

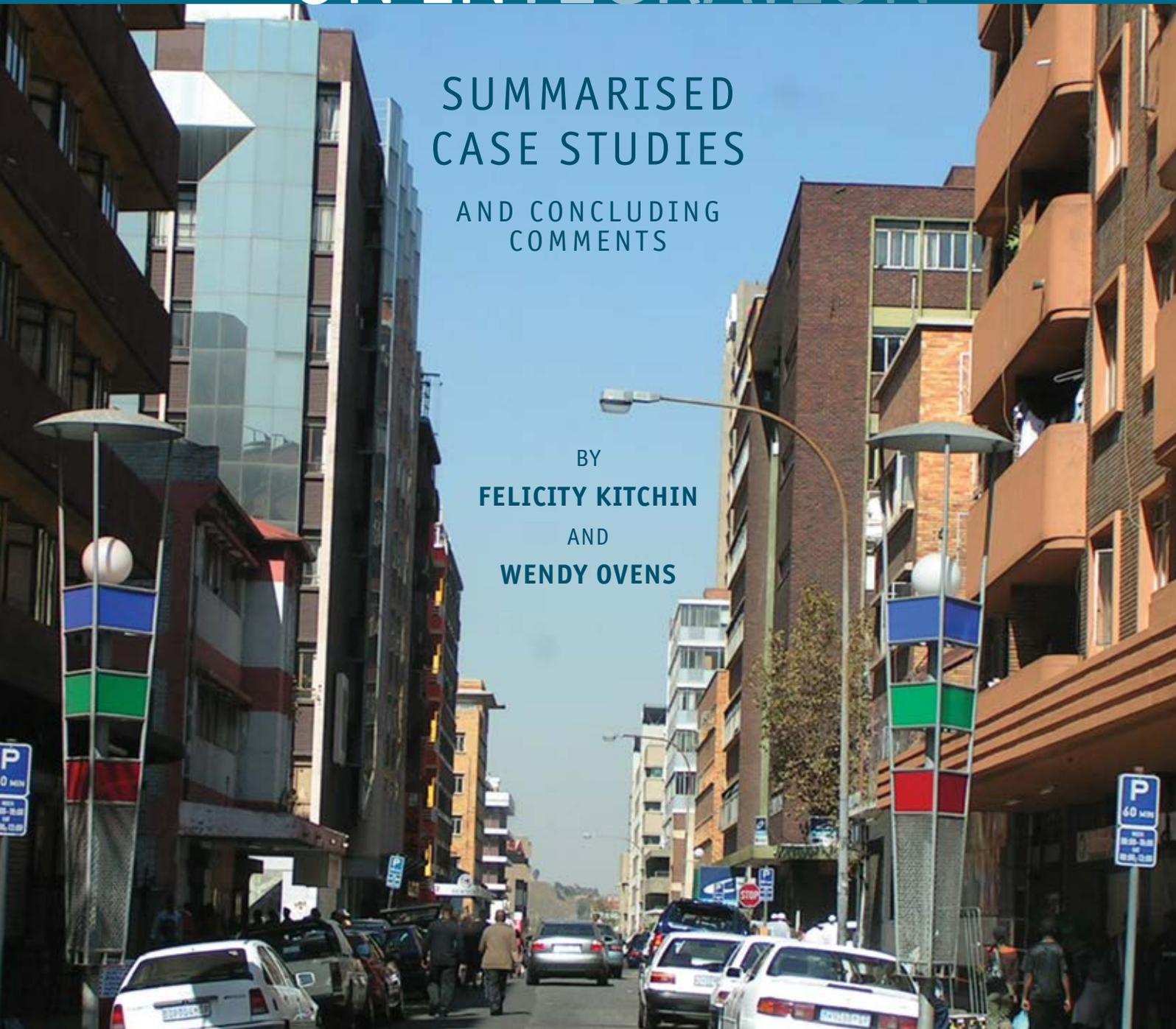


# CASE STUDIES ..... ON INTEGRATION

SUMMARISED  
CASE STUDIES

AND CONCLUDING  
COMMENTS

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**Urban LandMark**



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LAND LOCATED CLOSE to economic opportunities is usually the most expensive land, and therefore the market tends to work against providing such land to low-income people, unless the government intervenes, or the poor themselves adopt strategies such as land invasions to access well-located land. There have been a number of cases where the poor have been successful in gaining access to well-located land either through their own initiatives, through private developers or lobbies, or through government action, often at local level. It is important to understand how this has been possible, as lack of access to well-located urban land has immediate and long-term economic and social implications not only for the poor themselves, but also for the sustainability and efficiency of the overall urban environment, and for the overall social fabric of the city.

This project documents several instances where the poor have obtained access to well-located urban land, identifying what factors have been instrumental in accomplishing this, the nature of the integration, and the extent to which this has led to social inclusion. In order to consider the different case studies, and their role with regard to integration and improved access of the poor to various opportunities, it is important to establish not only what is meant by a number of concepts in this context, but also how they are related. These include integration and segregation, inclusion, exclusion and marginalisation, and access to well-located urban land.

Under apartheid, racial segregation of South Africans was reinforced through a policy of spatial segregation. This corresponded with economic segregation, separating black and white, poor and rich, by ensuring their location in different parts of the city. This has led to the spatial concentration of disadvantage (Meegan: 2004). The notion of segregation being something that is enforced on groups is reinforced by the definition provided in the Oxford dictionary, which indicates that

*segregate* means “to put apart from the rest, isolate, separate (especially racial groups) from the rest of the community”, and that *segregation* is thus “enforced segregating of racial groups in the community”. *Segregation is, therefore, the separation of groups, usually by force or legislation as under apartheid or as a consequence of other forces such as economic, cultural and social. Class agglomeration, on the other hand, occurs when large like groups voluntarily group together, or separate themselves from other groups, such as the wealthy choosing to live in gated communities. Thus agglomeration (usually by class) is a voluntary form of segregation.*

For the purpose of this report, *desegregation means the decline of segregation, which can be measured using techniques such as the dissimilarity index or segregation index.* Thus, we do not suggest that desegregation is anything more than a reduction in the level of segregation. Desegregation in and of itself does not imply social mixing of different racial or economic groups, nor does it necessarily imply increased access of one group to facilities previously accessible only to the dominant group in the area. In short, desegregation does not automatically lead to integration.

The lifting of the Group Areas Act and many policies and practices since the election of a democratic government in 1994 have led to the gradual racial desegregation of wealthier areas, with little impact on the levels of economic segregation in the city. This means that in the poorer (almost entirely black, township) areas there has been an increasing concentration of poverty, with these areas becoming increasingly segregated according to both class and race. Without targeted interventions and innovative initiatives to address this, it is the urban poor that will continue to be marginalised in these areas, unable to gain access to the opportunities offered by the city that they would if they formed an integrated part of the urban system.



The concept of integration has had different and shifting meanings in South Africa. Integration can have a spatial or geographical component, an institutional component, an economic component or a social component. In the context of this report, **integration** is regarded as a consequence of the ability of the poor and disadvantaged to have access (in a spatial, economic and institutional sense) to the opportunities afforded by the city. Integration does not necessarily mean racial integration. Rather, an intervention that successfully leads to integration is one which facilitates increased access of the poor to work opportunities, improved residential opportunities, improved access to social facilities and, ideally, an increased sense that they are part of the city, rather than marginalised from it.

Integration can facilitate the inclusion of poor residents in the normal functioning of the city, economically, spatially, socially and preferably also in terms of governance. When included, poor residents in the city come to see the city as being there for them, rather than in opposition to them, and to see themselves as being a fundamental part of the city (Dobson: 2007). The meaning of integration adopted in this project links to that of social inclusion and social cohesion, as opposed to social exclusion and marginalisation. The concept of social exclusion is often used synonymously with poverty and inequality. It has also been seen in a relational sense as exclusion from the normal activities of mainstream society. Social exclusion reflects “early years’ underdevelopment, lack of educational attainment and the sorts of barriers faced later by those most disadvantaged in the labour market” (Boddy: 2004). Social exclusion is relational, often spatial and constitutes a critical challenge “for urban governance as it strives for inclusivity and social cohesion” (Beall et al: 2002). “Various forms of social exclusion – lack of access to infrastructure, health and education opportunities; weak families; disintegrating communities; spatial disadvantage and therefore a lack of participation in urban life; the denial of aspirations, leading to the erosion of confidence and disinvestment from the challenges of modern life – all limit the development of the next generation of producers and consumers” (SACN: 2004, 77). An “inclusive” city, on the other hand, is one “where no residents are denied the benefits of urban living” (SACN: 2004, 12). Inclusion, then, means a city where people have access to infrastructure, health and education opportunities, are able to build strong communities, participate fully in urban life with a sense of security, can set aspirations and have some confidence that these will be able to be met.

Given South Africa’s history of conscious spatial segregation and the location of most of the urban poor on the outskirts of the city, away from economic opportunities and access to urban facilities, targeted interventions are often needed to promote integration of the urban poor. A number of aspects are associated with this process:

- It is important to consider the role of well-located land and increased spatial accessibility in increasing access to opportunities and promoting inclusion. Thus it is important to ensure that the poor are provided with access to well-located land. This does not mean the poor are necessarily given land, but that they are able to use well-located land to increase their economic and social opportunities to improve their quality of life
- It is important to implement measures to ensure that such land is developed and managed in ways which facilitate integration of the poor into the fabric of the city
- Such integration can lead to social inclusion as either an intended or unintended consequence
- Interventions can be driven by the public sector (usually local government), private sector, non-government organisations (NGOs) or community-based organisations (CBOs)
- Interventions to gain access to well-located land and improve accessibility to the economic and other opportunities provided by the city can also be driven by the poor themselves in illegal activities such as land invasions, or the conversion of existing space to illegal land uses (such as the workhouses in central Durban). In these cases, the illegality of the intervention, and often the associated exploitation of the poor by landowners and landlords, means that access to well-located land does not, in and of itself, lead to integration and social inclusion. On the contrary, the poor often become increasingly marginalised and victimised as they strive to meet their daily economic needs for survival

Well-located land not only benefits the poor themselves but improves the long-term financial and environmental sustainability of the city by reducing costs to government for provision of land, infrastructure and services to settlements on the periphery, and associated transport costs.

Well-located land therefore implies access to amenities, employment opportunities and metropolitan facilities, away from hazards such as floodplains and certain industries.

While well-located always means access in some sense or other, the nature of this access has multiple meanings for different people facing different circumstances.

