

LOCAL ECONOMIC DEVELOPMENT INITIATIVES AND
URBAN POVERTY ALLEVIATION IN THE CITY OF
JOHANNESBURG

C.H. MAJOLA

DECLARATION

I declare that this is my own unaided work. It is being submitted in partial fulfillment for the requirements of the degree of Master of Science in Development Planning to the Department of Town and Regional Planning, University of the Witwatersrand, Johannesburg. It has not been submitted before for degree or examination to any other University.

This 6th Day of October 1999.

Signature



C. H. MAJOLA

LOCAL ECONOMIC DEVELOPMENT INITIATIVES AND
URBAN POVERTY ALLEVIATION IN THE CITY OF
JOHANNESBURG

C.H. MAJOLA

DECLARATION

I declare that this is my own unaided work. It is being submitted in partial fulfillment for the requirements of the degree of Master of Science in Development Planning to the Department of Town and Regional Planning, University of the Witwatersrand, Johannesburg. It has not been submitted before for degree or examination to any other University.

This 8th Day of October 1999.

Signature 

C. H. MAJOLA

ACKNOWLEDGEMENTS

I give special thanks to the Department of Town and regional Planning for providing me with competent knowledge and skills needed in the outside world and to all people who made it possible for me to produce this discourse. These among others are my supervisor Mr. M Sihlongonyane, the officials at the greater Johannesburg Metropolitan Council and Southern Metropolitan Local Council and my parents who financially and socially supported me.

DEDICATION

I dedicate this work to my family especially my grandmother and in memory of my late sister Zanele.

Local Economic Development Initiatives and
Urban Poverty Alleviation in the City of
Johannesburg

C. H. Majola

TABLE OF CONTENTS

CHAPTER 1	1
POVERTY PROBLEMS IN THE THIRD WORLD: AN INTRODUCTION TO THE STUDY	1
1.1 Introduction	1
1.2 Aims of the Study	2
1.3 Objectives	3
1.4 The Background of the Problem	3
1.4.1 Rapid Urban Growth Rate	4
1.4.2 Increasing level of urbanisation	4
1.4.3 Job loss due to structural adjustment programmes	4
1.4.4 Unemployment and inequality due to globalisation	5
1.4.5 Limited growth of productive investment and employment	5
1.4.6 Limited development and research agenda on urban poverty	5
1.5 Research Procedure	6
1.6 The Configuration of the Discourse	7
1.7.1 Chapter 1: An introduction to the study	7
1.7.2 Chapter 2: Background of the problem	7
1.7.3 Chapter 3: Planning approaches for solution: Regional Planning and LED	8
1.7.4 Chapter 4: Case study of the city of Johannesburg	8
1.7.5 Chapter 5: A case study of Southern-substructure of the GJMC	8
1.7.6 Chapter 6: Implications for planning	9
1.7.7 Chapter 7: Conclusions: critiques, recommendations and planning strategy	9
CHAPTER 2	10
POVERTY, URBAN POVERTY AND PLANNING: A THEORITICAL BACKGROUND	10
2.1 Introduction	10
2.2 The Meaning and Concepts of Poverty	11
2.2.1 Basic needs approach	12
2.2.2 Relative income approach	12
2.2.3 Sociological approach	13
2.3 The Geography of Poverty	13
2.4 Defining and Measuring Urban Poverty in South Africa	15
2.4.1 Official population data collection	16
2.4.2 Poverty studies in formulation of policy	16
2.4.3 Academic poverty studies	17
2.4.3.1 Indicators of living standards	17
2.4.3.2 Poverty lines	17
2.4.3.3 Poverty measures	18
2.5 Conclusion	18

CHAPTER 3..... 19

URBAN DEVELOPMENT ISSUES AND ALLEVIATION OF URBAN POVERTY	19
3.1 <i>Introduction</i>	19
3.2 <i>Government Anti-poverty Policy: Regional Planning Approach</i>	19
3.2.1 <i>History of Regional Planning</i>	20
3.2.2 <i>Poverty and Regional Policy in South Africa</i>	21
3.2.2.1 <i>Controls over location of industry</i>	21
3.2.2.2 <i>Industrial decentralisation</i>	22
3.2.2.3 <i>Deconcentration</i>	22
3.2.3 <i>Successes and failures of the regional planning strategy</i>	22
3.2.4 <i>Comments on regional planning strategy</i>	23
3.3 <i>Fighting poverty through LED approach</i>	24
3.3.1 <i>Understanding LED</i>	25
3.3.2 <i>History of LED in South Africa</i>	26
Policies and Legislation: Revitalisation of LED in South Africa	27
3.4 <i>Conclusion</i>	30

CHAPTER 4..... 31

A CASE STUDY OF THE CITY OF JOHANNESBURG: THE GREATER JOHANNESBURG METROPOLITAN COUNCIL.....	31
4.1 <i>Introduction</i>	31
4.2 <i>Demography of GJMC</i>	33
4.3 <i>Employment Trends in the GJMC</i>	33
4.4 <i>Unemployment</i>	38
4.5 <i>GJMC and Poverty Assessment</i>	39
4.5.1 <i>Poverty in the Integrated Development Plan (IDP)</i>	39
4.5.2 <i>Poverty and the Indigence Unit</i>	39
4.6 <i>The Geography of Poverty in Johannesburg</i>	40
4.7 <i>GJMC Poverty Reduction Programmes</i>	41
4.7.1 <i>LDOs and IDPs</i>	41
4.7.1.1 <i>Critique</i>	42
4.7.2 <i>Basic Needs- Infrastructure Provision</i>	42
4.7.2.1 <i>Water</i>	43
4.7.2.1.1 <i>Critique</i>	43
4.7.2.2 <i>Housing and Land Allocation for Housing</i>	44
4.7.2.3 <i>Public Transport</i>	46
4.7.3 <i>Area-based interventions: Inner City Revitalisation</i>	46
4.7.4 <i>The Indigence Unit – Targeted Welfare</i>	47
4.7.5 <i>Job Creation – LED and SMME Support</i>	48
4.8 <i>Conclusion</i>	48

CHAPTER 5..... 49

A CASE STUDY OF LED AND URBAN POVERTY ALLEVIATION IN THE SOUTHERN-SUBSTRUCTURE OF GJMC	49
5.1 <i>Introduction</i>	49

5.2	<i>Three major LED approaches adopted in the SMLC</i>	49
5.3	<i>The SMLC LED Initiatives and Urban Poverty Alleviation</i>	50
5.3.1	Marketing and Tourism Strategy.....	50
5.3.1.1	Hector Peterson Square in Soweto and Maai-Maai Bazaar.....	51
5.3.2	Business Support and Economic Empowerment Strategy.....	51
5.3.2.1	Local Business Services Centre: Smith Street LBSC.....	51
5.2.3.2	Affirmative Procurement Policies and Skill Transfer to Uplift the Poor.....	52
5.3.4	Business Retention, Expansion and Attraction.....	53
5.3.4.1	Southern Economic Corridor: Baralink Development.....	53
5.3.4.2	Jabulani Mall.....	53
5.3.4.3	Crown City Development.....	54
5.3.5	Economic Development Facilitation.....	54
5.4	<i>Conclusion</i>	55
CHAPTER 6		56
PLANNING IMPLICATIONS OF LED AND URBAN POVERTY ALLEVIATION		56
6.1	<i>Introduction</i>	56
6.2	<i>Issues to be considered when planning</i>	56
6.2.1	The Concept of Community and Community Participation.....	56
6.2.2	Appropriate Technology.....	57
6.2.3	Livelihood Analysis and Social Impact Assessment.....	57
6.2.4	Reaching the target group.....	57
6.2.5	Future Management.....	58
6.2.6	Planning and Construction.....	58
6.3	<i>What planners can do?</i>	58
6.3.1	Planning Procedures.....	59
6.3.2	Community Decision Making.....	60
6.4	<i>Conclusion</i>	61
CHAPTER 7		63
DEVELOPMENT PLANNING STRATEGY FOR THE CITY OF JOHANNESBURG: A NEED TO LINK LED AND URBAN POVERTY ALLEVIATION.....		63
5.1	<i>Introduction</i>	63
5.2	<i>Critique and comments</i>	64
5.2.1	Lacking vision for the city of Johannesburg.....	64
5.2.2	The danger of relying on welfare for poverty alleviation.....	64
5.3	<i>Recommendations: Towards the Future of LED and Urban Poverty Alleviation</i>	66
5.3.1	Redefining the role of the city in economic development.....	66
5.3.2	Integrating a concern for housing and basic services within poverty.....	66
5.3.3	The right of poor people to influence definitions.....	67
5.3.4	Strengthening the city's economy.....	68
5.3.5	Improving the revenue base.....	68
5.3.6	Integrating the urban management system.....	68
5.4	<i>Understanding the need to act on multiple poverty determinants</i>	69
	<i>Conclusion</i>	69
REFERENCES		71

CHAPTER 1

Poverty Problems in the Third World: An Introduction to the Study

1.1 Introduction

Over 1000 million people live in absolute poverty in the Third World. Asia has 64% of the developing countries' people in absolute poverty, Africa has 24% and Latin America and Caribbean has 12% (Erasmus, 1998). This has made poverty to be perceived as a very serious problem in the Third World Countries. The situation is even worse as poverty is growing faster in Africa with the number of absolute poor having increased by about two-thirds, contributing to 53% of population living below the poverty line in South Africa (Mthimunya, 1998).

Poverty line varies according to the size of the household and its age composition. At present, South Africa's poverty line refer to less than R840 per month for an urban household with two adults and three children and R740 per month for an equivalent size of a rural household (Human Science Research Council (HSRC) (1995), but at the Greater Johannesburg Metropolitan Council, Gauteng, R800 is used by indigence unit as poverty line (GJMC, 1997). Further, Mthimunya (1998: 2) argues "although about three quarters of the developing countries poor people live in rural areas, there is however, a recent trend towards the urbanisation of poverty, owing to the rapid increase in urban slums and squatters settlements which are expanding at a rate of about 7% per year".

Korsman (1998: 9) proceeds this argument saying that industrial revolution led to very rapid urbanisation making the city "for the first time in its history" to become the dominant form of human habitation. But the rapidly expanding cities could not cope either physically or financially with the rapid growth in population, leading to extreme urban poverty.

This exacerbating problem of urban poverty has a lot of challenges to the local governments on their local economic development (LED) and urban poverty alleviation strategies. Nelson Mandela, the former President of the Republic of South Africa, stated in his opening address to parliament on the 7th of February 1997, *"Insofar as local government is concerned, there is urgent and critical need for the training of the councilors. Their ability to raise funds and manage them, to play their role in multi-billion rand housing and infrastructure programmes, to attract investments, to deal with the distortions of apartheid era, and to work with communities in partnership for development, are skills that should be built more intensively..."* (Mandela, 1997 in IRI and NBI, 1998). This means that LED is a new competence for local government, and they are still learning how to do it.

The influx of new South African constitution put forward that the responsibility for stimulating economic growth and job creation is no longer reserved for the national or provincial level, rather it is a common challenge that all local authorities must now confront. In other words LED is an obligation which local government should practice in terms of constitutional mandate. To seize this challenge local authorities must use a more proactive methodology allowing the participation of the community in promoting economic growth and reducing poverty in their locality. The challenge for planning is to redress the ongoing process of poor-people formation and human degradation in the urban setting. This calls for planners to suggest, plan and implement concrete economic development strategies and approaches that will target urban poverty alleviation.

1.2 Aims of the Study

The purpose of this study is to think as systematically as possible what action must be taken both to 'cure' or remove existing poverty as well as to prevent further outbreaks of this scourge. Since urban poverty alleviation has currently become a major area of attention for the international donor community, it is thus the aim of this discourse to scrutinise the directions pursued at the low level of governments to alleviate urban poverty.

This research paper will be concentrating on local economic development initiatives and the alleviation of urban poverty at local metropolitan level, with identifiable orientation to the LED strategies for targeting urban poverty in Johannesburg.

1.3 Objectives

- To do a comparative analysis of past regional planning strategies and new LED planning strategies to target poverty.
- To explore literature on urban poverty and local economic development in order to investigate how far have LED initiatives targeted urban poverty in South Africa.
- To demonstrate such initiatives by using a case study of Johannesburg, with an aim to observe how LED strategies had been linked to urban poverty alleviation in South Africa.
- To make planning recommendations on what strategy could be used in planning LED and in implementing it so as to ease urban poverty.

1.4 The Background of the Problem

Internationally urban poverty has been one enormous problem, authors such as Peet (1970; 1972; 1977; 1998; Orsbone 1989) argue the manifestation of poverty and argue about the existence of disadvantaged, underclass neighbourhood or the geographic area encompassing a concentration of low-income people in such a rich country like America.

Lewis (in Peet, 1970) shows that being poor in an overwhelmingly rich country brings a special set of difficulties. South Africa is no exception to this problem. The HSRC report of 1995 shows that 31.6 percent of women and 28.1 percent of men in urban areas live in poverty.

Table 1.1 Percentage of men and women living in poverty

Location	Women	Men
Rural areas	63.2	57.4
Urban Areas	31.6	28.1
Total South Africa	48.3	43.5

Source: HSRC, 1995

1.4.1 Rapid Urban Growth Rate

In 1950, only 285 million people, or 16 per cent of the developing world's population, resided in urban places (Kasard, 1991). According to de Haan (1997), 28 percent of the population lived in urban areas in 1975. By 1990 the 1950 population number had multiplied fivefold to 1.5 billion urban residents, making up 37 percent of the total population in developing countries. The projections to the year 2000 suggest 41 per cent of urban residents (Kasard, 1991; de Haan, 1997). The condition is perceived to be worse being projected by the United Nations (UN) in 1991, that during the next 35 years the urban population of developing countries will triple again reaching 4.4 billion in 2025. At that time four of every five urban dwellers in the world will be in countries currently classified as developing and within these countries about two in three people (61%) will be urban (UN, 1991). A quarter of the world's urban population i.e. about 330 million out of about 1.3 billion people, according to Harris (1992) live in absolute urban poverty which has not really been alleviated very much by 1990.

1.4.2 Increasing level of urbanisation

The level of urbanisation is increasing. Comparing 1970 when the developing countries' level of urbanisation was 25 percent, to 1994 when it was 37 percent, the projections up to the year 2025 suggest 57 percent level of urbanisation (UN, 1995). Rapid urban growth is not a problem only in sub-Saharan Africa, but also an international problem. For example, by the end of 1990, the urban population of China lived in 467 cities and over 120,000 smaller townships. Continued development suggest the number of cities would reach 600 by the end of the century, and smaller towns over 150, 000 (Harris, 1993). Along with the process of urbanisation, poverty is also increasingly being urbanised (de Haan, 1997; Mthimunya, 1998).

1.4.3 Job loss due to structural adjustment programmes

The emergence of the new poor (opposed to the chronic poor) was a consequence of job loss due to structural adjustment programmes (Wegelin and Borgman, 1995). Structural adjustment was implemented, in part, to remove some of the urban bias removing anti-agricultural price distortions. This has usually affected urban inhabitants adversely, and the urban poor have suffered from food price increases, contraction of industrial and public sector employment (creating a class of new poor) and functions in public expenditure.

1.4.4 Unemployment and inequality due to globalisation

Organised labour (representing 450 unions from 120 countries) in the early 1990s, expressed concerns about increasing unemployment as a result of the liberalisation of the world economy. This reaction was on the plea for labour market flexibility and pledged to fight any attempt to drive down workers' living standards and warned business of an imminent public backlash against the unemployment and inequality caused by globalization (Mail and Guardian 1996a: B7).

1.4.5 Limited growth of productive investment and employment

Urban poverty has been also exacerbated by the economic stagnation experienced in a number of developing countries, particularly in sub-Saharan Africa, where over the past two decades there has been limited growth of productive investment and employment. Recently South Africa's mining industry in Johannesburg, Gauteng, one of the main economic sectors employing a large proportion of the population, experienced the decline in the gold price. The shut down of the mining industries results in job loss with retrenchment of employees.

This leads to the increased urban problems because the socio-economic and environmental components of the urban system are directly affected. For example the RPM mine that has been recently closed down, the Star (1999) reported that about 50 000 jobs were lost. This hit of job loss has stricken negatively to the economy of Johannesburg and other parts of the country.

1.4.6 Limited development and research agenda on urban poverty

Urban poverty has been a low priority on development and research agendas. For two decades rural development and rural poverty have dominated these. The failure of large-scale housing projects has probably contributed to the lack of interest in urban issues. Furthermore, industrial policies of regional planning had rural biased solution to poverty (de Haan, 1997), ignoring the fact that over the past few decades, most countries in the South have undergone an unprecedented increase in their levels of urbanisation.

1.5 Research Procedure

Literature review on urban poverty, regional planning and local economic development planning has been done. Further, "A desk is a dangerous place to which to view the world" (Le Carre in UBS, 1995). Thus the primary procedure was to visit one local authority to investigate its local economic development initiatives and the alleviation of urban poverty. A case study of the city of Johannesburg (the GJMC area of jurisdiction) was chosen following the fact that Johannesburg City is the economic heart of South Africa.

It also befall to be the focus of this study as it lies at the centre of a fairly rapidly urbanising region, Gauteng. Thus economic development and poverty reduction in Johannesburg became the focus of the study. Johannesburg case study is taken as an example of what is happening in the country and will help to prioritise what should happen as it has been seen for a number of reasons as a symbol of the twenty-first century city.

Furthermore Johannesburg is a city in which the public and private sectors are renegotiating their relationship. In addition, the local government institutions (the metro and four substructures) of Johannesburg are fragmented hence calls for practical planning. The geography of poverty shows the concentration of poor people in the African townships to the south of Johannesburg, thus this study prioritise the evaluation of urban poverty alleviation strategies of the GJMC in terms of improving the vulnerability of people in this subsection of its area of jurisdiction i.e. Southern Metropolitan Council (SMLC).

In the fieldwork, frequent site visits and visual surveys as well as informal conversation with affected and involved community members, in areas where developments have or are taking place, was done. Intensive discussions were conducted with government officials and decision-makers in the key departments responsible for LED planning and urban poverty alleviation in the GJMC and its Southern sub-structure. Some information was collected from previous studies relevant to Johannesburg. Information was collected on the character of the Johannesburg area of jurisdiction (the geographical location; institutional arrangements; demography and poor people identification measures); history of LED strategy for Johannesburg and strategies used to alleviate urban poverty; economic sources; stakeholders interaction with the strategy and perceptions of the future.

1.6 The Configuration of the Discourse

After this introductory chapter, this paper discusses poverty, urban poverty and planning implications (chapter 2). It further employ a discussion on regional planning as one of the anti-poverty policies launched by the government, its demise and the emergence of local economic development planning (chapter 3). This discussion is followed by a detailed study of local economic development initiatives to alleviate poverty at the lower level of government. It presents a case study of the city of Johannesburg in Gauteng beginning with the local government at metro level (the Greater Johannesburg Metropolitan Council (GJMC) Chapter 4) and (in chapter 5) evaluates the initiatives used at one local council of the metro, the Southern Metropolitan Local Council, which has been proven by research to be containing a large number of poor people of the metro (see appendix 2). Chapter 6 then indicates the implications for planning. And finally, the paper critiques, comments and recommend on LED and urban poverty and provides a selection of planning theory, suggests LED-planning strategy for urban poverty alleviation and means of its implementation (chapter 7).

1.7.1 Chapter 1: An introduction to the study

Chapter 1 gives a synopsis of the discourse. It introduces poverty problems and urban development issues in the Third World. The identification of urban poverty problem is substantiated by statistics from various sources on the extent of the problem internationally as well as in South Africa. Aims of the study, objectives, research methodology used are discussed in this chapter. Finally the structure of the discourse is explained. The chapter gives a background on why this study and summarises the whole dissertation.

1.7.2 Chapter 2: Background of the problem

A literature review on poverty and urban poverty is done. The chapter debates alleviation of poverty as a main aim of planning throughout its history. Also traced in this discussion are the poverty perceptions and the growing body on poverty research. The geography of poverty explains the rural-urban poverty systems and the role played by migration. The discussion involves poverty definitions, poverty line and urban poverty measures both internationally and in Sub-Saharan Africa, especially South Africa .

1.7.3 Chapter 3: Planning approaches for solution: Regional Planning and LED

This Chapter gives broader overview of how poverty has been addressed in the past. Putting more orientation to the past regional planning strategies and policies, blamed in this discourse and else where in the literature, for increasing poverty in the urban setting due to its orientation with indirect rural poverty reduction approaches and giving less concern to urban poverty existence. Thus history of regional planning, its approaches and policies and its traditional way of promoting economic growth are discussed in detail.

The shift from this managerial style of making economic development decision to an entrepreneurial style of local government decisions on economic development is presented with the comparative analysis of the two approaches. History plays an important role in planning, thus it is from the bases of this chapter's evaluation of the strategies, that shortcomings of past and present approaches to poverty eradication can be understood. This will help to be able to assess the impacts of approaches used in Johannesburg and to then recommend a strategy that is more appropriate for alleviating urban poverty through local economic development initiatives.

