell, 7.9 % of residents in the NMBM do not earn an income (refer to table 3.4) (Quantec Research 2011). In Motherwell the percentage of the people who do not earn an income is 9.2 % (Ibid.). As demonstrated in table 3.4, in the NMBM 40.95 % of the people employed earn a monthly income in the range of R1 to R3200 (Ibid.). In the case of Motherwell the percentage of employed people earning income in the range of R1 to R3200 is 55.86 % (refer to table 3.4). In the income range of R 3201 - 12800 it is 30.52 % of the employed residents in the NMBM that earn monthly income within this range (Ibid.). In Motherwell it is 24.88 % of the employed population that earn income in the income range of R3201 – 12800 monthly (refer to table 3.4) (Ibid.).

	NMBM		Motherwell	
	Total	Percentage	Total	Percentage
No income	23018	7.9%	3307	9.2%
R1 - 3200	118823	40.95%	20065	55.86%
R 3201 - 12800	88556	30.52%	8938	24.88%
R 12801 - 51200	39923	13.76%	2256	6.28%
R 51201 - 204800	3060	1.05%	120	0.33%
R 204801 or more	719	0.25%	35	0.10%
Unspecified	16056	5.53%	1198	3.34%
Total	290155	100%	35919	100%

Table 3.4: adopted from Quantec Research (2011) depicts comparative figures for monthly income between the people employed of NMBM and Motherwell.

In the NMBM 13.76 % of the employed people earn a monthly income in the R 12801 – 51200 range (refer to table 3.4) (Quantec Research 2011). In the case of Motherwell it is 6.28 % of the employed people that earn monthly income in the range of R 12801 – 51200 (Ibid.). As demonstrated in table 3.4 in the case of the NMBM 1.05 % of the employed population earns a monthly income in the R 51201 - 204800 range (Ibid.). While in Motherwell 0.33 % of the employed population earns monthly income in the R 51201 - 204800 range (Ibid.). The last income range considered in this chapter and depicted in table 3.4 shows that 0.25 % of the employed people in the NMBM earn a monthly income in the R 204801 or more range (Ibid.). For Motherwell, 0.10 % of the employed population

earns income in the range of R 204801 or more (Ibid.). The data presented in table 3.4 shows that for NMBM 5.53% of the employed population is unspecified and for Motherwell 3.34% is unspecified.

3.2. Development and the Economic Performance of Port Elizabeth

The first group of peoples from outside the African continent (Europeans) arrived in 1488 on the shores of what now is known as Algoa Bay, searching for a route to India for the lucrative spice trade (Frescura 1990). Since this time the Port of Port of Elizabeth was until the late 1700's marked on directional maps as a "landing place for fresh water" and nothing else (Ibid.) In the mid-1700s more and more ships began to pass the "Bay" and some would stop for 'fresh water' as a result they were given hospitality by Dutch farmers who had moved from the Cape for fertile land (Nelson Mandela Bay municipality 2015). Christopher (1995) demonstrates that subsequent to these developments in 1815 a formal town called Port Elizabeth was laid out by the Cape Colonial government to develop as a port. However, according to Frescura (1990) no major economic developments happened until 1820 when a group of 4000 British settlers arrived.

The economic growth of Port Elizabeth during the 1800s was driven by the development of commercial wool farming in the eastern districts of the Cape Colony (Pakes 1998, Baines 1994). These economic developments were significant since they coincided with a boom in the textile industry in Britain (Baines 1994). And the town of Port Elizabeth was used to handle and later process angora hair, hides, wool and ostrich feathers that was passing through its harbor (Frescura 1990). Hence the Port of Port Elizabeth became the premier port of the Colony by the mid-nineteenth century (Baines 1994). At this stage, the town of Port Elizabeth also attracted two major imperial banks that decided to establish their Cape headquarters in this town (Müller 2010). This sure cased the economic growth and linkages between the town and the international markets. However, the decline in wool prices and contracting international markets, resulted in the Cape's economy experiencing a period of recession (Müller 2010). But according to Frescura (1990) the discovery of gold in the Transvaal and diamonds in the Northern Cape provided fresh economic stimulus to the new town as the harbor was used to transport these extractions outside the country (Ibid.).

As a result of the abovementioned developments many merchants in Port Elizabeth branched into wider range of businesses including diamond business and property (Baines 1994). But diamonds were the main product until the railroad from Cape Town to Kimberley was built (Ibid.). In 1924, the government of Port Elizabeth made significant economic changes, with its commitment to stimulating industrial development by means of import duties and other protective measures (Voges

2013). A policy for industrial development that responded to the world-wide industrial boom was adopted (Ibid.). The policy allowed the government of Port Elizabeth to play an active role in attracting industrial investment by providing discounts on facilities such as electricity and gas, and made land available for industrial development (Dorfling 1999). The government also decided to adopt a labour policy protecting its electorate (white workers) against the competition from other groups (Baines 1994). As a result many unskilled and unemployed whites were given preferential employment by government departments, municipalities, the railways, harbours as well as some of the major new industries in the private sector, such as the motor industry (Ibid.).

3.2.1. Three Phases of Industrial Development Built on the Motor Manufacturing Industry

According to Dorfling (1999) the industrialization of Port Elizabeth happened in three phases. The first two phases were preceded by a world war. Phase one which begun in 1924, after the 1st world war involved the assembly of parts made elsewhere by industries and the production of basic consumer goods (including footwear, and food industries) (Baines 1994). The company Ford was amongst the first industries to be established in Port Elizabeth for the local market (Dorfling 1999). Apparently this company, firstly wanted to assemble cars in Durban before calculating that it was going to be cost saving to assemble them in Port Elizabeth (Baines 1994). In 1929, Ford had assembled more than 5 000 cars and trucks and increased demand resulted in the establishment of a new and larger plant in 1930 (Ibid.). During this period Ford created more than 200 employment opportunities (Ibid.). Another assemble plant which came after Ford was General Motors which begun to assemble Chevrolet cars in 1926 (Müller 2010). According to Müller (2010) within a space of six months production at General Motors expanded to produce 1000 cars and 500 in 1927.

During the six month period, General Motors became the largest factory in South Africa, with 745 workers - all of them White - capable of producing 10 000 cars per year (Baines 1994). Within no time these developments resulted to the development of related industries which include the production of tyres and glass (Baines 1994). Thus in 1935 two factories (Shatterprufe and Armourplate) were established to supply safety glass for both building and motor industry (Ibid.). Another factory Firestone also started production of tyres in 1936 producing 20 000 tyres by the beginning of 1937 and employing 200 workers, all whites (Ibid.). According to Müller (2010), as a result of these initiatives it took only two decades for the motor industry to become a major factor in the region's industrial landscape. However, prior the advent of the Second World War, in 1935/36, the textiles and footwear sector remained as dominated industries providing 43 per cent of total industrial employment (Voges 2013). Moreover, the textiles and footwear sector accounted for 26

per cent of the number of industrial establishments as well as of the value of net output in Port Elizabeth (Ibid.).

The second phase of industrial development in Port Elizabeth became evident after the 2nd World War and it was characterized by a shift towards the production of consumer durables and capital goods (Dorfling 1999). During this phase expansion in the textiles, motor and component industries were experienced in Port Elizabeth (Department of Trade and Industry, 1996). At this stage growth in wool trade was experienced as a result both local and foreign investment was attracted in the wool textile industry (Pakes 1998). In 1947 a London firm established a factory called Bowling Mills that engaged in washing, carding and combing of wool in Port Elizabeth (Ibid.). In 1948, Cape of Good Hope Wool Combers engaged on similar undertaking in Uitenhage (Ibid.). It took two decades for spinning, weaving and knitting mills in Port Elizabeth to expand to a point where it began to process not only wool but also cotton and artificial fibres (Ibid.). The textile industry in Port Elizabeth was at this point capable of producing a variety of blankets, carpets, felt fabrics, cloth and knitwear for the local market as well as for export (Baines 1994).

Another significant moment in the second phase of industrial development in Port Elizabeth, was the establishment of the region's third motor assembler, in Uitenhage (Müller 2010). In 1948, South African Motor Assemblers and Distributors began to assembly cars in Uitenhage – this was first led by Studebakers, followed by Austins and later by Volkswagens (Ibid.). As a result Volkswagen, soon began to be dominant with the factory selling 50 000 units within ten years (Ibid.). This motivated Volkswagenwerk in Germany to purchase controlling interest in the Uitenhage factory, in 1956, and to phase out production of other companies vehicles (Baines 1994). In 1945, Goodyear also decided to established plant in Uitenhage that produced tyres (Ibid.). Four years later General Tyre also established a plant in Port Elizabeth that produced tyres (Ibid.). Significant developments were also experienced at Ford and General Motors as they established new plants and launched major expansion programmes following the introduction of conveyor belts and other automated features (Ibid.).

Adler (1993) argues that the third phase of industrial development in Port Elizabeth was marked by the decline in import substitution signaling the success of the local content programme which was implemented by the government in 1961. Government implemented this programme with the objective to transform the industry from primarily assembling parts into a manufacturing industry (Ibid.). The policy requested that local manufacturing factories – over the course of time – should increase the amount of inputs obtained from local sources (Pakes 1998). With this policy, government anticipated potential increase on new investments and increase in employment in the

manufacturing industry (Ibid.). It was anticipated that a new local market for steel, technology in South Africa was going to develop and create employment (Ibid.). The motor industry, as a result of the local content programme, developed to be a dominant industry in the regional economy (Müller 2010). Between 1967/68, in the Port Elizabeth region, the transport equipment sector was employing 40% of all those who were employed in the industrial sector (Ibid.).

Important to note is harbour development in Port Elizabeth which in some way it was linked to the industrial expansion of Port Elizabeth. Voges (2013) note that the expansion of industrial activities in Port Elizabeth gave urgency to the need to develop a modern harbor capable of handling the quantity of products going in and out of the Port of Port Elizabeth. The need for a modern habour was a reality since the traditional habour of Port Elizabeth was a constraint for the importation of raw materials, and for the production, distribution and export of finished products (Voges 2013). Consequently, the harbour of Port Elizabeth was developed in stages, responding to different period of industrial expansion of Port Elizabeth. This include the construction of quays in 1931, providing deep-water berthage in the area (Voges 2013). A second quay was completed in 1939 and a third in 1959, both of which obtained pre-cooling plant and cold storage facilities for fruit exports (Ibid.). A specialized ore-loading berth was added in 1963 for iron and manganese ore exports, and a container wharf in the 1980s (Ibid.).

3.2.2. A Period of Economic Decline

According to Müller (2010) the manner in which industrialization in Port Elizabeth happened was always going to be a problem for the local economy because much of the economy was, to a large extent, depending on employment, production patterns of three firms (Volkwagen, Ford and General Motors). These firms did well until the introduction of political and economic sanctions by the international community to South Africa which led to two Port Elizabeth based firms (Ford and General Motors) reducing and/or closing their plants (Müller 2010). The consequences of this were massive on the economy of the region. In the early 1970s levels of unemployment increased enormously, while the population was increasing resulting to an increase in demand for employment (Müller 2010). According to Christopher (1995) in 1855 the population of the town had reached nearly 5000 people and this number grew to approximately 46 000 by 1904. In 1951 the population of the town grew to 200 000 people and it continued to grow and it had reached approximately 800 000 by 1991 (Ibid.). In parallel to these constraints to the economic development of Port Elizabeth, the area lost its edge for attracting industries. This was the case since some inland locations became more attractive due to their proximity to places such as from the Pretoria/Johannesburg region - largest and most rapidly growing market for consumer goods (Müller 2010).

According to Müller (2010) the manner in which South Africa reintegrated into the international economy in 1994 was another constraint for economic development of Port Elizabeth. The approach taken by government was to reduce the level of tariff, non-tariff protection, tax and other incentives for industries in South Africa and this posed severe threats to local manufactures (Pakes 1998). As a result the motor industry in Port Elizabeth experienced decline in demand both locally and internationally due to cheaper exports (Ibid.). Consequently, industrial investment in Port Elizabeth decline and the port, as an industrial node, started losing its attraction (Voges 2013). In recent years some commentators have predicted that the region could enter a renewed growth phase (Müller 2010). In 1999 government announced its commitment to establish the Port of Ngqura and Coega mega-project, some 30-kilometers North Port Elizabeth city centre (Ibid.). Voges (2013) note however that during this time the City of Port Elizabeth was faced with issues of unemployment as certain parts of the motor industry were closing most of their plants.

3.3. The Development of Motherwell

The rise of the black African population seeking employment in Port Elisabeth according to Frescura (1990) resulted in the establishment of the so called "locations" or townships on the outskirts. Locations are defined by Rosenthal in Frescura (1990: 2) as "large Native Reserves as well as small areas in municipalities earmarked for residence by Africans". The design of South Africa townships or locations was such that each race group was forced to have its own township (Ibid.). Furthermore, the design of South Africa townships was in a way that each township was expected to be separated by a “buffer” such as industrial areas, rivers, railway lines and major routes (Ibid.). Pernegger and Godehart (2007) note that in cases where such buffers were not available, open spaces or “buffer zones” were used to separate different groups. The South African townships were linked to areas of employment such as industrial areas “by a single road and possibly one railway line that could easily be blocked in cases of social unrest” (Ibid.: 7).

In the case of Port Elizabeth the process to relocate different population according to their racial groupings had various effects particularly in black African townships (Frescura 1990). For example, in New Brighton – a suburb declared as a black suburb under the apartheid government - the population which was estimated to be at 35, 000 persons in 1951 increased to 97,000 by 1960 (Ibid.). The apartheid government of Port Elizabeth decided to establish new townships to accommodate black people relocated from this township and other townships which existed at the time and after this period (Ibid.). KwaZakhele in 1956, Zwide in the late 1960s and Motherwell in 1982 were the product of this (Ibid.). The initial lay-out of Motherwell under the apartheid

government was inspired by planning models which existed at the time such as the British "New Town" (Pernegger and Godehart 2007).

The "new town" planning model generally involved the development of new towns with independent economies that constitute of major urban centres and sub-centres to accommodate commercial and public facilities (Ibid.). As a result some of this thinking is evident in the master plan of Motherwell. The master plan of Motherwell was developed and approved in 1982 and construction of the township commenced in 1984 (Nelson Mandala Bay Municipality 2014a). The 1982 master plan of Motherwell estimated that this township would accommodate about 96 000 people when fully developed (Hellsten and Tellden 2006). The 1982 master plan for Motherwell also proposed that the township would be made up of nine Neighborhood Units (refer to figure 3.1) (Ibid.). Today, according to Hellsten and Tellden (2006) Motherwell has grown to accommodate a number of residents almost double the number that it was anticipated by the 1982 master plan. The number of people who reside in Motherwell according to the Quantec Research (2011) is estimated at 165 469 inhabitants.

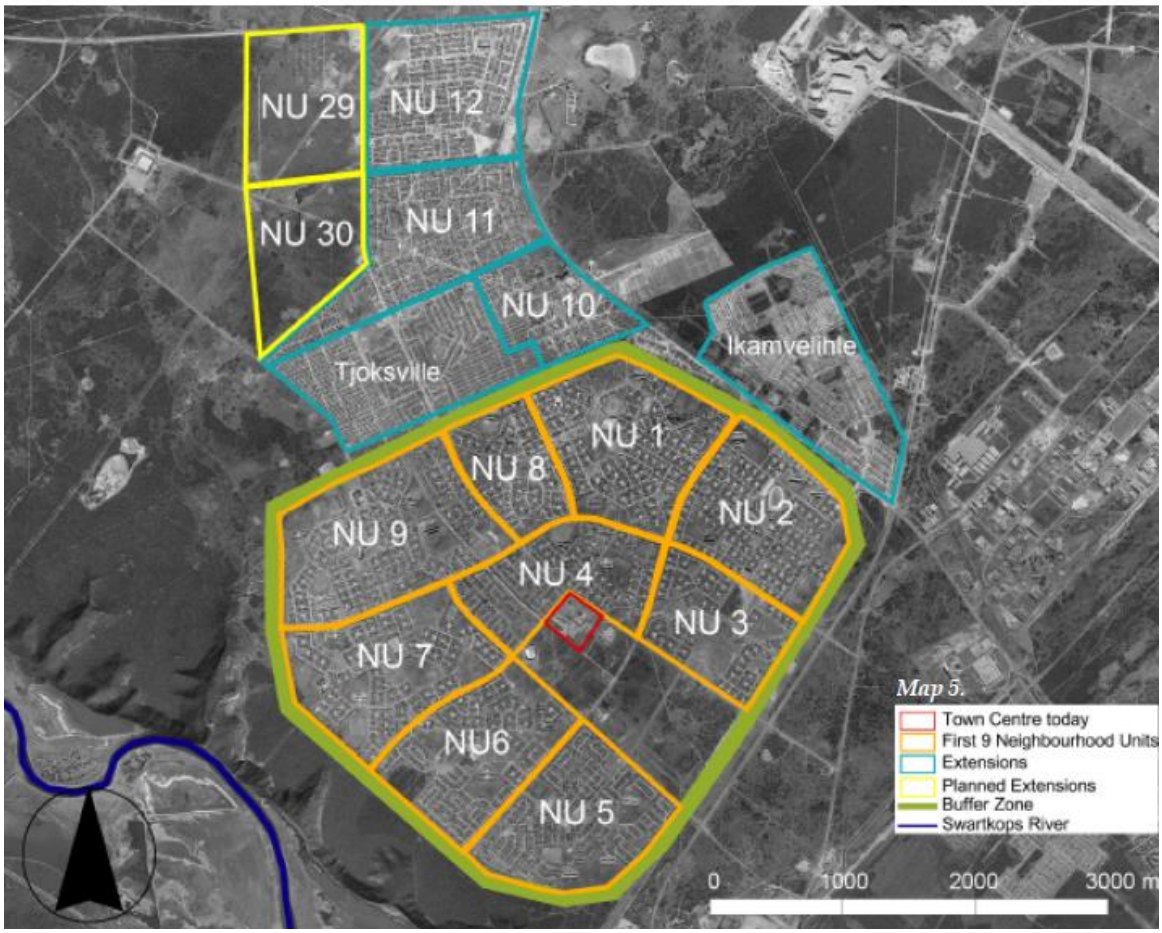


Figure 3.1: adopted from Hellsten and Tellden (2006) illustrates the different Neighborhood Units, town centre (today) and the buffer zone that were proposed by the 1982 master plan.

Due to population increase along the years the nine neighborhood unit proposed by the 1982 Motherwell master plan, were subsequently extended towards the northwest (refer to figure 3.2) (Hellsten and Tellden 2006). Today, Motherwell consists of a total of 14 numbered neighborhoods units (1 to 12 and 29 to 30); as well as Ikamvelihle (Ibid.). The 1982 master plan for Motherwell suggested that different housing typologies should be built in different stages in the life cycle of the township (Ibid.). In the allocation of housing in Motherwell it was recognised in the master plan that the Black population was not homogenous (Hellsten and Tellden 2006). As a result people were allocated housing based on their economic, education and social status (Ibid.). For example, two Neighborhood Units - 5 and 6 were reserved for Black middle income earners and this included teachers, nurses and police officers (refer to figure 3.2) (Ibid.). The planning of Motherwell like most Townships planned during the apartheid had to follow apartheid legislation. This legislation made it possible for a buffer zone of about 150m – 270m in Motherwell to be left undeveloped (refer to figure 3.1) (Hellsten and Tellden 2006).