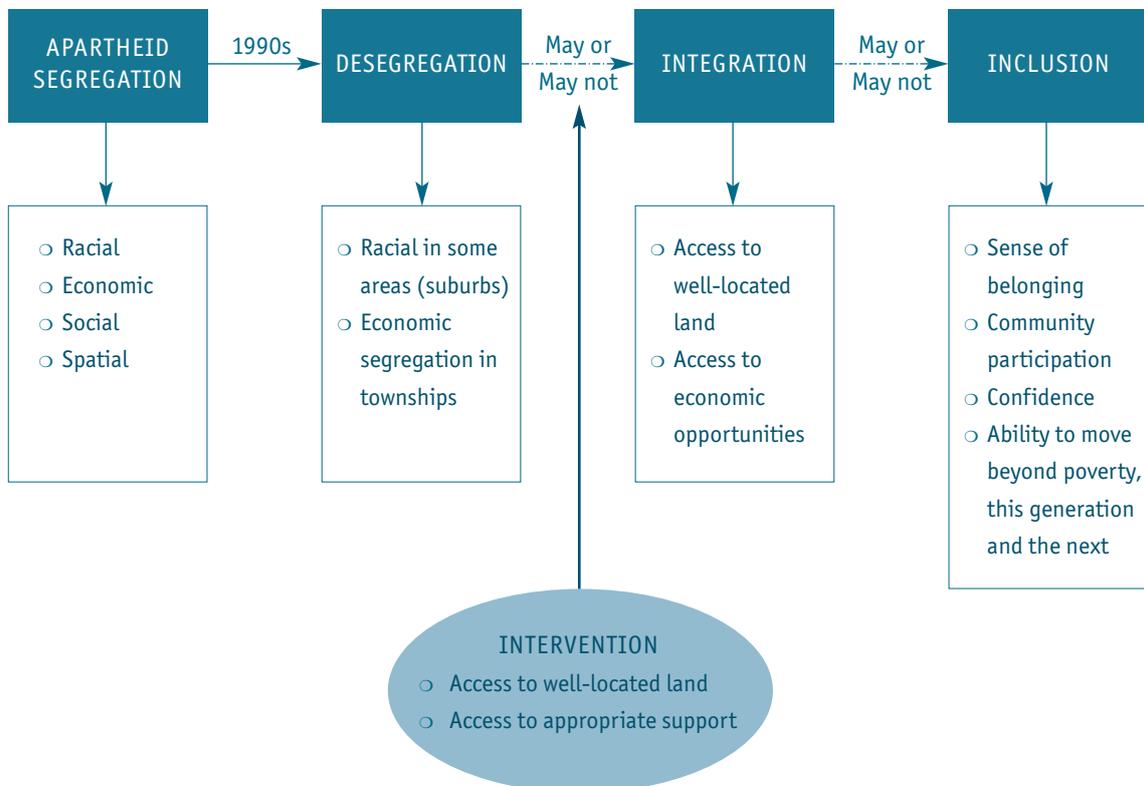


Acquiring access to well-located urban land through operating in the formal and legal framework is generally almost impossible for the poor without some form of intervention, usually by government. For the poor, urban land is not necessarily seen as an investment in an asset, but “is more important as a place that provides access to employment, income generation through home-based industries and rental income or for purposes of building social networks” (Kihato and Berrisford: 2007). The formal land market and associated regulatory framework often precludes access of the poor to urban land, due to high costs, lengthy procedures etc. Instead, in some cases, parallel and informal land markets have developed as a cheaper and more comprehensible alternative.

The diagram below describes the conceptual framework adopted in this report.

- 1 Apartheid segregation implied racial, social, economic and spatial segregation.
- 2 During the 1990s, some areas experienced the immigration of other races, mainly from the townships.
- 3 This led to the racial desegregation of the receiving area (mainly suburbs) but, ironically, to the increased economic or class segregation of the townships.
- 4 This can, but may not necessarily, lead to increased integration of the poor into the city – through increased access to land and economic opportunities
- 5 This can, but may not necessarily, lead to inclusion of the poor in the urban environment – implying a sense of belonging, increased community participation, increased confidence, and the ability to move beyond poverty in this generation and the next.
- 6 For integration to occur after desegregation in point 3 above, it is usually necessary for some form of intervention to take place. This can be in one of two forms, ideally both: providing the poor with access to well-located urban land, and providing access to appropriate support such as training, micro-finance, technical support and expertise.

## CONCEPTUAL FRAMEWORK



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## Interviews

Dobson, R

Previous Head, iTrump, eThekweni municipality

# TEN CASE STUDIES

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**TEN CASE STUDIES**, representing situations in which the poor have gained access to well-located urban land, have been selected from different cities across the country. These are presented in geographical order but represent a basket of different types of integration of the poor into the city, some residential, some economic and some mixed use. In each case, the nature of the provision of access to well-located urban land and integration into the city is considered, looking particularly at the key drivers of these initiatives, the nature of the land deals that were involved, and the scale of investments and benefits to both the poor and any others. In particular, consideration is given to whether or not the increased access to well-located urban land has been accompanied by increased social inclusion.



# Case study 1



## PROVISION OF RESIDENTIAL AND COMMERCIAL SPACE: MANSSEL ROAD NIGHT MARKET & STROLLERS, DURBAN

### ① LOCATION

The Mansel Road Night Market is at 20 Mansel Road, in the centre of Durban on a small sliver of land between Umgeni Road and the railway lines, just north of the intersection between Old Fort and Umgeni Roads close to the railway station. Strollers is located in the same area, at 55 Mansel Road.

### ② BACKGROUND AND KEY ISSUES

The Mansel Road Night Market has its origins in the settlement of women who lived in Block AK in the 1980s. Block AK was a site of forced removals, with some plots remaining vacant. Forced off this vacant land, which was then fenced, the women constructed dwellings using black plastic sheeting on the pavements of Newmarket Street, below the Greyville race course. They collected large blue drums from factories around Durban, and washed those for resale to traders travelling into town from long distances.

In 1997 the Organisation for Civil Rights found that about 148 people were living in Block AK, 61 of them children, and none men. All of them sold drums, were self-employed and had families to support. Income varied from R10 to R100 a day. The settlement was then approximately six years old. The only facilities were two toilets, one tap, and 12 refuse bins. There were no playgrounds or recreational facilities, but the Christian Movement Centre ran a crèche. The City Health Clinic was the nearest health clinic.

Women in Block AK maintained strong ties with the rural area, and returned there every few months, being replaced by other family members during this time to continue their work in the city. Mansel Road Night Market was established in 1998 and forms part of the city's programme to manage informal trading effectively.

The strong rural-urban links continue, with many women returning home every few months, temporarily replaced by another woman from home.

Most informal traders in the area have trading permits from the eThekweni Municipality's Business Support Unit. These allow trade in demarcated areas managed by the unit.

### ③ NATURE OF LAND USE AND LAND DEALS

The Mansel Road Night Market and associated facilities were built in response to the closure of a night market on the beachfront by the city a number of years ago, and to the needs faced by the Block AK informal settlement. The city then sourced land that belongs to Metrorail, leased it specifically for this purpose, and built the market. In 1994 it was designated as a special zone, to provide parking bays for buses and taxis, ablution and overnight rest facilities for drivers, and shopping areas, storage facilities and residential accommodation for traders. Building development could not exceed 50% coverage of the area nor four storeys in height. Any development at the interface with railway tracks needed to be approved by the SA Rail Commuter Corporation.

This is a mixed-use facility. Land uses include both commercial (trading at the market) and residential (temporary accommodation in Strollers, and permanent accommodation for drum sellers). Strollers provides overnight accommodation and is the first time transitional housing was conceptualised as a housing need that could be addressed by public housing policy. As a result the Provincial Department of Housing adopted the transitional housing policy and the project was established through the amended institutional subsidy scheme. ▶



Shelter on Block AK



Living and selling units



Bus parking and car boot shelters

#### ④ KEY DRIVERS

The provision of accommodation and trading space for the traders was initiated before 1994, by the women themselves. After being approached by the women who were living on the pavement at the time, a local branch of the ANC initiated the development of the complex. "Once the Block AK women joined SEWU (Self-employed Women's Union) in 1994, the organisation continued putting pressure on the city council until the complex became operational. SEWU also initiated a plan for overnight accommodation for traders" (Lund: 1998). Thus both the Mansel Road Night Market and Strollers have been city responses to community initiatives and pressure.

#### ⑤ LEVEL OF INVESTMENT AND SCALE OF BENEFITS

In the Mansel Road Night Market, street vendors and formal traders benefit from people travelling on overnight buses to the city to trade – they buy in large volumes and return within 24 hours to their homes. The city provides parking for 40 buses alongside a complex of stalls, ablutions, relaxation facilities, and a crèche all built by emergent contractors. Skills and management education was provided during construction (Harber: 1997). Each of the 44 relocated women drum sellers is provided with living quarters and a shop in a single unit. The unit's size is based on that of the original drum shelters. A small room with a sales hatch fronts a trading street and two small living rooms lie beyond a pole-covered courtyard at the back. A special gully for washing drums ensures that effluent goes into the sewers and not storm-water drains ([www.ihrn.gov.za](http://www.ihrn.gov.za)).

The site also provides 180 covered stalls for "car boot sellers" and 180 bays for women selling pinafores and other goods. The ablution facilities include solar-heated showers (R1 for two minutes of hot water), and facilities for the disabled and storage lockers. The owner of the single formal shop in the complex is responsible for keeping the ablution areas clean ([www.ihrn.gov.za](http://www.ihrn.gov.za)).

At the end of the Mansell Road area is Strollers. This was established to provide safe and hygienic overnight temporary accommodation for people, particularly for those coming into town to trade at the market. It represents an investment by the Provincial Housing Board of R4.5 million to provide about 320 beds (162 rooms) and was built by the city. The council, through a loan, is supporting the operation of the facility for the first 10 years. Thereafter it is expected to become financially sustainable. Strollers is a Section 21 company, set up by Metro Housing and reports to a board of directors. Day-to-day management is contracted out. It is managed more like a hotel than a hostel and occupants must vacate every



Stollers temporary accommodation

morning. The economic opportunities cross-subsidise the operating costs. Funding is now available through the institutional subsidy scheme. Stollers also provides economic opportunities, in the form of shops, small service industries, public toilets, pay showers, pay lockers and pay laundry facilities. The design is responsive and minimises operational costs. Storage lockers and showers are the most profitable parts of the facility and more may be added to help with overall cost recovery. Through this facility, 86 permanent jobs have been created. One entrepreneur who operates in the market provides food for visiting traders – when a long-distance bus leaves its destination area the driver indicates to him (by fax) how many people from where are on it, so that when they arrive at Stollers they have a meal from home (Dobson: 2007).

Stollers has experienced some problems. Although many intended beneficiaries could afford the initial rent of less than R10 a night according to authorities, they continued to sleep on the pavement at no cost. Despite the fact that people from as far as Lesotho and the Eastern Cape come to the Mansel Road Night Market, it serves as a night market, and people do not sleep so that they are ready to leave the next morning. “The establishment of Stollers missed that aspect” (Dobson: 2007). Pressure from the board and the management company to improve the facility through the provision of beds, mattresses and bedding has raised costs, with rents now up to R33 a night plus R20 deposit for linen. This is beyond the reach of the very poor and has reduced the market considerably. Occupancy is about at 1 200 to 1 500 a month, too low to sustain the institution financially. Plans are underway to make the facility more economically viable ([www.ihrn.gov.za](http://www.ihrn.gov.za)). The city provides the finances for maintaining and upgrading the Mansel Road market, e.g. in 2006/7 R2.2 million was set aside from iTrump’s (Inner eThekweni Renewal and Urban Management Programme) capital projects budget for renovations to the market. In addition to financial and social benefits, the city provides training to the traders.

## 6 CONCLUSION

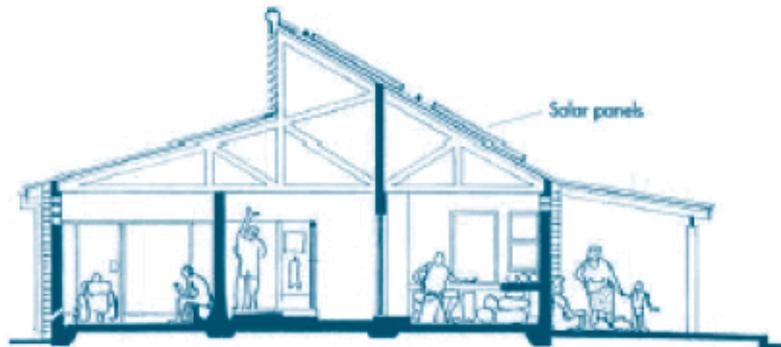
The Mansel Road Night Market caters primarily for a niche market created by traders and buyers travelling relatively long distances to sell their goods and buy others. It provides living quarters and storage facilities for a number of people. It integrates the potential for home-based enterprise or ongoing economic opportunity with residential space. It is generally regarded as a success, offering the poorest city dwellers a viable existence in the centre of town ([www.ihrn.gov.za](http://www.ihrn.gov.za)). Similarly, the provision of stalls at little cost in the centre of town is regarded as innovative. The Stollers facility is aimed at the same travelling traders, but may not be financially sustainable given its current costing structures.