1.7.4 Chapter 4: Case study of the city of Johannesburg

In Chapter 4, case study Johannesburg local government, the GJMC, which will help to investigate how far have LED strategies in South Africa have targeted urban poverty (either directly or indirectly) is presented. An evaluation of how have those strategies succeeded to reduce urban poverty is included. Strategies persuaded at the Greater Johannesburg Transitional Metropolitan Council (GJTML), usually shortened as Greater Johannesburg Metropolitan Council (GJMC), are critically analysed.

1.7.5 Chapter 5: A case study of Southern-substructure of the GJMC

Poverty understanding and measurements in Johannesburg, the spatial distribution of poverty within GJMC area of jurisdiction shows that the population in the south and southwest of Johannesburg are more vulnerable to poverty, the poverty reduction programmes, current practical projects and their assessment in terms of community vulnerability, are discussed in detail in this chapter.

The project level initiatives aiming to reduce urban poverty of vulnerable people in the African townships in the south, especially Soweto population, are analysed together with the Southern metropolitan Council, which is the GJMC sub-structure responsible for the southern parts of GJMC.

1.7.6 Chapter 6: Implications for planning

This chapter evaluates the urban poverty problem and the attempted solutions and argue what implications does this has for planners. It argues the issues that need to be considered when planning and debates the challenges, dilemmas and dichotomies facing the planners in as far as economic development and solving urban poverty.

1.7.7 Chapter 7: Conclusions: critiques, recommendations and planning strategy

Chapter 5 drawing from the lessons of a case study in chapter 4, provides recommendations of a strategy emphasising community participation as proposed by Muller (1994). LED planning strategy recommended can contribute towards the alleviation of urban poverty in the GJMC and its substructure responsible for the south of Johannesburg, SMLC as well as in South Africa as a whole. The interpretation of findings in this discourse shows that there are many good strategies but are under utilised to target poverty reduction. As a result Johannesburg suffer what McAuslan (1987) argue “too many plans but little planning”.

If the planning strategy is not a proactive one, chances of not achieving any fruitful result are high. A good LED planning strategy is the one that encourages the participation of the community in all stages of development. The approach used in GJMC appear to be that of policy implementation, in other words a response to the stipulated policy, either than a commitment to improve the living standards and conditions of the urban poor. This discourse calls for the use of a practical approach in planning that will see to it that community participation is a practical consequence other than just legislation.

CHAPTER 2

Poverty, Urban Poverty and Planning: A Theoretical Background

2.1 Introduction

The eradication of poverty has been one of the main aims of planning throughout its history. However, "Poor people have become trapped in a cycle of poverty from which escape is extremely difficult even when the desire to escape has (miraculously) survived" (Lewis in Peet, 1970: 3). This means that even when poor people from the rural periphery have migrated to the cities, they still remain poor because "Poverty is like an illness, it shows itself in different ways in different historical situations, and it has diverse causes. Treatment generally requires careful diagnosis" (Wilson and Ramphela, 1989: 14). This discourse explores the challenge directed to planners for the diagnosis of the illness so that they can come up with the solution. Planning is all about problem solving. Having hypothesised the urban poverty problem as also resulting from passive economic development strategies, the recommendations of the active strategy is suggested. It is necessary to first and foremost trace the theoretical base of poverty, urban poverty and planning.

As a result of exacerbating problem of poverty, the renewed concern about human deprivation has generated a growing body of research on poverty. This increasing concern on poverty research is distinguished in the work of different researchers. Zackey (1996), emphasises poverty as a lack of choice, thus suggest that planners should provide more choices when planning especially for poor communities. De Haan (1997) attributed urban poverty to the rural biased poverty alleviation strategies that led to urbanisation and as a result, poverty is urbanised.

Wolfensohn, the President of World Bank Group, extended this statement by arguing that “countries that until recently believed they were turning the tide in the fight against poverty are witnessing its re-emergence along with hunger and human suffering it brings”. He then concludes “we must now draw on the lessons of recent experience to help us reshape our strategies for the future. The Bank thus suggest that ‘social safety net’ measures such as unemployment insurance, subsidised school fees, job creation programs, and food subsidies are essential for eventual broad-based recovery World Bank News Release (1999: 1).

The large-scale persistence of poverty is one of the biggest problems facing developing countries today and the fight against this problem is the main challenge for planning in the third world countries. However, no consensus exists on the courses and definition of poverty. This is more emphasised by Zackey (1996), as she argued that poverty is a multi-faceted phenomenon. as a result, perceptions of poverty do not only differ from one discipline to another, but also change over time. Having, as she further argued, the economic field defining poverty in monetary terms (like bread line, living wage), while the social approach focuses on social barriers and problems, human organisation and coping mechanisms of the poor.

Town and regional planning often accentuate the physical manifestations of poverty (like overcrowding, lack of services, unhygienic conditions) as well as the physical movement of people like rural-urban migration

2.2 The Meaning and Concepts of Poverty

Although there are no consensus on the exact definition of poverty, a variety of definitions exist, one being cited by MacPherson and Silburn in Dixon and Macarow (1998: 1), as follows: “At its simplest poverty refers to a basic lack of the means of survival: poor are those who, even in normal circumstances, are unable to feed and clothe themselves properly and risk death as a consequence”. Vanderschueren et al (1996) argue that the key issue is that poverty reflects the inability of an individual household or community to satisfy certain basic minimum needs. “In fact poverty is a persistent problem that has presented political and moral challenges to all societies at all times” Wilson and Ramphele (1989: 13).

The word itself, poverty, is a familiar one that everyone claims to understand. But the specific meaning we attached to the word depends upon the underlying concept of poverty we have in mind (MacPherson and Silburn in Dixon and Macarow, 1998). Defining the poor has been part of poverty studies worldwide. In poverty studies on Egypt, three definitions have been used of the poverty line: the basic needs approach, the relative income approach and the sociological approach (Korayem, 1996; Kyereme and Thornbecke 1987; VanPraag and Baye 1990).

2.2.1 Basic needs approach

Basic needs approach is used in defining the income poverty line, entailing first estimating the minimum food requirements needed for the individual and/or household (based on the sufficient minimum intakes of calories and protein), and then estimating basic consumption expenditures on non-food items. Although the basic needs approach provides a relatively more comprehensive basis for the measurement of poverty compared with other definitions, it certainly has its limitations and shortcomings.

This is reflected mainly in the arbitrariness implied in defining a household's basic needs of food and non-food items, and in the prices used to measure a household's expenditures on those basic needs items because prices are dependent on incomes, on location, and on social status (Kyereme and Thornbecke 1987; VanPraag and Baye 1990). Arbitrariness is also reflected in estimating the minimum food requirements for individuals in terms of calories level and protein because individual calorie requirements depend on several factors, such as sex, age, size (i.e. weight and height), and the type of work performed. Another critique is that the calorie intake needed for the average individual is also disputable and has been falling in recent years (Lipton, 1983; Kyereme and Thornbecke 1987).

2.2.2. Relative income approach

Relative income approach defines poverty line relative to income per capita. It is set at one-half or two-thirds, etc., of per capita income. The shortcoming of this approach is that it lacks the criteria, which guarantee that the relative income chosen as the poverty line satisfies the basic needs of the individual. It overlooks the fact that poverty signifies a certain state of being in which the individual does not have enough income to meet his or her basic needs of

food, shelter, etc., no matter whether the income is one-half or two-thirds e.t.c of per capita income. Also the studies that define the poverty line according to the relative income approach do not state why a certain relative income has been chosen as the poverty line, for example why poverty is defined as one-half (and not as two-thirds) of per capita income (Kyereme and Thornbecke 1987; VanPraag and Baye 1990).

2.2.3 *Sociological approach*

Sociological approach defines poor people as those who are recognised by society as poor. The sociological definition of poverty is open to serious criticisms. Among those criticisms is that it fails to define poverty objectively because it implies that people are not poor unless they are recognised by a society as being poor by giving them social assistance. Poverty signifies economic and social conditions in which the individual does not have enough income to meet the basic needs of physical existence of food, clothing, and shelter. In these conditions the individual must be defined as poor, no matter whether society recognise their poverty or not.

Furthermore, a society may give different forms of assistance to people without considering them as poor, e.g. tax exemptions and grants. Thus dependence only on social assistance as a measure of poverty is deceiving. Social assistance is a sufficient, but not a necessary condition for poverty (Jones 1996; Korayem, 1996). It is the case that there are some parts of the world where extreme poverty of this kind is prevalent and affects large numbers of people, in these cases it may be difficult in practice to argue convincingly for a less extreme concept and definition of poverty. MacPherson and Silburn (1998) suggests that the concept of poverty as absolute deprivation continues to be of primary relevance in countries where per capita income is low and the incidence of poverty is high. This definition has become increasingly unacceptable in those parts of the world where higher general levels of living have been achieved.

2.3 **The Geography of Poverty**

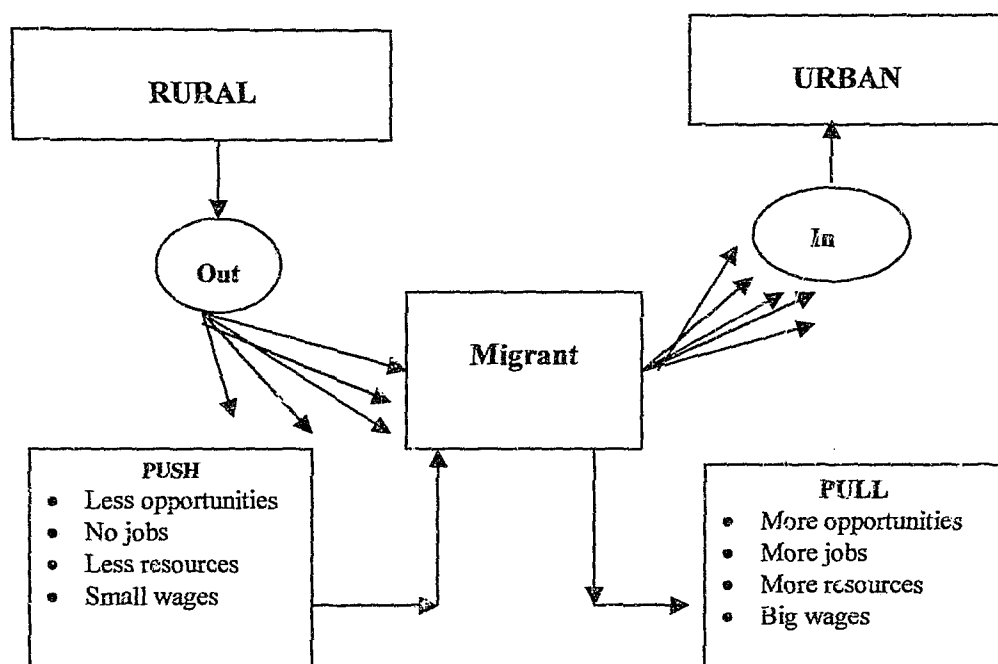
Like American cities, modern South African cities are designed for the middle and working classes and not the poverty underclass. South Africa follows the American system of distributing food and other goods, which favours those with large incomes.

Poor people are subjected to a continual barrage of advertisements directed at the rich who cannot help but intensify class feelings of envy and inadequacy. The South African poor live in a society in which almost every meaningful transaction involves an exchange of money-being without, greatly limits the poor persons choices and alternatives and therefore hinders the achievement of their rights (Peet, 1970).

Underlying the argument presented here is the center-periphery or heartland-hinterland model. It is argued that poverty is particularly severe in the rural periphery of South Africa. Children brought up in this poor periphery are formed in an environment of deprivation and take on a certain set of characteristics (Artmore et.al, 1994; Peet, 1998). Many then migrate to local or heartland industrial cities, carrying with them attributes taken on in the poor periphery. They encounter a hostile, new environment that they have difficulty in coping with, which presents few opportunities (especially if the migrant is black) and which adds further problems to the load already carried by the migrant. The result of this interaction all too frequently is continued poverty in urban setting. Historically people from the rural poverty milieu have attempted to escape by moving to new settings in urban areas. Migration thus forms an important link between the two poverty systems and leads to the similarities between the two. For many, especially white interregional rural-urban migrants, higher-income employment opportunities in the cities have provided an escape route from the trap of rural poverty. For others, especially minority migrants, movement to the city has been a tragic failure i.e. the urban setting has actual compounded the problems of poverty (Peet, 1998).

In South Africa indicators such as income per head or infant mortality rates all suggest that poverty and the form it takes varies according to certain geographic administrative categories. The importance of where people live is always used in determining the type of poverty they must endure (Wilson and Ramphele, 1989). This geographical perspective is inherent in much of the writings on poverty. However planners can play an important role in making this viewpoint more explicit, in providing more detailed regionally oriented studies of the particular origins of rural and urban poverty cycles, studies of rural-urban migration systems, and the conditions of poverty continuation. They can also suggest, plan and implement concrete proposals, policies and strategies of breaking into ongoing processes of poor-people formation and increasing human degradation.

Figure 2.1: Rural-Urban Migration (push and pull factors)



(Source- Majola, 1999)

2.4 Defining and Measuring Urban Poverty in South Africa

Studies of urban poverty in South Africa have been relating in the first instance to concepts of race and structural discrimination. As a result class, vulnerability, exclusion and social capital have been secondary issues. It is in some more recent studies that more direct use of these concepts is made. The South African constitution put emphasis on ending gender, sexual orientation and ethnic discrimination, which has given a profile to issues of difference, at least in policy documents. Poverty is becoming a more central political concern as attention shifts to the social and economic rights conferred on all South Africans by the 1994 constitution.

Poverty in South Africa is generally understood to be predominantly a rural issue, affecting women than men (May, 1998; Mtshali 1997). In South Africa, four basic forms of urban poverty study exist. They vary from official sources that provide a statistical profile of the whole country; background poverty studies that inform government poverty reduction policy; academic work on poverty, and the poverty studies of metropolitan governments such as the GJMC.

2.4.1 Official population data collection

The census and the representative sample survey, known as the October Household Survey (OHS) are two most important official sources on urban poverty data. Other additional sources can be used in the study of urban poverty for example industrial census, although these figures suffer a critique that they tend to emphasise formal employment and wages and ignore the informal and illegal economic spheres of urban life.

2.4.2 Poverty studies in formulation of policy

Since the existence of democratic government, there is enormous willingness within government at all scales to attend issues of poverty. The now defunct Reconstruction and Development Programme (RDP) is being resurrected in the Deputy Presidents' Office through the establishment of an inter-ministerial unit known as the Co-ordinating Implementation Unit (CIU). This unit will have particular responsibility of driving poverty reduction and ensuring that the social and economic rights set out in the constitution are upheld (Mabin, 1998; Pillay, 1998). The debate about how to reduce poverty is not only being shaped by government. The Poverty and Inequality Report (PIR), the arguments of NGOs, the findings of the Development and Planning Commission (established to rationalise the uneven regulations inherited from apartheid) and contributions of national line departments are among the discussions that will inform the emerging 'poverty' debate at the national scale.

2.4.3 Academic poverty studies

Economists have dominated academic research on urban poverty in South Africa. For example the recent PIR team was directed by an economist, Julian May. The usual methods of measuring poverty in South Africa, according to Leibbrandt and Woolard (1997: 1) entail three decisions. There are (i) the choice of an indicator of living standards, (ii) the selection of a poverty line and (iii) the choice of an aggregate poverty measure.

2.4.3.1 Indicators of living standards

Leibbrandt and Woolard (1997: 2) argue "most studies that use indicators of living standards rely either on income or expenditure recorded in household surveys." Poverty studies in South Africa have generally preferred to use expenditure, rather than income as an indicator of living standards. Total household expenditure is then adjusted to take into account the number of adults and children in the household. The HSRC report of 1995 argue that poverty line varies according to the size of the household and its age composition. At the beginning of 1994 the poverty line for an urban household with two adults and three children was approximately R840 per month and R740 per month for the equivalent rural household.

2.4.3.2 Poverty lines

A number of poverty lines have been used in South Africa which are (as cited in Leibbrandt and Woolard (1997: 4):

- a) 'Minimum Living Level and Supplementary Living Level', used by the Bureau of Market Research, University of South Africa.
- b) 'Household Subsistence Level', used by the institute for Development Planning Research, University of Port Elizabeth.
- c) Population cut-offs at the 40th percentile of households ranked by adult equivalent expenditure or at 50 per cent of national per capita expenditure.
- d) International poverty line of US\$ per capita

2.4.3.3 *Poverty measures*

The 'poverty gap index' and 'head-count ratio' are the most commonly used measure of poverty in South African poverty analysis. While poverty gap index measure the average individual distance of the population from the poverty line, head-count ratio is simply the proportion of the population that falls below the poverty line (Leibbrandt and Woolard, 1997: 5).

2.5 **Conclusion**

This chapter has provided basic understanding on poverty trends and urban poverty issues in the Third World and particularly in South Africa. Three different approaches, the basic needs approach the relative income approach and the sociological approach as used to define poverty line in Egypt poverty studies, are explained. The meaning and concepts of poverty, the understanding and measurement of poverty in South Africa are discussed.

This chapter has tried to bring about an overview of poverty problem by giving analysis of the geography of poverty and the methods of defining and measuring urban poverty in South Africa. There are various symptoms of poverty indicated in the urban setting. Amongst others, are crime and violence, black markets and informal business sector. The research has shown that in South Africa in the past, legislation influenced urban poverty; segregation and apartheid policies aimed at encouraged discrimination and rural-urban inequality; geographic administration component wherein segregation of residential areas racially contributed to rural and urban areas inequality; urban poverty was also manifested during the 'graying of the cities' (land invasion problem), when people who migrated to the cities to be rescued from poverty, due to shortage of employment and shelter, invaded the reserved land to built informal infrastructure and live in deteriorating standards of the urban setting.

Even today urban poverty is encouraged by the use of passive methods in solving poverty problems. Critiques of the new democratic system argue that it has not done much in as far as urban poverty is concerned. The following chapter then provides a detailed analysis of the two approaches for fighting poverty in general and urban poverty in particular.

CHAPTER 3

Urban Development Issues and Alleviation of Urban Poverty

3.1 Introduction

At the beginning planning theory had adopted a more traditional blue print approach, which has historically focused on physical planning. The development discourse of the time had been more technocratic and autocratic. With the increasing criticism this approach lost its momentum as new democratic approaches were emerging. This section evaluates how Regional Planning was used as an anti-poverty policy for the government and also to compare it with how the shift to local economic development has targeted urban poverty. This study acknowledges that there has been a change in regional development policies, but the past regional approach is used in comparison with the LED since it was Regional planning in the past that was responsible for economic development decisions, urban development and poverty fighting. Recently the economic development decisions are the responsibility of the low level of government (local Government) given to the as a constitutional mandate. A discussion of each approach is followed by a tabulated comparison of both approaches.

3.2 Government Anti-poverty Policy: Regional Planning Approach

Regional planning in the past, according to Harvey (1989) emphasised economic planning to be done at a national or provincial level. This entailed a great deal of control over budgets and spending by national governments. Within regions, there were many disparities, and the national government attempted to rectify this by embarking on policies that would target deprived regions (Kluklinski, 1975).

Incentive schemes were launched to attract industries to these areas in the hope that these new businesses would generate wealth and create employment. Central government also provided the funding for education, research and infrastructure. This type of policy proved to be ineffectual in terms of generating economic growth. It also resulted in the decline of local (especially municipal) governments (Thomas, 1987; Harvey 1989). It was realised that strong local leadership and government were necessary for urban productivity and national economic development. Growth poles or growth centres are an example of this. The Apartheid government launched a growth pole policy when the National Party came to power in 1948. The idea was to increase the number of job opportunities in the rural areas, in order to limit the number of people entering the cities.

The result was the establishment of border industries, zones of subsidised industrial activities adjacent to the homelands. Not many industries relocated, so the policy was intensified in the 1960s with an increase in the number and nature of incentives (Urban Foundation, 1994). By the 1980s, it was obvious that the industries that were located in these areas, would have been bankrupt if they did not have access to government subsidies, due to the high cost of production in such locations and the lack of economic growth in the areas. With the withdrawal of the subsidies towards the end of the Apartheid era, many of industries closed down or relocated to be closer to the market (Thomas, 1987). It was therefore, obvious that self-sustaining growth was not an outcome of the growth pole theory.

3.2.1 History of Regional Planning

Regional Development emerged as a major political question in the immediate pre and early post war period and it dominated the paradigm. After 1950's, many Third World countries devised ambitious regional development programs aimed at promoting and defusing growth. Various interventions were made to assist Great Depression. In post-war years, an expanding series of programs were implemented in an effort to re-distribute growth from leading to lagging regions (Amin, 1974; Emmanuel, 1972 in Huib & Verena, 1992). Various kinds of agglomeration / polarisation effects were identified as the main underlying core-periphery inequalities (Kluklinski, 1975). Attention was also called to the low- average labour surplus trap.