Although most goods and services were located in Port Elisabeth CBD, the government of Port Elisabeth proposed the development of a town centre (for basic services and goods) to be built in Motherwell as to minimise the interaction between people of Motherwell and of other areas (Hellsten and Tellden 2006). As a result Motherwell was expected to have a town centre that would accommodate commercial and public facilities. As discussed above this was in line with the “new town” planning model which was one of the dominant planning models at the time. It is important to note that there were also contradicting views on the idea to develop Motherwell as an independent township - in terms of economic and public facilities - since this idea altered one of the functions of townships (Pernegger and Godehart 2007). According to Pernegger and Godehart (2007) townships were also expected to function as dormitory suburbs for non-White working class. As a result in Motherwell the “new town” elements that were incorporated in the master plan of Motherwell were never wholly realized (Hellsten and Tellden 2006).

Hellsten and Tellden (2006) mentions that the land for the proposed developments was reserved as a result if you go to Motherwell today you will see a lot of vacant land which was meant for the development of various commercial and public facilities. Pernegger and Godehart (2007: 10) notes that this type of development has meant that township economies “could never develop because of large amounts of money leaving the townships to pay for fees, goods and services” elsewhere. According to Pernegger and Godehart (2007) for townships to develop, money needs to come into townships and circulate many times before it leaves. For example, in the case of workers from the Coega mega-project they will have to spend their income on businesses in Motherwell and workers

from these business would have to spend their salaries in Motherwell. As a result business in Motherwell will strive and develop to employ more local people.

It is important to note that in the absence of formal retail activities in townships residents responded with "spaza shops and other small service providers developed primarily as a result of growing unemployment but are also a response to the inconvenience of long distances and the costs of transport" (Ibid.: 10). However, this response did not result to significant money coming into townships (Pernegger and Godehart 2007). Furthermore, it did not provide sufficient retail choices as a consequence township residents had to engage in what is known in economics as 'outshopping' (Ligthelm 2008). According to Ligthelm (2010) out-shopping refers to the phenomenon of shopping outside one's own township and it is an opposite of in-shopping which means the shopping within one's own township. In the post-apartheid South Africa the income growth of township residents has resulted in substantial changes to the structure of expenditure and this had implications on out-shopping. Ligthelm (2010: 132) note that various "studies on economic class dynamics on township demonstrates that significant gains on household income during the period 1998 to 2008 had been made".

The income growth experienced in townships altered the structure of expenditure by township residents - from a 'narrow' demand structure based on basic needs such as food into a more diversified demand structure that include durable and semi-durable goods (Ligthelm 2010). The income growth experienced in townships according to Ligthelm (2008) also resulted to the development of strategies by national retailers on how they can benefit from the "emerging markets" of South African townships. As a result national retailers in South Africa have moved into townships through the development of shopping centres/malls (Ibid.). This include the 'famous' Maponya mall in Soweto (Johannesburg), Umlazi Mega-City in Umlazi (Durban), Promenade in Mitchells Plain (Cape Town), KaNyamazane in KaNyamazane (Nelspruit), New Brighton Plaza in New Brighton (Port Elisabeth) and Motherwell Shopping Complex in Motherwell (Port Elizabeth) (Ibid). This demonstrates that equivalent investment have been seen in Motherwell and this can be understood as a step towards establishing inshopping amongst residents. However, the impact or consequences of these development are enormous.

The impacts of shopping malls can also be understood in relation to spaza shops and other small service providers that have existed in townships since the apartheid era. Ligthelm (2008: 37) notes that the existence of spaza shops (often in close proximity to residents) and shopping malls "clearly suggests a decline in the township retailers' market share". Apart from these developments, which are driven by the private sector the national and local government have also made some effort in

the development of townships by either spending, allocating and/ or committing some resources to change the poor conditions that characterise many South African townships. In the case of Motherwell, one of the programmes in which government have spent, allocated and/ or committed some resources to address the issues facing this township is the Motherwell Urban Renewal Programme (MURP). In February 2001, former President Thabo Mbeki identified eight nodes in six different cities in South Africa where the Urban Renewal Programme (URP) was to be implemented (Nelson Mandela Bay municipality 2010a).

Nelson Mandela Bay Metropolitan, in particular Motherwell was earmarked as one of the URP nodes (Ibid.). The broad objectives guiding the MURP according to the Nelson Mandela Bay Metropolitan (2014a) are eradication of poverty, skills and human resource development, small-medium business development, and to reduce crime. One of the first tasks for the MURP after the URP was announced by Thabo Mbeki was to conduct a socio-economic study which was completed in June 2001 (Nelson Mandela Bay Metropolitan 2014a). In October 2002 the first business plan for the MURP was presented, containing 69 projects, which largely attempted to address infrastructure backlogs in Motherwell (Ibid.). Following the presentation of the business plan, was the appointment of a programme manager for the MURP in 2003 (Ibid.). Moreover, a special unit was established under the Engineering; Infrastructure; Electricity and Energy Portfolio to facilitate and coordinate the MURP (Ibid.).

Since that time, the MURP Unit has steadily developed into a fully operational entity (Ibid.). In 2004 a Masterplan for the MURP was developed and completed in 2006 (Hellsten and Tellden 2006). In this Masterplan short, medium and long term objectives were provided to span over the period from 2004-2021 (Ibid.). The MURP according to the Nelson Mandela Bay Municipality (2014a) involves 12 flagship projects that translate into a plethora of ward base projects. The flagship projects include housing development (in the form of RDP houses), public open space development, road upgrading and development, the building of Motherwell health care centre, Motherwell cemetery, Thusong centre (municipal customer care centre), community halls, Raymond Mahlaba sports centre, community training facilities, the allocation of informal trading containers, cleaning and beatification Initiatives (Ibid.).

Some of the flagship projects are demonstrated from figure 3.2 to figure 3.7. One of the noticeable projects that are a product of the flagship projects discussed above include the Addo Road pedestrian bridge and Addo Road walkways in NU2 (Nelson Mandela Bay Municipality 2014a). In NU 29 the storm-water project, which comprised the installation of water mains, sewer and gravel roads, is also one of the noticeable projects that have resulted from the flagship projects mentioned

above (Ibid.). A car washing business was also established in NU3 and NU9 areas and structures were established to allow this type of business to function (Ibid.). As part of the MURP in NU11 and NU12 sports fields were also built (Nelson Mandela Bay Municipality 2014a). An agri-hydroponics – a food security programme and a branch of the South Africa Home Affairs office have also been established in Motherwell as part of the MURP (Ibid.).

Some of of the projects that are a product of the flagship projects mentioned above are demonstrated from figure 3.8 to figure 3.12. According to the Nelson Mandela Bay Municipality (2014a) various social development initiatives were also implemented to improve people's chances to find employment but also to encourage them to create their own business. This includes community training of about 1000 people on how to start businesses, the training of 18 people involved in basic and advanced leather textile, the training of 18 people involved in hairdressing, and the training of 27 people for driver's license (Ibid.). Furthermore, non-profit organisations (such as Home base care, Early child development) were also assisted with equipment such as computers, and cooking appliances.

Flagship projects



Figure 3.2: adopted from Nelson Mandela Bay Metropolitan (2014a) depicts Thusong Centre.



Figure 3.3: adopted from Nelson Mandela Bay Metropolitan (2014a) depicts Public open space development.



Figure 3.4: adopted from Nelson Mandela Bay Metropolitan (2014a) depicts housing development.



Figure 3.5: taken by the author in 2015 depicts Motherwell Health Care Centre.



Figure 3.6: adopted from Nelson Mandela Bay Metropolitan (2014a) depicts Road Upgrading and Development.



Figure 3.7: adopted from Nelson Mandela Bay Metropolitan (2014a) depicts Informal trading.

Some of the Ward based projects



Figure 3.8: adopted from Nelson Mandela Bay Metropolitan (2014a) depicts Sports fields.



Figure 3.9: taken by the author in 2015 depicts the South African Home Affairs.



Figure 3.10: adopted from Nelson Mandela Bay Metropolitan (2014a) depicts the Addo Road pedestrian bridge.



Figure 3.11: adopted from Nelson Mandela Bay Metropolitan (2014a) depicts the Agri-hydroponics

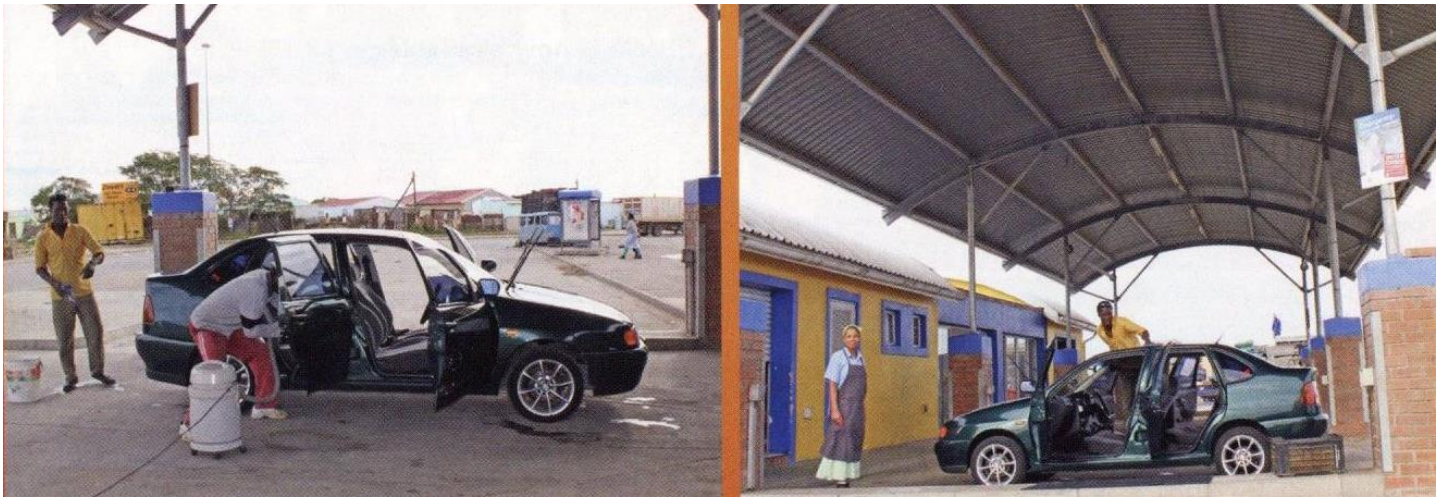


Figure 3.12: adopted from Nelson Mandela Bay Metropolitan (2014a) depicts the Carwash Initiative in Motherwell.

3.4. Concluding remarks

The reading on the status quo and history of Motherwell allows for a couple of comments to be made about Motherwell in relation to the topic of this research. First, the challenges of unemployment, poverty, and education that are facing Motherwell today are very much linked to historical developments such as apartheid planning. Apartheid planning ensured that Motherwell was to develop as an isolated suburb. As a result this suburb still, even today exists as an isolated suburb from the rest of the city. This is obvious; for example, if you look at the minimal infrastructure developed to connect this suburb with major areas of employment, recreational activities and shopping centres. However, there is an attempt from government - in particular through the MURP - to address some of these issues facing Motherwell. But it is important to note

that the public sector investment - that manifest through “poverty alleviation” projects prevalent in Motherwell - alone cannot usher in more economically sustainable development. The township of Motherwell was and is still neglected by the private sector in terms private sector investment that would create jobs for people.

Secondly, as I will suggest in chapter six there is need to further investigate the assumptions that the existence of the Coega mega-project in close proximity presents a greater potential for job opportunities and growth for Motherwell. This is the case because this chapter reveals that there are no significant employment opportunities created in the Coega mega-project for people of Motherwell. The high levels of skills required in the operation of the Coega mega-project, relative to local skills available in Motherwell is a confirmation. In Chapter four it will be revealed that all of the workers that participated in this research – who work at Coega – have at least a grade 12 qualification. It is obvious that the level of skills or qualification required in the Coega mega-project are not in abundance in Motherwell due to the lower education levels. As a result it is difficult to prove that the Coega mega-project will result to employment opportunities for people in Motherwell. This research has taken further the assumptions that the existence of the Coega mega-project in close proximity presents a greater potential for job opportunities and growth for Motherwell. By investigating whether employees at Coega spend their income on businesses that are operating in Motherwell. Indeed there is a need to investigate other areas - as I will suggest in chapter six - to have a full understanding on the possible consequences of the Coega mega-project in terms of poverty elevation and employment in Motherwell.

CHAPTER FOUR:

COLLECTING DATA - RESEARCH STRATEGY AND METHOD

This study has specifically focused on induced economic effects, in the form of understanding whether workers employed as part of the Coega mega-project spend their income on adjacent communities. In order to understand whether workers spend their income on adjacent communities I have decided to focus on one particular community which is Motherwell. Motherwell as a choice or area of study is interesting since the existence of the Coega mega-project is encourage by the Nelson Mandela Bay Municipality (NMBM) due to its potential to facilitate local economic development (in the form of job creation and economic growth) in Motherwell (see Nelson Mandela Bay Municipality 2010a, 2014b). In order to explore the above stated benefits and understand if they have been transmitted to the township of Motherwell, the design of this study focused on workers at Coega and their economic relationship with Motherwell. This particular chapter provides details on how this has been studied by discussing the research strategy that outlines the manner in which this research has been conducted. This chapter also discuss the research method used in this research to collect primary data. This method defines the means through which primary data was collected. This research will also discuss the research sample by profiling the different workers that have participated in this research. This chapter is important since it also allows one to analyse the reliability, breadth of the findings and it also outlines the limitations of the research.

4.1. Research strategy

The Initial approach, in collecting primary data for this research was to directly approach workers and ask them to complete a questionnaire. However, in my first site visit in Coega and in Motherwell - from the 11 June 2015 to the 08th July 2015 – it became apparent that it was going to be difficult to gain access into the economic zone. Access into the economic zone could have made it easy to identify and interview workers. The experience of trying to penetrate the Port of Ngqura and Coega IDZ area emphases some of the points already made in this research – under the literature review chapter. This include the notion that economic zones are designed to be impermeable to ‘outsiders’. In my fieldwork experience both administrative and spatial barriers were the main factors that prevented access into Coega. Spatial or physical barriers came in the form of electric fences and physical walls as well as security guards that prevented access into the economic zone and consequently to workers. This left me with no option but to talk with the economic zone management. The intention was to ask for permission to be allowed access in the economic zone and into the Vulindlela Accommodation and Conference Centre.

The Vulindlela Accommodation and Conference Centre is a newly established neighbourhood situated between Wells Estate, Motherwell and Coega. This neighbourhood was designed to house about 432 families and it occupies an area of about 13.79Ha (Nelson Mandela Bay Municipality 2010a). This residential area was built as part of the Coega mega-project to house workers (Ibid.). It is important, however, to note that this accommodation does not only accommodate workers that work for the Port of Ngqura and Coega IDZ mega-project rather workers working elsewhere are also allowed to live in this residential area (Ibid.). This residential area aims to attract a diverse range of workers as it provides a mixed typology of housing (see figure 4.1 and figure 4.2) (Ibid.). Furthermore, this residential complex provides services ranging from hiring conference venues, wedding halls and banquets venues (Coega Development Corporation undated). Those that work for the Port of Ngqura and Coega IDZ mega-project living in this residential area enjoy co-ordinated transportation from and to their workplace from designated pick-up points (Nelson Mandela Bay Municipality 2010a). The intention, of attempting to access this residential area and the economic zone by seeking permission from administrators failed. Hence, I have labelled the failure to access workers through this means an administrative barrier.



Figure 4.1: taken by the author in 2015 demonstrates a one storey detached house at Vulindlela Accommodation.



Figure 4.2: taken by the author in 2015 demonstrates three storey semi-detached houses at Vulindlela Accommodation.

As a result of the frustrations and delays resulting from the above barriers, on my second site visit (between the 26 of September and 06 October 2015) I decided to identify (with the help of the family I was staying with in Motherwell) respondents in Motherwell that matched the criteria for participating in this research. All the respondent that were identified were asked the following question; do you work for the Port of Ngqura, the Coega Development Corporation or any of the Industries located at Coega? Those who responded with the answer yes, were then identified and

asked to participate in this research. The research strategy adopted in study is a 'snowball' approach – in that one contact (interviewee) that I found in Motherwell led me to the next worker inside the Coega mega-project. In summary, the first option did not go according to the plan as I was denied access to the Vulindlela Accommodation and Conference Centre and the economic zone. Alternatively, I tried making contact with the Coega management for permission to speak with workers, and was not given permission. I had since opted for the option number two, where I had asked a family that I knew to link me with people staying in Motherwell workings at Coega. Fortunately, we managed to make contact with about five workers who then introduced me to 25 other workers.

4.2. Data Collection Method - Research Survey

The main method through which primary data was collected for this research is a research survey. According to Bhattacherjee (2012: 74) research survey is a research method that involves the use of "standardized questionnaires or interviews to collect data about people and their preferences, thoughts, and behaviours in a systematic manner". This research method has been used in this research to study individual people as the unit of analysis. This means that the research survey method was used to study preferences and/or consuming behaviour of individuals as a way of understanding them as a unit or a group – as workers. In the definition provided by Bhattacherjee (2012) above the research method adopted in this research is classified to involve both interview survey and questionnaire survey as instruments. As a result it is important to specify the precise instrument used in this research which is a questionnaire survey.

In developing this instrument I have looked for guidance in the work of Bhattacherjee (2012). Bhattacherjee (2012: 75) notes that this instrument consists of a "set of questions (items) intended to capture responses from respondents in a standardized manner". As a result the questionnaire used in this research consisted of a set of questions similar for every respondent. The questionnaire used in this research is made of a combination of unstructured and structured questions (refer to the questionnaire in the appendix). This is to note that some questions have been asked to respondents with expectations that they will provide responses in their own words, while other questions have been asked in a manner that allow respondents to select an answer from a given set of choices.

One of the important things considered as part of the process of developing questions was the fact that some workers might have various sources of income. As a result all workers who participated in this research were asked – as part of the questionnaire - to isolate or disaggregate all other sources of income and speak based on the income that they receive from the Coega mega-project. Workers

were told that if they were to incorporate other sources of income in their responses it was going to be difficult to understand the economic relationship between salaries from the Coega mega-project and businesses in Motherwell.

4.3. Research Sample

In this research 30 respondents participated as workers who represented different entities or organisations involved in the Coega mega-project. In particular respondents came from Transnet, Coega Development Corporation and Discovery Health. It has been highlighted in chapter two that the Coega mega-project is made of three main entities/organisations that employ workers. These include Transnet, Coega Development Corporation and companies or firms that have invested within the Industrial development zone. The initial idea in sampling workers that were to participate in this research was to ensure that workers from all these entities were involved. It is important to note, however, that not all firms or companies within the IDZ are represented in this research as already mentioned above. As demonstrated in table 4.1, 12 workers that participated in this research are working for Transnet, while eight workers are working for Coega Development Corporation (CDC). Lastly, 10 workers who participated in this research are working for Discovery Health (refer to table 4.1).