The Mansel Road Night Market provides an example of a successful community-driven, mixed-use initiative to provide well-located, legally-recognised land in the centre of the city, and is an instance when local government negotiated successfully with a state-owned enterprise (SOE), Metrorail, for access to valuable land. This occurred during a period of tremendous transition in the country and the city. Currently, the city is experiencing difficulty in negotiating with SOEs for access to land and finds it difficult to incorporate land owned by SOEs into the overall development plans for the city due to the city’s lack of control over such land. It is unlikely that the city would be as successful in gaining access to this land today, as now market prices would be charged by the SOE, and there would probably be delays due to indecision over disposing of such land (Sutcliffe: 2007).

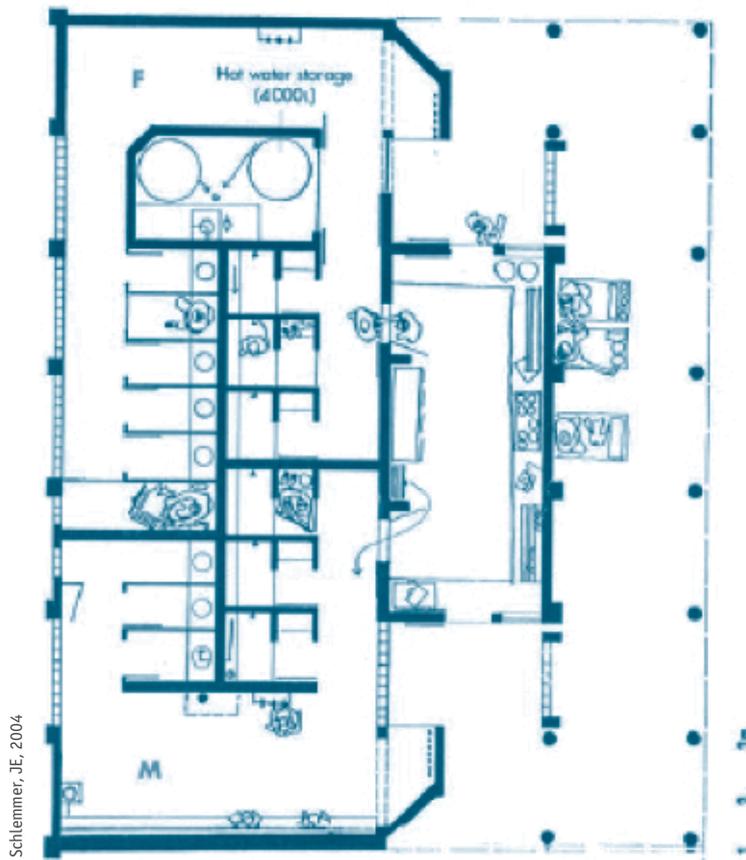


Schlemmer, JE, 2004

The car boot traders market



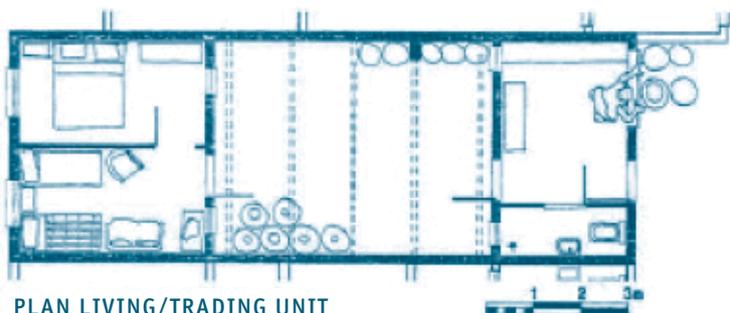
SECTION THROUGH PUBLIC ABLUTIONS



Schlemmer, JE, 2004

A section and plan of the public ablution facilities. Solar panels fitted to the roof provide cheap harvesting of power, used to warm the water used.

Schlemmer, JE, 2004



PLAN LIVING/TRADING UNIT

Plan of the living and trading unit with the storage area used as a private dwelling space for the unit's residents. The structure overhead is made of bluegum poles with a removable tarpaulin cloth to regulate solar gain.



SECTION THROUGH LIVING/TRADING UNIT

Section through the living/trading unit showing the interface the unit shares with the public realm of the trader and buyer.

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### Interviews

Dobson, R  
Shabangu, M  
Sutcliffe, M

Previous Head, iTrump, eThekweni municipality  
Business Support Unit  
City Manager, eThekweni municipality

## Case study 2



### FORMALISATION OF INFORMAL TRADERS: WEST STREET, DURBAN

#### ① LOCATION

Informal trader stalls have been provided throughout central Durban. This case study looks specifically at the conversion of parking bays/loading zones between Field and Gardiner Streets.

#### ② BACKGROUND AND KEY ISSUES

The recognition and development of street trading in Durban has been a key factor in its political economy. The provision of employment and income opportunities for thousands of traders, and of cheap goods and services to the urban marginal, has changed the lives of Durban's poor and has redefined urban space and culture. Most street traders are women and street trading has provided them with economic opportunities to support themselves and their children.

The informal sector describes economic activities by informal operators and workers that provide employment and income to people who would otherwise lack any means of survival. Informal trading is the economic activity undertaken by entrepreneurs who sell goods and services within a public space. It forms a vital part of the economy by absorbing the unemployed and has become a key feature of the urban environment. The muthi trade alone has been estimated to generate about 14 000 jobs in Durban (Durban's Informal Economy Policy: 2001).

The municipality recognises that uncontrolled and unplanned growth of the informal trading sector will negatively effect the city and that informal traders are important contributors to local economic growth. It provides training on business, leadership and customer services (eThekweni Vuna application: 2006). In 1999 Durban was the only city to have a separate department to oversee street trader management. It also allocated more resources for the

provision of street-trader infrastructure than any other city (Skinner: 2003). The municipality adopted an Informal Economy Policy in 2001 and is now implementing this. This is done through Area Programmes, a combination of area-based management, with sector-based support, and has the potential to achieve efficient management, continuous local area negotiation with stakeholders, the promotion of linkages between formal and informal businesses, increased self-regulation through traders associations, and targeted support for enterprise development. The support function provides focused efforts to help small operators towards growth and independence, through a sectoral approach, as in industrial policy in support of large business.

Most informal traders have trading permits from the Business Support Unit. Permits allow informal traders to trade in demarcated areas that are managed by the Business Support Unit (Informal Trade). Generally the relationship between formal and informal traders is very good (Sangu: 2007). The Informal Economy Forum is chaired by the eThekweni Business Support head, and includes one deputy from the Informal Traders Management Board (ITMB), and one from the Chamber of Commerce. Formal businesses often allow informal traders operating outside their shops to use their toilet facilities and water.

Problems arise with illegal traders, especially during the festive season and peak times. The maximum carrying capacity of West Street is 150 informal traders, but in peak times some traders set up illegal stands. This causes conflict with the legal informal traders due to the unfair competition they pose (Sangu: 2007). A second problem is hygiene. The city's health department works with traders on education and development programmes.



### ③ NATURE OF LAND USE AND LAND DEALS

Land allocated to informal traders in central West Street between Field and Gardiner Streets was previously parking or loading bays and subsequently converted into extensions of the pavement for the erection of informal trader stalls. This was thus part of the street, used for parking, and is now used for informal trading. Although the land is still owned by the city, the nature of the land use has changed dramatically. Both the Business Support Unit and the roads department of the eThekweni transport authority were involved in the process.

### ④ KEY DRIVERS

The provision of formal facilities for informal traders is driven by the eThekweni municipality. However, this is done in consultation with a variety of stakeholders including the informal traders association.





## ⑤ LEVEL OF INVESTMENT AND SCALE OF BENEFITS

There are 3 814 informal traders with permits to operate in the inner city. In West Street alone there are 138 specially erected structures which are rented out to informal traders. Of these, 30 are on areas of the pavement that have been extended into what was previously a loading zone area for vehicles between Field and Gardiner Streets in West Street. Thus, space allocated for vehicle use has been converted into space for informal traders. Each structure is about one metre x two metres in size, and is covered. The land area made available for the poor through conversion of parking bays or street space, is therefore around 60 sq metres, plus the surrounding floor area that previously formed part of the road. The remaining stands in West Street provide approximately 316 sq metres of space for the poor in total.

Financial information is not available at the micro-level. However, in iTrump's 2006/7 approved block sums budget, a total of R2.2 million was allocated to informal traders' infrastructure, and R3.5 million to upgrading the public realm in Durban's "corridors of excellence", one of which is West Street and one is Grey Street (recently renamed Dr Yusuf Dadoo Street). In West Street this included, among other costs, additional paving and street furniture.

Throughout the inner city, informal traders are charged R17 + VAT per month, with no shelter, R35 + VAT per month with a shelter, which was increased to a total of R60 per month (including VAT) as of 1 July 2007.

Allocation of stalls was initially done through the ITMB, via street trading committees/trading associations. These committees would recommend people through letters in order for them to get a permit.

However, this system tended to be abused. Now, new sites, or sites that become vacant, are advertised in municipal buildings, municipal newspapers, and on posters on the street. People then apply for a stall. Stalls are allocated based on a points system, according to disadvantage, gender, value-added goods etc. In addition, co-operatives are preferred over individuals as more people stand to benefit from the stall.

A recent survey of traders in West Street indicated that traders can expect to gross about R50 per day on average. Many traders have assistants, but these are often not employees but family members. In Warwick Junction informal traders are more likely to employ assistants (Sangu: 2007).

Emerging contractors and labour were used to upgrade West Street and erect the trader stalls. Skills-management education was provided during construction (Harber: 1997). The Business Support Unit provides training on leadership skills, financial management and marketing. Traders do have the opportunity to move from an open, covered stall to a kiosk if they are able to, although kiosks are not available in West Street. The unit has developed a Support and Enterprise Programme to provide continuous training to the informal traders throughout the entire municipality in the future.

One of the benefits of the informal traders operating in the area, both to the municipality and to formal businesses, is that the traders have formed a group, "Traders against crime" which provides members with whistles and works to warn others of potential crime, e.g. gangs operating in the area.

## ⑥ CONCLUSION

eThekwini's approach to informal traders seems to be lauded by many. It recognises that this sector serves as a key economic sector within the city, and attempts to regularise it to a certain extent, making various structural and institutional facilities available. This encourages a more inclusionary approach to the poor in the inner city.

As in Warwick Street, the Business Support Unit has to keep a look out for instances where formal traders employ people to sit at stalls and sell goods on their behalf, "fronting" for them. There is also potential conflict between illegal and informal traders, and metro police are asked to remove illegal traders in these instances.

Although turnover figures are not available, it seems that key to the success of these traders is their locational advantage.



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## Interviews

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Sangu, M  
Sutcliffe, M

Previous Head, iTrump, eThekwini municipality  
Area manager, Business support unit, eThekwini municipality  
City Manager, eThekwini municipality



## Case study 3



### ILLEGAL CONVERSION OF COMMERCIAL SPACE TO RESIDENTIAL: WORKHOUSES, DURBAN

#### ① LOCATION

Workhouses are found throughout the inner city, mainly in the Umgeni Road area. Due to their illegal nature, it is difficult to assess exactly how many workhouses there are, or their location, although there are said to be about 30.

There is no complete list of workhouses although the following are key examples:

- Three buildings in Umgeni Road, north of the intersection between Soldiers Way and Old Fort Roads, in front of Mansel Road. These are owned by Mr Khan. Access between buildings has been created by illegally breaking through from one building into the next
- Leopold Street, on the same intersection, diagonally opposite the Umgeni Road warehouses are also owned by Mr Khan, and also consist of several illegally linked buildings with a small frontage onto Leopold Street
- Bidgen House, in Smith Street, just inland from Russell Street. This is an old office block
- Old South African Revenue Service (SARS) building, West Street
- Albert Park – there is one in this area that operates fairly well, although it still doesn't meet the town planning scheme or special consent requirements
- 65 St Georges Street – an old warehouse owned by the Soni Family Trust, but managed by a principal tenant and reportedly a crime haven that does not provide living/work space predominantly for women as do the others.