Further to that, was a claim that regional variations were swindled expressions of differences in comparative advantages and that with perfect factor markets, regional income inequalities would become nothing more than temporary and self-correcting aberrations. By 1980's, it was evident that a number of new core and quasi-core regions in both the developed countries and in the Third World had made their appearance. At the same time, many peripheral regions (especially in parts of Africa and Latin America) were yet more deeply caught in prolonged and stubborn crisis (Huib & Verena, 1992). Hence a need of reconsidering regional development, which is not discussed in this discourse.

3.2.2 Poverty and Regional Policy in South Africa

Poverty was seen as the main cause for the influx of population to the cities and large urban centres, thus regional development focused mainly developing the lagging regions. However critics of regional planning argued that in South Africa, the theory had merely been used to justify the restriction of African people to homeland areas. It is essential to look at what characterised the regional approach in as far as poverty alleviation is concerned.

3.2.2.1 Controls over location of industry

In particular, regional development have been coupled with state controls over the location of industry, with attempts being made to force or encourage industry towards places where level of unemployment and (or) economic welfare are at their lowest within the national context. The rural periphery tended to be the target of the strategy because almost three quarters of people below the poverty line in South Africa live in rural areas. These are people who migrate to the cities seeking for better opportunities, thus leading to overpopulation and complicates urban management. Regional development policies generally arise from a national concern with the uneven spatial distribution of economic growth and the development of large and growing cities.

For the past three decades, the policy of industrial decentralisation has been South Africa's main chosen method to encourage regional development. In fact, there are two corner stones to current South African regional development policy, both of which use incentives to attract industry out of the established cities. The first is the decentralisation policy and the second is the deconcentration policy.

3.2.2.2 Industrial decentralisation

This is the policy with the longer history and it focussed attention on bringing industry to places near to or within homeland borders. These places are usually located at great distances from the existing metropolitan areas.

3.2.2.3 Deconcentration

is a more recent policy, which emphasises industrial development on the outer periphery of existing metropolitan areas. In practice it has also been lumped to homeland policy, in so far as decentralisation points are nearly all adjacent to or within homeland borders (Urban Foundation, 1994).

These policies prioritised development of places to that of people hoping for an indirect solution to poor people in the poor regions. The policies thus used a variety of instruments to steer industrial and urban growth away from the largest cities. These instruments were fiscal (incentives for investment and for lowering operating costs; subsidies for capital, labour and technology; and establishment costs) as well as non-fiscal (cheap land and factory buildings; the provision of industrial and social infrastructure; licensing controls and penalties, etc) (Richardson, 1989). A large proportion of the industries were branch plants or subsidiaries controlled from outside the region. The aim of decentralisation policy was to induce industry to locate at certain defined 'growth points' in border areas (Thomas, 1987). Such multi-nodal growth was to be encouraged at the "outer peripheral areas of certain metropolitan areas and larger towns" (p.66) and is also linked to the "purposeful creation of new towns" (p.203).

3.2.3 Successes and failures of the regional planning strategy

Growth-centre theory at least in its later derivations, argued that secondary cities, i.e., those with populations ranging from 0,1 -2,5 million, should be selected as the sites for decentralised industry (DBSA, 1989; Urban Foundation, 1994). At best, the strategies met with limited success.

In some countries the policies were partially successful in terms of creating jobs, reducing regional unemployment and out-migration, and increasing per capita incomes and investment, but they largely failed in terms of either reducing inter-regional poverty. Richardson (1989) argues that a review of growth-centre policies around the world, shows that they did not live up to the widely-held expectations despite the variety of instruments used to steer industrial and urban growth away from the largest cities. Moreover, most countries showed no clear indication of a major convergence of regional per capita income or other indicators of material living levels, particularly if regional problems were great initially (DBSA, 1989).

The net effects on the hinterland of growth centres tended to be disappointing as increased earnings in these centres created strong income multipliers in the major cities rather than in the region itself, while many improvements contributed more to the rate of development of the core rather than of peripheral regions (Urban Foundation, 1994). Partly because of the political realities of implementing growth centre programmes, far too many growth points were established for any particular point to gain any critical mass effect (Hall, 1975).

The policy also tended to promote capital-intensive industry, which contributed little to relieving regional unemployment and poverty (DBSA, 1989). They offered jobs which were low-skill and the first to be reduced or terminated during recessions, their regional purchases and multiplier effects were limited, and hence they did not stop the out-migration of younger and more qualified individuals (Urban Foundation, 1994). In the early implementation of border industrial policy, it seems that government planners, charged with the task of diverting industrial growth to border points, recognised that the agglomeration forces pertaining at the time were such points juxtaposed to the large metropolitan centres had the highest chances of success (DBSA, 1989).

3.2.4 Comments on regional planning strategy

In the decades following World War II, the powerful momentum of national economic growth dwarfed concerns about local economic development. In this environment, few local governments worried about economic development, which was seen as more or less automatic and inevitable. Most expected to simply move up the escalator propelled by national economic growth. Thus a little was done to alleviate local poverty. Since urban, especially metropolitan

growth was associated with influx due to poverty in the homelands, regional development was a direct approach to employment creation and indirect approach to poverty alleviation.

For South Africa's case, the development of growth points has been extremely expensive, each job created costing approximately 3-4 times its metropolitan equivalent and the attractiveness of the incentives has led to inefficient location decision-making, some industries being very poorly sited in relation to sources of raw material. (Tomlinson, 1987). Approximately 50 percent of decentralised firms would have been able to operate at a profit without incentives, indicating that there has been a transfer of income from the urban tax payer to these firms (DBSA, 1989). The 7-10 year incentive period is unnecessary generous, being longer than is necessary to help firms with their short-term financing problems (Dewar, 1986) and employment growth in decentralised areas frequently does not represent new jobs but rather new locations for jobs which would have existed anyway, i.e. the investment would have created jobs somewhere else in the absence of incentives, or the relocation of jobs (Urban Foundation, 1994).

3.3 Fighting poverty through LED approach

Internationally, the failure of deconcentration strategies, such as attempts to relocate industry to depressed areas, has propounded a challenge to local government to seek their own solutions to their economic problems. This approach has come to be termed 'local economic development. It refers to locally inspired efforts to increase growth and employment and to develop markets. The new interest in localities has a concern for the individual characteristics of particular places e.g. a local strategy that aims to sustain, retain and expand the local economy.

This concern could be traced from the 1980s when the IUCN, the World Conservation Union, UNEP, and WWF released in 1980, the World Conservation Strategy which recognised that conservation could not be achieved without first alleviating poverty. The concerns of poverty alleviation also provided the impetus for the work of the world commission known as Brundtland Commission, hence the emergence of the term sustainable development. This is further demonstrated in the recommendations by the commissions' report "Our Common Future" WCED (1987), which then provided the basis for the agenda at the Earth Summit on

strategies for moving towards a sustainable future. As a result, a concerted effort to alleviate poverty was established as a priority for the Agenda 21. Within this restructuring, there has been a significant increase in the importance of the locality, as a place for job creation and the generation of income.

3.3.1 Understanding LED

Local economic development is usually defined as one of many of its characters; for example it is defined as means for employment and wealth creation. But according to Tomlinson (personal communication, 31 August 1999), LED refers to effective management of cities, towns and rural areas; efficient location of new infrastructure; process of identifying and harnessing resources; and opportunities to stimulate economic development. This applies, as he further argues, to metropolitan areas, low-income parts of town, shack settlements, small towns and so on. LED initiatives, although gained momentum in 1980s, are not a new phenomenon. Traditional LED initiatives go back over a century. For many decades, city governments around the world have tried to attract business activities from 'outside' to locate in their city - the so-called 'traditional' approach. Initially in Britain and the United States, local authorities actively promoted development through local boosterism approaches. Emphasis was on using the town as a magnet to attract industry from outside.

In this context, cities had to become more active protagonists in their economic future. They had to play a more entrepreneurial role in securing their existing economic base, and in promoting future development (Urban Foundation, 1994). As a result of the shift from managerialism to entrepreneurialism, today the government is attempting to make planning more accessible and easier to use. Local plans have been given high priority and Ministers have gone on record to say that public should be involved in planning as much as possible.

This was also emphasised by the state President of the republic of South Africa, as he argued that: "By mobilising the resources of urban communities, government, and the private sector we can make our cities centres of opportunity for all South Africans, and competitive within the world economy."

The success of this will depend on the initiatives taken by urban residents to build their local authorities and promote local economic development (Mandela's Foreword, Urban Development Strategy, 1995)". Local economic development is well underway in South Africa (Tomlinson, 1999). More recently, a range of new LED strategies has emerged. Instead of relying on attracting business from outside, the new strategies emphasize 'indigenous' economic growth from within their city.

In broad terms, two new strategies have emerged in cities and towns. They place greater emphasis on each city utilising its unique benefits and strengths and on promoting indigenous development within the city itself. These new strategies have been amongst others, place marketing and fostering indigenous economic growth and regeneration initiatives.

3.3.2 History of LED in South Africa

In South Africa there is evidence that many local authorities have been involved in LED activities as early as the 1930s (Rogerson 1995). Such LED initiatives are known as pre-apartheid initiatives and they were largely observed in East London between 1927 and 1956. Since after, there was a considerable number of local authorities engaged in fully-fledged post-apartheid initiatives towards LED. This move follows LED initiatives that have been largely driven by central government since the 1950s, aimed at spatial planning in the cause of apartheid social engineering through regional planning and strategies for industrial decentralization. Examples of LED initiatives of the 1930s in SA include attempts at municipal "boosterism" undertaken by local authorities in Port Elizabeth, East London and across the Witwatersrand. This wave of LED initiatives (known as the first wave) got disturbed in the 1950s through emergence of apartheid policies.

The second wave gained momentum in the 1980s and strengthened considerably after the election of the democratic government in the 1990s (Rogerson, 1995). LED of the 1990s are those of Grow the Cape, Pietermaritzburg 2000, Operation Jumpstart in Durban, Stutterheim Initiative in the Easter Cape and that of PWV's (now known as Gauteng province) attempts to attract investment from outside. In South Africa at present, most strategies for LED implemented by local authorities still follow a largely traditional approach. Clearly, the great demand for development, together with long overdue integration of black and white local

authorities, increase the challenges of growth and present an opportunity and necessity to think anew on how to promote LED. 'A local authority which desires to encourage development will provide infrastructural services in advance if possible; will try to be business like and efficient; will be flexible in applying measures such as town planning regulations. If development is successfully encouraged the tax base will be broadened and there will be more funds available to meet social and economic needs (Tomlinson, 1991).

Policies and Legislation: Revitalisation of LED in South Africa

Table: 3.1 Framework and legislation

Legislation	Link with LED
The RDP- 1994	Have a section devoted to local government <i>emphasising their developmental role</i>
The GEAR strategy- 1996	GEAR, an economic strategy, emphasises initiatives to enhance private sector
Local Government Transitional Act	Local Government transitional Act states that local governments should be open to review by concerned residents and stakeholders and to carry out Integrated Development Plan.
White paper on Local Government	Local Government white paper states that local governments should be engaged in local economic development
DFA	Development Facilitation Act, emphasises integrated economic development
IDP	Integrated Development Plan guides future economic development
Gauteng Spatial development Framework	Encourages integration

Legislation	Link with LED
MIIF	Municipal Infrastructure Investment Framework emphasises that local authorities should deliver an appropriate level of services and improve them and to structure infrastructural investment to promote economic development
Line department legislation	National line departments – including Water Affairs and Forestry, Transport, Environmental Affairs and Tourism, Trade and Industry and Housing- are preparing bills which will require municipalities to satisfy certain planning requirements.

Table 3.2 Comparison of Regional Planning Approach and LED Planning Approach

Regional Planning Approach	LED Planning Approach
Concentrating on building growth nodes.	Concentrating on growth at local level
Economic decisions made at central government level	Economic development decisions done at local authority level in terms of constitutional mandate
Managerial approach	Entrepreneurial approach
Community participation seen as a hindrance	Capacity building and community participation seen as a necessity.
Spatial planning, planning for a places prosperity	Human resource development, planning with and for people
Anti-urban growth, rural poverty bias, less concern for urban poverty.	Urban management, urban poverty wise, passive in targeting urban poverty

Regional Planning Approach	LED planning Approach
How: Decentralisation of industries Gives incentives to decentralise industries Cheap land Serviced land water and sanitation Waste management Roads Trading facilities Lights Job redistribution Build business infrastructure Indirect approach to poverty (rural) elimination.	How: Industrial development according to comparative advantage and for LED Provides incentives for both business needs as well as for community basic needs. Housing Service (Business and communities) water and sanitation Waste management Roads Lights Education & Health, Recreation, Safety and security Job creation Build communities capacity Direct but (currently) passive approach to urban poverty alleviation (problem solving still depend on social assistance/welfare)

(Source: Majola, 1999)

3.4 Conclusion

To criticise existing regional policy is not the same as arguing for no regional policy at all. Critics of previous policy are strongly in favour of a national policy framework for the promotion of regional growth and development. The argument in this discourse is that key objectives of that framework must include the promotion of economic growth and the improvement of the living conditions of the poor. Moreover, research has shown the interest in regional policy is re-gaining its momentum. Harrison (1992) argues that there is a perceptible although limited shift away from the overriding emphasis local development, which dominated the eighties. Hopefully the new regional planning approach will be nothing similar to the previous approach of the 1960s. Due to the identifiable failure of regional planning managerial approach and spatial occupation to target urban poverty, was the withdrawal of the central government in economic development planning. The shift in approach from regions to localities was due to the changes that were (and are) taking place in the world economy (Urban Foundation, 1994). Industry and capital have become more co-ordinated with a local strategy that aims to sustain, retain and expand the local economy.

It has been demonstrated in this chapter how Regional planning approaches in the past have been impacted by apartheid legislation, therefore failed to target poverty in the cities, especially the big cities or metropolitan areas, as it became biased to rural poverty reduction programmes. The new approaches to development came as paradigm shifted to more entrepreneurial approaches also called LED. Which, unlike traditional approaches used in the past regional policy, became community oriented and aimed at correcting the imbalances created by spatial planning during the positivist canon. LED initiatives are not replacing the regional development initiatives, as it is argued above, thus LED is seen as a shift to development at a small scale level which is aligned with both national and regional or provincial objectives. Now that a comparison between the regional planning approach and economic development planning approach to poverty alleviation has been done, it is to the interest of this discourse to observe what has happened since the existence of local government in 1995 and the mandate to perform LED and poverty alleviation.

CHAPTER 4

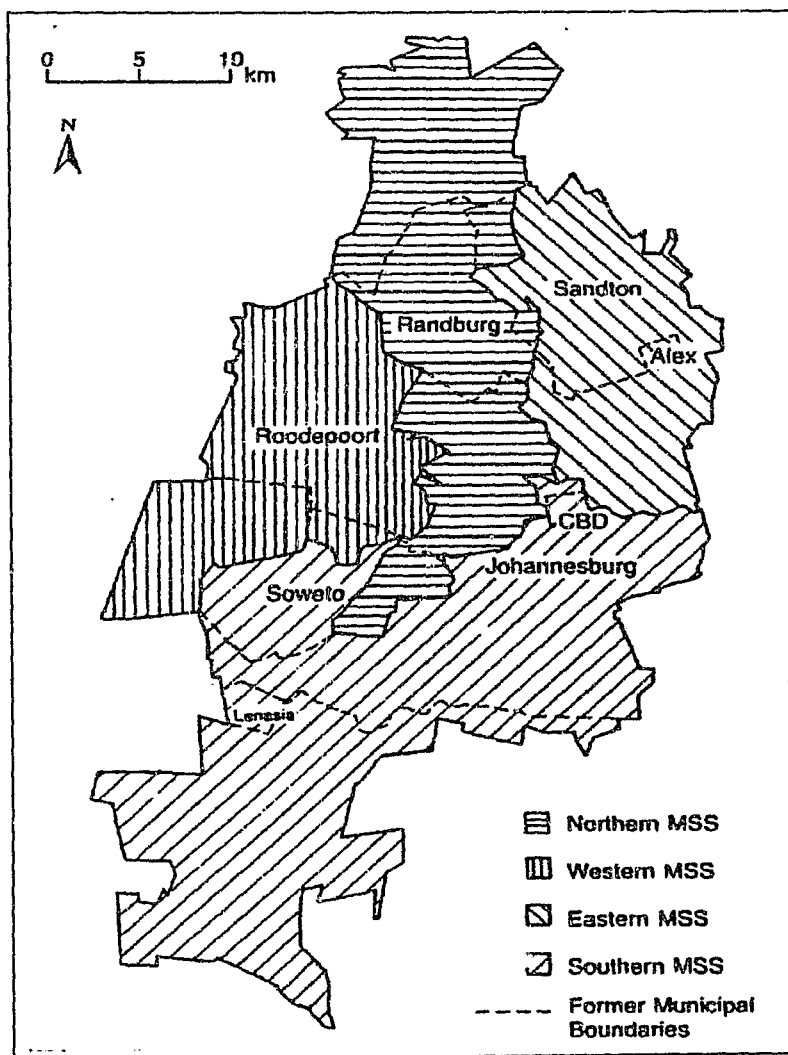
A Case Study of the City of Johannesburg: The Greater Johannesburg Metropolitan Council

4.1 Introduction

Local government in terms of the constitutional mandate does LED. How far has LED in Johannesburg targeted urban poverty (poverty at metro) and how successful has it alleviated it, are the key elements of this chapter. As it is explained in the research methodology the information on Johannesburg was collected from previous studies and from the discussion with government officials in the GJMC and SMLC, and other involved and affected people.

Metropolitan Council is constitutionally mandated to promote integrated economic development for the metropolitan area. Given the task for the alleviation of poverty, local governments of Johannesburg has evolved different strategies and programmes which vary from welfare, service provision for both community and business as well as LED and SMME support programmes. These are assessed with relevance to the methodology used in their planning for poverty reduction.

Figure 4.1 Greater Johannesburg Metropolitan Sub-structures (MSS/MLCs)



(Source: Beavon, 1997)

4.2 Demography of GJMC

Table 4.1: Population within the Current Boundaries of the GJMC, 1970 – 2000

Year	Population
1970	1 560 132
1980	1 880 764
1985	1 780 303
1991	2 215 185
1997	3 800 652
2001	4 100 000

Source: Central Statistic Services (1976, 1985, 1986, and 1992); Greater Johannesburg Metropolitan Council (1998:13)

Since the 1980s, the slow economic growth rate in the GJMC increased from 1.5 to 3.8 million as in table 4.1 above. According to GJMC (1998:13), the estimates presented in table 4.1 are based on the Population Census. The figures for 1997 and 2001 are based on a projection of the 1995 estimates and the Gauteng estimates from 1996 census. The annual growth rate of 3.4 percent was assumed. The annual growth rate assumed that 2.4 percent per is due to natural population growth and that 1 percent per annum was due net in-migration. The population number of people in the SMLC only, is estimated at between 1.5 to 2.6 million which is 42% to 55% of that the population for the Greater Johannesburg. The majority of the population are poor and the SMLC contains at least 66% of the informal structure of the Greater Johannesburg Transitional Metropolitan Council.

4.3 Employment Trends in the GJMC

South Africa's poor economic performance and specifically the decline of the manufacturing sector have had important consequences for the sectoral distribution of employment. In other words, there has been both an absolute and relative employment decline in major primary and secondary sectors of agriculture, manufacturing and mining. In contrast, the tertiary sectors and finance have increased. In effect, South Africa is exhibiting the same de-industrial patterns of industrialised countries, but with a growing unemployment level of about 30%

(Crankshaw, 1976: 28-29). The national patterns are reflected in employment trends within the GJMC.

The GJMC, which is the centre of South Africa's industrial heartland, has been severely affected by the decline of manufacturing output. According to Beavon (1997), since 1980, employment in the manufacturing sector has fallen from 24 to 16 percent of all employment in the GJMC (as in table 4.2 and 4.3 below). Although gold mines within the GJMC produced most of South Africa's gold, gold mines are now found on the West Rand and in the Free State (Beavon 1997: 157 – 158). Employment in the GJMC's mining sector is therefore a low five percent and declining.

Employment services (which include Government services) are relatively high at 33 percent and have increased steadily over the last two decades. Other tertiary sub-sectors are also growing in absolute and relative terms. They are commercial, financial and transport sectors that employ 21, 13 and 6 percent of GJMC's workforce respectively (Table 4.2 and 4.3).