It is important also to note that the number of workers who participated in this research and the entities or organisations that they are working for were not by choice rather they were dictated by the research strategy discussed above. Under the research strategy section it has been discussed that this research adopted a snowball sampling process, where I started by identifying five respondents that matched the criteria for inclusion in this study. I then asked these workers to recommend other workers they knew who also meet the selection criteria. As a result the first five workers that I had identified were either working for Transnet, CDC and Discovery Health and they knew people who were working in these respective entities or organisations. The number of workers – to a certain extent - is also a product of the recommendations by the five workers who I firstly identified. The number of workers who participated in this research was limited to 30 because the five respondent which were identified in Motherwell recommended 25 workers. The three major sample groups comprised of the following ratio:

Entity/organisation	Number of workers
Transnet	12
Coega Development Corporation	8
Discovery Holdings	10

Table 4.1: done by the author demonstrates the number of workers interviewed and the organization/entity which they work for.

4.4. Profiling the Workers

The aim of this section is to profile workers who participated in this study and I would like to refer to this group of workers as 'skilled' workers. In this research 'skilled' workers are workers who have some level of training (at least a Grade 12 or equivalent qualification). While 'unskilled' workers refer to those with no training or minimal training in the form of no Grade 12 or equivalent qualification. As mentioned above - based on the process of sampling used in this research - it is difficult to claim that the data collected in this research speak for all the workers that are part of the Coega mega-project. The opinions of the sample that participated in this research might reflect their unique interests which might be different to interests and needs of other workers. Therefore I cannot assume that the manner in which these workers spend their income is representative of the ways the Coega population of workers at large or workers elsewhere spend their income. Hence, this limits the generalisability of the opinions made by the workers who participated in this research. This points to the fact that the manner in which interviewed workers spend their income might be biased or specific to this group of workers. In light of this context I also want to emphasise that - although the opinions provided by the participants might not be representative – they could also represent some of the general characteristics of the workers at large.

4.4.1. Racial Makeup

The history on how Port Elizabeth has developed - discussed in chapter three - demonstrates the importance of speaking about race in relation to employment. As it has been discussed in chapter three - in the past certain jobs were only reserved for certain racial groups in Port Elizabeth. As a result the aim of this section is to understand the racial makeup of the 30 workers from Coega who participated in this research. Of the 30 workers who participated in this – 21 workers are Black Africans (refer to table 4.2). Moreover, seven workers of the 30 workers who participated in this research are coloured people (refer to table 4.2). The last 2 workers from the 30 workers who participated in this research are Indian people (refer to table 4.2).

Racial Makeup	Number
Black Africans	21
Coloured	7
Indian	2

Table 4.2: adopted from the answers provided by workers at Coega illustrates the racial makeup of respondents.

4.4.2. Age and Gender Distribution

All the workers in the selected study sample were between the ages of 20 and 49, as demonstrated in table 4.3. Of the 30 workers who participated in this research 17 workers are females, while 13 are males (refer to table 4.3). Table 4.3 also illustrates that 17 workers who participated in this research were in the ages between 20 – 29 years old. Furthermore, seven workers who participated in this research were in the ages between 30 – 39 years old (refer to table 4.3). Lastly, six workers who participated in this research were in the ages between 40 – 49 years old (refer to table 4.3). Table 4.3 further demonstrates that males were only dominating in the age between 40 – 49 years old, while females were dominating in the age between 20 – 29 and 30 – 39 years old. As demonstrate in table 4.3, in the age between 20 – 29 years 10 females participated in this research, compared to seven males. In the age between 30 – 39 years old five females participated in this research compared to two males. Lastly, in the age between 40 – 49 years old four males participated in this research compared to two females (refer to table 4.3).

Of particular significance is the fact that, of the 30 workers who participated in this research, 21 workers are in the youth category - people in the ages below 35 years old. Furthermore, it is also interesting that 17 of the 30 workers who participated in this research are females. This is interesting since South Africa is experiencing a problem of both youth unemployment and gender inequality against women in employment. On one hand, in the Nelson Mandela Bay Municipality, the youth unemployment rate based on the broader definition is at 47.3 %. This is above the unemployment rate of the Nelson Mandela Bay Municipality that stand at 36.6%. It is important to note that both unemployment figures are based on a broad definition of unemployment which include people in the age of 15 – 16 who are not searching for employment. This means that the youth unemployment rate in the Nelson Mandela Bay municipality is one of the serious issues and it contributes a lot in the worsening of unemployment in the Nelson Mandela Bay Municipality.

On the other hand, the year 2015 marked the cut-off date for countries to reach the millennium development goals set by the United Nations (Fehling et al 2013). In relation to employment and

gender, one of the targets was that the employment of women and men should be in a 50/50 ratio by 2015 and both genders should have been considered and employed for similar levels of employment. (Oliphant, 2015). However, it appears that South Africa has not met this target Fehling et al (2013). As a result, the sample of 30 workers who were considered for this research is doing much better than the county.

Age **Gender**	**20 – 29**	**30 - 35**	**36 - 49**	**Total**
Male	7	1	5	13
Female	10	2	5	17
Total	17	4	9	30

Table 4.3: adopted from the answers provided by workers at Coega illustrates age and gender distribution of respondents.

4.4.3. Number of Family Members

The number of family members that workers live with - in a study of income spending - is important because it can help to analyse why some workers are spending their income on certain goods and services higher than other workers. For example, this information could tell us that some workers might be spending the most because they are taking care of a high number of family members. Of the 30 workers who participated in this research, five workers as demonstrated in table 4.4 live alone with no family members. Table 4.4, further demonstrates that six workers live with their family members of about 1 – 2 people. Of the workers who participated in this research, 11 workers live with their family members of about 3 – 4 people (refer to table 4.4). Seven workers from the 30 workers who participated in this research live with their family members of about 5 – 6 people. The last worker of the 30 workers who participated in this research lives with seven family members.

Number of Family Members	Alone	1 - 2	3 – 4	5 - 6	7	Total
Total	5	6	11	7	1	30

Table 4.4: adopted from the answers provided by workers at Coega illustrates the number of family members of respondents.

4.4.4. Migration

The literature on the development of Port Elisabeth reveals that migration of workers has been one important factor in the development of the City (Christopher (1988), Christopher (1995) and Frescura 1990). Even the Coega mega-project aims to continue this tradition or trend with its vision to achieve regional development through job creation for the wider Eastern Cape region (Coega Development Corporation 2015). This means that the Coega mega-project seeks to attract not only workers within the Nelson Mandela Bay Municipality rather workers from the province as a whole. It is important, however, to note that from all the respondents who participated in this research only seven workers had moved to Port Elisabeth (refer to table 4.5). These workers come from Eastern Cape towns such as Queenstown, Tsolo, Alice, and King Williams Town. A large number of the respondents - 23 people – were all born in Port Elisabeth (refer to table 4.5). As result, 23 workers of the 30 workers who participated in this research enforce the patterns of step migration. Of the seven workers who migrated to Port Elisabeth three have been staying in Port Elisabeth for more than four years, while two workers have been staying for a period between two to three years. The remaining two workers have each been staying in Port Elisabeth for a period of one to 12 months, and 3 to 4 years respectively..

Town/Municipality	Number
Nelson Mandela Bay Municipality	23
Queenstown	2
Alice	3
Tsolo	1
King Williams Town	1

Table 4.5: adopted from the answers provided by workers at Coega illustrates the town/municipality and the number of respondents that are originally from that town/municipality.

4.4.5. Education

Amongst other imperatives, direct job employment is one of the major objectives of the Coega mega-project (Coega Development Corporation 2015). As a result this section will compare education levels of the 30 workers who participated in this research to education levels of the people of Motherwell. In particular this sections seeks to understand the extent through the Coega mega-project can create direct employment for people in Motherwell – using education. In this section the figures presented on education exclude the current population of pre-school and school

going age of 0 - 19. In Motherwell the percentage for unspecified residents is 0.3 % (refer to table 4.6) (Quantec Research 2011). Moreover, the percentage in Motherwell for "not applicable population" is 0.3 % (refer to table 4.6) (Ibid.). Table 4.6 also demonstrates that in Motherwell 60.8 % of the population have no Grade 12 qualifications (Ibid.). In the case of the workers who participated in this research (workers from Coega), all of them have at least a grade 12 qualification (refer to table 4.6). Of the 30 workers that participated in this research, 12 workers have a Grade 12 qualification. The last 18 workers, either have some University/Technicon education or they are University/Technicon graduates (refer to table 4.6).

In Motherwell, 30 % of the population have a Grade 12 qualification (Quantec Research 2011). Furthermore, 7.6 % of population in Motherwell either have some University/Technicon education or they are University/Technicon graduates (Ibid.). It has been pointed out elsewhere in this research that the case of Coega demonstrates that those who were previously prevented from obtaining jobs that require 'skilled' workers in the Port Elizabeth are now able to obtain those jobs (see the section on the development of Port Elisabeth in chapter three). Education has played an important role in this inclusion since 'skilled' jobs require some level of education qualification. However, the case of Motherwell is different since most of the population would find it difficult to obtain 'skilled' jobs occupied by the 30 workers who participated in this research. Based on the sample of 30 workers who participated in this research - the level of skills or qualification required that they have are not in abundance in Motherwell.

	Workers at Coega	Motherwell	
Never completed Grade 12	-	64718	61.8 %
Completed Grade 12	12	31447	30 %
Higher Education	18	7923	7.6 %
Unspecified	-	257	0.3 %
Not Applicable (e.g. institutional transients)	-	336	0.3 %
Total	30	104681	100 %

Table 4.6: adopted from Quantec Research (2011) and from the answers provided by workers at Coega illustrates the levels of education of the people above the age of 20 years old of Motherwell and the respondents.

4.5. Limitations

First, due to time constraints and difficulties to penetrate the Coega economic zone the sample group remained small, focusing on the number provided above in each of the three groupings. Second, it is important to note that this research does not provide a broad account of all the possible economic effect of the Coega mega-project. See the literature review chapter on how economic effects of economic zone have been studied. Rather, the focus of this study is an in-depth understanding of the ways in which workers at Coega mega-project spend their income, with a particular interest on whether these workers do or not spend their income on businesses that are operating in Motherwell. Thus, this research does not claim to be comprehensive in its scope. But it provides a platform from which further research on the economic effects of the Coega mega-project on Motherwell can be conducted (see chapter 6). Third, from the opinions of the 30 workers who participated in this research we cannot assume that the manner in which these workers spend their income is representative of workers in economic zones. This limits the generalisability of the opinions made by the workers who participated in this research.

This is to say the explanations provided by these workers - although they might represent some of the general characteristics of the workers at large – they also many not apply to other similar situations; for example, to other workers working in other economic zones. Lastly, another challenge experience during data collection process was the fact that most of the participants struggled to recall memories of some of the things that they do with their income and the precise amounts they spend on different goods and services. The primary data presented in chapter five will demonstrate that - based on the sample of 30 workers - there is about 10 goods and services that are purchased by workers who participated in research. This include renting accommodation - buying food, clothing/cosmetics, fuel - paying for medicine/doctor visits, child care, education, recreation and transportation. Moreover, workers at Coega who participated in this research also spend their income by sending it to family members and they also save their income with banks. In the case of accommodation, saving for later, sending to their family members and education it was easy for workers to recall the precise amount that they spend since this amount according to them was fixed and they were paying it on a monthly basis.

In the case of transportation most participants could not recall the precise amount they spend monthly on local taxis. The memories which were easy to recall were the amounts respondents were paying on a monthly basis which were fixed such as car instalments. In the case of clothing/cosmetic some workers admitted that they have clothing accounts, while some workers said they pay cash when purchasing clothing. As result for those workers who have clothing accounts it was easy for

them to recall memories of the amounts they spend on clothing/cosmetics monthly, compared to workers with no clothing accounts. On medicine/doctor visits some workers said they pay for medication/doctor visits through medical aids/schemes, while others mentioned that they pay for medication/doctor visits cash. As a result it was easy for those workers who have medical aids/schemes to recall memories of the amounts they spend on medicine/doctor visits compared to workers with no medical aids/schemes. On food, fuel and recreation all the workers who participated in this research struggled to recall memories on precise amounts that they spend on this goods/services, as a result these workers were asked to provide estimations.

CHAPTER FIVE:

WORKERS FROM THE PORT OF NGQURA AND COEGA IDZ MEGA-PROJECT SPENDING THEIR INCOME

Economic effects of economic zones exist in diversity and an exhaustive set of these economic effects is outside the scope of this research. At the expense of a comprehensive understanding of the economic effects of the Coega mega-project an in-depth understanding of the ways in which 30 workers at Coega mega-project spend their income is the focus of this research. This has been studied in the form of interrogating whether 30 workers employed as part of the Coega mega-project do or not spend their income on businesses that are operating in Motherwell. Workers who have participated in this research have been asked to provide information about how they generally spend their income. Important to their responses is the relationship between the goods and services they purchase and the location in which they purchase these goods/services. This is done as to respond to the research question for this study - which this chapter seeks to answer. This research question is framed in a way that attempts to understand the economic relationship between the manner in which 30 workers at Coega spend their income and businesses in Motherwell. As a result the aim of this chapter is to present primary data resulting from 30 workers who participated in this research - who work for the Coega mega-project.

The research strategy adopted for this research was such that, five workers were found in Motherwell who then introduced me to 25 other workers. Of the 25 workers, two workers were living in Motherwell as a result seven workers who participated in this research live in Motherwell while 23 workers live in places outside Motherwell (such as Uitenhage, Westering, Morningside, Cleary Estate, Port Elizabeth CBD, Vulindlela, Arcadia, Missionvalle, Sherwood, Kwa-Dwesi, Shauderville, Lovemore Heights and Despatch). The main method through which primary data was collected to respond to the research question as discussed in chapter four is a research survey. In this chapter this research survey has been converted into two areas of interest. The first area of interest includes an attempt to understand the work that is being done by the 30 workers who participated in this research at Coega and the nature of their employment. This area of interest further involves the reasons from these workers on why they decided to work as part of the Coega mega-project and their previous working experience. Lastly this section will discuss the range of monthly income earned by the workers who participated in this research. The second area of interest includes an interrogation on how these workers spend their income, in particular the

different goods/services they purchase. Furthermore, the location in which these workers purchase each good/service is also of particular focus.

In this section I will firstly discuss the general expenditure by all 30 workers. Secondly I will discuss expenditure by 23 workers who do not stay in Motherwell on businesses that are operating in Motherwell. Lastly I will discuss expenditure by workers who live in Motherwell on businesses that are operating in Motherwell.

5.1. Working at the Port Of Ngqura and Coega IDZ Mega-Project (Coega Mega-Project)

It has been highlighted elsewhere in this research report that the Coega mega-project together with other similar projects are promoted by government on the promise of job creation amongst other imperatives. In addition, job creation has been one of the important aspect through which academics have measured the success of similar projects and thereafter criticised such projects especially in the context of South Africa. It is important for this research to go beyond the amount of jobs created, with an aim of understanding the type of jobs which 30 'skilled' workers do at Coega. In this section I will present opinions on why the workers who participated in this decided to work for the Coega mega-project; the type of work that they do and the income that they receive thereafter; and the nature of their employment. In this research the nature of employment refer to the contract status of workers and it can be either a worker is employed permanently or temporarily. The reason for the jobs of the 30 workers from Coega to be understood along these lines is relevant for this research because they provide various insights about the potential - for workers who participated in this research - to spend their income. Among the explanations; for example, the monthly income does explain the extent in which workers can spend their income.

5.1.1. Reasons for Working at Coega

As demonstrated in table 5.1, of the 30 workers who participated in this research 15 workers said that the main reason they decided to work at Coega was because Coega offered the most lucrative jobs amongst other options. In contrast, seven workers said the main reason why they decided to work at Coega was because this was the only option that was available to them (refer to table 5.1). Four workers said the reason for working at Coega was because this was the only option that they had, but also they picked their jobs because they were the easiest and that they were trained for the jobs (refer to table 5.1). The last four workers of the 30 workers who participated in this research said the reason for choosing their jobs was because they were passionate and wanted to learn more so that they can grow their careers (refer to table 5.1). In the East London IDZ, Todes (2013) has mentioned that the firms attracted were mainly in capital-intensive industries. As mentioned in

chapter two, Todes (2013: 25) further stated that these are “highly capital intensive firms with an investment of R1 million per job, and only 1450 jobs”. As a result, it is unsurprising that most workers have moved to Coega because the jobs in this IDZ are the most lucrative amongst other options. In relation to income spending, this means that most workers at Coega - in their current jobs - possesses a potential to spend the most relative to when they were in their previous jobs.

Reason	**Most lucrative amongst other options.**	**Only option available.**	**Only option available, easy to do, trained to do.**	**Passionate and wanted to learn more.**
Number	15	7	4	4

Table 5.1: adopted from the answers provided by workers at Coega depicts the reasons for working at the Coega.

5.1.2. Previous Undertaking Prior to their Current Jobs

In table 5.2, the different endeavours in which the 30 workers who participated in this research were doing are demonstrated. In this table, four workers who are now working at Coega were still studying before being employed at Coega. Table 5.2 also demonstrates that eight workers of the 30 workers who participated in this research were looking for employment, but could not find any employment before being employed at Coega. Table 5.2 further illustrates that 18 workers who participated in this research were employed before moving to their current jobs. Of the 18 workers, some workers were previously employed as data captures, sales persons, delivering staff members, working as technicians, and finance interns at Coega, office administrators, working as site managers, working as port workers for Transnet and facilitators at Coega Recruitment Centre and Training. Based on this research it is clear that the Coega mega-project has created 12 jobs for people who were not working before.

In relation to income spending this means that 12 more people were added to the ‘pool’ of people that spend income. This means that the number of people who could spend income – based on this research – has increased and this means that the potential for more workers to spend their income in Motherwell has also increased. Consequently, there is a (potential) direct relationship between the increase in the number of people who could spend income and induced economic effects.

Previous Experience	Still studying	Looking for employment, but could not find	Employed
Reasons Number	4	8	18

Table 5.2: adopted from the answers provided by workers at Coega demonstrates the endeavours which workers were doing prior to being employed at Coega.

5.1.3. The Type of Work that is Being Done at Coega

In this section I seek to demonstrate the different kinds of jobs which the 30 workers involved in this research are doing at Coega. In table 5.3, it is demonstrated that of the 30 workers who participated in this research three workers work at Coega as Cargo drivers for Transnet. In this same table it is also illustrated that 10 workers work at Coega as Customer Service Consultants for Discovery Health, and two workers work as Crane operators for Transnet. Another two workers – as shown in table 5.3 – work at Coega as Shuttle drivers for Transnet. Five workers work at Coega work as Cargo coordinators for Transnet. In table 5.3 it also shown that two workers work at Coega as Receptionist for the Coega Development Corporation (CDC). And another two workers work at Coega as business analysts for the CDC. The last four workers – as illustrated in table 5.3 – work at Coega as student facilitator at the Coega Recruitment Centre and Training.