Bigden House, improved

Aerial view showing workhouses



## ② BACKGROUND AND KEY ISSUES

The municipality defines a workhouse as “a building or portion of a building used, constructed, designed or adapted to be used for labour intensive purposes, and which can be carried on without causing nuisance to other properties or to the general public or without detriment to the amenities of other use zones by reason of noise, vibration, smell, fumes, smoke, soot, ash, dust, grit, traffic generation or other causes”. These were designed for commercial use, e.g. offices, warehouses and supermarkets, and became vacant due to businesses closing down or relocating. Workhouses are places where self-employed people both live and work. Despite poor living conditions there remains a significant demand for these units. Many of the women who live and work in these circumstances are retrenched workers from clothing factories that closed down (Sutcliffe: 2007). Many sell their clothes at Mangel Road Night Market. The income from their micro-businesses (sewing, repairing sewing machines, providing indigenous herbal remedies, therapy and other skills) belongs to them. They therefore differ from sweatshops such as those found in central Johannesburg (Horowitz: 2007). Thus in Durban, while exploitation of the poor’s need for living and working space does occur by landlords, their location in these premises is voluntary, and there is no direct exploitation of their labour.

Each workhouse consists of 100 to 300 units, each about 3.5 sq metres with dry wall partitioning or masonite to door height, rented at R500 to R950 per

month. Landlords or the principal tenant earn up to R150 000 in cash each month from one workhouse.

Many poor people who work in the city-based informal sector such as washing taxis, sewing pinafores, fixing shoes and selling vegetables need to be close to their market and cannot afford transport costs from the townships. Thus this rudimentary conversion meets a growing demand. Generally workhouses have a complete absence of basic facilities such as bathrooms and kitchens, inadequate toilets, taps and electrical systems, constitute serious health and fire hazards, and impact on children’s development.

There are no by-laws specific to workhouses. The only applicable legislation might be the accommodation establishment by-laws, but stringent enforcement of these would result in the workhouses having to be shut down and residents displaced, against iTrump’s objective of increasing residential and economic opportunities within the inner city in a sustainable and acceptable manner. In 2003, applications by the city to reduce the minimum National Housing Building Regulations standards to address the specific circumstances and conditions of workhouses were turned down.

Landowners can apply for an Urban Development Zone tax incentive to improve their buildings. The property owner who constructs or upgrades a building within this zone has to use it for trade. Thus, if land owners construct workhouses and let them out to tenants with the intention of making profit, they qualify for the incentive.



65 St Georges Street



### ③ NATURE OF LAND USE AND LAND DEALS

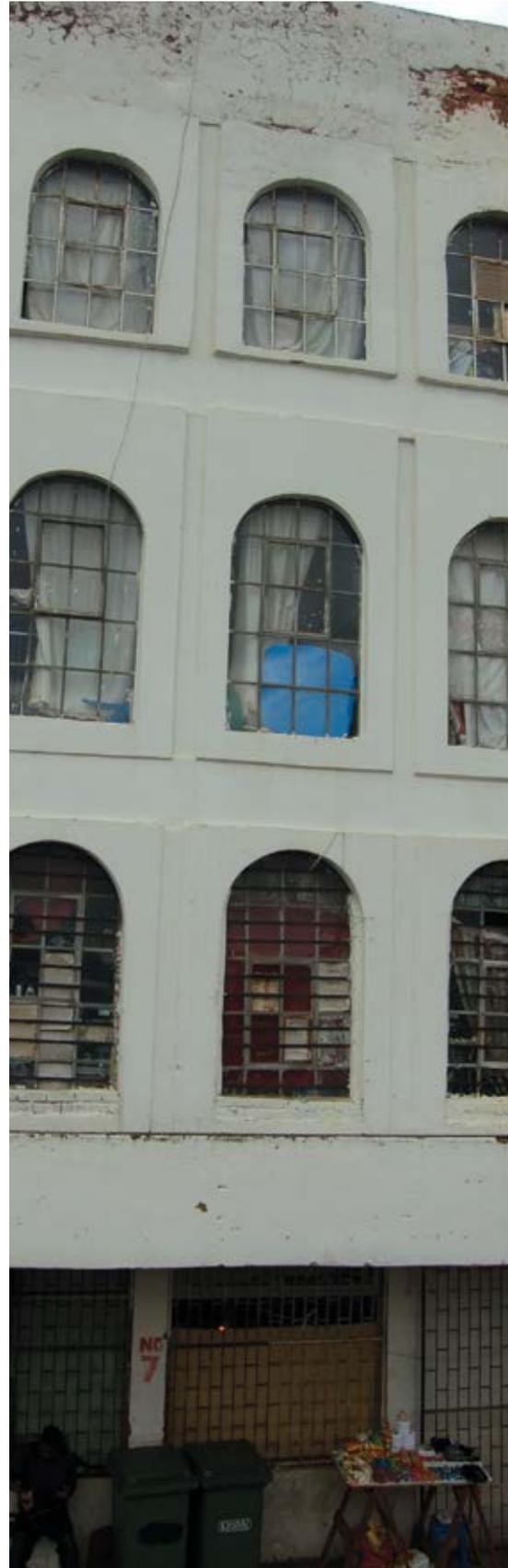
Workhouses involve the illegal conversion of commercial land use to residential and manufacturing uses. However, since 2003, some workhouses have changed to become purely used for accommodation (i.e. no manufacturing) and tend to involve more men. They thus become inner-city low-cost housing, and accommodation establishment by-laws then apply. Unlike Mansel Road Night Market, workhouses constitute a mixed-use facility which becomes a problem, rather than a solution, in terms of city regulations and development planning.

There are two types of relationship, one between the owner and one landlord, or principal tenant, and the other directly between the landowner and all residents, each representing a different type of exploitation. (Mohammed: 2007). In general, workhouses are buildings owned by wealthy landlords, who secure a principal tenant and then hide behind this if challenged about the conditions of the residents. In other cases, however, the landowner extracts rentals directly from all residents and there is no middleman, as occurs in buildings owned by Mr Khan.

### ④ KEY DRIVERS

The provision of workhouses is private sector driven but the city plays a role in monitoring and trying to address the situation. The Better Buildings Project has identified problems in bad buildings and workhouses. A policy on workhouses and accommodation establishments is urgently needed; there is an urgent need to develop a revised town planning scheme and Land Use Management System; and licensing procedures need to be regularised, consolidated and enforced.

A task team set up in 2003 included officials from the health department, iTrump and Organisation for Civic Rights (OCR) to work together in the inner city. A working group represented workhouses, mainly around reformulating by-laws. It had some successes and has now been revived under the Better Buildings Project, with high-level official and political support.



## ⑤ LEVEL OF INVESTMENT AND SCALE OF BENEFITS

The number of buildings converted to workhouses in the inner city is approximately 30, with an estimated number of 300 units per building. Each unit usually accommodates at least one woman and her children. Estimates of the number of people affected vary from 10 000 to 20 000.

Investment by landowners or the principal tenant is minimal and usually involves the cost of erecting partitions, and the breaking through from building to building in some cases. Landlords often engage the services of workmen to control access, which also constitutes an investment. In one building through a co-ordinated effort by the OCR between the landlord, tenants' committee and municipal departments, upgrading and renovations were undertaken. Bathrooms/shower cubicles and additional toilets were introduced. On two floors, masonite partitions were replaced with brick walls. The electrical system was renewed. Rentals were renegotiated and are substantially lower. In a number of cases, including Bigden House, a political agenda was successful in encouraging the landowner to improve conditions. Rentals were reduced and the premises upgraded to comply with basic by-laws. In others it has been difficult to remove residents to renovate the building despite a willing landowner.

Legal conversion of buildings into workhouses appears not to be economically viable. Several years ago, officials indicated to landowners that if they complied with fire requirements, a moratorium would be put on further prosecutions. But this has not been done in all cases and most workhouses still constitute severe fire hazards.

Landlords can earn up to R150 000 cash per workhouse (Bennett: 2007). This far exceeds the original

income when the property was strictly commercial. OCR estimated this to be at least R50 a sq metre in 2002, exceeding A grade commercial or up market residential accommodation in prime areas. It also excludes excellent basic facilities linked or integral to A grade commercial/residential properties.

## ⑥ CONCLUSION

Workhouses involve two different markets – that created by the rental of the space itself (either directly from the landlord, or through a principal tenant) and that addressed in the manufacturing process (demand for pinafors etc). In a sense then, there is a dual market associated with access to workhouses.

The economic rationale for workhouses is driven by the living/work arrangement which allows women to care for their children while earning an income, the central location which allows savings on transport costs and travelling time, and provides easy access to the inner-city market, and the use of units for production and residential purposes which allows flexible work hours. The demand for space close to the city is so great that solutions will be found by the poor who are then in danger of being exploited. If safe, legal options are not developed, unscrupulous landlords can use illegal mechanisms to exploit the demand and earn large sums of money. Solutions need to be multifaceted – involving architectural and planning solutions, changes in the regulatory environment, changes in the funding structures, and the development of appropriate policy and standards. Proposed legislative changes such as the Social Housing Bill, 2006 may not address this particular problem sufficiently (Mohammed: 2007).

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## Case study 4



### URBAN RENEWAL: WARWICK JUNCTION, DURBAN

#### ① LOCATION

Warwick Junction in Durban is centred around Berea Station, the site of most informal trading in the municipality. It was a precursor to the establishment of iTrump. The area serves as a major bus and minibus taxi rank and is well served with health facilities and educational institutions.



Warwick Junction developed as a working-class area around the turn of the 20th century. By 1963, when it was declared a white group area, only about 20% of the population was white. In the 1980s anti-apartheid community organisations emerged in the area. After 1994, informal traders began to move in in large numbers, with increasing competition between taxi operators, and a rise in crime. In 1995 the Warwick Avenue Co-ordinating Committee was set up, and a budget assigned to upgrading. A key feature has been the focus on a defined precinct, and the establishment of an area-based management structure under the Warwick Junction Project.

The Warwick Junction Urban Renewal Pilot Project was developed through an extensive process of consultation between local government, local formal and informal businesspeople, and other stakeholders. Innovations have been introduced in management structures, and in developing relationships with stakeholders. The aims of the project relate to safety, transport, trading and employment, environment, services and facilities, housing, integration and investment. One of the outcomes of the project is the growth of new social capital and new forms of conflict management based on principles of negotiation and self-regulation (Grest: 2003).

The project has created a distinctive style (through modern urban art design techniques) and public profile “which aims to express the spirit of the area and its vision for it as open, flexible, dynamic and democratic” (Grest: 2003). For example, the street mural of Nomkhubulwane, the open-handed Big Mama, has become an icon (SARPN). The project has made several physical interventions including raised walkways, open concourses and murals.

## KEY PROJECTS WITHIN WARWICK JUNCTION

### Project Centre

The project centre was built in the heart of the area in a renovated warehouse. This reflects the city's commitment to the area's renewal. It accommodates iTrump staff, and has a boardroom and 200 seater hall, available for use by the surrounding community. The centre has reportedly improved the quality of consultation between community representatives and the city, and has been instrumental in improving the overall quality of organisation of the community, who now have a safe and recognised place in which to meet.

### Herb traders' market

The herb traders' market was the first major initiative in this area. Prior to its establishment, about 600 traders sold their goods in unhygienic and unsafe conditions close to the road, congesting the pavement. In consultation with traders, the municipality identified a disused section of highway, close to the original site of muthi trading, to which traders could be relocated. A steel bridge was constructed to meet with a pedestrian walkway, linking the new market with the rest of the Warwick Junction area.