Table 4.2 Employment by Economic Sector in GJMC, 1970 – 1991

Sector	1970	1980	1985	1991
Agriculture	7 837	7 037	7 454	5 402
Mining	35 956	24 841	23 603	21 603
Manufacturing	169 329	199 217	169 940	147 266
Electricity	6 683	9 530	9 931	13 069
Construction	55 554	42 041	53 785	55 725
Commerce	126 831	169 404	146 138	196 058
Transport	33 663	43 192	43 588	54 272
Finance	58 193	79 031	89 737	119 305
Services	203 362	255 469	241 827	307 460
Total	696 408	829 762	786 003	920 160

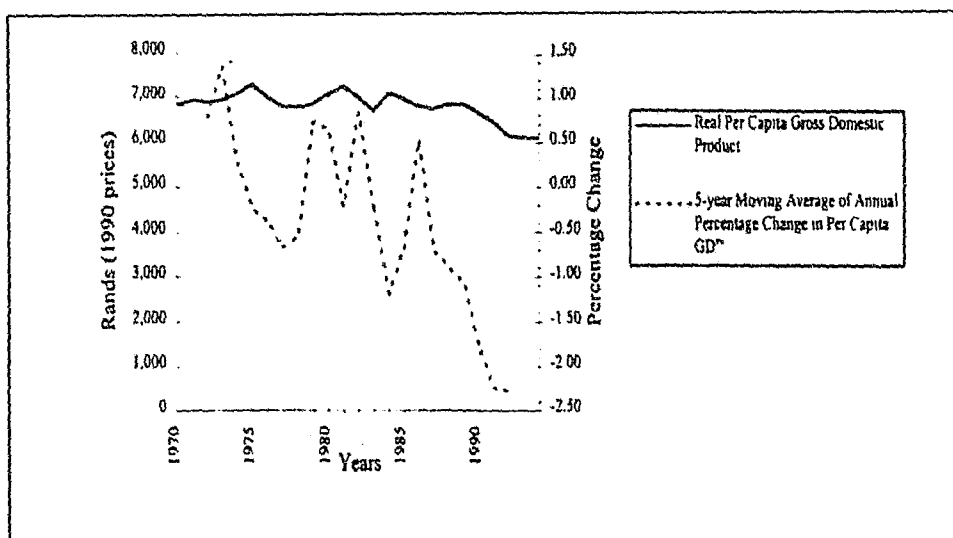
Source: Central Statistics Services (1976, 1985, 1986, and 1992)

Table 4.3 Employment by Economic Sector in GJMC, 1970 – 1991 (Percentage Distribution)

Sector	1970	1980	1985	1991
Agriculture	1%	1%	1%	1%
Mining	5%	3%	3%	2%
Manufacturing	24%	24%	22%	16%
Electricity	1%	1%	1%	1%
Construction	8%	5%	7%	6%
Commerce	18%	20%	19%	21%
Transport	5%	5%	6%	6%
Finance	8%	10%	11%	13%
Services	29%	31%	31%	33%
Total	100%	100%	100%	100%

Source: Central Statistics Services (1976, 1985, 1986, and 1992)

Fig 4.2 Per Capita for S A GDP 1970 – 1994



Source: South African Statistics, 1995

Table 4.4 Per Capita Gross Domestic Product, 1970 – 1994 (at 1990 prices)

Year	Per Capita (1990 Rands)	Annual Percentage Growth In Per Capita GDP
1970	6 825	
1971	6 920	1.39
1972	6 889	-0.45
1973	6 920	0.45
1974	7 090	2.46
1975	7 291	2.83
1976	6 998	-4.02
1977	6 797	-2.87
1978	6 774	-0.34
1979	6 846	1.06
1980	7 080	3.42
1981	7 244	2.32
1982	7 004	-3.31
1983	6 684	-4.57
1984	7 102	6.25
1985	6 967	-1.90
1986	6 799	-2.41
1987	6 744	-0.81
1988	6 841	1.44
1989	6 855	0.20
1990	6 655	-2.92
1991	6 439	-3.25
1992	6 153	-4.44
1993	6 103	-0.81
1994	6 105	0.03

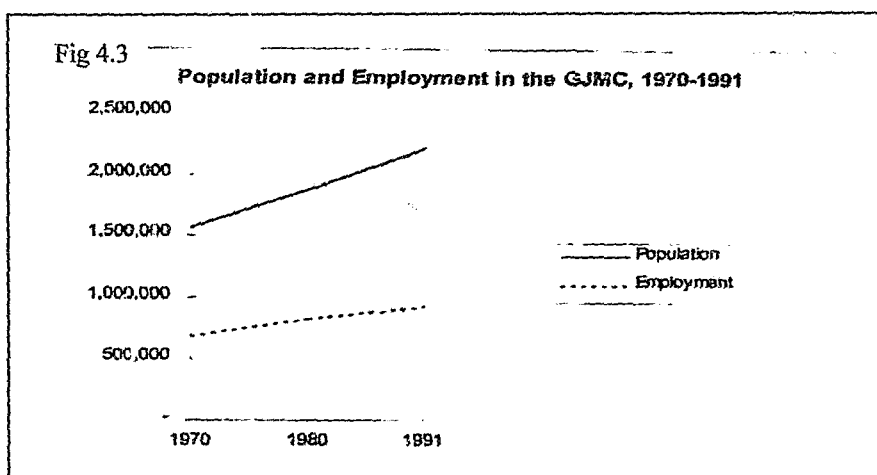
Source: South African Statistics (1995); Central Statistics Service (1997, pp. 21.5)

Table 4.5 Per Capita GDP for Greater Johannesburg Metropolitan Council, 1970 – 1991

	Population	GDP (1990 prices)	Per Capita	Average Annual Per Capita Growth GDP
1970	1 560 132	R27 504 580 247	R17 630	
1980	1 880 764	R29 343 806 349	R15 602	1970-1980 -1.2
1991	2 215 185	R34 871 897 666	R15 742	1980-1991 0.1

Source: Central Static Service 1981, 1988, 1993, 1994 and 1995

According to Beavon (1997:160) by the early 1990s, there were almost 6 million square metres of good quality office space in Greater Johannesburg, which is more than all office space of similar quality in all other metropolitan areas combined. As it is shown in Table 4.2 and 4.3, between 1970 and 1991 the annual growth rate of the population was 1.7%, whereas, the growth rate of employment lagged behind at only 1.3%. The discrepancy between these two growth rate provides the demographic basis for rising unemployment in the GJMC as is shown in the figure 4.3 below.



(Source: GJMC, 1997)

4.4 Unemployment

It is accepted that unemployment in South Africa is a result of the low rate of employment growth rather than the relative costs of capital and labour (Bell and Padayachee 1984:431). It is argued that according to the strict definitions, unemployment has grown steadily from the end of the 1960s, rising from about 17 percent to depending on whether one uses the strict or expanded definition, between 20 to 33 percent in 1994 (Cranshaw 1997:30; Bhorat and Leibbrandt 1996: 145).

There is some debate over these two different unemployment figures. The first estimate is more strict because it only includes workers over 15 years of age who were not employed in the seven days prior to the survey and who took active steps to find work. The second definition is more expanded because it includes the discouraged work-seeker who would take a job if offered one but has not taken any active steps to find one (Central Statistics Service 1996: v-vi). The strict definition of unemployment is also the one which corresponds to the standard international definition of unemployment and should be used when comparing South Africa's unemployment rates with other countries (Bhorat and Leibbrandt 1996:145)

According to the Central Statistics Service (1996:45) the 1995 October Household Survey reveals a slight drop in the unemployment rate to 17 percent (strict definition) and 29 percent (expanded definition). The fact that unemployment has grown because the rate of employment growth has been slower than the rate of population growth rate, means that much of the character of unemployment can be understood from demographic perspective. In other words, because unemployment growth is lagging behind population growth, it is largely new entrants to the labour market are almost always young people, most of the unemployment are also African. The fact that most young people in South Africa are African is largely due to the smaller proportion of coloureds, Indians and whites in the population (9, 3, and 11 percent respectively) and their relative low fertility rate about 4.6 (Liamere Dan 1994:55; Statistics South Africa, 1998).

Most of the other major features of unemployment follow on from demographic characteristics of unemployment, namely that the unemployed are more likely to be poorly educated, unskilled and female (Bhorat and Leibbrandt 1997). According to the October Household Survey data, the strict and expanded unemployment rates for GJMC in 1995 were 15 and 33 percent respectively.

4.5 GJMC and Poverty Assessment

Poverty Definition: There is no clear conception or definition of poverty used within the GJMC. Although with respect to poverty reduction, views government other than of metropolitan councils set most of targeting criteria, the GLMC nonetheless maintains responsibility for meeting the needs of the poor are within its jurisdiction. This means knowing who the poor are and monitoring what is happening to them over time. The GJMC thus determine poverty in its jurisdiction by the Integrated Development Plan and by the Indigence Unit

4.5.1 Poverty in the Integrated Development Plan (IDP)

The determination of who the poor are and monitoring what is happening to them over time, the GJMC draws from its extensive information base and GIS capacity. The city IDP document, which filled with detailed maps, is illustrative of the excellent quality of local information available (GJMC) and of the prevalence of quantifiable notions of poverty. However, the document also reveals the dearth of citywide information over quantitative information about the poor. Virtually, all official information is spheres. The housing, health and transport profile of the poor are somewhat better reflected as opposed to that derived from national sources such as the census (GJMC 1997).

4.5.2 Poverty and the Indigence Unit

“The introduction of an Indigence Unit in the GJMC has prompted the setting out of poverty relief criteria for Johannesburg” (GJMC, (1997).

Thus far, a monthly income restrictions of R1 500 per household is being used to establish eligibility for tariff relief, but broader definitions of poverty are also being discussed. Significantly, the GLMC income limit is greater than many other poverty definitions (which is R800), reflecting the substantially higher cost of living in Johannesburg relative to the rest of the country. The more overt the practice of targeting becomes the more the diversity of circumstances of Johannesburg residents can be expected to emerge.

4.6 The Geography of Poverty in Johannesburg

It is important to discuss the spatial patterns in Johannesburg and how have they changed over the past ten years or so. The geographic distribution of poverty in Johannesburg still follows the pattern laid down during the apartheid period which saw the removal of African people from central city townships to the relatively remote south western area. For example the expansion of Soweto has not been achieved by developing the vacant land between its various townships or by expanding its development northwards and eastwards into the vacant land between Soweto and neighbouring white townships. However, following the patterns of early apartheid planners, Soweto has expanded to the west (Hendler, 1992: 68). Since the late 1980s the government initiated a low- cost housing development in Orange Farm to house squatters from Soweto and elsewhere in southern Johannesburg. Orange Farm lies about 30 kilometres south of central Johannesburg. Although there are vast tracts of open to the immediate south of Johannesburg, Orange Farm was chosen because it was already owned by the state, was effectively an extension of the African township of Evaton and was far from white residential areas. The general spatial trend in poverty has , thus been the concentration of the poor population in the southwest quadrant of the city. This spatial pattern has been re-enforced, rather than undermined by land invasions and growth of informal squatter settlements. This is because most squatter settlements in Johannesburg have been established on vacant land within or on the periphery of the established African townships (Sapire, 1992: 674-5). However, there are few and small squatter settlements which were established on the peri-urban periphery (Abrahams, 1992; Crankshaw, 1993).

Furthermore, most homelessness and informal housing in Johannesburg has taken the form of shacks that were built in the backyards of stands in the established African townships (Sapire, 1990:26; Wits1997:16).

Although the new democratic approach of government has tried erode racial residential segregation, this has done little to affect the geography of inequality in Johannesburg. Research has shown that although the residents of many formerly white inner city neighbourhoods are now predominantly black and even predominately African (Morris, 1994; 1997;1998; Saff, 1994), the occupational and income profile of these neighbourhoods has probably not changed significantly (Crankshaw and White, 1995).

4.7 GJMC Poverty Reduction Programmes

The activities discussed here are intended to illustrate the range of poverty reduction programmes currently underway, focus is on the activities controlled within the GJMC. This section evaluates those activities in terms of whether they will improve the economies of the urban poor and eradicate their poverty. Project level initiatives are selected in relation to their relevance to the southern part of Johannesburg where research has shown to consist urban poor and apartheid victims.

4.7.1 LDOs and IDPs

The legislation on land development, Development Facilitation Act (DFA) passed in 1999, aimed at facilitating the development of low cost housing schemes and stipulate that Johannesburg metropolitan area and each of the four substructures prepare policy guidelines known as Land Development Objectives (LDOs), which have to correspond to the principles laid down in the DFA. These principles give clear priority to issues of redress and development for the disadvantaged (Eindon, 1995). The LDO policy prioritisation process then informs the preparation of an Integrated Development Plan (IDP). The new local government framework require local authorities to develop IDPs as strategic plans that link the different legal requirements of municipal business, including new spheres of responsibility such as environment and economic development (USN, 1998).

Like LDO, process the GJMC's IDP process included extensive consultation with key stakeholders (GJMC, 1997). In this way virtually every department in the GJMC and sub-structures realigned their activities more toward poverty sensitive action as spelt out in the LDOs. The GJMC IDP is a volume replete with base line information that details numerous aspects of the city profile. GIS maps show GJMC rainfall, the incidence of serious crime, the distribution of bulk sewer capacity, and the value of land. The volume also indicates strengths and weaknesses of the metro, defines strategic objectives and sets out policy goals.

4.7.1.1 Critique

The latter part of 1998 came with the recognition that the IDP failed to provide a sufficient strategic framework for action (either growth or poverty reduction). This promoted a series of metro wide consultations. However, to date the strategic framework process has also failed to establish an overt poverty focus. The GJMC IDP document, despite's conception within a development framework of local government and an unambiguous commitment to goals of social justice and equity in the city, it barely uses concepts of poverty, vulnerability or exclusion. The lack of poverty targeting is most striking in the list of 14 key development strategies, each of which identifies areas of local government intervention with implications for the poor, but only one identifies vulnerable groups as constituency. The IDP document is clear about committing the Greater Johannesburg development plan to the broader economic development goals of Gauteng Province. In practice Johannesburg has not yet successfully linked the IDP to the budget and there are general anxieties about hoe to move beyond line department budgets to achieve integrated objectives.

4.7.2 Basic Needs- Infrastructure Provision

The provision of the social services and constitution of infrastructure to meet the basic needs of the poor is the widely accepted priority of the past- apartheid government. Whereas issues of physical infrastructure are funded with natural funds, they are organised and initiated by local government. The provision of infrastructure is a major, if not a fiscal commitment to anti-poverty activity in Johannesburg.

4.7.2.1 Water

Water services are the responsibility of several bodies. Rand Water board is a utility company that manage regional bulk water provision in Johannesburg. This company has adopted many pro-poor policies and in many respects has led the way in the delivery of services to low income household in Johannesburg. The GJMC thus provide bulk water connections to the substructures, which in turn will residents of formal areas for consumption CASE (1998).

4.7.2.1.1 Critique

Although taps in houses or on the stand provide most of population with safe and drinkable water, there are limited cases where water is trucked into settlements and a function of the population depends on water from rivers and streams. A high proportion of even the original Soweto houses built in the 1930s, still do not have water piped into the house and rely on a tap outside the kitchen door. The new recent lack of access to standpipe reflects the government's failure over the last two decades to keep pace with urban population growth and to supply water to backyard residents or new informal settlements. So far there are no standardised water service levels across GJMC area but these are going to be developed, which sought to introduce recognised South African Bureau of standards levels for water testing and to use accredited staff to conduct the tests (GJMC, 19997)).

New harsh regulations for access to water already apply ("Parnell, Midwinter and Zollion 1998), through these are labor most international rules (Backer, 1998). The GJMC recognises that its extensive and generally very effective network of water coverage does not adequately reach new development nodes to the North and South of the city (GJMC, 1997). These are also longer term threats to the aging system of bulk water system. The water mains grid system is getting old (100 years) and needs a major overhand because of natural corrosion in Johannesburg are planning demands on the system (GJMC, 1997). Concerning the proportion of population with piped water, micro studies of water reveal somewhat different level of access to piped water, and less than 40 percent of Soweto households have piped water in the house. The recent CASE (1998) survey of informal settlements in the GJMC showed that as many as 12 per cent of residents in clusters of poorly serviced land development on now piped water.

In Soweto, the variations between housing types averaged as reliable prediction of access to water (Wits, 1997). For example, only 5% outside tap in backyard, 0.8% tap inside and 94.2% of communal tap provide access to water in informal settlement while private sector has 1.7% outside - tap in backyard 97,5 tap inside and only 0.6 communal taps (Wits, 1997).

4.7.2.2 *Housing and Land Allocation for Housing.*

Politically housing is the most visible of state interventions on behalf of the urban poor. Under new legislation (Housing Act of 1998) local government are given additional responsibilities of housing delivery, finance and management. Subsidies can be claimed either by individuals, groups or local authorities for approved developments. The subsidy amounted to a once off capital grant of R15, 000 (now increased to R16, 000), per household earning less by individuals, groups or local authorities for approved developments. The subsidy is structured to maximise the benefit for the poorest households (Table 4.6). Some households have not yet applied or given their grants.

Table 4.6: Housing Subsidies

Household Income	Housing Subsidy paid out to each household
Under R 1500	R 15,000
R1500-R25000	R 8.500
R2500-R3500	R5000

The differences between a four roomed formal house built under apartheid and the new housing (known as RDP houses) being constructed with subsidised funds is great, particularly with regard to size of opt structure and standard or plot size. In terms of service levels though thee RDP houses compare well to earlier structures.

A RDP houses has to include sanitary facilities, storm water drainage, household energy supply and access to convenient supply of water (GJMC, 1997). In Johannesburg the scale of housing problem varies tremendously as in the table below.

Table 4.7: Type of Housing in Soweto

Type of accommodation	Population by housing type
Formal house	613, 565
Private sector	93, 108
Backyard structures	391, 749
Informal settlement	78, 713
Hostel	102, 224
Site and service	46, 676

(Source: Wits,1997)

Table 4.8: Formal and Informal Housing Across the Substructure of the GJMC

Sub-structure	formal house	Flat/ town house	Hostel beds	Informal units	Total category per unit
EMLC	78.468	63935	10.043	21.142	173.588
NMLC	75.798	28.920	12.694	29.621	147.033
SMLC	111.494	66.515	38.774	93.780	310.564
SMLC	48.314	27.156	21.261	24.407	121.138
TOTAL	314.074	186.526	168.950	168.950	752.323

Source: GJMC,1997)

The residential profiles of the substructures are form uniform, although each boundary was initially drawn to include a wide use of socio-economic and infrastructural conditions. The Southern substructure is the largest and has the biggest concentration of informal units and hostel beds, but the Western substructure has also got a high proportion of informal housing (Table 4. 8). Critique in the delivery of housing is the way the poor access housing. In practice there have been a number of in housing delivery in South Africa, even in large urban centres like Johannesburg. Problems of affordability and gender discrimination in acquiring the housing subsidy are highlighted (c.f. Tomlinson, 1995; Parnell, 1996; Tait and Bond, 1996), but these are only a part of delivery crisis in Johannesburg.

Narsoo (1996) shows that the first obstacle to accessing housing in Johannesburg is the red tape that slows down the delivery. He further argued that officials give the reason of slowing down of delivery to the DFA and that official found it simpler to use the old era legislation to provide housing developments at speed.

Within Gauteng, Johannesburg has been much less successful than neighbouring local authorities in providing housing. For example the relatively small municipality to the north of Johannesburg, Midrand, had 23,000 subsidies, while between 1994 and 1998 all four substructure under the GJMC, each larger than Midrand, had only 41,900 (Narsoo, 1998). The cost of housing is another obstacle., there is large proportion of Johannesburg population who do not qualify for state support whether because they are not South Africans or they earn very little. Most African Johannesburg household have no disposable income for housing, thus are limited to the RDP houses.

4.7.2.3 Public Transport

Public and private sectors share the responsibility for transport in the GJMC, including all four tiers of government. Whereas the department of Transport controls rails and national roads, The Gauteng Provincial Public Transport, Roads and Works control provincial routes and the GJMC regulates metropolitan routes and runs a metro bus company (which it might be outsourcing), the each Metropolitan Local Council is in charge of all other routes in its area of jurisdiction. Taxis are now the dominant mode of transport for the poor, as rail lost its momentum during the closing years of apartheid due to the increase in violence. Critique of transport service in Johannesburg is put on the high incidence of road accidents, poor cross-city connections and the unpredictability of taxi services, which affect the poor. Due to apartheid planning, poor population of Johannesburg is located at a distance from the city centre.

4.7.3 Area-based interventions: Inner City Revitalisation

The revitalisation of the inner city and the creation of affordable housing in an accessible location are high priority initiative of the GJMC. Metro involvement in the innercity is multi-faceted, but for the scope of this discourse concentration will be on specific projects that deals with poverty and the poorest of the poor Africans who live in the south of Johannesburg. The 'Vusani Amadolobha' Strategy, is part of the Mayivuke Vision of the Inner City aiming at reviving the city by providing safer, clean environments and basic needs and services for inner city users i.e. business and community. In the visual survey that was done, two new projects of Vusani Amadolobha were observed.