The different work that is being done by 30 workers at Coega reaffirms the point made in chapter two about economic zones as platforms for efficiency to investors. In chapter two this has been characterised as forming part of the phenomenon of logistic revolution explained in the work of Bonacich and Wilson (2008). As a result, in the case of the 30 workers who participated in this research the type of jobs that they do demonstrates the introduction of latest technological infrastructure to facilitate efficiency on how goods and services are imported and exported. In favour of efficiency the phenomenon of logistic revolution has meant that the number of labour required to perform certain duties is kept at the minimum. For example - we know from the literature covered in chapter two – that in 'tradition' ports longshore workers would go down into the hold of a ship and load or unload packages sent down by pallet. Now – in modern port like the Port of Ngqura – we also know from the 30 workers who participated in this research that there are crane operators, cargo drivers who have 'skills' to operate the 'new' technology.

Type of work	Customer Service Consultant	Cargo Driver	Crane Operator	Shuttle Driver	Cargo Coordinator	Receptionist	Business Analyst	Student facilitator
Number	3	10	2	2	5	2	2	4
Entity/organisation	Discovery Health	Transnet				Coega Development Corporation		

Table 5.3: adopted from the answers provided by workers at Coega depicts the different types of work that is being done at Coega.

5.1.4. How much are Workers at Coega Earning?

All the workers in the selected study sample were earning a monthly income in the range between R3001 - R25000, as demonstrated in table 5.4. Of the 30 workers that participated in this research 15 workers earn a monthly income between R6001 and R10000 as demonstrated in table 5.4. Further, 12 workers of the 30 workers that participated in this research were earning a monthly income between R10001 – R15000. Table 5.4 also illustrates that two workers were earning a monthly income in the range of R15001 – R25000. Lastly, one worker was earning a monthly income in the range between R3001 - R6000. This is the lowest paying job and is found at Coega Development Corporation, while the highest number of workers (eight workers) that are paid less by a single institution or company is found at Discovery Health (see table 5.4). In contrast, the highest number of workers that are paid the most is found at Transnet (see table 5.4). Moreover, Transnet is the only company/entity/organisation that pays the most with 2 workers earning income in the rage of R15001 – R25000. These are the workers who have the potential of spending the most or which hold potential for maximum induced economic effects on businesses that are operating in Motherwell. The following section on “Workers Spending their Income” will go further to reveal how this income is spent.

Number of workers working Income range	Transnet	Coega Development Corporation	Discovery	Total
R3001 - R6000		1		1
R6001 – R10000	2	5	8	15
R10001 - R15000	8	2	2	12
R15001 – R25000	2			2
Total	12	8	10	30

Table 5.4: adopted from the answers provided by workers at Coega depicts the monthly income of the respondents.

5.1.5. The Nature of Employment

It has been noted elsewhere in this chapter that the nature of employment in this research refers to the contract status of workers and a worker can either be employed permanently or temporarily. The findings made in a survey conducted for this research reveals that 28 workers who participated in this research were employed permanently, while two workers were employed temporary (see table 5.5). Interesting is the fact that all the workers employed at Transnet and Discovery Health – 22 workers - were employed permanently. The Coega Development Corporation had employed six workers on a permanent basis, while two workers were employed on a temporary basis (see table 5.5). It is important to discuss the nature of employment because this will tell us the duration in which workers will be able to spend their income on condition that this nature remains the same.

The Nature of Employment	Transnet	Coega Development Corporation	Discovery	Total
Permanent	12	6	10	28
Temporary		2		2
Total	12	8	10	30

Table 5.5: adopted from the answers provided by workers at Coega depicts the nature of employment of the respondents.

5.2. Workers Spending their Income

As highlighted in chapter two, Robbins (2015) and Robbins and Van Coller (2009) have written about how the Dube TradePort-King Shaka International Airport (DTP-KSIA) mega-project had resulted in

rapidly rising rentals on adjacent communities. This was the case as demand for accommodation was growing from airport workers, meaning large numbers of workers from the DTP-KSIA mega-project were renting in adjacent communities. The limitations of this research, however, include the fact that these findings are context based, as a result it is difficult to assume that they speak across situations. Furthermore, the research conducted by Robbins and Van Coller (2009), and Robbins (2015) does not give us an extensive perspective on how these workers spend their income as it only speak about spending in terms of accommodation. For example, their work does not tell us where do workers purchase other goods and services, and if they are purchasing them on businesses operating in the region of the DTI-KISA mega-project. In this section I respond to the need – as I have argued in chapter two – for research to be conducted in this area that explains comprehensively the manner in which workers spend their income. In particular, this section seeks to detail the amount spent by workers on different goods/services. Moreover, this section will analyse the different ways in which workers spend their income by exploring, in particular the location in which these workers spend their income.

It is important also to note that – while this section attempts to deliberate on various goods and services that are purchased by workers from Coega – the analysis of this data has been framed in a way that highlight areas (goods/services) in which business can benefit the most. This has been done in particular to understand those areas in which business in Motherwell is or can be exposed to benefit the most. Moreover, on one hand it has been mentioned above that 30 workers who participated in this research in their current jobs - possesses a potential to spend the most relative to when they were in their previous jobs. On the other hand, survey with of 30 workers who participated in this research reveals that the Coega mega-project has created 12 new jobs and this means that the potential for more workers to spend their income has also increased. In light of this, the aim of this section is also to deliberate whether business in Motherwell is taking advantage of the prospective presented by the Coega mega-project or not. By business here I am not only referring to existing businesses, but also to entrepreneurs who might be thinking about these opportunities presented by the Coega mega-project. In this research the word goods refer to items that are tangible such as food and clothing, while the word services is understood to refer to intangible products provided by people such as doctor visits and child care.

5.2.1. Major Expenses Incurred by the employee at Coega

Based on the sample of 30 workers who participated in this research there is about 10 goods and services that are purchased by workers who participated in research. This include renting accommodation - buying food, clothing/cosmetics, fuel - paying for medicine/doctor visits, child

care, education, recreation and transportation. Moreover, 30 workers who participated in this research also spend their income by sending it to family members and they also save their income with banks. The saving of income, although it is not part of spending income, in this research it is considered because it has a direct relationship with businesses. This is the case because workers save some of their income with businesses such as banks. Of the 30 workers who participated in this research 18 workers save an average of about R1527.78 monthly (see table 5.6). On average this amount is the second highest amount after the money spent on accommodation. As a result this is one area in which banking business in Motherwell can benefit the most since it appears that most workers prefer to save a significant amount compared to the amount that they spend elsewhere. The following section will deliberate whether banking business in Motherwell have been able to capitalise on this opportunity.

Goods and services	**Total Number of workers**	**Expenditure Range**	**Average**	**Total Expenditure**
Accommodation	7	R1500 - R2500	R1792.86	R12550
Food	28	R600 – R2700	R1323.57	R37060
Clothing/cosmetics	30	R400 – R4500	R1390	R41700
Medicine/doctor visits	26	R350 - R2300	R1005. 85	R26152
Education	16	R200 - R2300	R1050	R16800
Child care	13	R400 - R2500	R761.54	R9900
Recreation	26	R600 – R2000	R1100	R28600
Transportation	26	R300 – R3400	R1408.64	R36625
Fuel	14	R400 - R2000	R1342.86	R18800
Sending money to family	19	R300 – R2000	R1068.42	R20300
Saving for later	18	R500 – R5000	R1527.78	R27500
Other	19	R500 – R6000	R1471	R27950
Total expenditure				R303937

Table 5.6: adopted from the answers provided by workers at Coega depicts major expenses incurred by employees at Coega.

Another interesting way in which workers interviewed for this research spend their income is by sending it to their family members. Of the 30 workers interviewed in this research 19 workers send an average of about R1068 monthly to their family members (see table 5.6). It is important to note that, although this form of spending income does not directly relate to spending on businesses, this form of spending income does talk about money coming or leaving Motherwell. It has been mentioned in chapter three that for townships to develop money needs to come into townships and circulate many times before it leaves. As a result this form of spending income is important to consider as to see how much is sent to family members that live in Motherwell and how much is sent by workers from Motherwell elsewhere. It is important also to note that the extent of this research is only limited to this finding. This is to say that the aim of this research was not to understand where do family members spend the money sent to them by workers from Coega. This is to acknowledge that this form of spending income (discussed in the section below) will only tell us about money sent in Motherwell and elsewhere, but it not will tell us about money circulating in terms of it being spent on local businesses. However, as I have suggested in chapter six this is an area where future research can be conducted.

Of the 30 workers who participated in this research seven workers spend their income on accommodation, while 23 workers do not spend their income of accommodation. The seven workers who spend their income on accommodation spend an average of about R1792.86 monthly on accommodation as illustrated in table 5.6. Of the seven workers who spend their income on accommodation, four workers stay at the Vulindlela Accommodation and Conference Centre. Two of the seven workers who spend their income on accommodation stay at Port Elizabeth CBD and one stays at Lovemore Heights. Accommodation is interesting since the Coega mega-project is located on the 'periphery' of the NMBM, and Motherwell is one of the few communities in proximity to this project. This means that, if you are working in Coega the options that you have is either to stay in adjacent communities such as Motherwell and Vulindlela accommodation or to stay 25km away in places such as the Port Elisabeth CBD, 10-15km away in places such as Uitenhage, 10km away in places such as the town of Despatch.

It is important to note that all seven workers who live in Motherwell, do not spend their income on accommodation. Moreover, the majority of workers interviewed in this research - which is 19 workers - are staying for free in places like Uitenhage, Westering, Morningside, Cleary Estate, Arcadia, Missionvalle, Sherwood, Kwa-Dwesi, Shauderville, Lovemore Heights and Despatch. This research, however, shows that there is a number of workers that are willing to spend their income on accommodation. Since Motherwell is adjacent to the Coega mega-project it makes sense to conclude that businesses in Motherwell that offer accommodation can benefit from

these workers. The following section will deliberate whether business in Motherwell is taking advantage of this potential. In table 5.6, it is shown that the total number of workers that spend their income on food, clothing/cosmetic, medicine/doctor visits, recreation and transportation are the highest compared to other goods and services purchased by workers who participated in this research. This means that most workers who participated in this research are spending their income on these goods/services and this means that businesses who supply these goods and services are guaranteed to have a high number of customers from the workers at Coega.

Table 5.6 demonstrates that 28 workers - who participated in this research - spend an average of about R1323.57 monthly on food (refer to table 5.6). As a result two workers from the 30 workers who participated in this research said they do not spend their income on food. In table 5.6 it is also shown that all the workers who participated in this research spend their income on clothing/cosmetics. These workers spend on clothing/cosmetics an average of about R1390 monthly (refer to table 5.6). Of the 30 workers who participated in this research, four workers said they do not spend their income on medicine/doctor visits. As result 26 workers spend an average of about R1005.85 monthly on medicine/doctor visits as demonstrated in table 5.6. Of the 30 workers who participated in this research, 26 workers said that they spend an average of about R1100 monthly on recreation (refer to table 5.6). As a result four workers from the 30 workers who participated in this research said that they do not spend their income on recreation.

Transportation, in this research is considered both as a service and a good. It is important to note that nine workers are spending on transportation as a good in terms of paying monthly instalments for cars that they purchased, while 17 workers either pay for the service of buses/taxi that transport them form and to work, and local taxis for moving around the NMBM. Of the 30 workers who participated in this research, 26 workers said that they spend an average of about R1408.64 monthly on transportation (refer to table 5.6). Consequently, four workers have said that they do not spend their income on transportation. On fuel, table 5.6 illustrates that 14 workers of the 30 workers that participated in this research spend an average of about R1342.86 monthly. As a result 16 workers who participated in this research do not spend their income on fuel.

The total number of workers that spend their income on fuel is the second lowest after child care (discussed below) compared to other goods/services considered in this research. However, the average amount spent by workers on fuel is amongst the highest averages as illustrated in table 5.6. This means that, although the least number of workers are spending their income on this good, workers who are spending their income on this good are willing to spend a significant

amount out of their income compared to other goods/services. The following section will deliberate whether Motherwell is benefiting or not from this expenditure by these workers. In table 5.6 it also shown that that 13 workers from the sample of 30 workers that participated in this research spend an average of about R761.54 monthly on child care. On child care both the number of workers who spend their income on this service and the average that is spent by workers is the lowest compared to other goods/services considered in this research. Based on these findings this means that child care is one service in which businesses are benefiting the least compared to other goods/services considered in this research.

Of the 30 workers who participated in this research, 16 workers admitted that they spend an average of about R1050 monthly on education (refer to table 5.6). Consequently, 14 workers from the 30 workers who participated in this research said that they do not spend their income on education. Of the 16 workers from Coega that spend their income of education, some workers have admitted that – although they are no longer studying - they are still paying back loans that they took while they were still studying. Some mentioned that they spend some of their income on education by paying for their children/siblings at school, while others said that they are still studying as a result they do pay for their education. This means that businesses that benefit from the expenditure by workers from Coega include those which offer students loans and schools. As discussed above the following section will go on to discuss whether business in Motherwell is taking advantage of this opportunity.

The last category of goods/services considered in this research is 'other' goods and services. These include paying for water bill, electricity and spending on Salons. Of the 30 workers who participated in this research 19 workers said they spend an average of about R1471 on 'other' goods and services monthly (see table 5.6). On average this amount is quite high compared to the amount that workers at Coega spend elsewhere and this is one area in which business in Motherwell is or can be exposed to benefit the most. The following section will go on to discuss whether business in Motherwell is taking advantage of this opportunity.

5.2.2. The Expenditure by Workers Who are Not from Motherwell in Motherwell

One of the major issues identified in chapter three was that the design of South African townships by the apartheid government has meant that township economies "could never develop because of large amounts of money leaving the townships to pay for fees, goods and services" elsewhere (Pernegger and Godehart 2007: 10). Moreover, it has also been discussed that for townships to develop money needs to come into townships and circulate many times before it leaves. In contrast to townships where a Rand circulate 1.3 times, in economically vibrant areas such as Sandton in

Johannesburg a Rand circulates 8 to 10 times before it leaves (Pernegger and Godehart 2007). In the context of this research the prerequisite in this circulation is for money to come to Motherwell through salaries from the Coega mega-project and through businesses or be sent to family members that live in Motherwell by workers who work at Coega. A diverse range of businesses need to exists that will ensure that people do not spend their income elsewhere. In chapter three it has also been mentioned that in the post-apartheid South Africa resources by both the private sector and government have been spent, allocated and/ or committed to dismantle the negative effects of apartheid planning in Motherwell such the limited Rand circulation. It is therefore important to look at the amount of money coming and leaving Motherwell as to learn the extent in which the negative effects of apartheid planning have been changed and the contribution of the Coega mega-project.

The investigation suggested above is based on the fact that seven workers (as it will be discussed below) – who are working at Coega - that stay in Motherwell leave Motherwell to purchase some goods and services outside this Township. Yet, there is only one worker from the sample of 30 workers who participated in this research – who does not live in Motherwell - who spends her income by sending it to family members in Motherwell. This worker sends about R1200 monthly to her family members that live in Motherwell (refer to table 5. 7). Although, in this research we cannot be sure whether the money sent by this worker is spent in Motherwell or not by her family members, we know that this worker does not spend it on businesses that are operating in Motherwell rather she sends it to family members that live in Motherwell. Consequently, apart from this income expenditure by this one worker from Coega - none of the 23 workers who participated in this research – who do not stay in Motherwell - spend their income on any goods and services from businesses that are operating in Motherwell. As a result, it can be said that - based on the sample of workers involved in this research – there is no 'economic relationship' between the 23 workers who do not stay in Motherwell and businesses that are operating in Motherwell. As mentioned in chapter one 'economic relationship' in this research relates to the exchange of income or some of the income from workers at Coega for goods and services from businesses.

	Number of workers spending in Motherwell	**Amount spent in Motherwell by workers who are not from Motherwell**
Sending money to Family Members	1	R1200
Total	1	R1200

Table 5.7: adopted from the answers provided by workers at Coega illustrates the number of workers that spend their income by sending it to their family members in Motherwell.

5.2.3 Expenditure by workers from Motherwell

The research strategy adopted for this study was such that the first respondents/workers were found in Motherwell who then introduced the researcher to other respondents or colleagues. As discussed in chapter four, five workers were found in Motherwell and they introduced the researcher to 25 other workers who are working at Coega. Of the 25 workers, two are staying in Motherwell as a result seven workers from Motherwell participated in this research. As noted above all the seven workers – who are working at Coega - that stay in Motherwell leave Motherwell to purchase some goods and services outside this Township. These workers from Motherwell purchase these goods and services in places such as Greenacres Shopping Centre, Cleary Park, Blue Water Bay and Port Elisabeth CBD. As a result the aim of this section is to understand how much is spent outside Motherwell in these places by the seven workers from Coega who live in Motherwell through outshopping, and how much is spent in Motherwell by workers from Coega who live in Motherwell through inshopping.

5.2.3.1. Workers from Motherwell and out-shopping

As noted in chapter three out-shopping refers to the phenomenon of shopping outside one's own township as a result this part of the research seek to discuss the goods and services that are purchased outside Motherwell by workers who live in Motherwell. This include clothing/cosmetics, education and the saving of income by workers for later with businesses that are operating outside Motherwell. On clothing/cosmetic - all the workers from Motherwell admitted that they spend an average of about R1357.14 monthly on clothing/cosmetics on businesses that do not operate in Motherwell (see table 5.8). It is important to note that none of the workers who stay in Motherwell spend some of their income on clothing/cosmetics in Motherwell. Therefore it can be said that – on this regard - the money that comes to Motherwell through salaries of the seven workers from Motherwell who work at Coega does not circulate in Motherwell as it leaves even before it is spent on business that sell clothing/cosmetics in Motherwell. This situation is evident even with education and saving income for later, in that none of the seven workers who live in Motherwell spend some of their income on education and save her/his income with businesses that are operating in Motherwell.

Goods and services	**Workers from Motherwell spending in Motherwell**	**Workers from Motherwell spending outside Motherwell**

	Total	Average	Total amount	Total	Average	Total amount
Clothing/cosmetics	-	-	-	7	R1357.14	R9500
Education	-	-	-	2	R1900	R3800
Saving for later	-	-	-	4	R1875	R7500
Total expenditure	-	-	-			R20800

Table 5.8: adopted from the answers provided by workers at Coega illustrates expenditure outside Motherwell by workers from Motherwell.

On education - two workers from the seven workers that stay in Motherwell spend an average of about R1900 monthly on education (see table 5.8). Of the two worker one worker is paying back a student loan while another worker is paying for her children. Consequently none of the seven workers who live in Motherwell spend some of his/her income on schools that are operating in Motherwell. In the case of saving income for later - not even one worker is saving his/her income with businesses that are operating in Motherwell. Of the seven workers who live in Motherwell, four workers admitted that they save an average of about R1875 monthly with banks that are not located in Motherwell, while the last three workers said they do not save some of their income (see table 5.8). In terms of education, saving income for later as well as clothing/cosmetics, it can be said that the income that comes to Motherwell through salaries from the Coega mega-project is leaking the most on these services/goods. Since it is not even spent on one single business in Motherwell. It is also important to note that on clothing/cosmetics workers spend most of their income compared to other goods and services considered in this research (see table 5.8) This shows that the goods in which workers who participated in this research spend most of their income are not purchased in Motherwell.