The herbal traders' market is the largest muthi market in South Africa, and provides trading space for 277 hawkers, 12 kiosks and consulting rooms. Durban's informal economy policy estimates that in 1998 more than R170 million was spent at this market.

Key aspects of the project have been the process, supported by appropriate funding, the fact that this gave dignity to the sector which Dobson feels is reflected in people increasingly wearing cultural attire indicative of their sense that it is now "their" city, that they see themselves as insiders and not marginalised, and the opening up of a new corridor across the railway line.

Various forms of beneficiation have since developed – a propagation centre, five pilot muthi farms and a pilot processing plant. The municipality has developed a muthi strategy which includes all aspects of the muthi sector value chain and has engaged in positive partnerships with traditional healers, resulting in the formation of an Association of Traditional Healers. Key results include training around health issues especially HIV/AIDS, literacy, first-aid and skills development.

Dobson credits the herb traders' market as being instrumental in the development of the city's informal economy policy, "the only one in the world, which has been a real landmark". To address the need to provide a mechanism for graduation from this sector, so that people are not trapped in the informal economy for life, the city's Business Support Unit provides training to hawkers, and provides more formal kiosks for more established businesses as part of the move from informal to formal trading.

Pedestrian walkway to herb traders



## Cardboard salvaging

Cardboard salvaging is a survivalist strategy practiced by about 450 collectors in the area, mostly women. Before this, the women had to sleep on the street waiting for someone to collect their cardboard in the middle of the night (Dobson: 2007). The project built a buy-back centre which accepts cardboard bundles directly from the women within the precinct and means that they no longer have to sleep on the street. Between 30 and 35 tons of cardboard are collected each day, saving the city garbage collection costs, and indirectly saving the formal traders through reduced rates.

## Below

Unused freeway before and after conversion to herb traders' market

BEFORE



Dobson, 2006

BEFORE



Dobson, 2006

AFTER



Dobson, 2006

### Mielie cookers

The selling of mielies boiled in their leaves is a key economic activity in the area. It involves boiling water in large drums in fierce fires producing smoke and posing a serious fire hazard. Negotiations with the cookers resulted in the establishment of a dedicated site for cooking, away from shops and crowds. The city has invested R60 000 in this, building pre-cast concrete walls around the mielie cookers, and designing a sump to solve the problem of cleaning and waste management. Fire restrictions on this site have been relaxed.

In "peak season, some 28 tonnes of cooked mielies are sold every working day, to commuters arriving in the central city. This amounts to a daily turnover of around R200 000, and in a 5-day week, a turnover of around R1 million" and also means a substantial amount of mielie leaves and cobs generated as waste (about 26 to 28 tons of wet and dry waste a day) (Informal policy: 2001). The number of mealie cookers has grown from 40 to 140.

Mielie cookers

AFTER



Dobson, 2006

AFTER



Dobson, 2006

### Bovine head cookers

A traditional delicacy, the bovine head cooking business in the Warwick Junction has its origins in the Dalton Men's Hostel. Culturally this is an activity carried out by men, but this has been reversed in Warwick Junction, where of the 30 cookers there is only one man (Dobson: 2007). The cookers initially occupied a stretch of pavement on Warwick Avenue. They obtained their heads from formal butcheries. Processing involves thawing, skinning, cutting up and boiling in vats large enough for two heads, each vat heated by four paraffin-fuelled primus stoves (Grest: 2003). There were serious health and safety issues associated with the bovine head trade. In response to this, the Warwick Junction Project management provided a sheltered, central food-preparation facility serviced with water and drainage, electricity, refuse removal and areas for customers to sit to eat (SARPN).

Bovine head cookers' facility



Dobson, 2006

### Brook Street traders (Badsha Peer shelter)

The success of the herbal traders' market led to further developments such as Brook Street central market, a roofed area over the railway tracks. In the past traders would make way for an annual Moslem festival and marquees would be put up for about 10 000 devotees, filled with tables, and food provided to everyone. They have since adopted an interactive approach. The Moslem traders in the area asked for a steel shed over Brook Street – they use it for their functions and informal traders use it the rest of the year. The Moslem traders paid for it, the city provided the engineer and did the design. The first phase cost R600 000; they are now in phase six. It has become an informal economy shopping mall and provides toilets and storage facilities, run as separate businesses. Kiosks are provided with electricity and plumbing (Dobson: 2007).



Brook Street market

### Hampton Court

Not all projects within the Warwick area are public-sector driven, e.g. a private consortium bought Hampton Court, and transformed it from a derelict slum into student accommodation.

In addition, space has been provided for pinafore sellers to trade in Bond Street. Informal traders are provided with stalls, open spaces and tables rented from the city. A kerbside crèche was moved into a building, and now serves 70 children.



Bovine head cookers' facility



Private sector residential development – row of houses and Hampton Court (below)



Informal trader tables – moveable and fixed



### ③ NATURE OF LAND USE/ SECTOR AND LAND DEALS

Most of the land in Warwick Junction is owned by the city, although there are some significant private sector owners. The range of land uses are often in direct conflict with each other – it is a major transport node, market area, manufacturing and even residential area. Trades and occupations include many not found anywhere else in the city – gold “tooth fairies” (who cap teeth with gold), cigarette sellers, traditional herbalists, isangoma, children’s pinafore sellers, lime and mphempe traders (SARPN).

There are several land claims pending in the area, which are unlikely to affect development in the long term, but do have a delaying effect, and cause a certain level of uncertainty.

### ④ KEY DRIVERS

The Warwick Junction project is public sector driven but involves significant consultations with the community, traders and formal business. There are some aspects, however, that are more private sector driven, such as residential upgrades.

### ⑤ LEVEL OF INVESTMENT AND SCALE OF BENEFITS

Given the scale of the area, it is difficult to calculate total investment. This is compounded by the fact that the iTrump office receives a budget which it spends in the area, while individual line departments also spend some of their budget in the area. The iTrump business plan for 2005/6 shows the source of funding for the entire iTrump area in that year, indicating that the European Union (EU) provided 2.78 % of the total budget of R377 172 290.

Many projects did not involve substantial financial outlays e.g. the city invested R600 000 in the Brooke Street market in the first phase, and R60 000 in the mielie cookers’ facility.

Estimates of the number of people affected by the project vary. Warwick Junction provides space for 7 000

traders, the area attracts about 400 000 to 500 000 people each day.

Bovine head cookers are said to earn between R3 500 and R18 000 a month. Cardboard salvagers now earn 45c a kg (as opposed to 16c before the city’s intervention) with an average income of R32 per day.

Most traders are engaged in survivalist activities and, despite training programmes provided by the city, there does not seem to be much progression to higher levels of income (SARPN). The segments of the market they provide for are well supplied and margins very narrow. However, some traders do manage to earn substantial incomes.

### ⑥ CONCLUSION

Clearly the location of the Warwick Junction area, and the volumes of people that pass through it every day, provide a great economic opportunity for both the city and formal and informal traders. Many of the land uses in the area are potentially conflicting, and ongoing negotiation takes place to mediate conflict and achieve consensus. Informal traders fulfil a valuable role and generally now operate in niche markets. However, the city does experience problems with fronting, where a formal trader employs someone to operate an informal hawkers table, selling goods for the formal trader, at a very low wage. (Sutcliffe: 2007).

This project effectively integrated policy that was sensitive to the needs of the urban poor (street traders) with substantial infrastructure reorientation to meet the daily needs of almost a million commuters and informal traders.

The city’s Vuna award application points out that there has been successful integration of various land uses at this node to support transport and trading, promote economic empowerment for informal and formal traders, and supply social services, affordable inner-city housing and environmental improvements.

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Head, iTrump  
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City Manager

## Case study 5



### CO-OPERATIVE HOUSING PROVISION: AMALINDA CO-OPERATIVE, EAST LONDON

#### ① LOCATION

Amalinda Co-operative housing project lies about five km from East London's centre on Amalinda Drive, the main road in the suburb of Amalinda. It is a main access route to town and well serviced by the taxi industry.

#### ② BACKGROUND AND KEY ISSUES

Amalinda Housing Co-operative consists of people inspired by the Homeless Peoples Federation who were saving money as per the Federation savings approach. This involves people investing their time, skills and money in building houses for themselves and their community. By 1997/98 there were about 17 savings schemes. In 1998, the newly established housing programme in Afesis-Corplan introduced the co-operative housing model to community groups. In 1999, nine savings schemes from the Homeless Peoples Federation left the organisation and combined to set up the East London Housing Management Co-operative (ELHMC). People who joined the co-operative were from townships around Buffalo City, many from squatter settlements. Afesis-Corplan was appointed the co-operative's technical advisors. The ELHMC acts as the management and co-ordination structure. When established the ELHMC had about 200 members which swelled to more than 1 000 once building began.

In 1998, the East London Transitional Council decided to sell council-owned land for social housing. One piece was a buffer strip between Reconstruction and Development Programme (RDP) housing and middle-class housing in Winchester Gardens. It was divided into five portions, one further subdivided into nine, one of which was sold at nominal rate to each of the nine co-operatives. Of the five portions sold to organisations for social housing projects, there are two completed projects – one by the Rotary Club (near the industrial area) and the Amalinda Co-operative.

In 1998, Afesis-Corplan received funding from the Swedish Co-operative Centre which paid for staff and assisted in financing the establishment of ELHMC. A partnership was established between the co-op, municipality and Provincial Housing Department. Afesis-Corplan provided capacity-building support and technical advice in the early stages. The Provincial Department of Housing then insisted that the municipality did this. A contract was then signed between the Provincial Department of Housing, the municipality, which is still the accounts administrator and the ELHMC. The provincial department was to provide the institutional subsidy; the municipality, with the support of the Consolidated Municipal Infrastructure Programme (CMIP), was to fund the bulk infrastructure and the co-operative was to manage construction. The project was approved in 1999 but construction of bulk infrastructure only began in 2002 due to problems with CMIP. Corplan assisted the ELHMC in drafting the funding proposal for the top structure subsidy. A building contractor was appointed by the co-op to build internal infrastructure and top structures and a sub-contractor was appointed by the main constructor to complete the internal infrastructure. Due to labour disputes, the contractor was fired by the co-op and Afesis-Corplan became project managers, which proved to be very challenging.

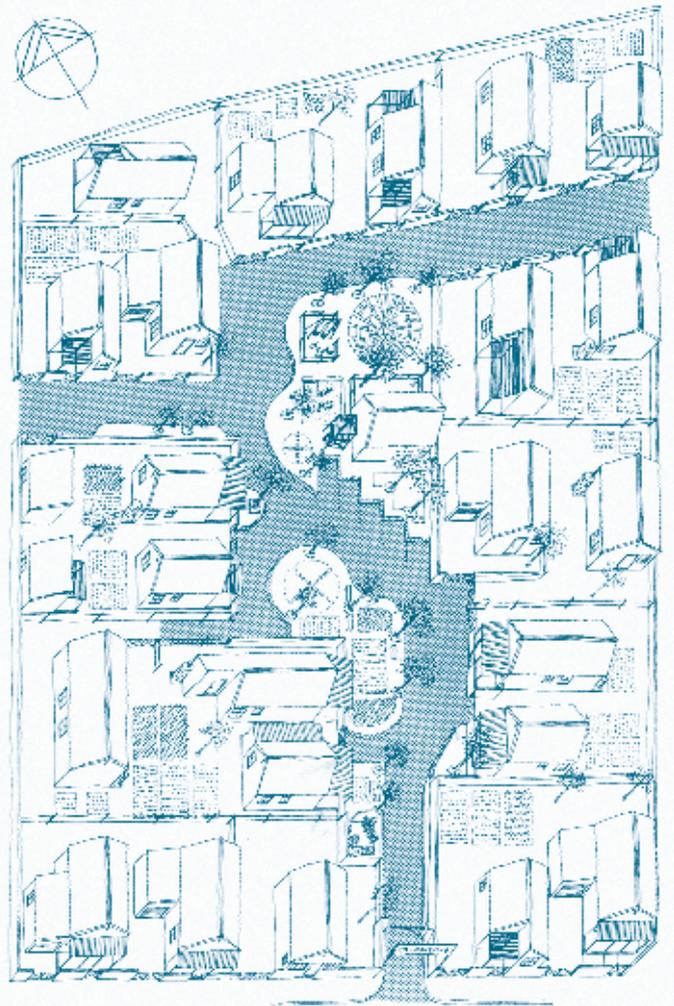
The township layout involves a single tarred spine road which loops off the main road. Land owned by the co-op is further sub-divided into blocks with each saving scheme having access to a block. While there is lower order linked access between the blocks, internal roads are narrow with some widened sections. Plots are staggered with roads curving through each block. This allows for safe communal spaces and provides spatial cohesion.