These projects are both public transport centres. One is bus terminus centre whereby the former VanderByl square bus terminus, now renamed Gandhi square, was renewed and made aesthetically beautiful, more open and clean. The users of this terminus are partially not happy about the improvements because the new terminus is not friendly to them as the former one. There are now no bus waiting desks and the shelter is just a decoration and do not shield anyone. This situation is very hostile to elderly people and women, who are the most vulnerable. The same situation applies to the new Park minibus (taxi) terminus, former informal North taxi rank used mostly by African people who live in the townships of Soweto and other townships in the south. The service is very poor. People had to stand in long queues to get a minibus. They are forced to exceed the limit number of passengers the minibus is certified to carry and thus are susceptible to danger. One can argue that the Vusani Amadolobha strategy still has an infection of the past spatial bias planning which is more concerned by places over people, “making urban spaces clean and safe” and not making “vulnerable people safe”.

4.7.4 The Indigence Unit – Targeted Welfare

Ironically, given the pro-poor thrust of the government framework, there is as yet no overall poverty alleviation strategy within the GJMC. Discussions about how to identify or conceptualise poverty and to deal with it effectively are in the earliest stages (Spiropolous, 1998). The only formal anti-poverty strategy at this stage is limited to what can be described as ‘not a comprehensive or proactive poverty strategy (Mohamed, 1998). Safety Net Programmes are currently the only direct initiatives that can alleviate urban poverty in the GJMC. The indigence unit working closely with the social services and welfare departments, either than facilitating state assistance and identifying who the poor are, functions to promote, initiate good gardens (urban agriculture); support these initiatives with information, campaigns, seed coupons based on impressive payment levels for services; target health of children, pregnant women and aged; support preprimary and primary school feeding schemes; support staff training and job placing initiatives; upgrade informal settlement: hostels and slums.

4.7.5 Job Creation – LED and SMME Support

It is true that under apartheid there were no opportunities for African traders within townships. The restrictions associated with the Natives (Urban Areas Act) collapsed, thus allowing the informal sector to flourish and become a major focus of Johannesburg economic activity. The GJMC sponsor many LED and SMME initiatives aiming at improving the local economy. The following initiatives are pursued in the SMLC, a substructure of GJMC, aiming to reduce poverty. These are indirect approaches to poverty alleviation.

4.8 Conclusion

The Case study of GJMC has shown that the poverty reduction is still depending much on welfare. It has been observed that the current structure of local government contributes to the difficulty of managing the development in the Johannesburg city. The Metro council has got four sub-structures each having its own powers for decision making and LED planning. Further that GJMC has got its own department responsible for LED planning and urban poverty alleviation. While the recommendations in this discourse emphasise the importance of integrating the management system of the city of Johannesburg, it also evaluates the LED strategies aiming at alleviating poverty to the south of Johannesburg, where most poor people are found. Thus the following chapter investigate the initiatives of the Southern Metropolitan Local Council.

CHAPTER 5

A Case Study of LED and Urban Poverty Alleviation in the Southern-substructure of GJMC

5.1 Introduction

The preceding chapter has indicated that the current management system of Johannesburg is segregated. The Southern Metropolitan Local Council (SMLC), is one of the metropolitan substructures of the GJMC. As it is shown in the maps (appendix I), the population distribution in the GJMC has high population number and population density as well as low annual average household income to the west (Alexandra) and south (the SMLC's area of Jurisdiction). This case study focuses on the SMLC.

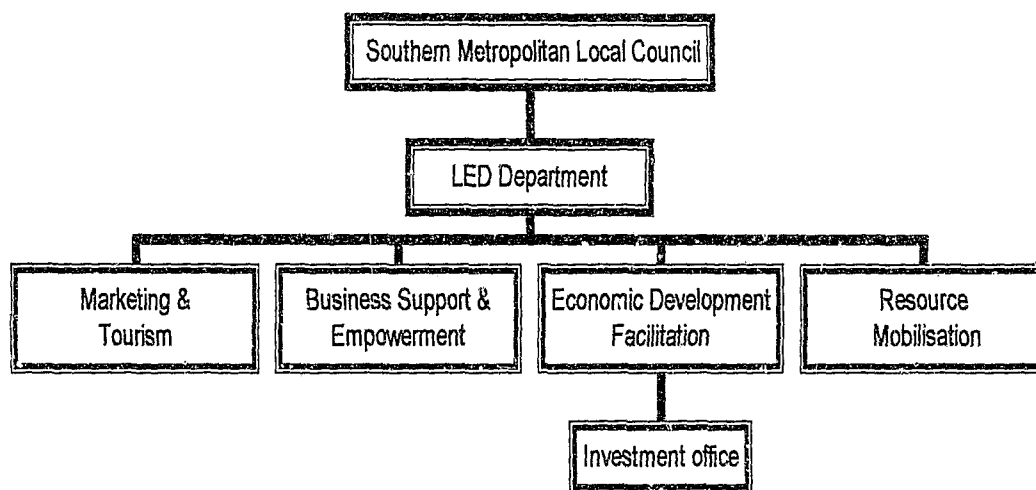
5.2 Three major LED approaches adopted in the SMLC

5.2.1 Development of micro-enterprise aims to uplift the circumstances of the poorest sections of the local community in order to give the urban poor access to the resources of the urban economy.

5.2.2 Job creation through industrial development and investment attraction through industrial development and investment attraction is an approach developed in order to give the urban poor access to productive employment.

5.2.3 Building LED criteria into work, infrastructure development and service delivery programmes of local government is a strategy used in the SMLC in order to give the urban poor access to basic services.

Figure 5.1 LED Institutional Arrangements in the SMLC



Source: Majola, 1999

5.3 The SMLC LED Initiatives and Urban Poverty Alleviation

Initiatives of alleviating urban poverty in the SMLC vary from direct to indirect approaches. These initiatives are to be achieved through the functioning of the departmental institutions, which have to play a vital role to perform the allocated tasks.

5.3.1 *Marketing and Tourism Strategy*

The responsibilities of this component are to plan, develop through private sector investment and market the tourism products of the SMLC for the pursuit of stated LED objectives. This component, especially tourism, is believed to be the highest job creator with less capital infection; it creates sustainable jobs; in the SMLC context, Soweto has large potential, more than 100 visitors a day are received. According to this research findings, this component of LED department has not been able to function on its own. This is due to institutional changes and financial problems as well as lack of human resources. But the investment office performs the duties.

The investment office of LED is not directly helping with poverty alleviation, but functions to ensure those tourists can spend as much money as possible in the Southern Metropolitan Area. This capital would also increase the tax base. In as far as attracting tourists in the Southern Metropolitan Area, Hector Peterson Square, Mandela's House (now Political Museum) Oliver Tambo house, Ubuntu Kraal in Soweto, Maai-Maai Bazaar etc. are initiatives used in the SMLC.

5.3.1.1 Hector Peterson Square in Soweto and Maai-Maai Bazaar

Internationally the demand for active and learning holidays is growing. There is a decline in "sun, sea, sand and fun" holidays compared with natural, cultural and historical or other unique experiences. South Africa has a very rich political history that has drawn attention to the world. The SMLC has started a programme that captures all the historically important memories of the 1976 political events and the rich political history in Soweto. Maai-Maai Bazaar is also a huge multi-selling complex that is aimed at attracting the tourist to South Africa's supposedly cultural practices. These tourism points are not yet developed in a manner conducive for economic growth and development of the people. For example people selling traditional herbs are limited to access the bank loans. Their business is poorly developed and only matters to a very poor market. What is even worse is that some herbs might be allergic to other people or be toxic if exposed. Thus this business needs an infrastructure and very little has been done in as far as developing this market. The Hector Peterson square in Soweto is also having a potential of attracting tourists but is poorly developed. Tourists do not spend any capital since there is no permanent infrastructure and business around this heritage point.

5.3.2 Business Support and Economic Empowerment Strategy

There are two ways of business support in the SMLC. (a) Local Business Services Centre: Smith Street LBSC (b) Affirmative Procurement Policies and Skill Transfer to Uplift the Poor.

5.3.2.1 Local Business Services Centre: Smith Street LBSC

Local business constantly needs information and action from local authorities on a wide range of issues including licensing, rates tendering, permits zoning and building approvals. Long delays and confusing procedures associated with these processes can create difficult barriers

for some of the illiterate, disadvantaged and aspiring business people. One of the most effective ways that local authorities can support both small and big business is by establishing a central information centre that is the key contact point between all types of businesses and local authorities.

The Smith Street Workshops as an example of a LBSC, is seen as a mechanism to support SMMEs. The SMLC Executive Committee approved the concept of the establishment of a network business service centre in the SMLC with the Smith Street Workshops possibly acting at the core centre. There are also satellite centres e.g. Thladi in Soweto. LBSCs addressed the need of SMMEs requiring additional technical support to make them competitive internationally through technology demonstration and extension, training, administration, business, incubation and development services. The essence of these multi-faceted activities is the creation of a business incubator, similar to a business hive. A P-PP between CSIR, MODE, BOC and SMLC will take care of aspects such as long-term sustainability of the centre, leverage of funding and identification of tenants. Funding from the Gauteng Economic Affairs, Department of Welfare and Department of Trade and Industry. In addition Ntsika Enterprise Promotion Agency (NEPA) working together with the local authorities has put together a programme to fund the training activities of LBSCs.

5.2.3.2 Affirmative Procurement Policies and Skill Transfer to Uplift the Poor

Affirmative procurement policies are the kind of policies that SMLC are exercising in order to uplift the standard of those members of the communities that were previously disadvantaged by the policies of the past apartheid government. The latter is done in a way that affirms or benefits targeted groups concerning the purchase of goods and services. For instance, a municipality may have a policy that gives preference to emerging black business or small-scale companies, which tender for contracts, thereby creating an opportunity for these firms to establish them. In the process a great deal of skills transfer takes place because often an experienced white owned company with know-how is paired with a black owned, inexperienced and up and coming company. The purpose of the whole activity is to empower the poor.

5.3.4 *Business Retention, Expansion and Attraction*

5.3.4.1 *Southern Economic Corridor: Baralink Development*

Historically a relatively affluent and mobile minority has defined the spatial pattern of South African cities. A democratic spatial system giving people easy access to the facilities of the city will be developed and protected by this massive development. Previously disadvantaged people of Soweto specifically, will be empowered by the democratic structure by making all basic needs accessible within five minutes walking distance where they live. The ultimate objective of this development is to reintegrate Soweto into spatial and functional system of Greater Johannesburg.

Baralink development will integrate the urban mix (including existing land use) in such a way that it will provide social, economic and ecological sustainability. Balanced environment will attract developer finance, provide job opportunities, exchange opportunities, public open spaces, green space, recreation facilities and a decent living environment (Thorne, 1994). The identified urban poor will be empowered to gain access to the opportunities and resources supplied by the city. Therefore, it can be logically argued that if indeed cities are to address basic needs, then a socio-economic framework that is sympathetic to the needs of the under classes needs to be developed. The affordability of movement demands that the public transport system should be revitalised. South Africa's past paints a very dreadful picture of long queues of commuters waiting in the cold winter darkness for taxis to take them to work or home. The latter situation is characteristic of the impoverishment of the previous city's movement system. The Baralink corridor can be accessed through taxis and rail easily.

5.3.4.2 *Jabulani Mall*

Job creation, betterment of the quality of life, and physical infrastructure improvement increase the tax base, which is in a way dealing with property. Moving from the scenario of the land use pattern that was to a larger extent determined by past political ideologies with very little regard to actual wants and needs of the population of Soweto.

The case of Soweto and other former black areas that have a distorted land use structure with residential imbalance, little commercial land and no Central Business District (CBD). The Jabulani Mall is said to be the targeted locality that would be the CBD of Soweto. Local

business people, Soweto community organisations, private sector, in particular, metropolitan life, steered by the local authority are going into a multi million rands project that is going to ensure at the end there is a booming CBD in the centre of Soweto. In essence, the local people will be employed at the place that they live in and they will not have to travel more than 50Kms to work, as was the order of the era of apartheid. The merit of the project in Soweto could be a place to live and work simultaneously. Moreover, the quality of life of the people will be improved.

5.3.4.3 Crown City Development

The Crown City Development is a huge project the local government is facilitating to link the previously disadvantaged Soweto with the Johannesburg CBD. It will become the nation's most emphatic demonstration that the era of 'separate development' is over and that apartheid-tainted town planning has been replaced by a holistic approach to the metropolitan challenge of growth renewal. The local authority in partnership with the RMP properties intend to create thousands of jobs, improve the physical infrastructure of the area in order to make it attractive to external investments and tourists. The Crown City serves as a dynamic, mixed use and mixed income development. This development locates residential community who will have near-by shopping, recreation and job opportunities. This project will provide sustainable employment for thousands of local people.

5.3.5 Economic Development Facilitation

This branch of the department concentrates on the small, medium and micro-enterprise (SMME) development. The potential for job creation through SMME development is receiving considerable attention in South Africa. National government, through the Department of Trade and Industry, has adopted a range of policies to promote the development of SMMEs. Several programmes have been put in place to support small enterprise by facilitating access to finance training and development, research and information, markets and linkages, incentives and new technology.

5.4 Conclusion

Despite the considerable effort that is being directed toward poverty reduction in South Africa there is not a single government department that has urban poverty focus although most have an explicit commitment to rural poverty (DCD, 1998). Understanding and measurement of poverty is under review in a number of key departments such as Housing, Welfare, Public Works and Constitutional Development. The economic development planning in the GJMC is not yet practical. The reliance is still more on the welfare grants than on helping people to help themselves. Urban poverty alleviation is not just the issue of who should receive targeted funds, but also how they should be administered.

At present, all major poverty targeted grants (with the exception of the relatively minor, equitable share that is paid to local government) are controlled through national or provincial departments. A large portion of national resources is spent in cities, especially the largest of these, Johannesburg. Thus a significant percentage of resources available comes from national resources. The poor of the GJMC are therefore very dependent on the criterion that national government uses to identify poverty. These criterion are typically income based definitions for allocating subsidies and grants. This provides a doubt whether the shift to local government has yet in practice. The following chapter therefore suggests that there is a need to use a practical methodology if planning for LED and urban poverty alleviation. That methodology will need to be more community oriented. In order to be able to use that methodology, which is explained in chapter 5, the government need to restructure its institutions and to be integrated into one metropolitan local government.

CHAPTER 6

Planning Implications of LED and Urban Poverty Alleviation

6.1 Introduction

Planning is all about problem solving. The preceding chapters have shown the extent of poverty and urban poverty problem and attempts of alleviating poverty in the Third World countries, generally in the African countries and South Africa in particular. It is very important to discuss the implications of this to planning as a discipline and the challenges it has for planners.

6.2 Issues to be considered when planning

6.2.1 The Concept of Community and Community Participation

The concept of community as Dreyer (1998) put it, is an aggregate of people who have formed a sense of solidarity or shared identity on the grounds of a common characteristic such as residence, frequent social interaction, shared beliefs or close ties. These ties may be based on kinship, occupation, the experience of living together etc. as long as they are sufficiently important to provide the members of the group with common interests and goals. Peil (1982: 19), argues that individuals do not necessarily only belong to one community, though one is probably more important than the others, while in some aspects of life, other identities may be more important than a sense of community. The use of community is not without problems, particularly in South Africa where it has been used for political purposes as euphemism for race and particularly the non-white races. Boonzaier and Sharp (1988: 29-39), argue that communities are dynamic and in a constant state of flux, even when they are apparently most stable. Cernea, (1991) argue that when planning for projects people should be put first.

Participation is a process through which stakeholders influence and share control over development initiatives and the decision and resources, which affect them (World Bank, 1994: 135). The community should be involved in all the stages of a planning process (Muller, 1994). Thus *Community participation* is important. Muller (1994) while argues for participatory method of planning articulates that there is no single public interest. This challenges planners to investigate the alternatives of having community participation in development projects and programmes. The kind of alternatives to be suggested by planners should consider that the concept of community (i.e. identifying who is the community) is very problematic and needs serious attention .

6.2.2 *Appropriate Technology*

Appropriate technology should be used to achieve effective development. Integrated development as DFA principle states, calls for *appropriate technology*. The planner must give a thought to the people who should be benefiting from his work two, ten, twenty years after completion. The technology being used should be appropriate. Careful engineering design and construction are even more important for poor people than for the more affluent. It may be disastrous for poor people when a facility breaks down and cannot be prepaid because a fault inherent in the design or construction. If the initial scheme was paid for from their own sources the community will probably be unable to make the effort for the second time. If an outside agency helped the attitude is likely to be "you have had your share – no more now".

6.2.3 *Livelihood Analysis and Social Impact Assessment*

Impact evaluation can minimise inefficiency. Planning should be aiming at improving the vulnerability and livelihoods of the concerned community. Services aiming at minimising poverty and increasing local economic development should thus be provided following a detailed studies conducted, social impacts and public involvement.

6.2.4 *Reaching the target group*

This can be achieved by recognising the very important part played by women. For example it is almost invariably women who have the responsibility for obtaining water, and for its use in the home for general hygiene. In the case with housing and other services, any decision taken affects women directly therefore development projects should target the poorest of the

poor and especially women, who are the underclass of the underclass, if infrastructural development is to benefit economic development of local communities and eradicate poverty.

6.2.5 Future Management.

During the planning, design and construction phases projects and programmes that can alleviate urban poverty and benefit the local community economically, future management considerations must have an overriding influence in the selection of the optimum solution, although this is often overlooked. Suitable local personnel must be fully trained in the skills required to operate and maintain the infrastructure created. The technology should be kept simple so that they will be able to manage the system over long periods of time in the absence of qualified planner.

6.2.6 Planning and Construction

Planning and construction of projects and programmes should consider public interest and involve all interested parties. The construction should aim at uplifting local economic development and should consider emerging local contractors and entrepreneurs. Delivery should be on time, in order to develop and maintain communities trust. Planners in the past have mostly been men, and in many communities, religious and cultural attitudes make it virtually impossible for the views of women to be ascertained by male planners. Future planning must therefore make use of women for social research and investigation.

6.2.7 Financial rescue packages

The financial rescue packages needs to be better balanced to cushion the poor from the worst effects of crises. This is a decision that does not involve the planners only. Thus whatever planners can suggest is also shaped by the national, provincial and local budget.

6.3 What planners can do?

Since it is indicated that there are lots of challenges, dilemmas and dichotomies facing planners in as far as planning for LED and urban poverty alleviation, there is still a very important role that the planners needs to play.

Planners need to strengthen the planning discipline. This will involve revising planning ethics, methodologies and strategies to make sure that these are also moving away from the past discriminating and segregating ones that were encouraged during the segregation and apartheid era. It is very important to, first and foremost, give an overview of planning methodologies that one can use, and argue the recommended one which can best work when for planning LED that will target urban poverty. A reference to the case study presented in the previous chapter will be used to enunciate the facts and to make examples. The justification of the chosen planning procedure will be based on community interaction prioritised in the methodology. Finally a critical assessment will be done where estimated difficulties and or successes will be outlined i.e. to assess whether the procedure will be able to address the problem or not.

Why planning methodology, is a question that any one not familiar with planning might be asking. It is thus essential to give a contextual background of planning. Planning is a term which is defined differently by the theorist according to the procedure of planning. But, in general terms, planning is preparing in advance what is to be done in the future. According to the Oxford English Dictionary's definition of the terms Planning, Procedure and Methodology one can deduce that planning methodology is the science of considering in advance, a series of actions to be completed in order to address development problem. One can also say that it is the study of ways or orderly arrangements of developing or using the given site. There is no one procedure of planning. Procedures depend on the substance. In planning, the substance is people. In any procedures of planning the substance should be considered as it is the substance which must determine the procedure. This implies that it is important to empower the communities and involving them in a process.

6.3.1 Planning Procedures

There are many methodologies of planning which are adopted from a variety of planning models listed as follows: Geddeson Model; Choice Theory; 7-D Model; rational Comprehensive Process; Systems Approach; Systems View; Systems Process; Rational Comprehensive Planning Model; Conservative Anarchist model; Incremental Decision Model; Mixed Scanning; The Process of Strategic Choice; Community Decision Making Model etc.

Amongst all these procedures the one for community decision making is a preferred one in this context. It is acknowledged that there is public involvement in all the planning methodologies. But if one has to distinguish between public participation and public involvement, it is clear that public involvement is all about consultation, which can happen without public participation. Public participation involves community as decision makers. It encourages capacity building, it is all about helping people to help themselves.

6.3.2 Community Decision Making

Before elaborating on this model and how it can be applied in LED and urban poverty problem, the focus will be on answering the question of who and how is community participation. It is believed by Yeatman (1996) that Community participation is essential since it is their marginalisation – their exclusion from the decision making process, lack of control, denial of autonomy and freedom, the loss of identity, recognition and physical security through the destruction of family and community support systems. According to her the main problem to development is the conflict and that fundamental human needs are only satisfied if people are allowed to participate in their own development. She argues that the term community as describing a group of people united around the common goal, such as resistance to apartheid though it fails to reveal the differing interests and values which tend to emerge when development occurs (Yeatman, 1996).