5.2.3.2. Workers from Motherwell and in-shopping

Opposite to out-shopping, in-shopping refers to the phenomenon of shopping within one's own township. As a result this part of the research seek to discuss the goods and services that are purchased in Motherwell by workers who live in Motherwell. This include spending on child care and fuel. On child care - two workers - who both live in Motherwell - spend an average of about R475 monthly on child care businesses that are operating in Motherwell (see table 5.9). The other five workers who live in Motherwell do not spend their income on this service. As a result there is no worker from the workers who participated in this research who lives in Motherwell that spend his/her income outside Motherwell with regards to this service. This shows that those workers who participated in this research and who live in Motherwell are comfortable or at least they are willing

to purchase this service in Motherwell. In the economic theory - discussed elsewhere in this research that suggests that for townships to develop money needs to circulate many times before it leaves townships - on child care and fuel workers have played their role. Some workers from Motherwell have managed to spend all the portion from their income dedicated to fuel and child care on businesses that are operating in Motherwell. On fuel - two workers – who both live in Motherwell - spend an average of about R1050 monthly on fuel stations that are operating in Motherwell (refer to table 5.9). Both these workers admitted that they only purchase this good from Motherwell. The other five workers who live in Motherwell said that they do not spend their income on fuel.

Goods and services	**Workers from Motherwell spending in Motherwell**			**Workers from Motherwell spending outside Motherwell**		
	Total	**Average**	**Total amount**	**Total**	**Average**	**Total amount**
Child care	2	R475	R950	-	-	-
Fuel	2	R1150	R2100	-	-	-
Total expenditure			R3050	-	-	-

Table 5.9: adopted from the answers provided by workers at Coega illustrates expenditure in Motherwell by workers from Motherwell.

5.2.3.3. Mixed expenditure of in-shopping and out-shopping by workers from Motherwell

This part of the research seek to discuss the goods and services that are simultaneously purchased in and outside Motherwell by seven workers who live in Motherwell. Although, this is the case this part of the research will demonstrate that the disparity between the average amounts spent in Motherwell and outside Motherwell is high on most goods and services considered in this research. This is to say the amount spent outside Motherwell (on average) by seven workers who live in Motherwell is very high compared the money (on average) that workers spend in Motherwell. This is specific to goods and services such as food, medicine/doctor visits, recreation, transportation and sending money to family members in and outside Motherwell. It is only on buying 'other' goods and services where the disparity (based on averages) is quite less. As a result on transportation - five workers from Motherwell admitted that they spend an average of about R202 monthly using metre taxis that are from Motherwell and local taxis (refer to table 5.10). It is important to note that all – seven workers from Motherwell admitted, however, that they also spend some of their income on transportation with businesses that operate outside Motherwell. These workers spend an average of about R1150 monthly on transportation on businesses that are operating outside Motherwell (see table 5.10).

Goods and services	Workers from Motherwell spending in Motherwell			Workers from Motherwell spending outside Motherwell		
	Total	**Average**	**Total amount**	**Total**	**Average**	**Total amount**
Food	7	R571.43	R4000	7	R928.57	R6500
Medicine/doctor visits	5	R560	R2800	3	R733.33	R2200
Recreation	2	R500	R1000	3	R933.33	R2800
Transportation	5	R202	R1010	7	R1150	R8050
Sending money to family	1	R400	R400	1	R2000	R2000
Other	4	R625	R2500	7	R600	R4200.
Total expenditure			R11710			R25750

Table 5.10: adopted from the answers provided by seven workers at Coega illustrates expenditure on goods and services in and outside Motherwell simultaneously by workers from Motherwell.

The average presented in table 5.10 on transportation shows that the difference between the money seven workers spend in and outside Motherwell is high. This means that transportation is one single good/service in which workers from Coega who live in Motherwell spend the least of their income in Motherwell compared the amount in which they spend on businesses that are operating outside Motherwell. In the case of recreation - only two workers from the seven workers who live in Motherwell have admitted that they spend an average of about R500 monthly on businesses that are operating in Motherwell (refer to table 5.10). The other five workers who live in Motherwell said that they do not spend their income on recreation in Motherwell. Three workers have admitted that they spend an average of about R933.33 monthly of their income on recreation in businesses that are operating outside Motherwell (see table 5.10). The other two workers from the seven workers who live in Motherwell said that they do not spend their income on recreation. The expenditure by workers from Motherwell, who participated in this research, on recreation demonstrates that on average the amount spent outside Motherwell is almost double the amount spent in Motherwell, and that the total amount spent on businesses that are operating outside Motherwell is almost three times the total amount spent in Motherwell by workers from Coega who live in Motherwell. This is another good in which Motherwell is leaking money the most - from workers who participated in this research, that live in Motherwell.

In table 5.10, it is shown that seven workers - who all live in Motherwell - spend on food an average of about R571.43 monthly on businesses that are operating in Motherwell. These workers have also admitted that they spend an average of about R928.57 a month purchasing food from businesses that are operating outside Motherwell (refer to table 5.10). The total amount spent on food by the seven workers who live in Motherwell on businesses that are operating outside Motherwell is almost double the total amount that they spend in Motherwell. This shows that Motherwell is struggling to keep most of the money that comes to this township through salaries from the Coega mega-project. In the case of medication/doctor visits - table 5.10 illustrates that five workers which all of whom live in Motherwell spend an average of about R560 monthly on businesses that are operating in Motherwell. Two workers from Motherwell said that they do not spend their income on medication/doctor visits in Motherwell. These workers spend their income on medication/doctor visits in places that are outside Motherwell. Even with the five workers from Motherwell who said they spend their income on medicine/doctor visits in Motherwell, one worker also admitted that she spend some of her income on medication/doctor visits on businesses that are operating outside Motherwell.

In total three workers from Motherwell spend an average of about R733.33 monthly on medication/doctor visits with businesses that do not operate in Motherwell (see table 5.10). On average - although in total workers who participated in this research spend most of their income on medicine/doctor visits in Motherwell - we can see that the largest amount is spent on businesses that are operating outside Motherwell (see table 5.10). This means that the three workers who spend their income outside Motherwell are willing to spend more of their income on medicine/doctor visits compared to the five workers who spend their income in Motherwell. It is important to note that this is the only good/service from the goods and services that are simultaneously brought in and outside Motherwell in which the total expenditure spent in Motherwell is higher than total expenditure spent outside Motherwell (see table 5.10). On sending money to family members – two workers from Motherwell spend an average of about R1200 monthly, of their income by sending it to their family members. One worker of the two workers is sending R400 monthly of his income to family members that live in Motherwell but in a different house from where he is staying (refer to table 5.10). The other worker from Motherwell is sending R2000 monthly of her income to family members who live outside Motherwell (refer to table 5.10). The other five workers who live in Motherwell do not spend some of their income by sending it to family members.

As illustrated above – on average – the money spent outside Motherwell is five times the amount that is spent in Motherwell by sending to family members by workers who live in Motherwell. As a result this is another way of spending income from the ways of spending in income that are simultaneously practiced in and outside Motherwell in which Motherwell is leaking the most. On 'other' goods and services - four workers who all live in Motherwell said that they spend an average of about R625 monthly on 'other' goods and services from businesses that are operating in Motherwell (see table 5.10). All workers from Motherwell also admitted that they spend an average of about R600 monthly on 'other' goods and services from businesses that do not operate in Motherwell (see table 5.10). As noted above 'other' goods and services include paying for water bill, electricity and spending on Salons. These are goods/services in which the disparity between the average amount spent in Motherwell and outside Motherwell is the lowest. This means that workers from Coega who live in Motherwell spend almost the same amount on 'other' goods and services compared to other goods and services considered in this research. As a result the money spent by workers on businesses in Motherwell is slightly above the money in which workers spend in areas outside Motherwell.

5.2.4. Reasons on why workers do not spend their income in Motherwell

The reasons on why workers at Coega should spend their income in Motherwell include the fact that some of these workers live in Motherwell and if they do not spend their income where should they spend it. Secondly Motherwell is one of the few communities that are closer to the Coega mega-project and it make sense that this community should provide accommodation. This is especially true since some of the workers at Coega are not even from the NMBM as Coega is also recruiting in the wider Eastern Cape region. Above all - the Coega mega-project is promoted and encouraged by both the DTI and the NMBM on the promise of "regional development" as discussed elsewhere in this research. In light of this it is important to note that the Coega mega-project presents many opportunities and potentials for business in Motherwell of which some of the opportunities and potentials have been discussed in this research. This include the fact that workers who participated in this research in their current jobs - possess a potential to spend the most relative to when they were in their previous jobs. Moreover, we know that the Coega mega-project has created new jobs and this means that the potential for more workers to spend their income has also increased. However, the previous two sections have demonstrated that business in Motherwell is not taking advantage of these potentials.

The reasons on why business is not taking advantage of these potentials, is suggested in chapter six as an area for future research, as a result the aim of this part of the research is to discuss the reasons

from some of the workers who do not stay in Motherwell on why they do not spend their income in Motherwell. Furthermore, this section also seeks to understand why some workers from Coega who stay in Motherwell leave Motherwell to spend some of their income elsewhere. It is important to understand – based on reasons from workers who participated in this research – why they do not spend their income on businesses that are operating in Motherwell. This is the case because these reasons will reveal constraints or issues on why these workers do not spend their income on businesses that are operating in Motherwell. In response to the question on why they do not spend all of their income in Motherwell, all seven workers from Coega who live in Motherwell said that they would love to spend their income e in Motherwell but businesses in Motherwell do not provide all the type of goods and services that they like and need. Furthermore, the seven workers that live in Motherwell also complained about the shopping experience in Motherwell, in that it does not offer the shopping entertainment that is experienced in shopping malls elsewhere.

In contrast to the reasons provided by seven workers who live in Motherwell the reasons provided by the 23 workers - who do not live in Motherwell – on why they do not spend their income on businesses that are operating in Motherwell vary as demonstrated in table 5.11. In table 5.11 it is shown that four workers - who do not stay in Motherwell - do not purchase goods/services in Motherwell because businesses in Motherwell do not provide the type of goods and services that they like and need. Of the 23 workers who do not stay in Motherwell, eight workers have mentioned that the reason why they do not purchase goods and services in Motherwell is because businesses in Motherwell are not easily accessible (refer to table 5.11). Furthermore, table 5.11 also shows that four workers said that the reason why they do not purchase goods and services in Motherwell is because Motherwell is not safe as a result they are scared to go to Motherwell. Of the 23 workers who do not live in Motherwell seven workers have said that they are only in Coega to work and, that they stay far from Motherwell as a result they prefer purchasing goods and services closer to where they live (refer to table 5.11).

Reason	Lack of goods and services that they like and need.	Not easily accessible	It is not safe	Preference purchasing goods and services closer to where they live	Total
Number	4	8	4	7	23

Table 5.11: adopted from the answers provided by workers who participated in this research at Coega illustrates reasons why workers - who do not live in Motherwell - do not spend their income on goods/services in Motherwell.

Indeed, if were compare workers, based on the sample of 30 workers considered for this research, that live in Motherwell and those who do not live in Motherwell we observe that it is only workers who live in Motherwell that spend their income on businesses that are operating in Motherwell. This element of loyalty is also evident from the response provided by the seven works from Coega who live in Motherwell. As mentioned above they said they would love to spend all they income in Motherwell but Motherwell does not provide all the goods and services that they need and want. Therefore, if we want more workers to spend income in Motherwell we should try to have more 'local loyalists' in Motherwell. This leads to the question; why the other workers do not spend their income in Motherwell? In table 5.12 the reasons from the 23 workers who participated in this research and do not live in Motherwell are demonstrated. In table 5.9, 12 workers said the reason why they do not live in Motherwell is because their families live where they live. As a result they cannot leave their family to live in Motherwell. Furthermore, six workers mentioned that the reason why they do not live in Motherwell was because the place where they live suit their lifestyle better than Motherwell.

Reason	The level of accommodation amenities is not up to my standard	The place where I live was the only place that I knew	Because my family is staying there	The place where I live suit my lifestyles better than Motherwell
Number	3	2	12	6

Table 5.12: adopted from the answers provided by workers who participated in this research illustrates the reasons why some workers do not live in Motherwell.

Of the 23 workers who do not live in Motherwell two workers said the reason why they do not live in Motherwell was because the place where they live was the only place that they knew. The responses

provided by the last three workers of the 23 workers who do not live in Motherwell demonstrates that Motherwell was one of the places which they had considered when they were looking for accommodation and they were not satisfied with accommodation and amenities (refer to table 5.12). As illustrated in table 5.12, three workers said the reason why they do not live in Motherwell was because the level of accommodation amenities in Motherwell was not up to their standards.

5.3. Concluding Remarks

The overall aim of this chapter was to present primary data that respond and/or answer the research question – which has already been discussed in chapter one. This research question is framed in a manner that attempts to understand the economic relationship between the manner in which 30 workers at Coega spend their income and businesses in Motherwell. Based on the sample of 30 workers who participated in this research there are about 10 goods and services that are purchased by workers who participated in research. This include renting accommodation - buying food, clothing/cosmetics, fuel - paying for medicine/doctor visits, child care, education, recreation and transportation. Moreover, workers at Coega who participated in this research also spend their income by sending it to family members and they also save their income with banks. On renting accommodation none of the 30 workers is spending his/her income on businesses that are operating in Motherwell. On buying clothing/cosmetics also none of the 30 workers is spending his/her income on businesses that are operating in Motherwell. This is also happening on education and on workers saving some of their income for later. Based on these goods and services, it can be said that the economic relationship between the manner in which workers at Coega spend their income and businesses in Motherwell does not exist.

It is on buying food, fuel - sending money to family members – paying for medicine/doctor visits, child care recreation and transportation where workers spend some of their income in Motherwell. However, it is important to note that it is only those workers who live in Motherwell who spend their income on businesses that are operating in Motherwell. Moreover, it is also important to note that even these workers spend the least amount of the income in Motherwell compared to the amount they spend elsewhere. In conclusion, the primary data presented in this chapter demonstrates that there is a limited economic relationship that exists between the ways in which workers from Coega spend their income and businesses in Motherwell. In particular the main problem, amongst other problems, is the fact that very limited money from Coega comes to Motherwell. Moreover, some of the money that comes to Motherwell through salaries paid to workers is not even spent on businesses that are operating Motherwell. This means that Motherwell would struggle to develop since the little money that comes to this township does not stay for long

before it leave. In the following section amongst other things I will attempt to provide a conceptual intervention of what could be done to enhance the economic relationship between workers at Coega and business in Motherwell.

CHAPTER SIX:

HOW CAN THE ECONOMIC RELATIONSHIP BETWEEN COEGA AND MOTHERWELL BE ENHANCE?

The promotion and/or the development of mega-projects, although not new, are a major feature of many cities in the global South. This has occurred as states have placed cities at the centre of their economic growth strategies through space based interventions. The rationale for these space-based interventions includes; aspirations for buttressing economic development, enhancing city performance dimensions (for example mobility). In the academia, however, one area in which these interventions have been criticised is for having minimal positive economic impact on hosting communities. This criticism, exists although the international experience of economic zones varies. But in the context of South Africa the criticism exits except in the case of the Dube Trade Port – King Shaka International Airport Mega-project covered in this research report where some workers are spending their income on adjacent communities of the project. In light of this, it difficult to suggest that these interventions should be rejected as a result in this research I suggest that the next step in the development of these interventions should also be about fostering positive economic effects on surrounding communities.

In this research I suggest that Motherwell should develop towards a system that ensures that very limited money - from workers that are part of the Coega mega-project – leaves this township. This suggestion is based on the findings which suggests that very limited money is spent in Motherwell by 30 workers who participated in this research. As noted elsewhere in this research, for townships to develop money needs to come into townships and circulate many times before it leaves. In the context of this research this means that the income received from the Coega mega-project need to be spent on businesses in Motherwell and move from one business to another. In this way businesses in Motherwell will thrive, this will also open more space for more business to be established. This as a result will not only increase business activities in Motherwell but also it will result into the employment of more local people. Currently, the public sector investment prevalent in Motherwell alone, cannot usher in more economically sustainable development. As a result there is a need for private sector investment in the form of businesses that responds to income spending of workers at Coega amongst other imperatives. In this concluding chapter I will firstly discuss problems arising from the findings gathered for this research and I will also expand on the recommendation suggested above. Lastly, I will discuss future areas of research based on this topic and findings.

6.1. Problems Arising from the Findings

As demonstrated in the previous chapter the Coega mega-project present many opportunities and potentials for Motherwell, in particular as they relate to income spending by workers from Coega and business in Motherwell. In light of this the aim of this section is to discuss major constraints as they relate to cultivating job creation and economic growth out of the Coega mega-project. One of the issues identified in this research is the fact that – of the workers who participated in this research - only workers that are living in Motherwell are spending part of their income on businesses that are operating in Motherwell. This points to the fact that business in Motherwell is not benefiting from 23 workers who are not living in Motherwell, and further workers from Motherwell spend most of their income on businesses that are operating outside Motherwell. As demonstrated in chapter five, seven workers from Motherwell spend an aggregate of about R46550 monthly on businesses that are operating outside Motherwell, while they spend an aggregate of about R14760 monthly on businesses that are operating in Motherwell. This shows that in total workers who live in Motherwell spend almost three times the money which they spend in Motherwell on businesses that are operating outside Motherwell.

As already discussed in the previous chapter, the fact that workers from Motherwell spend most of their income on businesses that are operating outside Motherwell is a major problem for the development of Motherwell. Although in the 1980s, apartheid planning was driven by ideas of 'internalising' township economic activities. The form of income spending from the seven workers who leave in Motherwell is a symptom of what was at the core of apartheid planning where township residents were expected to spend most of their income outside their own townships. This was the case since townships were expected to function as 'dormitory' suburbs for the non-White working class population. In the case of Motherwell, 22 years into the democratic South Africa the effects of apartheid planning as they relate to income spending have not yet been dismantled. This has meant that business - that would create employment in Motherwell – could never develop since most of the income that comes to Motherwell is spent on businesses that are operating outside Motherwell. In relation to the research question for this research - based on the sample of 30 workers who participated in this research - it can be said that there is a very limited economic relationship between the manner in which workers at Coega spend their income and businesses in Motherwell. As discussed elsewhere in this research economic relationship refers to the exchange of income from workers at Coega for goods and services from businesses.

In total 30 workers who participated in this research spend about R303937 monthly of their income and only seven workers spend about R14760 monthly on businesses that area operating in

Motherwell (see chapter five). This proves the statement already made above that there is a very limited economic relationship between the manner in which workers at Coega spend their income and businesses in Motherwell. As I have suggested in this research this economic relationship can be made stronger if more money could come to Motherwell and less money could leave Motherwell. In this research it has been made evident that only workers who live in Motherwell spend their income on businesses that are operating in Motherwell and some workers living elsewhere prefer to spend their income closer to where they live. As a result it can be said that spatial location of where workers live can also determine where employees spend their income. Therefore, one way of maximising money that comes to Motherwell would be to maximise direct economic effects of the Coega mega-project by employing more people from Motherwell as the following section will recommend. However, this research also revealed that in the context of Motherwell, this has limitations. In Chapter four, the education level of the workers who participated in this research has been compared to the education of the people of Motherwell.