The co-operatives were established in terms of the Co-operative Act of 1996. Land and housing is owned by the co-op; thus households cannot apply for an indigency grant as they are not registered ratepayers.



### Amalinda Co-operative

Except for illegally occupied houses, use agreements have been signed with the beneficiaries. This states that, “The member must personally reside in the house (with his/her dependants) or such other persons approved by the housing co-operative and may not allow any other person to occupy the house instead of the member. The member may not let or sub-let the house, or any part thereof, without the permission of the Housing Co-operative”. In addition co-op members pay a member’s contribution. These are held in a bank account but this is not audited. No provision seems to have been made for the death of a member, making such households vulnerable. While alive, occupancy is guaranteed if the member complies with the “house rules” and there is no breach of the use agreement. The agreement is *not time based* and as such does provide *the member* with security of tenure.



Infrastructure, only a few years old. **Left** Vandalised management office **Right** Locked community hall



### ③ NATURE OF LAND USE AND LAND DEALS

The land use within the co-operative is residential with limited community facilities and the management office. The Dutch Housing Association of South Africa (HASA) commenced its engagement with the municipality in 1996 where the concept of social housing as a delivery option was introduced to the Council. In response, the East London Transitional Council committed itself to supporting the development of social housing and identified municipal land for release to social housing projects.

The land currently occupied by the housing co-operatives was sold to the co-ops at a cost of 80c a sq metre. As indicated, this was sub divided into nine portions and sold individually to the ELHMC housing co-operatives. Total land cost was R63 791 with VAT and interest. Ownership of the land was transferred from the municipality to each housing co-operative. Land which was zoned agricultural has been rezoned to residential 4.

### ④ KEY DRIVERS

In this case the municipality has made land available for housing for the poor. However, while the ELHMC negotiated for land, the negotiation was more about which portion/s and how much land would be available rather than based on community demand. Land was made available by the municipality, but the project was driven by the ELHMC with the support of Afesis-Corplan. However, the Provincial Department of Housing insisted that the municipality should have a role in the implementation of the project thereby reducing the role played by Afesis-Corplan. Consequently, the municipality took the responsibility for administering the accounts.

### ⑤ LEVEL OF INVESTMENT AND SCALE OF BENEFITS

To qualify for a house, members of the Coop needed to save R2 070. The Provincial Department of Housing insisted that a list of potential beneficiaries be provided.

ELHMC was reluctant as not all potential project recipients had saved the amount required. Finally, on the department's stipulation, a list was provided by the organisation but with some members still not having the qualifying amount. In 2004, the ELHMC gave its members a savings deadline of 15 January 2005. By then any members without the required savings were removed from the co-op's housing list. Approximately 55 were subsequently removed and replaced with new members who now qualified.

The ELHMC requested the Department of Housing to remove the names from the list and replace it with the new recipients. Due to representation from disgruntled co-op members, the department failed to make the changes. Furthermore, officials without adequate knowledge of the project provided misleading information by indicating that this was a "people's housing project" and therefore there was no need to save. As far as the department was concerned, the subsidy was approved for the first list of names and therefore those original members were to be given houses. No regard was given to the co-op's constitution and associated rules and regulations. In the interim, the new members took occupation. The MEC for housing took them to court and said they had not been approved and were therefore illegally occupying houses. Partially completed houses were invaded by disgruntled members. The MEC lost the case ensuring that the "new" members were able to retain their houses.

Invaders have vandalised the co-op site and the community hall remains locked and unused. Moreover, the third piece of land for community use remains vacant with no decision on its future use. The invasion takes up much of the co-op's time draining it of resources and energy for further growth and development.

The Amalinda Housing Co-operative project is located on 6.2 hectares of land. The project is designed for the construction of 216 houses. Currently, 168 are complete and occupied and 29 houses are incomplete. All building has been stopped until the issues with respect to the illegal house invasions have been resolved.

While health facilities are fairly close by, education facilities in the area are overcrowded requiring the children from Amalinda to find school placements some distance away. The site is fairly close to industrial areas and approximately six kms from the CBD. Thus, the key benefit of the Amalinda project would appear to be more closely linked to access to housing rather than its location.

Unemployment levels in Amalinda are high. Before moving, many households survived through trading networks in the dense informal settlements. However, in Amalinda these have broken down and the ability to re-establish them is difficult due to lower densities and community conflict. Households may now be more economically vulnerable.

## ⑥ CONCLUSION

### Co-operative housing as a model

While donor support was obtained from the Swedish government, the international practice of co-operative housing was translated into the South African context by Afesis-Corplan. When introduced to South Africa there was no institutional knowledge on co-operative housing and its implications. With hindsight it is possible that the institutional and capacity-building support and guidance by Afesis-Corplan was insufficient.

The original negotiations and housing delivery of the co-op occurred in a collective manner. The often cited example was the ability of the co-op to negotiate for the land. However, while this was true, it was done on the back of an existing council resolution to release parcels of land for social housing projects. *At the time, the municipality was a "willing seller" and the co-operative a "willing buyer"*. The council identified land portions and took a resolution to sell them to social housing projects at 80c a sq metre. Negotiations centred on which portion of land rather than more complex matters. The ability of the poor to negotiate for well-located land remains in the hands of the state's policymakers. If the conditions are right, the

land is available and the openness is there on the part of the state, then negotiations are possible. Otherwise, the poor remain relegated to the margins of our cities.

Moreover, the co-operative's inability to prevent the state's involvement in the project remains key. Through the state insisting that the municipality be a partner, which downscaled the role of Afesis-Corplan, the housing allocation process of the co-op was undermined. Why this was allowed requires further study but certainly, the negotiation skills and power of the co-operative was insufficient to prevent it from happening.

### The interrelationship between the collective and the individual

This project commenced with a number of individuals in saving schemes linked to the Homeless Peoples Federation coming together to gain access to land and housing. The extent to which a collective consciousness existed – the power of the collective versus the individual (politically motivated) or a number of individuals recognising the collective opportunity (individually motivated), requires more research. However, in Amalinda the latter is probably more prevalent. The individual imperative for gaining access to housing created a situation in which any mechanism, as long as it worked, became the driving force. Once the settlement was established and the houses allocated, the need for the co-operative diminished and individual needs resurfaced. This is reflected in the failure of communal gardening projects, unkept communal spaces, the fencing of individual properties, house invasions and vandalising of communal property.

While Amalinda is far better located than many other settlements in the city, the residents may now be more economically disadvantaged than before. Access to land and housing has been obtained but the community is divided and intimidated by invaders. House construction has stopped and community facilities lie unused.

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## Case study 6



### SOCIAL HOUSING: BELGRAVIA, EAST LONDON

#### ① LOCATION

The social housing project Belgravia Valley is located in the suburb of Belgravia, East London. It is approximately two kms from the CBD and one km from the Frere Hospital, the major hospital for the city.



Phase 1

Phase 3



## ② BACKGROUND AND KEY ISSUES

HASA was established in 1995 by 34 Dutch Housing Associations. It aimed to provide support in the establishment of social housing projects. HASA began its interactions with the East London Transitional Council the same year. Within three years, the Housing Association of East London (HAEL) was established as a section 21 company. While the municipality supports the establishment, it does not have a share in the company.

The social housing project was initiated by the erstwhile East London Transitional Local Council and HASA, supported by the EU, and the East London Business community in 1997. Construction of the first phase commenced in 1998 with occupation taking place in 1999. Recipients were identified through a marketing strategy mainly aimed at workers in the commercial and retail sectors. Unlike many other social housing projects in East London which provide a rent-to-buy option, Belgravia Village is strictly rental housing.

Two phases are complete and all units fully occupied. The turnover rate is extremely low and HAEI has a waiting list of about 70 approved applicants. Once financially approved, all applicants undergo pre-tenancy training, which includes aspects such as acceptable conduct outlined in the house rules (security, noise management, refuse removal, sub-letting, the prohibition of shebeens and/or spaza shops on the property); managing the household budget and aspects pertaining to the Rental Act and the tenants' and the Housing Association's rights. If there is any breach in the house rules, the occupant is notified and on the second warning, asked to leave. To date only two households have been evicted. Moreover, the association has an extremely low level of defaulters.

The housing design includes two and three storey walk-up blocks. The village has a single entry and exit point increasing safety levels. Finishes are a good quality when compared with other low-income housing projects. Communal spaces are well maintained suggesting a general pride in the local environment.

The Belgravia Village property is owned by the HAEI Section 21 company, thus no households living in the village are able to apply for the municipality's indigency grant. Consequently, all internal matters are managed in accordance with the lease agreement and associated house rules.



Housing type and layout



### ③ NATURE OF LAND USE AND LAND DEALS

Belgravia Valley is solely residential and comprises semi-detached units which have one, two or three bedrooms.

The municipality previously owned land which was designated as public open space but now is zoned as residential 5. At the time of the rezoning, an environmental impact assessment (EIA) was not necessary, which would appear to be the case for the conversion of the phase three site. The municipality signed a land-availability agreement with the Section 21 Company which included the sale of the land to the organisation at 80c a sq km.

### ④ KEY DRIVERS

The project is driven by a combination of public and private sector initiatives. The municipality made land available at a nominal rate and provided the internal road infrastructure. Institutional subsidies as provided by the Provincial Department of Housing contributed toward the construction of the top structures. However, the project management and support, project design and implementation were undertaken by HAEL in association with HASA.

In summary, the state was the facilitator while the private sector, in the form of HAEL, was the implementer.

### ⑤ LEVEL OF INVESTMENT AND SCALE OF BENEFITS

The existing phase one and two development has 438 units, 140 one-bedroom, 265 two-bedroom and 33 three-bedroom. A further 300 units are in the advanced stage of planning for the phase three development.

Seed funding for the project was obtained from several sources. In January 1999, the National Housing Finance Corporation made a R7.5 million loan for the establishment of HAEL and the social housing project in Belgravia Valley. A month later, HASA provided an additional R8 million via the City of Leyden as a low-interest loan with a bullet payment due after 10 years. A Dutch Housing Association made a grant of R2 million and R2.5 million was obtained from the Provincial Housing Board.

The municipality sold the land to the HAEL at a nominal rate of 80c a sq metre and undertook the



construction of the inner-road network.

An attempt was made during the construction phase to support local economic development. UN Habitat noted that *“A substantial part of the contract was given to a local, previously disadvantaged contractor, with local manufacturers and suppliers participating in the project”* (<http://www.bestpractices.org/bpbriefs/housing.html>).

The table below outlines the subsidy granted to households earning less than R3 500 per month. A standard subsidy of R214 is applied to all unit sizes. Consequently, the saving varies across the units in the following manner: one-bedroom – 17.8% reduction; two-bedroom – 15.1% reduction; three-bedroom – 13.3% reduction.