Since the community consists of many groups with differing interest or sometimes values, values and interests should be canvassed and people participate in development process. All the groups, values and interests should be involved or at least represented in all stages of the planning process. Community decision making model (Muller 1994) argues that community should be decision makers. They should own the process to advance their empowerment, dignity, self determination and self-reliance (Yeatman, 1996).

For the community such as Johannesburg poor population, who are poor among an overwhelmingly rich city, empowerment can be achieved using this model as it emphasises the involvement of the community in all stages. There is a correlation in the contribution of

both the planner and the community (see appendix 2). In this case it is the community which makes instructions and take decisions, the planner makes proposals and gives advices. Many theories have recognised that planning should not be imposed from above but generated from within the communities. They have failed to develop a planning methodology that allows for community decision making and their empowerment. The exception, is the community oriented decision making model formulated by Muller (1994) which draws on the promotive planning approach or attitude to planning as well as the successive rounds of decision making, i.e. cyclical aspect of strategic choice model.

6.4 Conclusion

Since the highlighted problem of urban poverty in Johannesburg is due to past apartheid legislation, the segregation in current government departments and metropolitan substructures, geographic distribution of population, poor service delivery, passive LED initiatives and limiting Safety Net welfare assistance programmes, a challenge is to redress the problem in a community oriented manner. It is true that the initiatives were design to, either directly or indirectly, alleviate urban poverty. Failure to achieve this initiative is more of failing to target the poor of the poorest., which could be traced from passive involvement of the affected community. There is a need of community involvement so as to perceive the problem and the planner will then articulate the problem. The community will then agree on the problem and goal scanned by the planner. However, this will take the community to be united in identifying their common interest. This brings other sets of problems since there is no single public interest.

The community oriented decision making model is referred to as a promotive process and it shows the elements of phenomenological consciousness experienced by community i.e. perception, edification, conceptual interpretation, resolution and realisation (Muller, 1994). He further argues that these form the intuitive and experiential bases of the community 's decision making activities which are supplemented and supported by the counsel of the planner from the scanning through the shaping, designing, coupling choosing and doing stages (see appendix 2). Muller's community oriented decision making emphasises power over the community as decision makers who must evaluate and approve what the planners suggest.

As Yeatman (1996) argues, the conflict resolution is needed for a development to progress and the process should not be biased to any group or other groups of the community, unintended exclusions can be taken into consideration at a planning stage thus, would not disable the implementation. According to project management principles the client influence, the client influence on decision is high at the early stages, preparatory, planning and design stage, thus community participation should be encouraged as early as possible in any LED and urban poverty alleviation strategies.

This discourse calls for a practical method of planning that will see to it that community participation is a practical consequence other than a legislation. The next chapter suggests what could be done for the city of Johannesburg if LED and poverty alleviation are linked as one good planning strategy.

CHAPTER 7

Development Planning Strategy for the City of Johannesburg: A Need to Link LED and Urban Poverty Alleviation

5.1 Introduction

The imperative of alleviating poverty is introduced through local governments' new constitutional obligation to uphold basic socio-economic rights through the functions allocated to it. This obligation therefore challenges planners competence to concurrently take care for social and economic aspects of human life in development. This means that initiatives aiming at improving the social life of people should not be separated from those aiming to improve economic growth. For this reason there is a need to link Led and urban poverty alleviation. Moreover the Second Amendment Act provides that a Metropolitan Council must promote integrated economic development in terms of an integrated development plan for the metropolitan area. Drawing from the evaluation of the strategy at GJMC, the results shows that there are no direct approaches to urban poverty alleviation and that there has not been much done to link LED with urban poverty alleviation.

5.2 Critique and comments

5.2.1 Lacking vision for the city of Johannesburg

Mayivuke, an inner-city vision and development strategy for Johannesburg was launched with fanfare and greater expectations, a year ago. But its vision was vague and unrealistic, probably because it was not underpinned by an examination of economic and social trends (Tomlinson, 1999). There has been a shift of business and financial services to the northern suburbs, which cannot be reversed. Therefore there is a need to find future in the economic, political and social changes that have occurred in the inner city.

5.2.2 The danger of relying on welfare for poverty alleviation

The GJMC's reliance on targeted welfare for poverty reduction indicates failure to link LED with poverty alleviation. The strategy used at present is to a greater extent dependent on state assistance. There is a need for a developmental approach since the safety net programmes is determined to define poverty in terms of need, deprivation or destitution, which are not really the only determinants of poverty. Other people are poor because of lack of information, misunderstanding or lack of trust to government i.e. they are not informed about the resources available for them to develop and to grow economically either than becoming a state's responsibility. Many people consulted during fieldwork were not aware that they can get assistance if they want to start or advance their small businesses, or develop their community projects. Some were aware about the assistance but thought their businesses do not qualify or believe that even if they apply they will not get the money anyway because 'it depends who you are or whom do you know in the government'. In other cases, people are poor because the state assistance has jeopardised their ability to be independent. For example other people do not seek for jobs because they are afraid that they will not qualify for state assistance e.g. RDP housing, if they are working. Thus people are treated as beneficiaries and not developable entities.

Another problem in targeted welfare is argued by Narsoo (1998) that anecdotal evidence from the region suggest that the poor are known to manipulate the regulatory system to their own ends. For example, in order to optimise housing subsidies households are splitting into smaller units to access multiple subsidies. But they also subject to contradictory forces imposed by the

terms of the different poverty reduction programmes, and sometimes the regulations mitigate against the effective survival of the poor. The example of housing in this regard is that housing subsidy is offered for ownership of new housing, often in a periphery allocation usually far from employment opportunities. The choice for the poor is between expensive access to work or cheap but inflexible subsidised shelter.

The full impact of the new regulatory frameworks of poverty reduction have yet to be assessed, though initial monitoring projects are being instituted. For example, the national Housing Department, as Lewis (1998) shows, is in the process of investigating why so few women have taken housing subsidies and the Gauteng Land and Housing department is reviewing consolidation in site and service and informal settlement upgrading projects (Narsoo, 1998; Stephen, 1998). As much of the targeted funding, and the regulations under which this money is allocated, is derived from outside the GJMC, it is difficult to determine what the specific impact of these schemes has been in Johannesburg.

Unlike the narrow line function focus of the bureaucracy, the responses of the poor are negotiated across departmental boundaries and trade-offs between optimising access to free health care or educational opportunities have to be made by the poor. The complex social map of Johannesburg onto which post-apartheid poverty reduction is being applied heightens the importance of conducting a cross-sectoral assessments of the impact of intergovernmental grants on the poor. If left to the sponsors of individual poverty reduction projects, the multiple and cumulative impacts of the different criteria on the poor of the city will not be revealed.

5.3 Recommendations: Towards the Future of LED and Urban Poverty Alleviation

5.3.1 *Redefining the role of the city in economic development*

As the global economy opens up and expands, previously dominant patterns of city economic specialisation are shifting, necessitating new efforts on the part of cities to stimulate and foster their economies.

Furthermore, globalisation has re-emphasised the role of cities as primary territorial production units. Big metropolitan areas are now seen as the criminal forces of national economic activities. Cities should no longer be seen just as places where people live and government provide services, but as dynamic arenas for economic, social and cultural development. With greater mobility for people and economic activities both within and between countries, cities are becoming more competitive with one another, the role of the city is therefore being defined in terms of the role other similar cities. The new roles assumed by cities have enormous implications for Greater Johannesburg i.e. how it conceive itself, and how its future is managed. This means that city leaders and managers now need to confront such issues as why should people and business stay in our city. Thus officials need to act entrepreneurially in promoting the economic growth of their city.

5.3.2 *Integrating a concern for housing and basic services within poverty.*

One reason for questioning the validity international and national statistics on the extent of urban poverty is that there seem to be far more households living in poverty than are considered to have incomes below the poverty line. A large number of urban dwellers in the south of Johannesburg, who according to statistical estimates of poverty line, live in very poor quality housing and usually overcrowded conditions with a great lack of infrastructure and services. Urban poverty pays more attention to housing and basic services.

The reason for this is the high cost of housing and basic services in many urban centres, which means that housing either takes up a large proportion of the income of low income households or (more commonly) that low income households choose to live in poor quality, insecure accommodation which lacks basic services in order to lower the costs of accommodation.

Another reason can be that government agencies, NGOs and community based organisations are more able to address housing problems and provide basic services to low income household that they are to change labour markets in ways that increase income earning opportunities for low income groups.

Thus there is a need to integrate a concern for housing and basic services within poverty. This could be achievable by linking basic services and housing delivery with LED. This will ensure that the delivery does not live the poor with no choice but to remain poor. This calls for the need to reconsider the location of the subsidy housing in relation to places of employment. A need to provide services that will enable the household to practice small business and have access to the market. There is a need to incorporate into development strategy the vast and rapidly growing low income population in the south of Johannesburg. Tomlinson (1999) argues that this is where most blacks were forced to live under apartheid and it primarily is here in poorly serviced informal settlements and in a new subsidised housing projects that people spreading out from the townships and migrants are settling. These areas lack jobs and social services.

5.3.3 The right of poor people to influence definitions

The failure of conventional poverty analysis to consider housing conditions and health problems is perhaps part of a more fundamental failure i.e. a failure i.e. a failure of not involving 'poor people' in the definition of poverty and in determining what should be done to reduce it low income urban household may give a high priority to better health-care, better schools, more secure housing tenure, the possibility of home ownership (which for tenants also means avoiding having to pay rent) and improved provision for water and sanitation. Or they may place considerable value on qualitative aspects such as independence, security, self-respect, identity, close and non-exploitative relationships, and legal and political rights, all of which are not necessarily linked to income levels. There are many determinants of poverty other than income poverty; they included vulnerability, powerlessness, isolation and humiliation. Without an understanding of the needs of priorities of those who are classified as poor built into the measurement of poverty the 'poor' will continue to be seen as passive and the target for poverty alleviation. The poor should not be statistics which statisticians can play

and experiment. They should not be treated as recipients ready to be 'pushed', 'raised', accept delivery and be attended to. There has been evidence that the measurement system where policy is created by a centralised state and then imposed to the poor 'from above' tend to shunt the poor above the poverty line (Back, 1994: 21).

5.3.4 Strengthening the city's economy

The problem of business surburbanisation has stricken the city of Johannesburg up to present. The city has been loosing a substantial amount of the sources of revenue. It is necessary to develop strategies that would attract business to reinvent in the CBD and its surrounding. Thus calls for a challenge to direct local capital to lead the investment process. This means that there is a need for a city leadership to work together with businesses and communities to identify and uproot the problems causing the CBD unattractive to capital. Its present the central Johannesburg partnerships (CJP), formed in 1992, and comprised the business sector, the community and the city council with focus upon revitalising the Johannesburg inner city. The CPJ thus prioritised. LED initiative encouragingly the strategy of business improvements district (BID) in order to generate the ~~inner~~ city though addressing issues of crime, safety, cleanliness and landscaping.

5.3.5 Improving the revenue base

In 1998, the City Press reported that outstanding rates and services charges for the 1997/1998 financial year owed to local councils in Gauteng amount to more than R4,5 billion.

This report indicated that there are financial problems constraining the ambition of making Johannesburg a 'world city' what is even worse is that the largest dept is said to be suffered by the SMLC which is amountable to R763 million. Incentives should be directed to attracting business competition from within.

5.3.6 Integrating the urban management system

There is a need to build a competent urban management. Thus the fragmented local government of Johannesburg city which involve a metro and four substructures, need to be integrated. At present the GJMC local government is under transition process. It might be

difficult to come up with LED strategies that will eradicate poverty in Johannesburg since it is not even clear about who is managing the land objectives of the GJMC. Urban calculations are necessary for a competitive urban management system that will be able to alleviate urban poverty.

5.4 Understanding the need to act on multiple poverty determinants.

If we agree that urban poverty includes not only a lack of income but also other aspects of deprivation such as a lack of legal rights (or their upholding), a lack of the resources or contacts necessary to secure political advantage a lack of access to education health-care and emergency services and a lack of safe, secure and adequately sized housing with basic services then it also greatly widens the potential scope of 'poverty reduction' programmes. But it would be dangerous to downplay the importance of increasing the income low income urban household. In many urban contexts, increasing incomes of addressing other forms of deprivation by allowing them to increase their assets base, to build better quality and more secure accommodation, and to avoid having to rely on the more dangerous and illegal occupations and housing sites. The more commercialised the access to those goods and goods and service which allow someone to income becomes. Actions for reducing poverty in urban areas center on one of the things :

Increasing the incomes or assets of low-income household.

Upholding human right, including the right of those with low incomes to be able to call on governments for resources and to be able to service and to be able to set priorities both in that is done and how it is done.

Improving housing and basis and basis services.

Conclusion

This discourse has shown that urban poverty problems are still severe in a post-apartheid city. Local economic development initiatives in South Africa has, and Johannesburg in particular has been passively used for the alleviation of poverty in the metro. Approaches to urban poverty are still traditional ones where urban poor depend much on state assistance. There is a need to integrate LED and urban poverty approaches, so far a very little attempts has been

done to link the two initiatives. Thus, whereas the regional planning strategy targeted rural poverty in an indirect approach and failed at all to admit poverty as an urban problem, but concentrated only in urban growth problem, the LED approaches shows some potential in as far as targeting urban poverty. But, these approaches has been very passive in urban poverty alleviation. This discourse is calling for the means of linking the social aspects of human life in development and economic aspects of life.

To make a few examples on how this link can be done, the recommendations for the city of Johannesburg suggests that there is a need to redefine the role of the city, to strengthen the city' economy, to improve the revenue base of the city, to give right to the poor to define poverty, to integrate the concern for housing and basic services and to integrate urban management system. All this challenges planners to act on multiple poverty determinants.

REFERENCES

Abrahams, G., 1998. Historical Evolution of Metropolitan Government for Johannesburg, in Foundation for Contemporary Research (ed.). Cape Town: Cape Town Metropolitan Government 1994-1997.

African National Congress, 1994. Reconstruction and Development Programme.

American Economic Development Council (AEDC), 1984. Economic Development Today. Chicago: AEDC

Bell, A., 1973. Industrial Decentralisation in South Africa. London: Oxford.

Bell, R., 1986. The Role of Regional Policy in South Africa, Journal of Southern African Studies no.12 pp. 276-292.

Bell, T. and Padayachee, V. 1984. Unemployment in South Africa: Trends, Courses and Cures, Development Southern Africa vol. 3&4 pp. 426-438.

Beavon, K., 1997. Johannesburg: A City and Metropolitan Area in Transformation in C. Rakodi (ed.), The Urban Challenge in Africa: Growth and Management of Its Large Cities. Tokyo: United Nations University Press. pp. 150-191.

Bezuidenhout, A., 1997. Labour Market Flexibility as Friend or Foe : Recasting the Debate. University of Transkei.

Bingham, R.D. and Mier, D., 1993. Theories of LED: Perspective From Across the Disciplines. Newbury Park: SAGE.

Black, A., 1987. Industrial Decentralisation and Employment Creation in South Africa. Johannesburg: Urban Foundation.

- Black, A., 1991. Manufacturing Development and Economic Crisis: A reversion to primary production? In Gelb (ed.), *South Africa's Economic Crisis*. Cape Town: David Phillip. pp. 156-164.
- Blarimitz, B., 1984. Economic Development Really Works. Baltimore, MD. In Bingham, R. and Blair, J. (eds.): *Urban economic development*. Beverly Hills.
- Bloch, R., 1987. Spontaneous Decentralisation and Planned deconcentration: policies, Programmes, and Metropolitan Development. Johannesburg: Urban Foundation.
- Boddy, M., 1984. Local Economic Employment Strategies, in Boddy, M. and Fudge, C. (eds): *Local socialism*, London.
- Bonner, P. and Segal, L., 1998. *Soweto a History*. Johannesburg: Maskew Miller Longman.
- Budlender, D., 1996. *Women's Budget*. Pretoria: IDASA.
- Budlender, D. (ed), 1998. *The People's Voices: National Speak Out on Poverty Hearings*, Johannesburg: SANGOCO.
- Carr, W., 1990. *Soweto: Its Creation, Life and Decline*. Johannesburg: South African Institute of Race Relations.
- Cassim, F., 1988. Growth, Crisis and Change in South African Economy, in Suckling, J. and White L. (eds.) *After Apartheid: Renewal of the South African Economy*. London: James Currey.
- Crankshaw, O., and White, C., 1995. Racism, Desegregation and Inner City Decay in Johannesburg. *International Journal of Urban and Regional Research* no.19 pp. 622-638.
- Crankshaw, O., 1997. *Race, Class and the Changing Devision of Labour Under Apartheid*, London: Routledge.
- Crankshaw, O., and Parnell, S., 1998. The Post-apartheid Urban Landscape, in Judin, H. (ed.) *Blank, Race*. Naimaker: Rotterdam in press.
- Central Statistical Service (1981), *Gross Geographic Product at Factor Incomes by Magisterial District 1975*, Report no. 04-14-04. Pretoria: Department of Statistics.

- Central Statistical Service (1988), Gross Geographic Product at Factor Incomes by Magisterial District 1981, Report no. 04-01-01. Pretoria: Central Statistical Service.
- Central Statistical Service (1993), Gross Geographic Product at Factor Incomes by Magisterial District 1988, Statistical Release PO401. Pretoria: Central Statistical Service.
- Central Statistical Service (1994), Gross Geographic Product at Factor Incomes by Magisterial District 1991, Statistical Release PO401. Pretoria: Central Statistical Service.
- Central Statistical Service (1995), Gross Geographic Product at Factor Incomes by Magisterial District 1994, Statistical Release PO41. Pretoria: Central Statistical Service.
- Central Statistical Service (1996), October household Survey 1995, Statistical Release PO317. Pretoria: Central Statistical Service
- Central Statistical Service (1996), October household Survey 1995, Statistical Release PO317. Pretoria: Central Statistical Service
- Central Statistical Service (1997), South African Statistics 1995. Pretoria: Central Statistical Service
- Centre for Development and Enterprise, 1996. Cities and the Global Economy : New Challenges for South Africa. Johannesburg: CED Research No. 3.
- Cochrane, A. (eds), 1987. Developing local Economic Strategies. Milton Keynes: Open University.
- Cohen, M. The New Agendas: Urban Policy and Economic Development –the Agenda in Harris, N. (ed.) 1992: Cities in the 1990s: The Challenge for Developing Countries, London: University College London Press.
- Community Economic Development Framework (CEDF) 1998 Birmingham City Council.
- Cooke, P. (eds), 1989. Localities: The Changing Face of Urban Britain. London: Unwin Hyman.
- Crush, J. and James, W., 1997. Crossing Boundaries, Pretoria: .IDASA.

DBSA, 1989. Report on the Panel Experts on the Evaluation of the Regional Industrial Development policy in Southern Africa, Development Bank of South Africa, Halfway House.

Degiovanna, S., 1996. Industrial Districts in Regional Economic Development: A Regulation Approach. *Regional Studies* Vol.30 no.4, pp. 373-386

De Haan, A., and Yaqub, S., 1996. Urban poverty and Its alleviation, PRUS Working Paper no.1 Poverty Research Unit. Brighton: University Press.

De Haan, A in Satterthwaite, D., 1997. Urban Poverty: Reconsidering Its Scale and Nature, *IDS Bulletin* vol.28 no.2 pp. 9-23. Contributions to Urban Poverty: A New Research Agenda.

Dewan, D. et.al., 1986. Industrial Decentralisation in South Africa: Rhetoric and Practice, *Urban Studies* no. 23 pp.263-376

Dixon, J. and Macarov, D., 1998. Poverty: A Persistent Global Reality. London: Routledge.

Erasmus J. 1998. Economic Realities of Poverty, A conference paper on Poverty and the Environment II, A Challenge for the 21st Century 1 April.

Feinstein, N.I. and Feinstein, S.S. 1983. *Reconstructing the City : The political economy of urban redevelopment*. New York: Longmans.

Friedmann, J., 1986. The World city Hypothesis in development and Change vol.17 pp. 69-83

Foulsham, J., 1987 A Place for women in Planning, *Town and Country Planning*. View point 1, October 1987.

GJMC, 1997. Greater Johannesburg Metropolitan Council Integrated Metropolitan Plan Development Plan, 1997/1998, unpublished report.

GJMC, 1998. Greater Johannesburg Metropolitan Council Land Development Objectives (Two Volumes), unpublished reports.

Hall, P., 1975. *Urban and Regional Planning*. New York: Halsted.