The comparison of educational levels has been done to understand the general level of skills that are required from the 30 workers who participated in this research and if there is potential for workers from Motherwell to do the jobs that are being done these worker -30 workers. The overall conclusion made from this comparison is that 61.8% of the population of Motherwell – that is above 20 years –does not have a grade 12 qualification. As a result, on one hand this population cannot be employed to do the work done by the 30 workers who participated in this research. This is the case because the general level of education for the 30 workers who participated in this research start from a grade 12 qualification. Indeed the work that is being done by workers who participated in this research requires skilled labour - trained Cargo Drivers, Customer Service Consultants, Crane Operators, Shuttle Drivers, Cargo Coordinators, Technicians and Business Analysts. On the other hand, it is important to note that this research only considered 'skilled' workers as a result it would be interesting to investigate the prospects for 'unskilled' employment for people of Motherwell at Coega as I will suggest in the section for future areas of research. Another major constraint or problem identified in this research can be traced from the different accounts provided by workers who do not live in Motherwell on why they do not spend their income in Motherwell further reveal issues about Motherwell.

The accounts provided by workers who do not live in Motherwell include the perception that Motherwell is not a safe (in terms of crime) township. As a result some of these workers are either not willing to rent accommodation or travel to purchase goods and services in Motherwell. Another reason provided by both workers who stay and those who do not stay in Motherwell makes it clear that Motherwell does not have businesses that adequately meet their needs or interests. The

workers who stay in Motherwell said they would love to spend most of their income on goods and services that are in Motherwell because from this they can save transportation costs. But because some of the goods and services that they require are not available in Motherwell they are forced to purchase these goods and services elsewhere. This account is similar to that which was provided by workers who do not stay in Motherwell. These workers said the reason why they do not purchase goods and services in Motherwell is because the goods and services that they like are not available in Motherwell. In their accounts on why they do not spend their income in Motherwell, workers who do not stay in Motherwell have also raised the issue of access. In that Motherwell is not easily accessible to them and this is the reason why they do not spend their income in Motherwell.

Most of these workers have mentioned that they do not own cars; as a result their reasons are directed to the lack of quality public transport. This finding is similar to a finding made by Hellsten and Tellden (2006) in Motherwell where they have pointed out that public transportation in Motherwell functions very poorly.

6.2. Recommendation – A Vision to Enhance the Economic Relationship between the Manner in which Workers at Coega Spend their Income and Businesses in Motherwell

Todes (2013: 23) notes that there is a need to actively plan spin-offs and linkages of large scale infrastructural projects to “ensure that developments do not remain cathedrals in the desert”, and that these projects have positive impact on unemployment and poverty alleviation. Indeed the planning of Motherwell need to maximise on the context of the site. In this section I propose suggestions that seek to respond to the context and location of Motherwell in relation to the Coega mega-project. These suggestions which are presented at a conceptual level are an attempt to contribute towards addressing unemployment and growing the economy of Motherwell. Important in realising job creation and economic growth in Motherwell is developing a system that ensures that the economic relationship between the manner in which workers at Coega spend their income and businesses in Motherwell is maximised. This would include attempts to ensure that maximum income is spent in Motherwell by workers working at Coega. Major constraints to this as highlighted elsewhere in this research report include the lack of adequate goods and services, safety and access into this Township.

The ‘township economies’ literature, discussed in chapter two also provides some constraints for the development of township economies. This include the lack of land infrastructure for certain businesses, lack of funds, low skills levels and education levels. Furthermore, this literature identifies poor location of certain businesses, difficulties to access suppliers, difficulties to access finance by township businesses as major constraints. In this section I suggest that Motherwell should offer a

safer and accessible urban structure/environment, characterised by mix of land use at specific nodes that responds to income spending of workers at Coega and residents in Motherwell. Furthermore, I suggests that effort to development infrastructure for business like the initiative of allocating informal trading containers to informal traders in Motherwell should be enhanced (refer to chapter three). Moreover, business training centres like the one in Motherwell where people were trained and encourage to start their businesses should be enhanced. Public sector investment that enable township business to have access to funds should also be a priority. Government should actively facilitate a process that would establish channels for successful business at Coega and elsewhere to purchase goods and services from township businesses. For example, catering and other daily used goods and services at Coega should be purchased from businesses from Motherwell.

As discussed in Chapter three, major initiatives - under the Motherwell Urban Renewal Programme (MURP) – have taken place in Motherwell. This includes 12 flagship projects that have translated into a plethora of ward base projects (Nelson Mandela Bay Municipality 2014a). The flagship projects include housing development (mainly RDP houses), public open space development, road upgrading and development, the building of Motherwell health care centre, municipal customer care centre, and the allocation of informal trading containers (Ibid.). In addition to these intervention and others recommended physical/spatial planning of Motherwell shall be in a way that aims at attracting investment that will offer adequate goods/services required by workers at Coega and residents in Motherwell. Public sector investment alone, cannot usher in more economically sustainable development. Indeed the public sector investment in Motherwell alone cannot create jobs for the 30.67% unemployed people in Motherwell. There is a need to enhance entrepreneurial activities that would lead to the development of more business that would create more jobs for the people of Motherwell.

This will be an act of complementing the already spent and allocated public sector funding in Motherwell. Important in the development of businesses in Motherwell is diversity in the type of goods and services to be supplied by these businesses. As discussed in the previous chapter, workers from Motherwell mentioned that one of the reasons why they do not purchase some goods and services in Motherwell is because these goods and services are not available in Motherwell. As a result, adequate diversity in goods and services will ensure that workers from Coega who want to spend their income in Motherwell have access to a wider range of goods and services. Amongst other business (in this regard) the development of business in Motherwell should include accommodation; retail outlets that sell food, clothing/cosmetics; recreational activities; banks; pharmacies/surgeries and transportation (car dealers and panel beaters). These goods and services

are specifically mentioned because they have been identified in this research as the main goods/services that are purchased by workers from Coega.

The above recommendations are proposed as a way of encouraging workers at Coega to spend their income in Motherwell. As already mentioned, the above recommended goods and service have to be adequate and be offered in the most 'attractive' ways to workers from Coega. This is to say that business in Motherwell need to consider the demographic profile of the workers at Coega and residents of Motherwell. In addition business in Motherwell needs to provide the most exciting shopping experience as to ensure that workers at Coega and residents in Motherwell have a positive attitude towards shopping in Motherwell. Currently, we know that most workers are attracted by the shopping experience found elsewhere which is lacking in Motherwell. As noted in chapter five, workers from Coega who live in Motherwell have complained that shopping in Motherwell does not offer the shopping entertainment that is experience in shopping malls elsewhere.

6.2.1. The Best case scenario – the circulation of money in Motherwell

Based on the recommendations made in this chapter, this part of the research present the best case scenario where the income received from the Coega mega-project is expected to circulate in Motherwell. In Motherwell, workers from Coega are expected to purchase or rent accommodation in Motherwell. Because of the diverse and abundant business activities, these workers would then have options to spend their income on goods and services which they are currently purchasing elsewhere. This includes clothing/cosmetics, recreational activities, food and transportation. An important aspect to this scenario is local employment on businesses that would be operating in Motherwell. As a result, all businesses that would be operating in Motherwell will have to look for workers in Motherwell unless in cases where the skill required is not available in Motherwell. These workers (employed in these businesses) similar to workers that work at Coega, will have to spend their income on businesses that are operating in Motherwell. This needs to happen from all the businesses that would be operating in Motherwell to ensure that income generated by workers who stay in Motherwell does not leave this township. This will ensure that money that comes to Motherwell circulate from one business operating in Motherwell to another instead of leaving Motherwell.

The role of workers that are employed at Coega in this scenario will be to act as transporters of income from the Coega mega-project into businesses in Motherwell. As suggested above this can be maximised if these workers do not spend their income on businesses that are operating outside Motherwell. The role of businesses that will be operating in Motherwell is to employ workers that are from Motherwell. The role of the workers who will be employed in these business is quite similar

to the role that workers working at Coega will be playing. These workers will have to spend their income on businesses that are operating in Motherwell. As a result – instead of money leaving Motherwell – it will circulate from one business to another and from one worker to other. This means that those workers who will be working on businesses in which workers from Coega have spent their income will purchase goods and services on other businesses operating in Motherwell. These businesses will then pay these workers their wages/salaries which will also be spent on other businesses that are operating in Motherwell. This will have to continue from one business to another and all workers to ensure the circulation of money in Motherwell and that it does not leave the Township. Figure 6.1 depicts a conceptual diagram that illustrates how the circulation of income will take place. In this figure, it is important to note that income spending is not necessarily envisage to move from workers employed in retail outlet for food to workers employed by pharmacies. Figure 6.1 seeks to demonstrate that income can move from any business through employees to any other business in Motherwell and creating a certain form of money circulation.

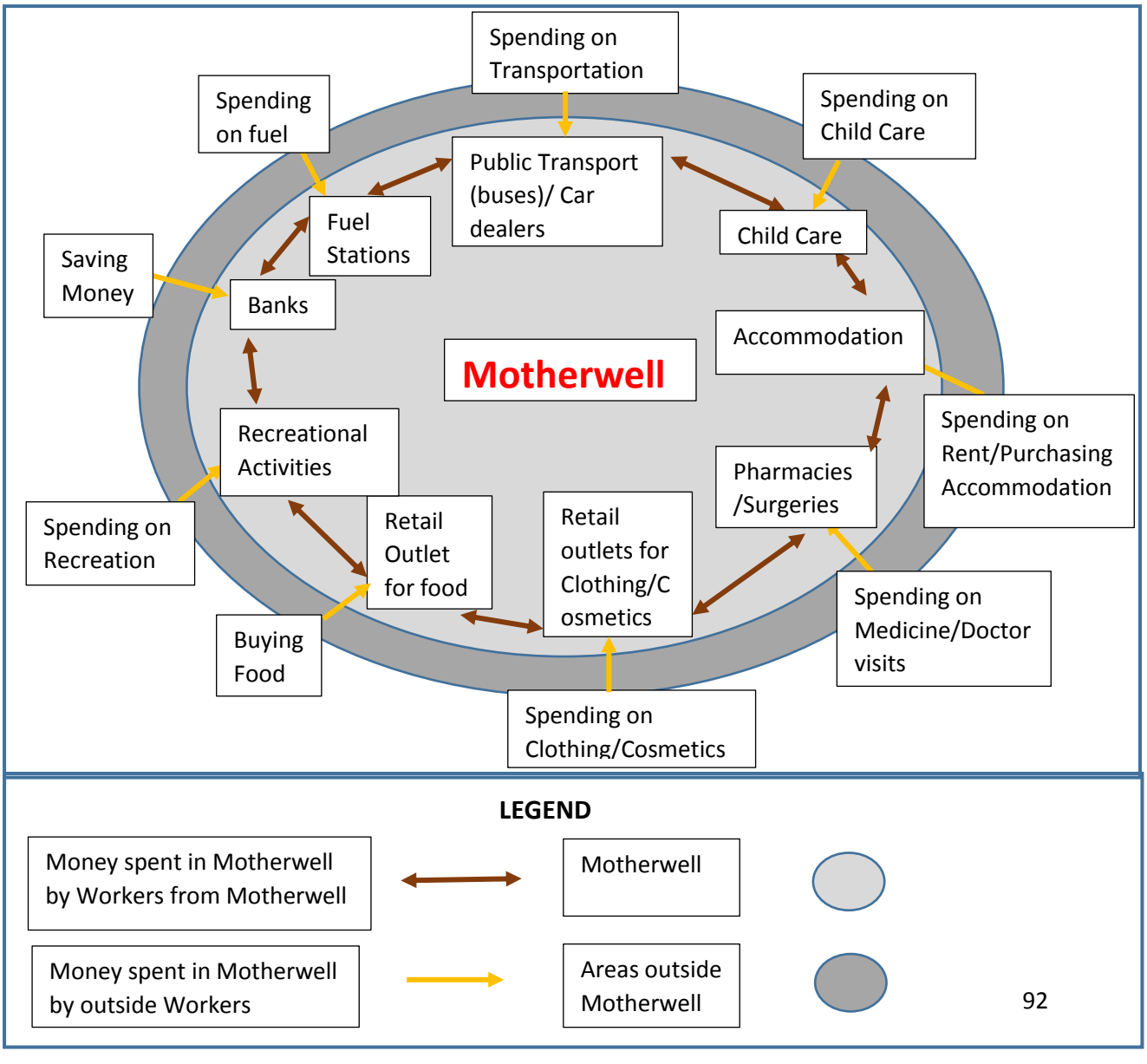


Figure 6.1: developed by the author demonstrates a conceptual intervention for spending income by workers from Coega.

The best case scenario – where income brought by workers to Motherwell will circulate can lead to a situation where limited money leaves Motherwell. This is to acknowledge that there will be a situation where money will have to go out of Motherwell. In this regard, it is important to note that Motherwell cannot be self-sustaining, in that it will require outside assistance. As a result money will have to leave Motherwell in this way so that businesses can be assisted by outside help in terms of services and goods that will not be available in Motherwell. This will have to be minimised and if there are local entrepreneurs who want to produce additional goods and services that will be purchased by businesses from Motherwell - they should be supported. The money that will be leaving Motherwell could be compensated by ensuring that maximum money comes to Motherwell from workers working at Coega, and this includes those who will not be staying Motherwell. Figure 6.1 illustrates this point by suggesting that Motherwell should be developed in ways that guarantee workers who do not live in Motherwell are also attracted by businesses in Motherwell. This will also include the development of a quality, effective and efficient public systems that will allow workers to access Motherwell. Currently, workers from Coega who do not live in Motherwell have mentioned that one of the reasons why they do not purchase goods and services in Motherwell is because it is difficult to access this township.

The transportation system proposed for Motherwell has to create an environment that makes Motherwell the destination for purchasing goods and services by workers working at Coega (from Despatch, Port Elisabeth CBD, Uteinhage, Vulindlela Accommodation). This would be an environment that would motivate workers to stop after or before going to work so as they purchase goods and services. On the issue of safety raised by workers who participated in this research it is important that the perception of Motherwell as an unsafe township is changed. This will require solutions that go to the root of the problem. Social ills such as crime in some, if not in most instances, are created by unemployment and poverty. One way of solving crime (which contributes an unsafe environment) is to address unemployment and poverty by creating jobs. It is also important to note that safety could also point to other forms except crime such as traffic flow for pedestrians. As a result in this research I suggest that additional interventions such as urban design practises of creating a safer environment, progressive community driven practices that promote safety and effective surveillance of the public domain by both state officials and residents should be considered in the development of Motherwell.

6.3. Areas of Future Research

In chapter two – which is the literature review chapter – it has been revealed that in academic literature there is a body of academic work that seek to understand economic effects of economic zones. This research as a result falls under the broad theme of the economic effects of economic zones, and it focuses on how workers - employed at Coega mega-project – are spending their income. In particular this research has attempted to understand the economic relationship between businesses in Motherwell and the manner in which workers from Coega are spending their income. The findings made in this research have demonstrated that the Coega mega-project does have some economic effects on businesses that are operating in Motherwell in that some workers who are working and receiving income from Coega are spending their income on businesses that are operating in Motherwell. However, it is important to note that it was not the purpose of this research to measure the extent of these effects or the impact on businesses in Motherwell. In the context of this research, it is hard to make a conclusion on the extent of the economic impact of Coega on businesses in Motherwell. For example, if we compare the money spent by workers on businesses in Motherwell with what workers are spending elsewhere, one can be tempted to conclude that the Coega mega-project has limited impact on businesses in Motherwell.

In what appears to be limited impact - it could actually be higher compared to what some businesses in Motherwell were getting before. Therefore it could be possible that - although limited income is spent by workers on businesses in Motherwell compared to what they are spending elsewhere – this form of spending income might have significant economic impact on businesses operating in Motherwell. This is to say that the little that workers are spending in Motherwell could have major impact in improving some businesses that were suffering before, but we do not know. As a result there is a need for research to be conducted in this area as to determine the extent of the economic impact of the money spent by workers from Coega on businesses operating in Motherwell. Another interesting area of future research would be to investigate those businesses (in Motherwell) where workers employed at Coega are currently purchasing different goods and services as discussed in chapter five. In particular this research should focus on the manner in which employees of these businesses are spending their income. It has been recommended in the previous section that attempts should be made to ensure that the income spent by workers working at Coega on businesses in Motherwell should stay in Motherwell. Moreover, it has been suggested that this should happen by encouraging money to move from one business located in Motherwell to another, and workers employed by these businesses should spend their income on businesses operating in Motherwell.

Based on the recommendations highlighted above it would be interesting for future research to investigate the current trends on income spending by workers who are working for these businesses. Another interesting area of future research would be to investigate the reasons why business in Motherwell is not taking advantage of the opportunities and potential presented by the Coega mega-project of which some of them have been discussed in this research. As highlighted above this includes the fact that workers at Coega in their current jobs - possess a potential to spend the most relative to when they were in their previous jobs. Moreover, we know that the Coega mega-project has created new jobs and this means that the potential for more workers to spend their income has also increased. This is a very complicated and complex question that needs to be properly researched as to understand why things are happening the way they are. I believe that we can learn a lot from this area of research. In the context of Motherwell we need to know why people have not established businesses that respond to the goods and service required by workers working at Coega. More especially, goods and services for workers who are staying in Motherwell who have also complained about the insufficient availability of goods and service in Motherwell.

The form and the manner in which the different types of goods and services proposed for Motherwell in this research take spatially, economically and politically is another interesting area of future research. This research can – in one aspect – investigate possible conflicts, benefits or lack of benefits and contradictions into the already proposed interventions through the Local Spatial Development Framework (LSDF) for the greater Motherwell area. This research supports the interventions of the LSDF as they relate to the ideas put forward in this chapter. This position is motivated by the vision to strengthening the economic relationship between the manner in which workers at Coega spend their income and businesses in Motherwell. This research supports the promotion of a “mixed residential development in respect of the housing type and tenure and income profile of beneficiaries in order to bring new spending power and activity to the area of Motherwell” (Nelson Mandela Bay Municipality 2010a: 79). This research also supports the nodes proposed by the LSDF for the Greater Motherwell area. The LSDF proposes a series of main, neighbourhood and local nodes that incorporate multi-purpose centres, retail and public transport as demonstrated in figure 6.2. These nodes do offer the kind of environment which is recommended in this research as they speak about accommodation, retail outlets for food and clothing/cosmetics, recreational activities and transportation. I believe that we can learn a lot from future research in this area – specifically as it related to induced effects in the form of workers from Coega spending their income in Motherwell.