CATEGORY 1 – HOUSEHOLD SALARY BELOW R3 500			
	One-bedroom	Two-bedroom	Three-bedroom
Rent – monthly	R988	R1 196	R1 387
Deposit	R1 976	R2 392	R2 774
Total – upfront payment)	R2 964	R3 588	R4 161
CATEGORY 1 – HOUSEHOLD SALARY ABOVE R3 500			
Rent – monthly	R1 202	R1 410	R1 601
Deposit	R2 404	R2 820	R3 202
Total – upfront payment)	R3 606	R4 230	R4 803



Belgravia Village is well located in East London with health, education and shopping facilities within walking distance. It is on main public transportation routes. When opening the project, the Minister of Housing noted *“This project is creating a window of opportunity for the poor by locating them near work areas thus drastically cutting on the costs of travel and increasing their quality of life”*. (Mthembi-Mahanyele: 1999).

The systems for managing the housing project, on site and in head office, the methods of screening potential residents, the pre-tenancy training all suggest that the project is well administered. Initially, the project was managed by a representative from the Netherlands and this was handed over to a local person once it was well established. The systems and procedures, capacity-building and skills transfer from HASA appear to have paid dividends.

A key benefit of the Belgravia housing project is that it provides affordable housing to the income bracket that falls outside the range for a RDP housing subsidy and those with the ability to apply for a bank housing loan.

## 6 CONCLUSION

Clearly, there is a need for affordable rental housing in the East London area, which is reflected in Belgravia Village’s occupancy levels and the long waiting list. The settlement is no longer advertised, with all new applicants approaching the organisation through word of mouth. Moreover, applicants appear to be willing to wait, which given the current turnover rate, could be many years.

The role of international donor organisations in initiating the social housing concept with the East London Transitional Council and the council’s response is interesting. The engagement between the two parties commenced two years after 1994 when “new ideas” were easily embraced and imperatives such as “housing for all” unfettered by conflicting policy and procedures. By 1998, the municipality had identified a number of portions of municipal land that could be offered at a nominal rate for the development of social housing.

The responsibility taken by the donor, HASA, in the establishment of HAEL and the management of the organisation in the early stages is important. HASA brought to South Africa a depth of experience and knowledge on social housing matters and the infrastructural and institutional support required to make such projects work. The research suggests that the project foundations were solid and while institutional learning may have occurred along the way, it is not a hallmark of this project.

Belgravia Village is not aimed at the indigent but at households in which at least one member is employed in the formal sector, evident in the screening process.

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- |              |                                 |
|--------------|---------------------------------|
| Williams, T  | HAEL                            |
| Mfithi, S    | Buffalo City Local Municipality |
| Site Manager | Belgravia Village               |



## Case study 7



### SOCIAL HOUSING: RONDEBOSCH MANSIONS, JOHANNESBURG

#### ① LOCATION

Northeast corner of Pietersen and Edith Cavell Streets, Hillbrow, Johannesburg.

#### ② BACKGROUND AND KEY ISSUES

Rondebosch was the second building acquired by the Johannesburg Housing Company (JHC) under the Better Buildings Programme. When JHC bought the building, it was dilapidated, had been vandalised, and services cut off. The JHC now has 24 buildings, all of which are available for rental. This provides over 2 800 units, for approximately 8 000 people, and represents over 8% of the inner city housing stock. Its mission is to set up decent standards of rental in degrading areas. Within the inner city, JHC owns units in different areas, each of which has different characteristics. JHC provides very good security at relatively low cost. Invasion of newly renovated buildings has occurred only once, by people who had lived there prior to renovation by JHC.

The normal by-laws for residential buildings apply to Rondebosch. However, regular monitoring of by-law violations enables bad buildings to be identified as potential social housing projects. Several national and local policies and funding mechanisms are used to facilitate this process. The institutional subsidy “provides subsidised accommodation to people who qualify for housing subsidies but who do not necessarily want to own a house. It is targeted at institutions that provide tenure arrangements alternative to immediate ownership (mostly rental). This has been applied in the context of social housing, which has tended to be accessed by beneficiaries at the upper end of the subsidy income bracket” (Hall: 2005). The aim of this subsidy is to enable qualifying institutions to create affordable housing stock for persons who qualify for housing subsidies. Institutions must also invest capital from their own resources in the

project (<http://www.info.gov.za>). The Institutional Housing Subsidy (IHS) amounts to a flat subsidy of around R30 000 for every beneficiary earning less than R3 500 per month. It includes inner-city co-operative housing and social-housing providers. It can be used to fund physical upgrades to existing housing stock in low-cost housing projects, but not to defray rent or service charges for low-cost housing beneficiaries. This means that co-operative and social housing in the inner city is mainly targeted at people earning between R1 250 and R3 500 per month.

The Department of Housing’s *Breaking New Ground* document attempts to make housing intervention more flexible and responsive to demand. It encourages the development of social housing, while increasing affordability or “effective demand” through new housing-finance initiatives. It also intends to promote social inclusion and integration of poorer communities by providing for social and economic infrastructure, rather than merely housing.

The Ekhasya Neighbourhood Programme was established by the JHC in 2004 as part of the Precinct Development Programme in the Pietersen Street precinct. It involves the owners of 25 of 33 buildings in a five-block area who are working together to address problems such as crime, litter, improved delivery of services by the municipality, lack of parks and recreational facilities. Successes include “Have a safe New Year’s Eve” campaign; a street-monitoring system that has regular caretakers’ meetings; and identification of recreation and leisure facilities needed in the area (Mail & Guardian: 2005).



### ③ NATURE OF LAND USE AND LAND DEALS

Rondebosch was previously a hotel with single rooms and communal bathrooms. It has now been converted into mainly residential use, although there is an after-care centre on the ground floor run by the JHC in what used to be the restaurant.

The Rondebosch became overcrowded and fell under the management of an unlawful rent collector. The city then liquidated the building and took it over. It was handed over to the JHC in 2004. JHC owns the building and rents units out to tenants through a lease agreement.

One of the problems JHC faces is that the city classifies the buildings as commercial and therefore charges commercial, and not residential, rates. Commercial rates are substantially higher than residential.

### ④ KEY DRIVERS

JHC is a Section 21 Company. The city's Better Buildings programme involves the identification of bad buildings and their upgrading into rental stock.

### ⑤ LEVEL OF INVESTMENT AND SCALE OF BENEFITS

Rondebosch has 77 rooms and bachelor flats, catering for people who earn under R3 500 a month. It covers an area of 545.66 sq metres per floor. Of this, 114.7 sq metres is allocated to communal space. The purchase cost of the block was R80 000 and JHC invested R4 million renovating the building. There are communal showers, toilets and washing facilities, and kitchen facilities on each floor. There is a 24-hour security service, and access is via a tagging system. All common areas are cleaned five days a week by a cleaning service.

Rents range from R561 to R1 479, with bachelor flats being R1 047 and two-roomed flats being R1 479. Rents include water, sewage and rates. Electricity is metered on an individual basis.

The average income of tenants is R2 000 a month (Adler: 2007). Most residents of Rondebosch are South African; 14% are male; 79% are over the age of 18; 82% are employed; 7% are scholars; 1% are seasonal workers; and 8.5% are unemployed.

JHC's 2006 tenant profile provides interesting results across all its blocks: 37% of adults have post-school qualifications; 44% matric; 14% some secondary-school qualification; 82% are employed; and 72% work in the city within walking distance of their building. Less than 10% of people living in JHC housing are unemployed.

JHC provides the facility and equipment for the crèche in the building. They arrange for tutors, residents



who are teachers and students to work there. This is managed by JHC's development division, and is also used by children from JHC's other buildings, and several others in the area.

Initial funding to set up JHC came from sources such as EU and the Flemish government. It also receives subsidies from the Gauteng provincial government and funding from the City of Johannesburg. JHC works on the assumption that a building must break even within two years. JHC received 75 institutional subsidies of R30 000 each (R2.25 million), and put in the shortfall from their reserves. Overall, with 1 500 units they could get enough surplus from their buildings to cover the Head Office overheads (which were initially covered through the EU grant).

Allocation of units is on a first-come, first-served basis, often through word of mouth or building supervisors. If people qualify for a subsidy then certain criteria are applied. When newly renovated JHC buildings are ready to be occupied, people apply by paying two months rent as deposit and the first month's rent.

No indigency policy is applied with respect to this building. If tenants fail to pay their rent, JHC follows up from the seventh day, and then visits rigorously. An arrangement for payment is allowed if there has been an extraordinary event, and they tend to be lenient in some months, such as January when school fees are due. JHC deals with death through a hardship benefit, which provides financial support for funerals. If the leaseholder dies, rent is waived for up to three months. If children are left orphaned, they look to the next of kin to accommodate them or move out. The default rate is extremely low. ▶



The JHC provides an integrated social package, not only housing. They have an outreach programme in one area as a pilot study. Every building has a community facilitator and a tenants committee which is more often issue based and not a regular forum.

In addition to the financial benefits to the poor, the city itself has benefited from this and other similar housing projects in that it now receives rates and services charges from these buildings, whereas in the past they represented significant bad debt. In addition, reversing building decline positively affects property values and economic investment in the area.

## ⑥ CONCLUSION

JHC is one of the only housing associations in the country that seems to have been able to operate on a sustainable basis. This is due to the size of its housing stock. This does appear to rely on the institutional subsidy initially. Given the size of the minimum stock needed, however, it seems unlikely that smaller housing associations are likely to be sustainable over the long term.

One aspect of the financial model being used in the inner city that seems to work against the long-term financial sustainability of such an approach is the fact that JHC is charged commercial and not residential rates by the city. The approach adopted by JHC seems to have been successful in renovating bad buildings, leading not only to the provision of well-located housing for the poor, but also to improved rates collections for the city.

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## Case study 8



### INNER-CITY REGENERATION: FASHION DISTRICT, JOHANNESBURG

#### ① LOCATION

The Fashion District Development lies to the east of the Johannesburg CBD and is bounded by End Street in the east, Von Wielligh Street in the west, Market Street in the south and Kerk Street in the north. However, the Sanlam building, on the corner of Jeppe and Von Wielligh Streets, is not included in the Fashion District. The district is therefore comprised of 26 full city blocks, as well as the eastern edge of End Street.

#### ② BACKGROUND AND KEY ISSUES

Johannesburg's Fashion District emerged in the 1930s. In the late 1980s the industry declined substantially due to cheaper operating costs in Durban and Cape Town and cheap clothing from Asia. The Johannesburg Sewing Centre was established in 1994. In 1999, a working committee made up of the Inner-City Management Team, the BEES Consulting Group and the Ford Foundation prepared the Inner-City Garment Industry Development Project Outline that proposed the development of a niche-focused Garment Industry District. Further research highlighted the limited support services available to microenterprises in Johannesburg's inner city (Rogerson: 2005).

Since 2000, new factories and small operations have opened, and now more than 1 000 tailors and seamstresses operate in the area. The goal of the Fashion District Development is to build a sustainable, viable, fashionable and functional Fashion District as a hub of economic growth and jobs in the emerging fashion cluster (Development Business Plan: 2004). It hopes to stimulate investment and assist in cross-border trading and increase interest in locally-manufactured goods and tourism to the area (Gotz: 2007). "Restructuring the clothing economy has involved the implementation of a series of pro-poor interventions to upgrade the capacity

and collective efficiency of groups of small locally- and immigrant-owned enterprises. The cluster of clothing producer microenterprises is now being reorganised and reinvented as a niche-focused fashion cluster around the axis of value-added design and the manufacture of niche products with a specific African look" (Rogerson: 2005).