- Harris, N. (ed.) 1992: *Cities in the 1990s: The Challenge for Developing Countries*, London: University College London Press.
- Harrison, P. 1993. *Town Planning in Natal : International and historical perspectives*. Interim Report No. 2. Pietermaritzburg: Natal Town and Regional Planning Commission.
- Harvey, D., 1989. *From Managerialism to Entrepreneurialism: The transformation of Urban Governance in Late Capitalism*, *Geografika Annaler*, 71 B, pp.3-17.
- Harvey, D., 1989. *The Condition of Post modernity*. Oxford: Blackwell.
- IDRC, 1995. *Building a New South Africa: Urban Policy*. Ottawa: IDRC.
- Isandla Institute (ed), 1998. *Linking Local Economic Development to Poverty Alleviation*. Pretoria: Department of Constitutional Development.
- Kasarda, J. and Parnell, A. M. (eds.), 1993. *Third World Cities: Problems, Policies and Prospects*. New York: SAGE Publications
- Kasarda, J. and Parnell, A. M. (eds.), 1993. *Third World Cities: Problems, Policies and Prospects*, New York: SAGE Publications.
- Kluklinski, A., 1975: *Regional Development, Regional Policies and Regional Planning*, Mouton.: Mouton & Co.
- Korayem, K., 1996. *Poverty and Income Distribution in Egypt*. Cairo: Third World Forum (Middle East Office).
- Kyereme, S. and Thornbecke, E., 1987. *Food poverty and decomposition applied to Ghana*. Ghana: World development.
- Kyereme, S. and Thornbecke, E., 1987. *Food poverty and decomposition applied to Ghana*. Ghana: World development.
- Leibbrandt, M. and Woolard, I., 1997. *A comparison of poverty in South Africa's nine provinces, revised version of a paper read at the conference of the Economic Society of South Africa*. Potchefstroom University.
- Leibenberg, S. and Pillay, K., 1998. *Poverty and Human Rights, National Speak out on Poverty Hearings*. Johannesburg: SANGOCO.

Lipton, M., 1983. Poverty, undernutrition, and hunger. Washington DC: World Bank Staff Working Papers no.597

Maasdorp, G., 1982: Industrial Decentralisation, in R. Schire (ed.), Public Policy in South Africa. Capetown: David Phillip.

Mail and Guardian , Weekly News Letter, B:7, 1996a.

Mandy, N., 1981. A City Divided, Macmillan. Johannesburg

May, J., 1998. Poverty and Inequality Report, Praxis. Durban.

Mayekiso, M., 1996. Township Politics, Civic Struggles for a New South Africa, Monthly Review Press. New York.

McCarthy, J. and Bernstein, A., 1995. Post-Apartheid Population and Income Trends: A New Analysis. Johannesburg: Centre for Development and Enterprise.

Mthimunye H. 1998: Nature of Poverty in South Africa: A conference paper on Poverty and the Environment II, A Challenge for the 21st Century 1 April

Muller, J., 1994 Community Development and Decision –Making, Urban Forum vol.5 no.1 pp.3-20.

National Business Initiatives and R1., 1998. The local authority role in economic development : A handbook for councilors and officials.

Oberai, A.S., 1978.Changes in the structures of employment with economic development, Geneva: International Labour Office.

Oyen, E. et.al. (eds.), 1996. A global Review: Handbook on International Poverty Research, Oslo: Scandinavian University Press.

(Peet, R. (1970) Outline for a second –year course on the socioeconomic geography of American poverty. Geographical perspectives on American poverty, ed. R Peet, Antipode, vol. 2 no.2 pp. 1-34.

(1972) Some Issues in the social geography of American Poverty. Geographic Perspectives on American Poverty, Antipode Monographs in Social Geography, vol. 1 no.1 pp. 1-16.

(1975b) Rural inequality and regional planning. Antipode, vol. 7 no.3: pp. 10- 24

(1975c) Inequality and poverty: A Marxist-geographic theory. *Annals of the Association of American Geographers*, vol.65 no.4 pp. 564-71.

(1977) The development of radical geography in the United States. *Radical Geography* pp. 1-30

(1998) *Modern geographic thought*. Blackwell Publishers Ltd., USA

Posel, D., 1991. *The Making of Apartheid: Conflict and Compromise 1948-1961*, Oxford: Clarendon.

Richardson, H.W., 1978: *Regional and Urban Economics*. Harmondsworth: Penguin.

Richardson, H. W., 1989. The Big, Bad City: Mega-city Myth?, *Third World planning Review* vol. 11 pp. 355-372.

Richardson, H. W., 1989. National Urban Policies and the Costs and Benefit of Urbanisation in Dominick Salvatore (ed.) *World population trends and Their Impact on Economic development*. Contributions in Economics and economic History no.82, Greenwood. New York.

Rogerson, C.M., 1993. *Industrial Districts: Italian Experience, South African Policy Issues*. Urban Forum, Vol.4 pp. 37-53.

1994(a). South Africa: From Regional Policy to Local Economic Development Initiatives. *Geography*, Vol. 79 pp. 180-183.

1994(b) Democracy, reconstruction and Changing local and Regional Planning in South Africa. *Regional Development Dialogue*, Vol. 16 2 pp. v-xv.

1994(c). Flexible production in the developing World: The case of South Africa. *Geoforum*, Vol.25 pp. 1-17.

(1995) Local economic development planning in the developing world. *Regional Development Dialogue*, Vol. 16 No.2.

1996 (a). Image Enhancement and Local Economic Development in Johannesburg. *Urban Forum*, Vol7 pp. 139-158.

1998. Local economic development and post-apartheid. *Singapore Journal of Tropical Geography*, Volume 18 No. 2.

1998. Local economic development and Poverty Alleviation : Lesson for South Africa, in Isandla Institute (ed), 1998. *Linking Local Economic Development to Poverty Alleviation*, Pretoria.: Department of Constitutional Development.

Rondinelli, D. A., 1991. Asian Urban Development Policies in the 1990s: From Growth Control to Urban Diffusion. *World Development Bank* no. 19 pp. 791-803.

Rondinelli, D. A. and Kasarda, J.D., 1991 privatising Public Services in Developing Countries: What Do We Know? *Business in the Contemporary World* Vol3 no.2 pp. 102-113.

SALDRU, 1994. South Africa's Rich and Poor. Cape Town: SALDRU.

Sapire, H., 1992. Politics and Protest in Shack Settlements of the PWV region. *Journal of Southern African Studies* no.18 pp. 670-697.

Scott, A.J., & Storper, M. in Huib, E., & Verena, M., 1992: *Regional Development and Contemporary Industrial Response: Extending Flexible Specialisation*. London: Belhaven Press,

Seneque, G., 1987d: *Deconcentration Strategy: The Political dimension*. Johannesburg: Urban Foundation,

Sengenberger, W. 1993. Local development and international economic competition. *International Labour Review*, Vol. 132.

Shubane, K., in Lodge, T. and Nasson, B. (eds.), 1991. *Update South Africa: Time Running Out: All Here and now: Black Politics in South Africa in the 1980s*, Johannesburg: David Philip.

Simone. M., 1998. Winterveld, in Isandla Institute (ed), 1998. *Case Studies on LED and Poverty*. Pretoria : Department of Constitutional Development.

Statistics South Africa, 1998. *The people of South Africa: Population Census, 1996. Census in Brief, Report no. 03-01-11*. Pretoria: Statistics South Africa.

Swilling, M. and Shubane, K., 1991. Negotiating Urban Transition: The Soweto Experience, in Lee, R and Schlermer, L. (eds.) Transition to Democracy: Policy Perspectives 1991, Oxford University press. Cape Town pp. 223-258.

Thomas, W.H., 1987: Urbanisation, Job Creation and the Institutionalisation of Regional Development in South Africa, Urban Foundation, Johannesburg .

Thorne, S. 1994. Baralink Development Framework. City Planning Department, Johannesburg City Council.

Tomlinson, R., 1987: A Cost Effective Industrial location Policy, Urban Foundation, Johannesburg.

Tomlinson, R. 1994. Urban Development Planning : Lessons for the Economic Reconstruction of South Africa's Cities, Witwatersrand University Press; Johannesburg.

Tomlinson, R., 1995. Urban development Planning: Lessons for the Economic Reconstruction of South African Cities, Witwatersrand University Press. Johannesburg pp. 38-55; 56-89; 124-168.

Tomlinson, R., 1998. South Africa's New Housing Policy: An Assessment of the First Two Years, 1994-96, International Journal of Urban and regional Research vol.22 no.1 pp. 137-146.

Tomlinson, R., and Rogerson, C. 1999. An Economic Development Strategy for the Johannesburg Inner City. Strategy prepared as part of the UNDP City Consultation Process on Behalf of the Inner City Section 59 Committee, 2 April 1999.

Tykkäinen, M. and Neil, C., 1995. Socio-Economic Restructuring in Resource Communities: Evolving a Comparative Approach. Community Development Journal Vol.30 no. 1 pp. 31-47.

UF Research Summaries on critical issues no. 10. 1994 Nov. Local Economic Development: New strategies and practical policies, executive summary.

United Nations, 1991. World Urbanisation Prospects 1990: Estimates and Projections of Urban and Rural Populations and of Urban Agglomerations. New York: Population studies no. 121. St/ESA/SER.A/105.

- UBS, 1995. Mission Statement, Johannesburg: Upstart Business Strategies.
- USN, 1998. Development Local Government, Urban Sector Network. Johannesburg.
- Vanderschueren, F et al. 1996. Policy programme options for urban poverty, Urban Management Programme. Washington D.C: World Bank Vol. 20.
- Van Huyack, A. P., 1988. Urbanisation in the Developing Countries: Opportunities for United State development cooperation. Paper prepared for the Office of Housing and Urban Programmes. Washington D.C: U.S. Agency for International Development.
- Van Praag, B and Baye, M.R., 1990. The poverty concept when prices are income-dependent. *Journal of Econometrics* no. 43 pp. 1-2.
- Wegelin E et al, 1995. "Options for municipal interventions in urban poverty alleviation". *Environmental and Urbanization*, Vol. 7. No.2.
- Wellings, P. & Black, A., 1984: Industrial Decentralisation Under Apartheid: The Location of Industry to the South African Periphery, *World Development*, 14, 1-38.
- Whiteford, A. and McGrath, M., 1994 Distribution of Income in South Africa. Pretoria: Human Science Research Council.
- Wits, 1997. Soweto in Transition Project: Preliminary Report. Department of Sociology. Johannesburg: Wits University.
- World Bank, News Release, 1999. Latest World Bank Poverty Update Shows Urgent Need to Better. <http://www.worldbank.org/html/extme/2214.html>
- Zackey, B., 1996. Perceptions of Poverty and Planning Responses in South Africa: 1910-1990. Presentation Paper in The Symposium of the Planning History Study Group: Planning and Planning personalities pp417-430.
- Zackey, B., 1996. Poverty as a 'Lack of Choice' and the Implications of this Model for Planning Theory. Research paper forming part of the authors Msc Study.

Appendix I: Maps

Sources: Beavon, 1997; SMLC GIS
Branch, undated; Urban Dynamics
in GJMC, 1997

URBAN DYNAMICS

TOWN AND REGIONAL PLANNERS

Urban Dynamics Strategic Planning Inc.
1 van Rensburg Street, Sandton 2008
P.O. Box 40, Sandtonville 2005
Tel: (011) 938-4229
Fax: (011) 938-7412
Email: urban@idp.co.za



5 0 5 10 15 20 25 30 Kilometers

Northern Province

North West

Mpumalanga

Free State

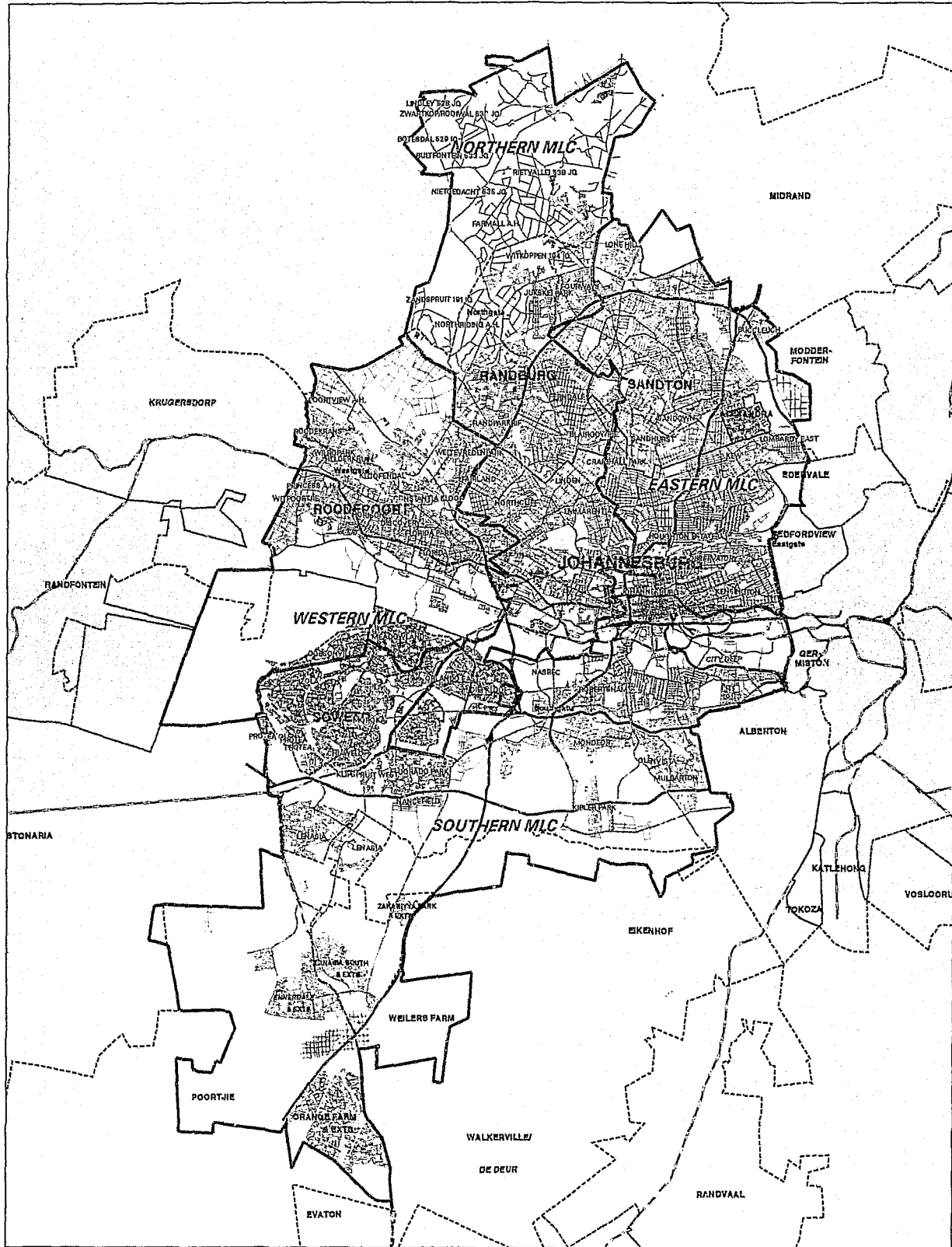
- EASTERN GAUTENG SERVICES COUNCIL
- GREATER JOHANNESBURG METROPOLITAN COUNCIL
- GREATER PRETORIA METROPOLITAN COUNCIL
- KHYALAMI METROPOLITAN COUNCIL
- LEKOA / VAAL METROPOLITAN COUNCIL
- WESTERN GAUTENG SERVICES COUNCIL

GAUTENG PROVINCE: CONTEXT

GREATER JOHANNESBURG METROPOLITAN COUNCIL

MAP NO.

JULY 1997



LEGEND

- | | | | |
|--|--------------|--|--------------------------|
| | Northern MLC | | National Roads |
| | Eastern MLC | | Major Roads |
| | Western MLC | | Old Municipal Boundaries |
| | Southern MLC | | Railways |



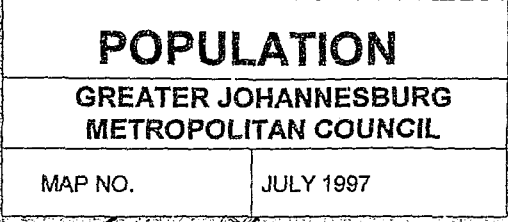
SOUTHERN
METROPOLITAN LOCAL COUNCILS

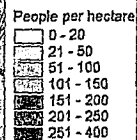
**Metropolitan
Local Councils**

TMC BASE MAP



Geographic Information Systems Branch





**GREATER JOHANNESBURG
METROPOLITAN COUNCIL**

JULY 1997

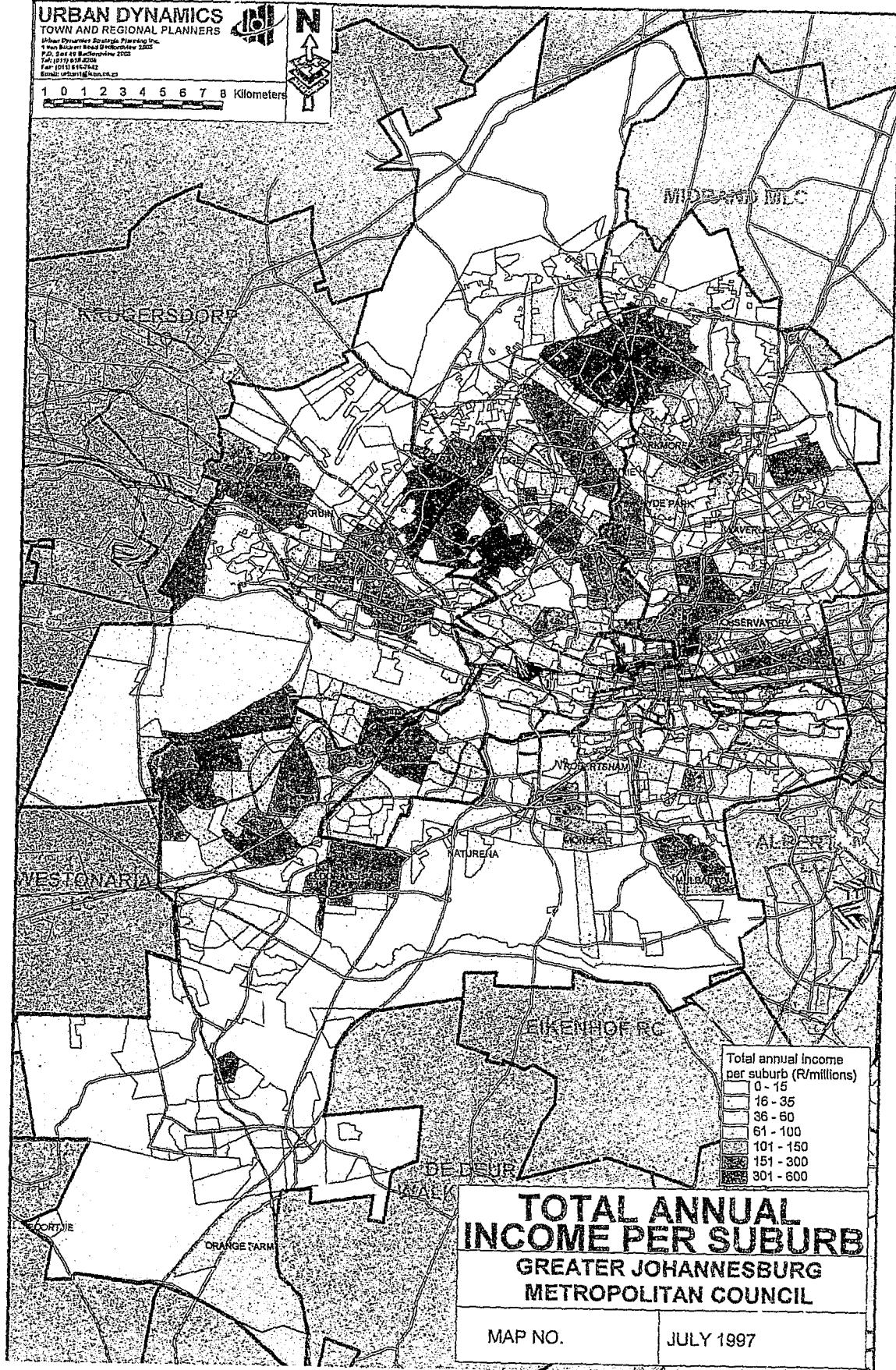
URBAN DYNAMICS

TOWN AND REGIONAL PLANNERS

Urban Dynamics Strategic Planning Inc.
1 Van Riebeeck Road (off Rte 28)
P.O. Box 45 Sandton 2008
Tel: (011) 635-2224
Fax: (011) 635-2142
Email: urban1@cape.net



1 0 1 2 3 4 5 6 7 8 Kilometers



Total annual income
per suburb (R/millions)

0 - 15
16 - 35
36 - 60
61 - 100
101 - 150
151 - 300

TOTAL ANNUAL INCOME PER SUBURB

GREATER JOHANNESBURG METROPOLITAN COUNCIL

MAP NO.