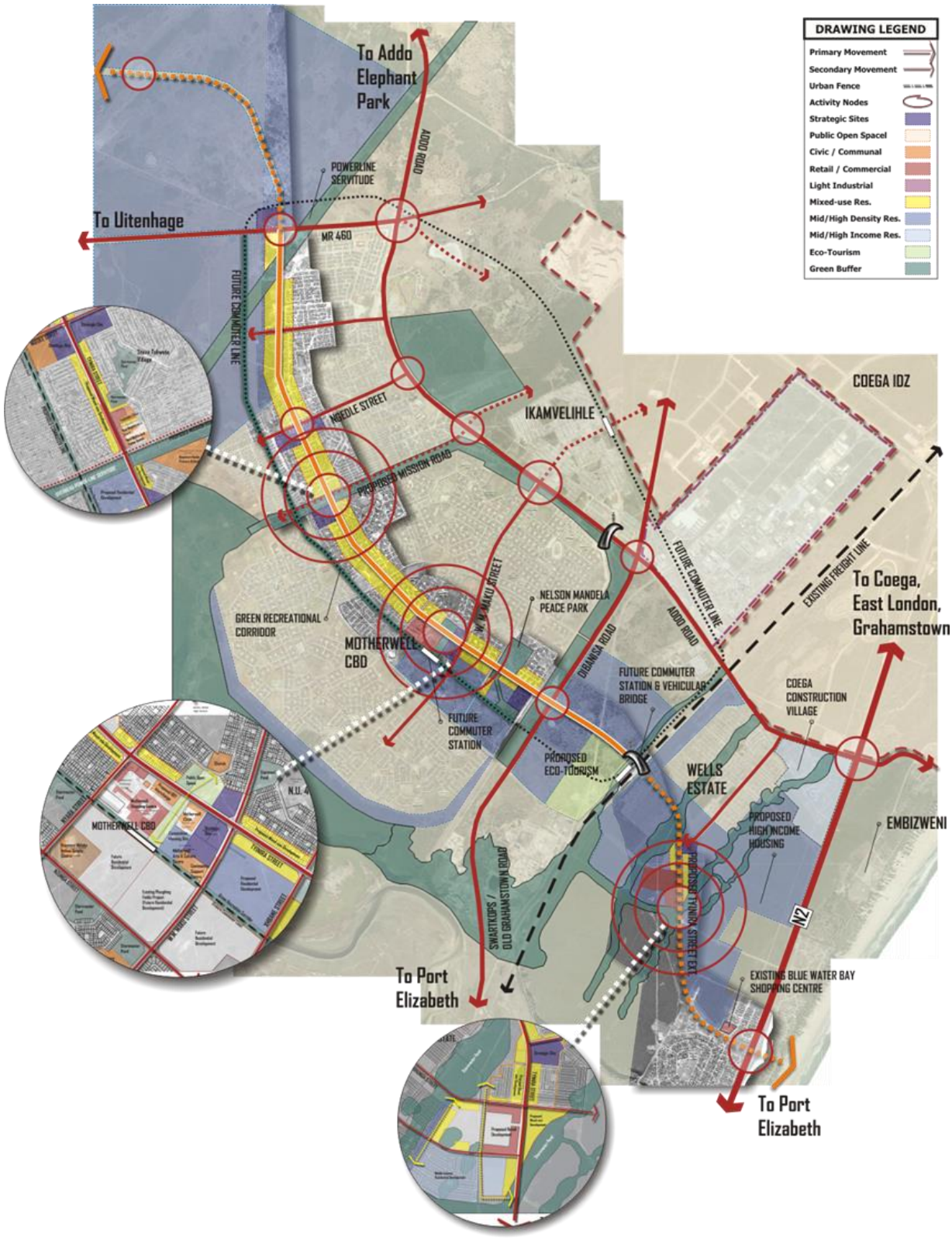


Figure 6.2: taken from the Nelson Mandela Bay Municipality (2010a) demonstrates the Local Spatial Development Framework for the Greater Motherwell Region

6.4. Concluding Remarks

The poor status of Motherwell - as unsafe, unattractive and inaccessible townships means that this area has not recovered from the legacy of separate development advanced by the apartheid government. Moreover, the constraints into the induced economic effects studied in this research in the form of lack of businesses that offer diverse goods and services also reveal that this township has not recovered from the legacy of apartheid planning. In the context of this research it has been revealed that insufficient attention has been paid to the economic effects of the Coega mega-project, as it relate to workers spending their income in Motherwell. In this research, instead of calling for the rejection of the Coega mega-project because of the challenges that it faces I suggests that more effort should be directed towards establishing linkages with the local economy. This includes paying careful attention on the economic effects of this project on the township of Motherwell. In the context of this research this would mean maximum spending of income by workers from Coega on businesses that are operating in Motherwell.

Reference List

Academic references

Adler, G. (1993). "From the 'Liverpool of the Cape' to 'The Detroit of South Africa': The Automobile Industry and Industrial Development in the Port Elizabeth-Uitenhage Region", *Kronos: Journal of Cape History*, 20, 17-43.

Baibes, F. G. (1994) New Brighton, Port Elizabeth C. 1903-1953: A History Of An Urban African Community, Thesis Presented for the Degree of Doctor of Philosophy in the Department of History University of Cape Town.

Benacchio, M., Ferrari, C., Haralambides, H. E. and Musso, E. (2000) On the Economic Impact of Ports: Local vs. National Costs and Benefits, Forum of Shipping and Logistics. Available on http://www.informare.it/news/forum/2000/sig2/genovauk.asp, accessed 03 March 2015.

Bonacich, E. and Wilson, J. B. (2008) *Getting the Goods: Ports, Labor, and the Logistics Revolution.* Cornell University Press, USA.

Brenner, N. (1998) Global Cities, Glocal States: Global City Formation and State Territorial Restructuring in Contemporary Europe, *Review of International Political Economy,* 5(1), 1-37.

Brenner, N. (2004) *New state spaces: urban governance and the rescaling of statehood*. Oxford University Press, Oxford New York.

Bhattacherjee, A. (2012) Social Science Research: Principles, Methods, and Practices, Second Edition. Available on

http://scholarcommons.usf.edu/cgi/viewcontent.cgi?article=1002&context=oa_textbooks,
Accessed on 12 April 2016.

Castree, N. (2007) Book review of A. Ong. Neoliberalism as exception: Mutations in citizenship and sovereignty. *Progress in Human Geography*, 31, 579.

Chinguno, C. (2011) South Africa's Experience with Special Economic Zones, Report Commissioned by Centre for Development and Enterprise.

Chinguno, C. (2009). Neither fish nor flesh: A review of South Africa's version of the export processing zones (University of the Witwatersrand, Sociology, Work and Development Institute) International Labour Organisation Report.

Christian, H. and Schulze, A. W. (1999) The Free-Trading-Zone Programes of Namibia and Mauritius and the latest developments in Europe: Lessons for South Africa, *The comparative and International Law Journal of South Africa,* 32(2), 169-207.

Christopher, A. J. Formal segregation and population distribution in Port Elizabeth, *Contree*, 24, 5-12.

Christopher, A. J. (1995) Segregation and Cemeteries in Port Elizabeth, South Africa, *The Geographical Journal*, 161(1), 38-46.

Cross, J. (2010) Neoliberalism as unexceptional: Economic zones and the everyday precariousness of working life in South India, *Critique of Anthropology*, 30(4) 355–373.

Davies, M. (2008) China's Developmental Model Comes to Africa, *Review of African Political Economy*, 35(115), 134-137.

Dicken, L. M. (2010) The ichthyofauna in the Port of Ngqura, South Africa, *African Journal of Marine Science*, 32(3), 491-499.

Dorfling, T. (1999) Is industrial development an effective local economic development strategy? The Case of Port Elizabeth-Uitenhage, Paper prepared for the Friedrich-Ebert-Stiftung, Issues in Development, 17.

Fehling, M., Nelson, B.D. and Venkatapuram, S. (2013) Limitations of the Millennium Development Goals: a literature review, *Global Public Health*, 8(10), 1109–1122.

Frescura, F. (1990) Port Elisabeth: An Abridged History of the Apartheid City. Available on http://www.sahistory.org.za/franco/urban-issues-PE.html, accessed on 08 August 2015.

Gellert, P. K. and Lynch, B. D. (2003) Mega- Projects as Displacements, *International Social Science Journal,* 175, 15-16.

Hall, P. A. and Soskice, D. W. (2001) *Varieties of capitalism: the institutional foundations of comparative advantage*, New York: Oxford University Press, Oxford England.

Harvey, D. (1989) From Managerialism to Entrepreneurialism: The Transformation in Urban Governance in Late Capitalism, *Geografiska Annaler*, 71(1), 3-17.

Hellsten and Tellden (2006) Development of Central Motherwell, Port Elisabeth, South Africa, diploma work for Masters degree at the programme of spatial planning, Blekinge Institute of Technology.

Harrison, P. (2006) Integrated Development Plans and Third Way Politics, *In Democracy and Delivery: Urban Policy in South Africa*, ed. Pillay, U., Tomlinson, R. and du Toit, J. HSRC Press, Cape Town.

Jauch, H. (2002), Export Processing Zones and the Quest for Sustainable Development: A Southern Africa Perspective, *Environmental and Urbanisation,* 14 (1), 101 – 113.

Karuri-Sebina, G., Napier, M. and McGaffin, R. (2015) South African Township Economies and Commercial Property Markets: A conceptualisation and Overview. Available on http://sacitiesnetwork.co.za/wp-content/uploads/2015/04/SACN-township-economies_WEB.pdf, accessed on 25 July 2016.

Ligthelm, A. A. (2008) The impact of shopping mall development on small township retailers, *South African Journal of Economic and Management Sciences*, 11, 37–53.

Ligthelm, A. A. (2010) Entrepreneurship and small business sustainability, *Southern African Business Review*, 14(3), 131 – 153.

Mazarro, A. D. (2012) Porto Maravilha: planning for inclusive communities in Rio de Janeiro's port area. Available on

http://www.arch.columbia.edu/files/gsapp/imceshared/lld2117/1_RioStudio2012_FinalReport_interactive.pdf, accessed 26 November 2015.

McCallum, J. (2011) *Export processing zones: Comparative data from China, Honduras, Nicaragua and South Africa*. Industrial and Employment Relations Department, International Labour Office, Geneva, Working paper; No. 21.

Mcetywa S.A.M. (1991) Hermeneutics in the context of African traditional religion: with particular reference to the Mpondo people in Lusikisiki, Flagstaff and Bizana areas Of Transkei, A thesis submitted to the University of Durban Westville in part fulfilment of the requirement for the degree of Master of Arts in the Department of Science of Religion.

Merk, O. (2013) *The Competitiveness of Global Port-Cities: Synthesis Report*, OECD Regional Development Working Paper, Available on http://dx.doi.org/10.1787/5k40hdhp6t8s-en, accessed on 25 June 2015.

Müller, A. (2000) The economic history of the Port Elizabeth-Uitenhage region, *South African Journal of Economic History*, 15:1-2, 20-47.

Ong, A. (2006) *Neoliberalism as Exception*. Duke University Press, Durham NC.

Pakes, T. (1998) Industrial development as an effective local economic development strategy: The Port Elizabeth metropole as a case study, Working Paper, Institute for Development Planning and Research University of Port Elizabeth.

Pernegger, L. and Godehart, S. (2007) Townships in the South African Geographic Landscape – Physical and Social Legacies and Challenges. Presented at the 'Training for Township Renewal Initiative' (TTRI). Available on

http://www.treasury.gov.za/divisions/bo/ndp/TTRI/TTRI%20Oct%202007/Day%201%20-%2029%20Oct%202007/1a%20Keynote%20Address%20Li%20Pernegger%20Paper.pdf, accessed on 05 February 2016.

Philip, K. (2014) A History of Townships in South Africa, *In Economics of South African Townships: Special Focus on Diepsloot,* ed Mahajan, S., International Bank for Reconstruction and Development/The World Bank, Washington, DC.

Pieterse, E. (2008) *City Futures. Confronting the Crisis of Urban Development*. University of Cape Town Press, Cape Town.

Robbins, G., Kennedy, L., Scott, D., Sutherland, C., Denis, E., Andrade, J., Miranda, L., Varrel, A., Dupont, V. and Bon, B. (2011) The Politics of Large-Scale Economic and Infrastructure Projects in Fast-Growing Cities of the South, Literature Review. Available on

http://www.chance2sustain.eu/fileadmin/Website/Dokumente/Dokumente/Publications/C2S_WP2_litRev_The_Politics_of_Large-Scale_Economic.pdf, accessed on 23 September 2015.

Robbins, G. and Van Coller, J. (2009) Economic Situation Assessment: Northern urban development corridor, Report prepared for development planning, environment and management as part of North Urban Development Corridor Project for eThekwini Municipality.

Robbins, G. (2015) The Dube Trade Port – King Shaka International Airport Mega-project: Exploring Impact in the context of Multi – Scalar Governance Processes, *Habitat international*, 45, 196-204.

Robbins, G. (personal communication 30 July 2015) Scholar, School of Built Environment and Development Studies, University of KwaZulu-Natal, South Africa, interviewed at WITS University (Johannesburg).

Rogerson, C. (2011) Pro-Poor local economic development in South Africa: The role of pro-poor tourism, Local Environment, *The International Journal of Justice and Sustainability*, 11(1): 37–60.

Roy, A. (2012) Ethnographic circulations: space-time relations in the worlds of poverty management, *Environment and Planning*, 44, 31 – 41.

South African Cities Network (2009) Township Renewal Sourcebook, Johannesburg: SACN.

Sassen (2005) The Global City: introducing a Concept, *Brown Journal of World Affairs*, 11(2), 27-43.

Stein, H. (2008) Africa Industrial Policy and Export Processing Zones: Lessons from Asia paper prepared for Africa Task Force Meeting, Addis Ababa: Ethiopia 10-11 July.

Swyngedouw, E., Frank, M. and Arantxa, R. (2002). Neoliberal Urbanization in Europe: Large-Scale Urban Development Projects and the New Urban Policy, *In Spaces of neoliberalism: urban restructuring in North America and Western Europe*, eds. Brenner, N. and Theodore, N. Oxford: Blackwell, Malden, Mass.

Tang, V. (2008) Zoning in on South Africa's Industrial Development Zones, School of Economics & Finance, University of KwaZulu-Natal – paper presented to TIPS Annual Forum October 2008.

Todes, A. (2013) Spatial Targeting: Lessons from South African Experience, Background Report for the Workshop on Spatial Targeting, 3-4 October.

Van Marrewijk, A. (2013). Organizing Mega-projects: Understanding their Cultural Practices. Megaprojects: Theory meets Practice London: Manchester Business School.

Voges, P. (2013) Competitive Local Economic Development Through Urban Renewal in the City of Port Elizabeth, South Africa, Submitted in fulfilment of the requirements for the degree Doctor Philosophy (Town and Regional Planning) in the Faculty of Engineering, Built Environment and Information Technology, University of Pretoria.

Official documents

Coega Development Corporation (2008) 2007/2008 Annual Report. Port Elizabeth: Coega Dvelopment Corporation.

Coega Development Corporation (2009) 2008/2009 Annual Report. Port Elizabeth: Coega Dvelopment Corporation.

Coega Development Corporation (2010) 2009/2010 Annual Report. Port Elizabeth: Coega Dvelopment Corporation.

Coega Development Corporation (2011) 2010/2011 Annual Report. Port Elizabeth: Coega Dvelopment Corporation.

Coega Development Corporation (2012) 2011/2012 Annual Report. Port Elizabeth: Coega Dvelopment Corporation.

Coega Development Corporation (2013) 2012/2013 Annual Report. Port Elizabeth: Coega Dvelopment Corporation.

Coega Development Corporation (2014) 2013/2014 Annual Report. Port Elizabeth: Coega Dvelopment Corporation.

Coega Development Corporation (2015) 2014/2015 Annual Report. Port Elizabeth: Coega Dvelopment Corporation.

Department of Trade and Industry. (1996). Evaluation of the Regional Industrial Development Programme: Western Cape, Eastern Cape and Northern Cape, February.

Department of Trade and Industry (2008) Industrial Development Zone Programme Guidelines, Department of Trade and Industry, Pretoria. INTERNET:

http://www.rbidz.co.za/Publications_Downloads/Documents/IDZ%20Operational%20Guidelines%20September%202008.pdf, accessed on 31 July 2015.

Department of Trade and Industry (2014) industrial policy action plan 2014/15 - 2016/17: economic sectors and employment cluster, Department of Trade and Industry, Pretoria. INTERNET

http://www.thedti.gov.za/DownloadFileAction?id=851, accessed on 15 August 2015.

Nelson Mandela Bay Municipality (2010a) Regional Sustainable Community Unit Plan: Spatial Development Framework and Precinct Designs for the Greater Motherwell Area, Nelson Mandela Bay Municipality, Port Elisabeth.

Native Urban Areas Act No 21, 1923. Available on

https://www.nelsonmandela.org/omalley/index.php/site/q/03lv01538/04lv01646/05lv01758.htm, accessed on 28 July 2015.

Native Trust & Land Act No 18, 1936. Available on

https://www.nelsonmandela.org/omalley/index.php/site/q/03lv01538/04lv01646/05lv01784.htm, accessed on 28 July 2015.

Nelson Mandela Bay Municipality (2015) *Motherwell Urban Renewal Programme (MURP)*, Nelson Mandela Bay Municipality, Port Elisabeth. INTERNET:

http://www.nelsonmandelabay.gov.za/Content.aspx?objID=479, accessed on 27 March 2015.

Nelson Mandela Bay Municipality (2014a) Motherwell Urban Renewal Programme: Telling a Good Story 2001 – 2014, Nelson Mandela Bay Municipality, Port Elisabeth.

Nelson Mandela Bay Municipality (2014b) 2011 – 2016 integrated development plan for the Nelson Mandela Bay Municipality, 13th edition (2014/2015 Financial year), Nelson Mandela Municipality, Port Elisabeth.

The Presidency of South Africa (2011) *National Development Plan: Vision for 2030.* Department of the Presidency, Pretoria. INTERNET:

http://www.poa.gov.za/news/Documents/NPC%20National%20Development%20Plan%20Vision%202030%20-lo-res.pdf, accessed on 28 June 2015.

Special Economic Zone act No 16 of 2014, INTERNET:

https://www.thedti.gov.za/industrial_development/docs/SEZ_Act.pdf, accessed on 15 August 2015.

Other Sources

Coega Development Corporation (undated) A brochure for the Vulindlela accommodation and conference centre.

Forum on China-Africa Cooperation Beijing Action Plan (2007-2009), INTERNET: http://za.china-embassy.org/eng/zfgx/zfhzlt/t281763.htm. Accessed on 06.03.15, accessed on 3 March 2015.

Miami Herald (2014) Porto Maravilha: Reclaiming Rio de Janeiro's neglected port, INTERNET:

http://www.miamiherald.com/news/nation-world/world/americas/article1965447.html. June 3.

Nelson Mandela Bay Metropolitan (2010b) Motherwell Urban Renewal Programme: Newsletter 2010 edition.

Quantec Research (2011) South African Community Profiles 2011: Dataset containing a collection of variables at the person, household and ward level (v1 26Jan15).

Statistics South Africa (2011) INTERNET: http://www.statssa.gov.za/?page_id=1021&id=nelson-mandela-bay-municipality, accessed on 28 March 2015

Oliphant, P. (2015) South Africa falling short in gender equality standards, *Mail and Guardian*, 04 MAY. Available on

http://mg.co.za/article/2015-05-04-south-africa-falling-short-in-gender-equality-standards, accessed on 26 February 2016.