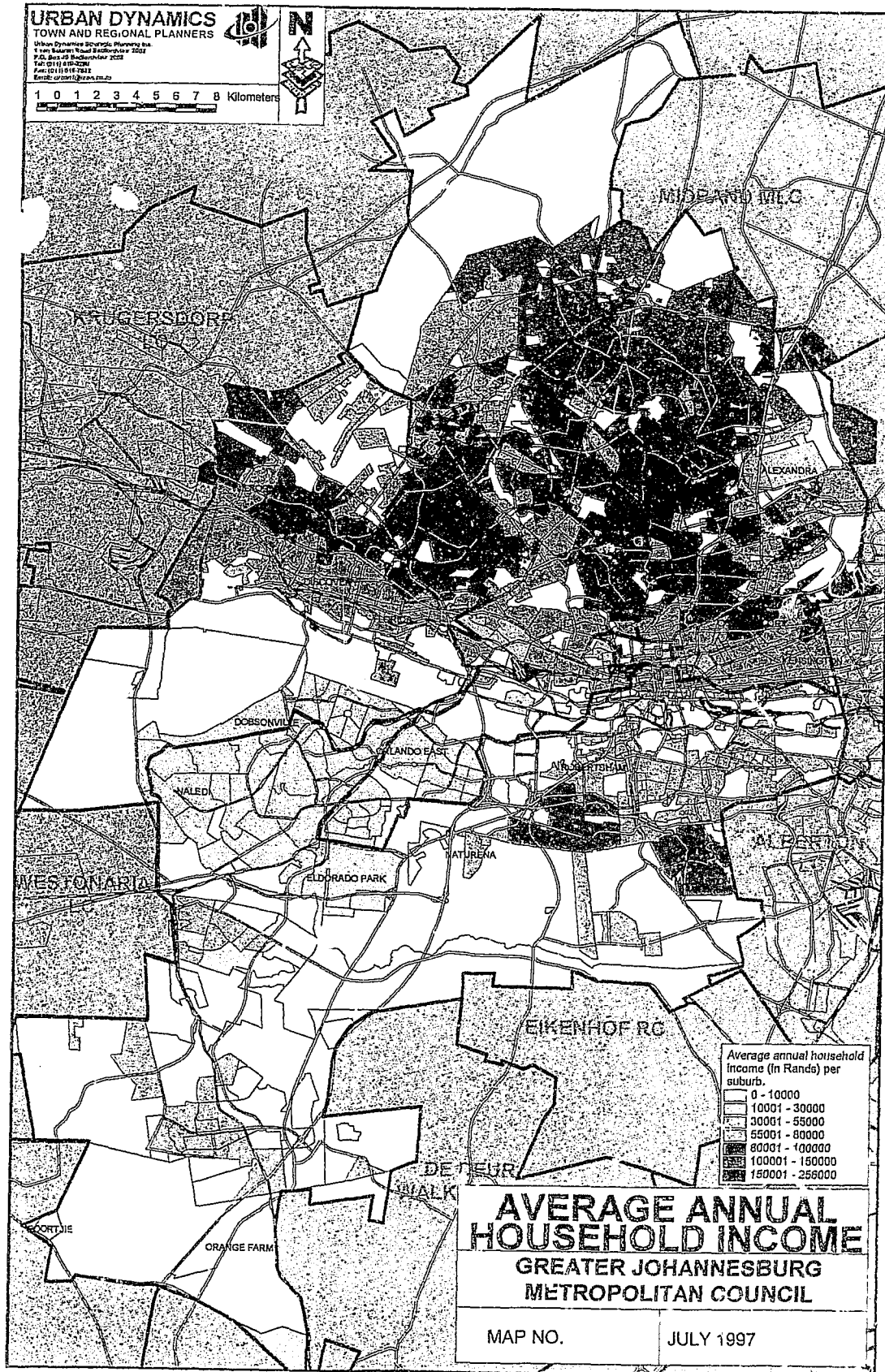
JULY 1997

URBAN DYNAMICS

TOWN AND REGIONAL PLANNERS
Urban Dynamics Strategic Planning Inc.
1 van Buren Road Bedfordview 2001
P.O. Box 49 Bedfordview 2001
Tel: (011) 619-2291
Fax: (011) 619-1881
Email: urbandyn@cape.net.za



1 0 1 2 3 4 5 6 7 8 Kilometers



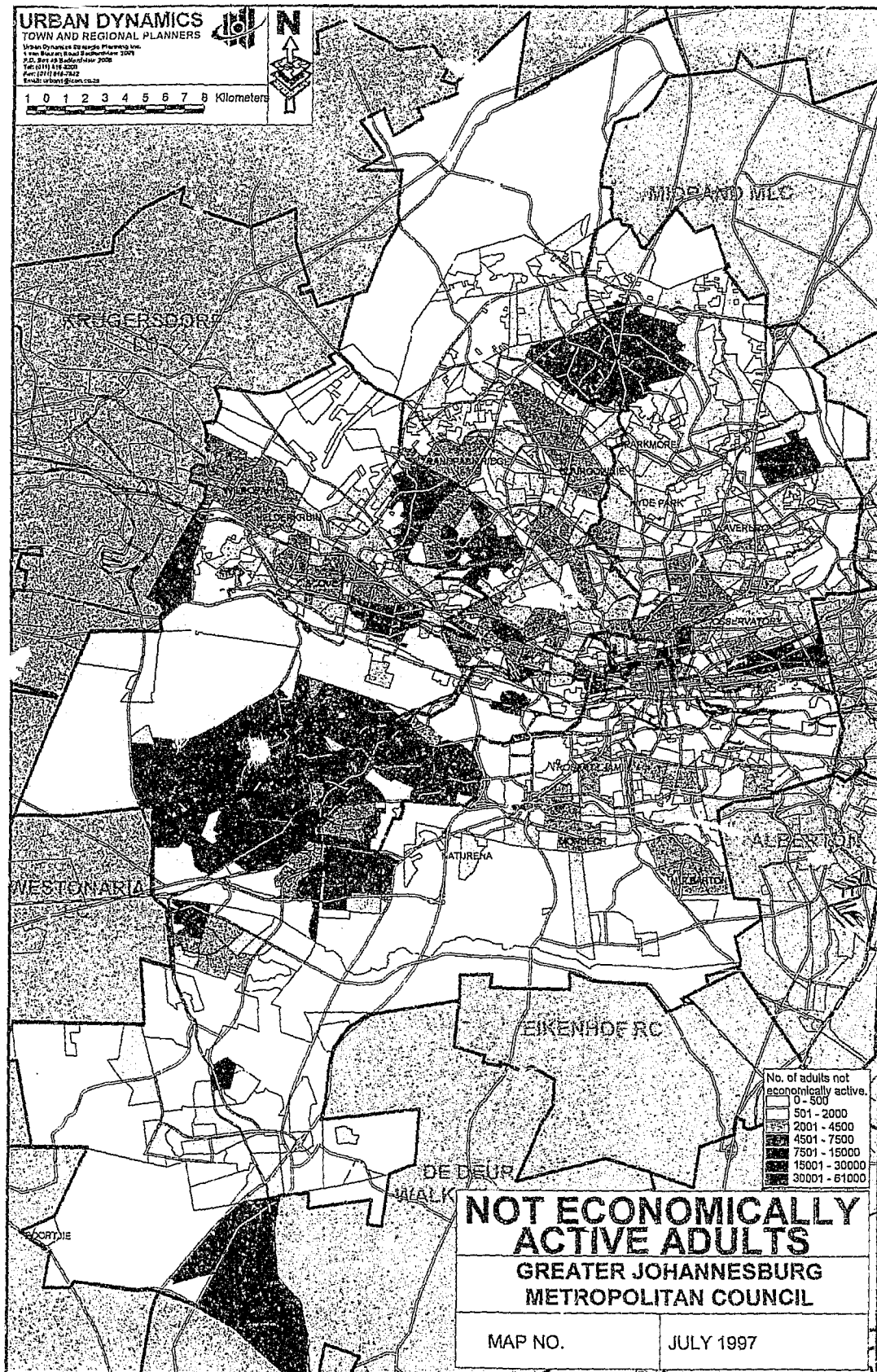
URBAN DYNAMICS

TOWN AND REGIONAL PLANNERS

Urban Dynamics Strategic Planning Inc.
 1 van Buren Street, Sandton 2009
 P.O. Box 18, Sandton 2008
 Tel: (011) 419 4200
 Fax: (011) 419 4202
 Email: urban@urban.co.za



1 0 1 2 3 4 5 6 7 8 Kilometers



No. of adults not economically active.

0 - 500
501 - 2000
2001 - 4500
4501 - 7500
7501 - 15000
15001 - 30000
30001 - 61000

NOT ECONOMICALLY ACTIVE ADULTS

GREATER JOHANNESBURG METROPOLITAN COUNCIL

MAP NO.

JULY 1997

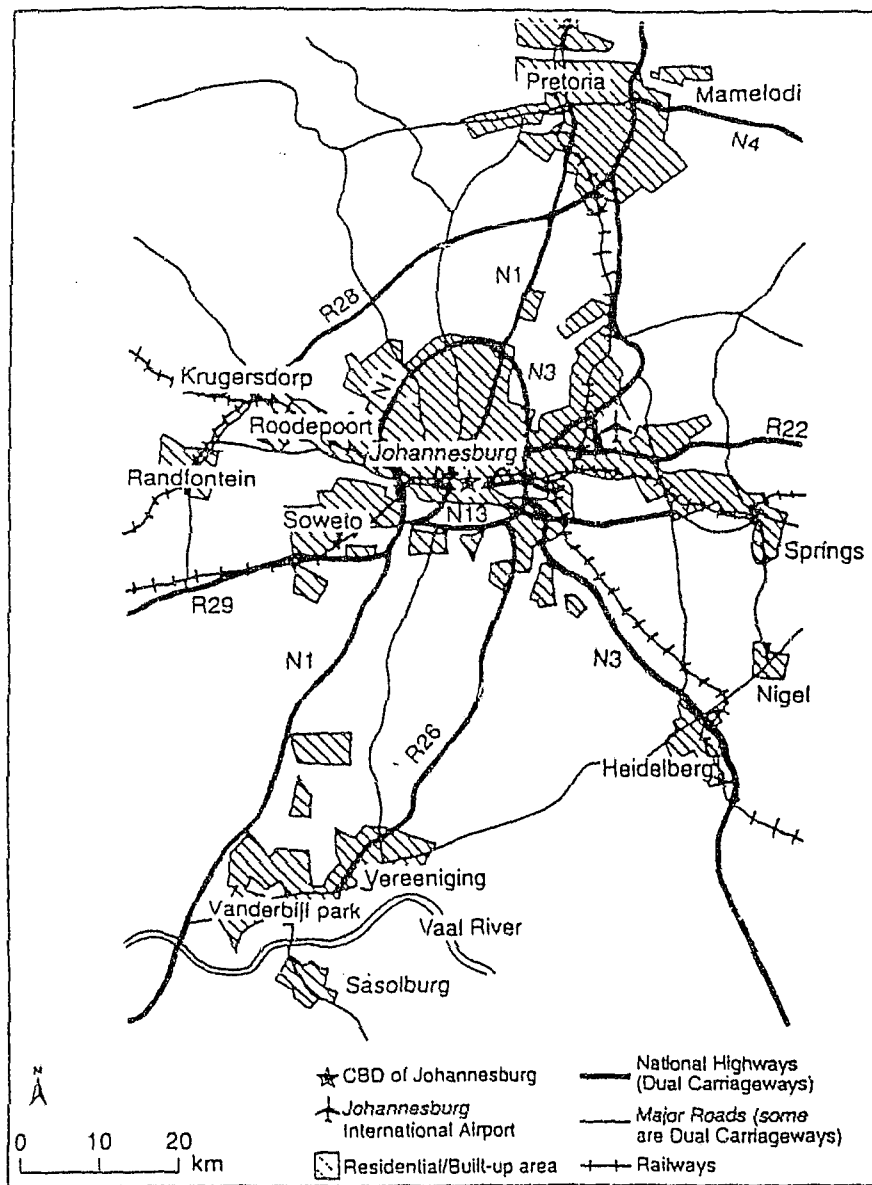


Figure 2 The JMC in perspective (Beavon 1997)

Appendix II: Community Decision-Making Model

Source: Muller, 1994

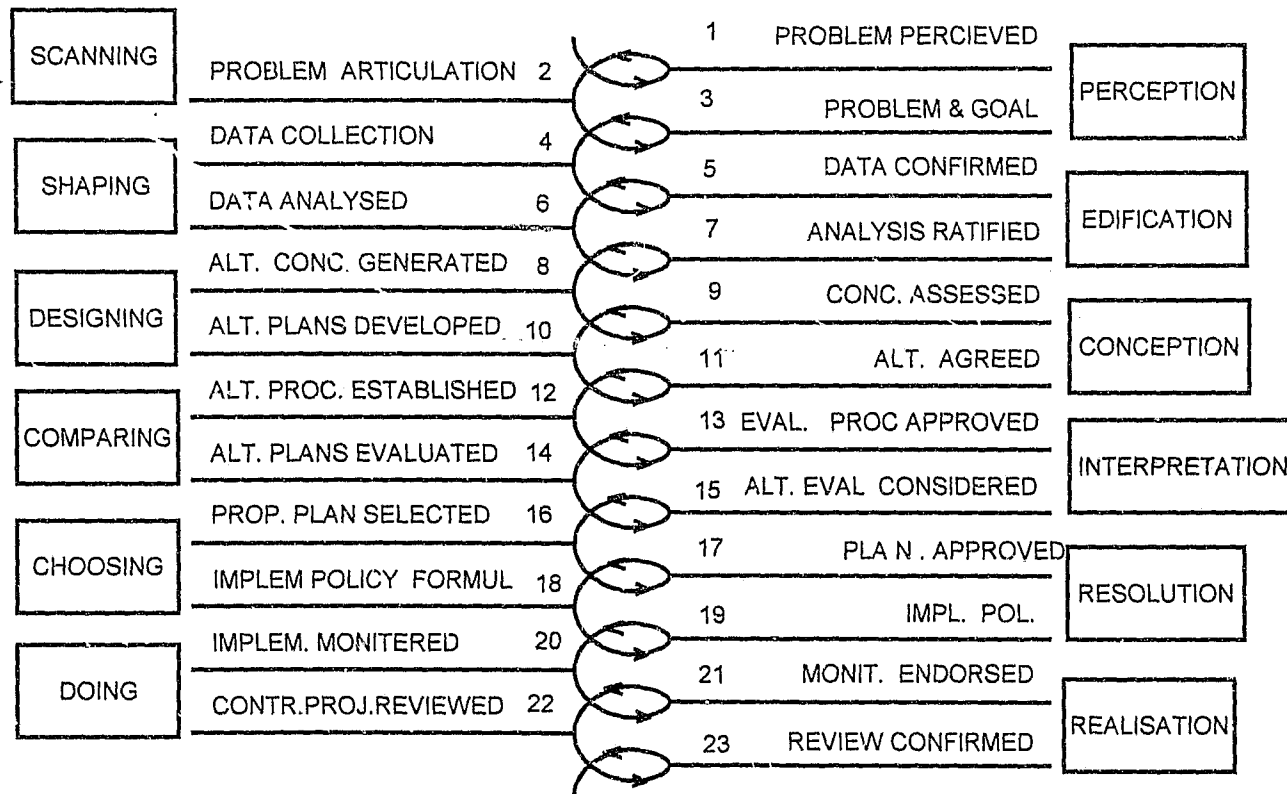
COMMUNITY DECISION MAKING

PLANNER

(Proposals & advice)

COMMUNITY

(Instruction & decisions)



Appendix III: Extract Tables on Livelihood Analysis of Johannesburg

Source: World Bank Study, 1999
(unpublished)

**Table 1.6: Livelihood Strategies and Productive Activities
Migration into Johannesburg by Foreign Migrants from Other African Countries**

Causes	Activities Underpinning Livelihood Strategies	Policy Arenas Implicated	Local Government Responses and Functions	Other Responses	Outcomes
- Regional poverty and instability - Impact of Structural Adjustment and Economic Reform - Impact of war and conflict - Relative affluence of Johannesburg and Gauteng in Africa - Relative newness of informal sector in inner city Johannesburg and previous exclusion of local black traders	- Migration - Informality - Illegality - Domination of informal trading in inner city - Control of some residential areas and buildings - Undercutting local low wage sectors such as construction	- Foreign Affairs - Crime prevention and Security - Zoning and Licensing - Regulatory framework covering retail activity - Labour market regulation and wage levels - Small and medium scale enterprise development - Rates and taxes	- Major policy focus on the inner city - Vacillation between draconian and benign responses - Proactive Health and Cleansing Department - Job creation - Some victimisation of foreign immigrants	- Citizens exhibiting xenophobia and some victimisation of immigrants - Media fostering debate on foreign migrants and sometimes xenophobia - NGOs campaigning due to human rights abuses - National government laying out vast expenditure on repatriation	- On-going tension and outbreaks of violence - Informality persists - Foreign migrants remain increasingly entrenched - Job creation for South Africans only but mainly targeted at women so feminisation of the labour market and a concomitant drop in wage levels leads to further antagonism towards foreign migrants especially by men

**Table 1.7: Livelihood Strategies and the Reproductive Sphere:
Domestic and Inter-personal Violence as a Constraint on Household Livelihoods**

Causes	Activities Undermining Livelihoods	Policy Arenas Implicated	Local Government Responses and Functions	Other Responses	Outcomes
• Poverty and unemployment • Insecurity of income sources • Customary gender relations and expectations • Ambiguity and fluidity of households • Changing values and norms and a decline in social relations based on security and trust • History of institutional violence in Johannesburg • Culture of community and domestic violence	• Reduced consumption • Increased income generation • Working women • Neglect of older people • Street working children • Despair especially among men leading to: • Alcoholism • Drug abuse • Crime • Violence • Truancy • Youth Gangs	• Social Welfare and family and child welfare • Community development • Health and nutrition • Education • Vocational training • Mental health • Public safety • Job creation	• Management of clinics under contract to Province • Emergency services • Recreational facilities and sports development • Partnership approach with NGOs and CBOs • Support for community policing initiatives • Job creation and training components of projects	• NGOs concerned with domestic violence and violence against women such as ADAPT, POWA and NICRO • Victim support organisations • Community level organisations organising youth groups as well as vigilante groups • Outsiders capitalising on despair and using marginalised groups for criminal activities	• Some recognition of link between intra-household dynamics and broader issues of conflict and violence • Awareness that anti-poverty strategies have to extend beyond basic needs but this awareness is not systematic or coordinated • Anti-poverty strategies skewed to addressing symptoms not causes of violence and crime

**Table 1.8: Livelihood Strategies and Collective Action
Community Level Organisation and Organisations of the Urban Poor**

Causes	Livelihood Activities	Policy Arenas Implicated	Local Government Responses and Functions	Other Responses	Outcomes
• Legacy of apartheid and imperative to get basic needs met • History of community level struggle • Customary forms of collective activity persist in urban areas • Poverty and insecurity of income • Poor or expensive transport networks out of communities • Ambiguity and fluidity of households	• Civics • Church groups • Youth clubs • Sewing clubs • Sports clubs • Stokvels • Burial societies • Choirs • Dance and drama groups • Ratepayers Associations • Boycott and non-payment strategies	• Urban development • Housing, services and amenities • Governance and citizenship initiatives • Local government • Economic growth, distribution and welfare	• Integrated Development Plans (IDPs) and Local Development Objectives (LDOs) • Forums • Role of Councillors • Development of indicators • Targeting resources • Fiscal orientation and budgets • Need to shift from vision statements to concrete strategies	• Civic leaders standing as councillors • Formation of Section 21 companies • Formation of development NGOs and changing priorities of CBOs and urban NGOs • Patronage networks • Mafia groups	• Local government victim of its own success with consultative and participatory strategies • NGOs struggling with new identities and roles vis a vis communities and government • CBOs competing for community support with some evidence of violent confrontation • Some evidence of unaccountable local government and emerging corruption

Author Majola C H

Name of thesis Local Economic Development Initiatives And Urban Poverty Alleviation In The City Of Johannesburg Majola C H 1999

PUBLISHER:

University of the Witwatersrand, Johannesburg

©2013

LEGAL NOTICES:

Copyright Notice: All materials on the University of the Witwatersrand, Johannesburg Library website are protected by South African copyright law and may not be distributed, transmitted, displayed, or otherwise published in any format, without the prior written permission of the copyright owner.

Disclaimer and Terms of Use: Provided that you maintain all copyright and other notices contained therein, you may download material (one machine readable copy and one print copy per page) for your personal and/or educational non-commercial use only.

The University of the Witwatersrand, Johannesburg, is not responsible for any errors or omissions and excludes any and all liability for any errors in or omissions from the information on the Library website.