List of workers who participated in this research and the dates

Worker	Date	Workers	Date
L. R. Mangesi	03/10/15	N. Makatesi	05/10/15
N. Joel	30/09/16	N. Manafu	03/10/15
N. Stuurman	03/10/15	Anonymous	30/09/15
S. Boko	01/10/15	Anonymous	02/10/15
A. Maphazi	02/10/15	Anonymous	28/09/15
T. Sesman	28/09/15	Anonymous	29/09/15
L. Voco	04/10/15	Anonymous	05/10/15
A. Moodley	30/09/15	Anonymous	05/10/15
V. M. Goba	02/10/15	Anonymous	05/10/15
S. B. Arkdien	04/10/15	Anonymous	04/10/15
P. S. Mapisa	03/10/15	Anonymous	04/10/15
F. D. Tsewu	02/10/15	Anonymous	30/09/15
S. Lukwe	04/10/15	Anonymous	30/0915
S. Gxagxa	03/10/15	Anonymous	02/10/15
T. Joel	30/09/15	Anonymous	01/1015

ANNEXURE

Questionnaire for workers at Coega

Qualifying question: Do you work for the Port of Ngqura, the Coega Development Corporation or any of the Industries located at Coega: Yes/No_____

If no, must find another respondent.

Initials and Surname of Interviewer: _____ Date: _____

Gender of interviewee: _____ Time: _____

Good Day,

My name is Kwanda Lande and I am a Master student at Wits University working on a research project that is exploring the economic effects of the Port of Ngqura and Coega IDZ project on the township of Motherwell. The information we collect will only be used for academic purposes but the final document will be available to the public. In order to do this research I respectfully ask that I interview you. Your participation is completely voluntary, and if you are interested in participating, you are free to do so without penalty or loss. If you are uncomfortable with any of the questions or do not wish to answer then that is fine and we can stop at any time. Will it be possible for me to ask you a few questions, it will not take more than 45minutes?

Many Thanks for your time!!!!!

To start this conversation, I would like to ask you some questions about yourself.

1. How do you define yourself (please tick)
    a. Black South African_____
    b. Black African (not SA)_____
    c. White_____
    d. Indian_____
    e. Coloured_____
    f. Asian_____
    g. Other (please explain)_____
2. Your Age **(tick)**
    a. 20-29___
    b. 30-39___
    c. 40-49___

d. 50-59___
e. 60-69___
f. 70+___

3. Where were you born? (please explain) _____
4. Marital Status:
    a. Married _____
    b. Separated _____
    c. Single ____
    d. Divorced_____
    e. Widowed _____
    f. Lives with partner ____
    g. Other (Please describe) _____
5. Where do you currently stay?
    a. Motherwell_____
    b. Wells estate_____
    c. Vulidlela accommodation_____
6. If not in Motherwell, why?
    a. The area of choice was the only place I knew_____
    b. There was limited accommodation available in Motherwell _____
    c. The level of accommodation amenities is not up to my standard _____
    d. Other (please specify)

    _____

    _____
7. How long have you lived in the place you are staying in? (Please round up to the nearest year) _____
8. Why did you chose this specific place?
    a. Did not know any other place
    b. Closer to where you work
    c. It is affordable
    d. It suits your lifestyle
    e. Other (please specify)_____
9. What is the arrangement in the place that you are currently living in?
    a. Own the place ____
    b. Rent the place _____

c. Stay for free because you know the owner____

d. Stay with parents _____

e. Other (please describe)

_____

_____

10. Who do you live with?
    a. Alone_____
    b. Family_____
    c. Friends_____
    d. Colleagues_____
    e. Other (please describe)_____
11. What is the size of your household?
    a. 1 - 2 people ___
    b. 3 – 4 people ____
    c. 5 - 6 people _____
    d. Other (please describe) _____
12. Education levele (tick one)
    a. Less than grade 8___,
    b. Some High school (standard 8) ___
    c. High School grad (Matric) ___
    d. Some university/technikon____
    e. University/technikon graduate____
    f. Post graduate_____
    g. None _____
    h. Other (please specify) _____

Thank you for your responses so far, now I would like to ask you some questions pertaining your job

13. Which company/agency do you work for?
    a. Transnet _____
    b. Coega Development Corporation _____
    c. Other (please specify)_____
14. How long have you worked for this company/agency (please round it up to the nearest month)
    a. 0-1 year_____

b. 2-5 years_____

c. More than 5 years_____

15. What kind of work do you do in the company/agency that you are employed by?

_____

_____

_____

16. What is the nature of your employment?

a. Permanent_____

b. Temporary_____

c. Other (please explain)

_____

_____

17. If temporary, what is the duration of your employment?

a. 1 – 12 months _____

b. 1.1 – 2 years _____

c. 2.1 – 3 years _____

d. Other (please specify) _____

18. Why did you decide to pursue this specific Job?

a. Was the only option available_____

b. It was the most lucrative amongst other options_____

c. Other (Please specify)

_____

_____

_____

19. If you do not mind, what would you say is your current monthly income?

a. R0 – R3000 ____

b. R3001 - R6000 ____

c. R6001 – R10000

d. R10001 and above _____

20. What were you doing before you were employed by the company/agency?

a. Employed _____

b. Unemployed _____

21. If unemployed, why were you not employed?

a. Still studying

b. Not looking for employment

c. Looking for employment, but could not find

d. Other (please specify)

_____

_____

22. If employed, where were you employed? (please explain)

_____

_____

_____

23. If employed, in your previous place of employment what were you doing?

a. Same work that you are currently doing _____

b. Different work from the one that you are doing _____ (please explain)

_____

_____

_____

24. If employed, why did you leave your previous job?

a. Retrenchment _____

b. Relationships with co-workers and boss _____

c. Had to follow spouse _____

d. An opportunity for a higher salary _____

e. Other, (please explain)

_____

_____

25. If you do not mind, what would you say was your annual income in your previous job?

a. R0 – R3000 ____

b. R3001 - R6000 ____

c. R6001 – R10000

d. R10001 and above _____

26. How would you assess your annual income since you started working in your company/agency?

a. Increased_____

b. Decreased_____

c. Stayed the same_____

d. Other (please explain)

_____

_____

_____

27. If stayed the same, why is this the case?

    a. Have not received promotions_____
    b. Have not been retrenched_____
    c. Other (please explain)

    _____

    _____

28. 16. If it changed, why do you think that happened (**can choose more than one):**

    a. Did extra work that led to income incentives_____
    b. Received promotions_____
    c. Did less work which led to income deductions_____
    d. Other (please explain)

    _____

    _____

29. If it changed, what has been the duration of this?

_____

_____

Thank you for your responses pertaining your job, can we now talk about how you spend your income (income exclusively received from the Coega mega-project)

30. Which goods and services do you spend your income on? (**go to table 1 below to record answers**)
31. How much (approximately) do you spend on each good and service monthly (**go to table 1 below to record answers**)
32. Do you purchase the goods and services yourself?

    a. Yes
    b. No

33. If no, who purchase them for you?

    a. Friend____
    b. Relative____
    c. Acquaintance/friends of friends _____

d. Other (please identify)_____

34. Where do you buy these goods

a. Motherwell

b. Not in Motherwell (please specify)_____

c. Some in Motherwell and Some in other places (please specify)_____

_____

35. Which goods and services do you buy in Motherwell (**please tick or add in table 1**)

Table 1: Major expenses incurred by the employee monthly

Goods and services	**Expenditure**	**Location**	**How**
Food_____			
Sending money to family_____			
Accommodation_____			
Clothing/cosmetics_____			
Saving for later_____			
Medicine/doctor visits_____			
Child care_____			
Education_____			
Recreation_____			
Fuel_____			
Transportation_____			
Other (please specify) _____			

36. Why do you purchase these specific goods and services in Motherwell?

    a. It is easily accessible _____

    b. There is no other place in close proximity that offers these goods and services _____

    c. They are of a higher standard _____

    d. Other, (please specify)

    _____

37. If in Motherwell, how long have you been purchasing these goods and services?

    a. 1 – 12 Months_____

    b. 1.1- 2 years_____

    c. 2. 1 – 3 years

    d. More than 3 years_____

38. If in Motherwell, how would you assess your expenditure since you started purchasing them till today?

    a. Increased_____

    b. Decreased_____

    c. Stayed the same_____

    d. Other (describe)

    _____

    _____

    _____

39. If stayed the same, why is this the case? (**can choose more than one**)

    a. Income stayed the same therefore could not afford to buy more, but also did not buy less _____

    b. There have been no change in the type of goods and services that they provide, therefore I cannot buy more of what I use, but not available in Motherwell

    _____

    c. Other (please explain)

    _____

40. 16. If it changed, why do you think this happened?
    a. Had an income increase _____
    b. Your income decreased ____
    c. Members of your family increased
    d. Members of your family decreased
    e. Other, (please explain)

    _____

    _____

    _____

41. If it changed, what has been the duration of this?

    _____

42. If not in Motherwell, why

    a. It does not provide the type of goods and services you like_____
    b. It is difficult to access_____
    c. It is not safe_____
    d. Other (please specify)

    _____

    _____

43. What do you think needs to be done as for people to start and/or continue purchasing goods and services in Motherwell?

    _____

    _____

    _____

    _____

    _____

Many thanks for your time!

Tables Illustrating Individual Expenditure

Workers Spending their Income on Accommodation

Service	Number of workers	Amount
Accommodation	7	R1850 + R2100 + R1550 + R1550 + R1550 + R1550 + R2400 = RANGE R1500 - R2500
Total	7	R12550 – on average – R1792.86

Workers Spending their Income on Food

	Total Number of workers	**Expenditure**
Food	28	R1000 + R900 + R1500 + R1000 + R2200 + R1000 + R900 + R1060 + R1300 + R600 + R800 + R1000 + R1300 + R1700 + R2000 + R1500 + R1200 + R800 + R1600 + R2500 + R1000 + R1000 + R1100 + R2000 + R2700 + R1000 + R900 + R1500 = RANGE R600 – R2700
Total	28	R37060 – on average – R1323.57

Workers Spending their Income on Clothing/Cosmetics

	Total Number of workers	**Expenditure**
Clothing/Cosmetics	30	R700 + R4500 + R2000 + R1500 + R1000 + R800 + R2000 + R400 + R500 + R2000 + R1500 + R800 + R1500 + R500 + R600 + R2000 + R1500 + R3000 + R1300 + R1000 + R2000 + R1200 + R800 + R500 + R1500 + R1700 + R900 + R700 + R800 + R2500 = RANGE R400 – R4500
Total	30	R41700 – on average – R1390

Workers Spending their Income on Medicine/Doctor Visits

	Total Number of workers	**Expenditure**
Medicine/Doctor visits	26	R700 + R1069 + R400 + R1100 + R2300 + R500 + R1250 + R1250 + R1500 + R700 + R500 + R1100 + R1900 + R1150 +

		R1200 + R1150 + R600 + R450 + R500 + R1250 + R1100 + R1500 + R383 + R800 + R600 + R1200 = RANGE R350 - R2300
Total	26	R26152– on average – R1005. 85

Workers Spending their Income on Education

	Total Number of workers	**Expenditure**
Education	16	R2300 + R500 + R400 + R1500 + R2100 + R700 + R1200 + 650 + R2150 + R350 + R450 + R1600 + R1250 + R650 +R 200 + R800 = RANGE R200 - R2300
Total	16	R R16800 – on average – R1050

Workers Spending their Income on Child Care

	Total Number of workers	**Expenditure**
Child Care	13	R400 + R650 +R 550 + R600 + R900 + R2500 + R750 + R600 + R650 + R700 + R600 + R550 + R450 = RANGE R400 - R2500
Total	13	R9900 – on average – R761.54

Workers Spending their Income on Recreation

	Total Number of workers	**Expenditure**
Recreation	26	R1000 + R1000 + R2000 + R700 + R1000 + R800 + R1000 + R600 + R1200 + R1000 + R1500 + R900 + R600 + R1000 + R1000 + R1500 + R800 + R1600 + R1000 + R1000 + R1500 + R600 + R1000 + R1300 + R2000 + R1000 = RANGE R600 – R2000
Total	26	R28600 – on average - R1100

Workers Spending their Income on Transportation

	Total Number of workers	**Expenditure**

Transportation	26	R300 + R3000 + R800 + R700 + R300 + R500 + R470 + R3200 + R2735 + R3100 + R400 + R550 + R600 + R550 + R500 + R400 + R3000 + R2900 + R600 + R700 + R3100 + R800 + R3400 + R3120 + R500 + R400 = RANGE R300 – R3400
Total	26	R36625 – on average – R1408.64

Workers Spending their Income on Fuel

	Total Number of workers	**Expenditure**
Fuel	14	R2000 + R500 + R400 + R2000 + R1500 + R1000 + R1600 + R700 + R500 + R1600 + R1400 + R2000 + R1600 + R2000 = RANGE R400 - R2000
Total	14	R18800 – on average – R1342.86

Workers Spending their Income by Sending It to their Family Members

	Total Number of workers	**Expenditure**
Sending money to Family Members	19	R1500 + R900 + R1150 + R300 + R1800 + R1000 + R2000 + R1300 + R500 + R1400 + R600 + R1100 + R800 + R1200 + R800 + R1500 + R750 + R400 + R1300 = RANGE R300 – R2000
Total	19	R20300 – on average – R1068.42

Workers Saving their Income for Later

	Total Number of workers	**Expenditure**
Saving Income	18	R5000 + R2500 + R500 + R1000 + R2000 + R1800 + R800 + R1000 + R600 + R1500 + R2000 + R700 + R500 + R3000 + R1400 + R1000 + R1000 + R1200 = RANGE R500 – R5000
Total	18	R27500 – on average – R1527.78

Workers Spending their Income on 'Other' Goods and Services

	Total Number of workers	Expenditure
Other' Goods and Services	19	R800 + R1300 + R1000 + R1100 + R1500 + R6000 + R2000 + R1000 + R1200 + R800 + R500 + R1000 + R700 + R2500 + R3000 + R1000 + R1300 + R650 + R600 = RANGE R500 – R6000
Total	19	R27950 – on average - R1471

Expenditure by workers from Motherwell

Workers Spending their Income on Food

	Number of workers spending in Motherwell	Expenditure on businesses in Motherwell	Number of workers spending outside Motherwell	Total amount spent outside Motherwell by workers from Motherwell
Food	7	R400 + R350 + R700 + R1000 + R600 + R300 + R650 = RANGE R300 - R1000	7	R700 + R600 + R1500 + R1150 + R1000 + R750 + R800 = RANGE R600 – R1500
Total	7	R4000 – on average - R571.43	7	R6500 – on average - R928.57

Workers Spending their Income on Clothing/Cosmetics

	Number of workers spending in Motherwell	Amount spent outside Motherwell by workers from Motherwell
Clothing/Cosmetics	7	800 + 2000 + 4500 + 1000 + 500 + 700 = RANGE R500 – R4500
Total	7	R9500 – on average R1357.14

Workers Spending their Income on Education

	Number of workers spending in Motherwell	Amount spent outside Motherwell by workers from Motherwell
Education	2	R2300 + 1500 = RANGE R1500 - R2300

Total	2	R3800 – on average R1900

Workers Spending their Income on Child Care

	Number of workers spending in Motherwell	**Amount spent in Motherwell by workers from Motherwell**
Child Care	2	R400 + R550 = RANGE R400 - R550
Total	2	R950 – average – R475

Workers Spending their Income on Recreation

	Number of worker spending in Motherwell	**Total Expenditure on businesses in Motherwell**	**Workers spending outside Motherwell**	**Amount spent outside Motherwell by workers from Motherwell**
Recreation	2	R400 + R600 = RANGE R400 – R600	5	R1000 + R1000 + R800 = RANGE R800 - 1000
Total	2	R1000 – on average - R500	5	R2800 – on average – R933.33

Workers Spending their Income on Transportation

	Number of worker spending in Motherwell	**Total Expenditure on businesses in Motherwell**	**Workers spending outside Motherwell**	**Amount spent outside Motherwell by workers from Motherwell**
Transportation	5	R300 + R200 + R150 + R110 + R250 = RANGE R110 – R300	7	2900 + 3000 + 550 + 400 + 300 + 400 + 500 = RANGE R300 – R3000
	5	R1010 – on average - 202	7	R8050 – on average – R1150

Workers Spending their Income on Fuel

Workers Spending their Income on	Number of workers spending in Motherwell	Expenditure on businesses Motherwell	Number of workers spending outside	Total amount spent outside Motherwell by workers from Motherwell
Fuel	2	R500 + R1600 = RANGE R500 – R1600		
Medicine/Doctor Visits	3	R2100 – on average - R1050		
Total				
Medication/ Doctor visits	5	R500 + R450 + R300 + R1150 + R400 = RANGE R300 – R1150	3	1000 + 200 + 1000 = RANGE R200 - R1000
Total	5	R2800 – on average - R560	3	R2200– on average – R733.33

Workers Saving their Income for Later

	Number of workers spending in Motherwell	**Amount spent outside Motherwell by workers from Motherwell**
Saving income for later	4	R500 + 1500 + 5000 + 500 = RANGE R500 - R5000
Total	4	R R7500– on average – R1875

Workers Spending their Income by Sending It to their Family Members

	Number of workers spending in Motherwell	**Amount spent outside Motherwell by workers from Motherwell**
Sending money to Family Members	2	R400 + R2000 = RANGE R400 – R2000
Total	2	R2400 – on average - R1200

Workers Spending their Income on 'Other' Goods and Services

	Number of worker spending in Motherwell	**Total Expenditure on businesses in Motherwell**	**Workers spending outside Motherwell**	**Amount spent outside Motherwell by workers from Motherwell**
Other	4	R1000 + R500 + R400 + R500 =	7	600 + 1000 + 800 + 1100 + 500 + 200 =

		RANGE R400 – R1000		RANGE R200 – R1100
	4	R2500 – on average - R625	7	R R4200– on average – R600

SCHOOL OF ARCHITECTURE AND PLANNING
HUMAN RESEARCH ETHICS COMMITTEE

SCHOOL OF ARCHITECTURE PLANNING

CLEARANCE CERTIFICATE	**PROTOCOL NUMBER SOAP/15/07/22/27**
PROJECT TITLE	Understanding the economic effects of the Port of Ngqura and Coega IDZ project, Port Elizabeth on the Township of Motherwell.
INVESTIGATOR(S)	Lande Kwanda (student#: 448305)
SCHOOL	Architecture and Planning
DEGREE PROGRAMME	Master of Science in Development Planning
DATE CONSIDERED	22 July 2015
DECISION OF THE COMMITTEE	Approved
EXPIRY DATE	22 July 2016

CHAIRPERSON _____
(Professor Daniel Irurah)

DATE 28/09/2015

cc: Supervisor: Prof. Aly Karam

DECLARATION OF INVESTIGATOR(S)

I/We fully understand the conditions under which I am/we are authorized to carry out the abovementioned research and I/we guarantee to ensure 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**

School of Architecture & Planning
University of the Witwatersrand
Private Bag 3 Wits 2050
Johannesburg South Africa