Two strategies have been identified by the Johannesburg Development Agency (JDA) in developing the Fashion District (Development Business Plan: 2004). These are:

- 1 The creation of a Fashion District that is safe, secure, attractive, functional and well managed
- 2 To maximise economic and social opportunities within the emerging fashion cluster by addressing market failures

The JDA has set up a voluntary City Improvement District around the district and through this hopes to upgrade the public environment, refurbish old buildings and improve the infrastructure of the area.

Various initiatives have been used to demarcate the Fashion District including mosaic stitches on pavements, signs and colour gateways on the street poles and benches with similar mosaic patterns and trees.

#### ③ NATURE OF LAND USE AND LAND DEALS

The Fashion District involves several types of land use. Almost half the land is retail (47%) and 15% is used for warehousing. Residential and industrial land use make up 11% and 7% of the total, respectively. The southern third is mainly retail and wholesale activities. The central third is characterised by light industrial and commercial land use while the northern third has some residential components (Development Business Plan: 2004).

The Johannesburg Property Company (JPC) has been instrumental in identifying and taking over bad buildings which are then made available to potential investors. Seventy-six percent of the buildings within the district fall into fair or bad categories. At least three buildings in the fashion core have been bought by developers.

The development of a fashion square, called Fashion Capital, is a project led by the JDA and JPC. A building, owned by the city and bounded by Pritchard, President and Polly Streets, has been identified for redevelopment into a public square. Retail outlets and restaurants, as well as an outdoor fashion ramp, will form part of this development.

#### ④ KEY DRIVERS

The private and public sectors have been instrumental in developing the Fashion District. The revival of the area is often credited to Rees Mann, who established the Johannesburg Sewing Centre in 1994 and was instrumental in setting up and investing in SewAfrica, a training centre that uses students from neighbouring tertiary institutions. This is backed by the National Department of Labour and the City of Johannesburg and neighbouring tertiary institutions provide materials and trainers (Rogerson: 2005).

The first working committee consisted of the city's Inner-City Management Team, the BEES consulting group and the Ford Foundation. In 2001 the national and provincial Departments of Labour (DOL) became involved and the national DOL set up a training programme focused on the district. By identifying the Fashion District as an economic development initiative, the project is also run by JDA. JDA has been instrumental in getting the JPC involved.



In 2004, the Informal Garment Operator's Association was launched to represent the interests of the Fashion District's clothing and fashion enterprises, including the immigrant entrepreneurs (Rogerson: 2005). In 2005 the Fashion District Institute was established which will manage the development of the district and provide support services to the businesses within the district.

#### ⑤ LEVEL OF INVESTMENT AND SCALE OF BENEFITS

There are approximately 800 businesses in the Fashion District and at least 300 street traders: 83% of the businesses involved are fashion related. Almost 4 000 people are directly employed in these businesses. Over 400 people have benefited from the training programmes offered at SewAfrica. It is estimated that the Fashion District generates an annual turnover of R120 million.

Within the fashion core, 32 properties, providing 120 000 sq metres of space, have been identified as potential investments.

One of the initial strategic interventions identified was that of poor women entrepreneurs operating at a survival level. Support programmes were introduced to build social capital and assist in providing business development services.





Young designers are also able to rent package deals that provide them with design, changing rooms, a display area and access to pooled machinery and equipment that they would not otherwise be able to purchase. (Local Economic Development Newsletter: 2006).

The scale of the Fashion District means that it is difficult to pinpoint an exact amount of financial investment in the area. The combined value of the properties exceeds R30 million. However public and private sector organisations have contributed to various developments in the Fashion District as follows:

- The Ford Foundation and the City of Johannesburg, through the JDA, invested R2.5 million in the upgrade
- The City of Johannesburg invested in a public upgrade project of R2.5 million on the pedestrian prioritising of Kerk Street (between Polly and Delvers Streets) and Delvers Street (between Kerk and Market Streets)
- JDA spent R250 000 on upgrading facilities in the SewAfrica building. SewAfrica provides support services tailored to the needs of the fashion industry
- JPC and JDA plan to spend R24 million developing the Fashion Capital

Through the upgrading of buildings and the development of the area, there has been an increase in the rates base of the municipality.

## ⑥ CONCLUSION

The re-emergence of the Fashion District involved both public and private sector investment, and the development of relationships with local entrepreneurs. Land use is mixed, although the key interventions are focused on traders and manufacturers rather than on residential developments. Initially focused almost entirely on poor women operating at a survival level, interventions now target small, medium, and micro enterprises (SMMEs) and private sector investment. On average these businesses employ five people each, manufacturing and designing clothing (Development Business Plan: 2004).

There are very few links between these small businesses and the formal clothing industry. Thus formal industry is unlikely to drive growth in the area. An alternative strategy is to develop a “vibrant small clothing business culture that positions itself effectively in higher value-added, design rich, niche markets.” (Development Business Plan: 2004). Although overall investment has been relatively small, there have been significant spin-offs to date. However, many planned interventions are still not completed, and a number of buildings remain vacant or only partially occupied. As a result the Fashion District has yet to realise its full potential as a vibrant, sustainable hub of economic growth.

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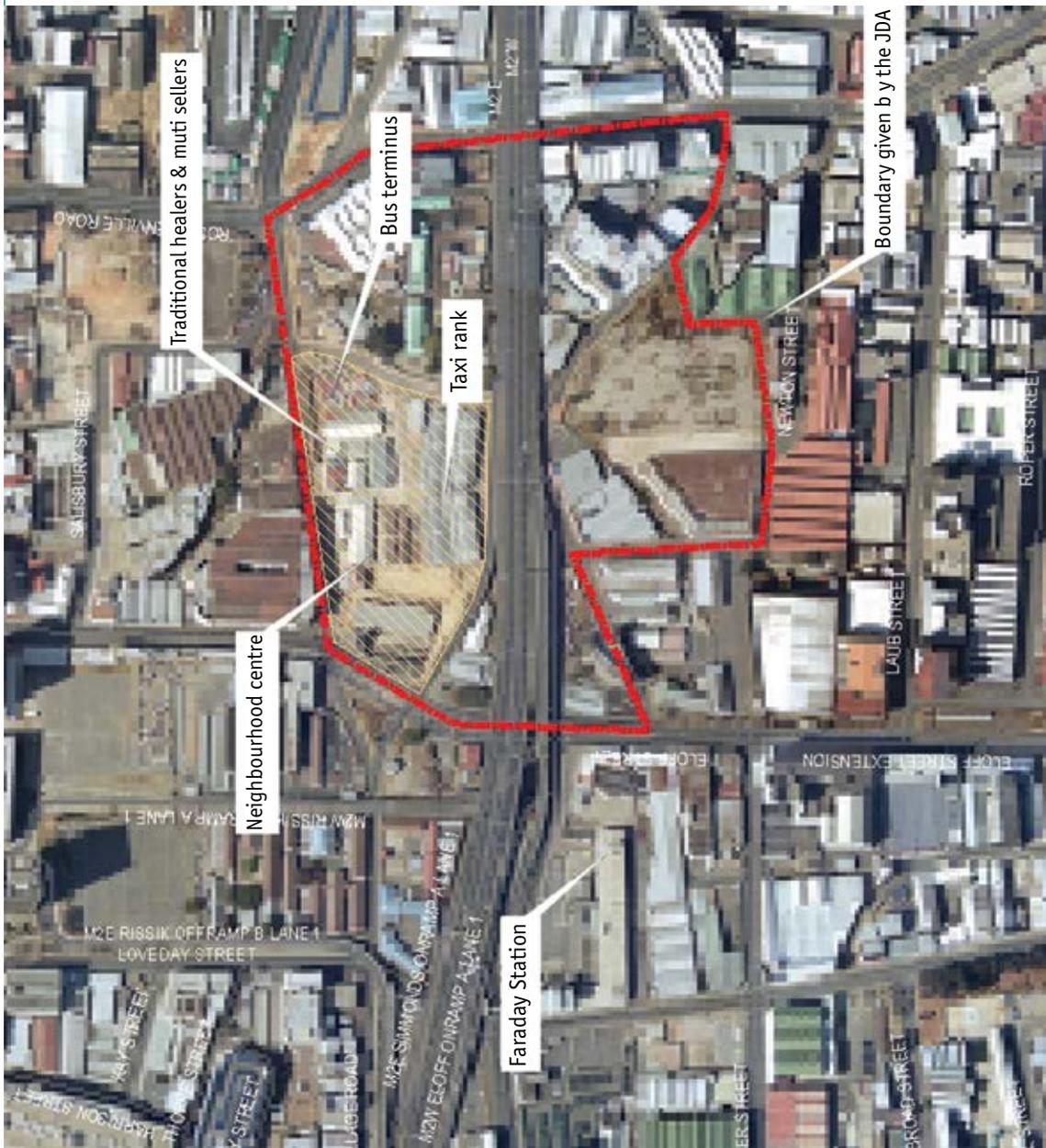
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# Case study 9



## INNER-CITY REGENERATION: FARADAY MARKET AND STATION, JOHANNESBURG



## ① LOCATION

The Faraday precinct is located in the inner city of Johannesburg bordered by Anderson Street in the north, Von Wielligh Street/Rosettenville Road in the east, Eloff Street in the west and Newton Street in the south. It is anchored by Faraday Station, a railway terminal linking Soweto and other southwestern townships to the city.

## ② BACKGROUND AND KEY ISSUES

The development involved construction of a large taxi rank below the M2 highway and several new buildings for muthi sellers, consultations with sangomas and other traders, who previously operated underneath the M2. The new buildings are positioned in the northwest block of the precinct, bordered by Wemmer Jubilee Road in the north and Eloff Street in the west. The buildings provide a better, cleaner environment for trading and consulting. The precinct has become a multimodal transport interchange, with bus and taxi services extending connections into the central and near city zones (JDA: 2007).

The Faraday Station project was seen as an investment with the potential to turn around the recent history of economic decline in the southeastern sector of the city. The project constituted a significant public sector investment with consolidation of public transport operators into a well-defined, new intermodal node around the old Faraday Station. This node was expected to intensify use by commuters and result in the establishment of a market for general consumer goods as well as traditional medicine and muthi products, thus benefiting local economic development, job creation and improving the environmental upgrade of the precinct. A secondary goal was to encourage the SA Rail Commuter Corporation and its property holding company, Intersite, to improve and enlarge the Faraday Station as well as add a rail link to the southeast because of the increase in commuters within the node.

The strategy to achieve these goals was to extend, regenerate and consolidate development around the existing transport facilities and to stimulate investment opportunities within the precinct. The project proposed the extension and redevelopment of the existing infrastructure and facilities related to taxis, buses and rail and to introduce opportunities for the development of a range of related uses to support and benefit from the concentration of commuters within the node.

Development outcomes were based at two levels, precinct level and sub-precinct level. The entire Faraday Station precinct is made up of four sub-precincts; the sub-precinct containing the market, taxi rank and neighbourhood centre is called the special facilities project (Faraday Precinct: 2001).

The proposed special facilities project outcomes were:

- Facilities for commuters, taxi operators and taxi drivers
- A market for traditional medicines and consulting and treatment rooms for traditional healers
- A general informal market
- A neighbourhood centre including offices
- A public open space with a small retail component
- Environmental upgrade of sidewalks, new pedestrian spaces, safety measures and amenities
- A motor industry service and retail centre with formal shop space for retail services and food
- Residential accommodation

Key issues surrounding this project include:

- Inadequate demand for rentable space
- Private sector investor perceptions of financial and commercial risks in the area
- Maintenance of the momentum of development promotion in the precinct
- Metropolitan Trading Company's (MTC) ability to provide adequate and reliable management and maintenance of the project area
- Continuous improvement and development in the taxi and hawking industries
- Public sector interest in supporting the formalisation of, and improvement, of traditional medicines and healing, i.e. in relation to both health aspects and conservation

The project manager was seconded from the JDA. The buildings were designed by Albonico & Sack, MMA Architects and Urban Designers and were handed over to the MTC, which manages markets on behalf of Johannesburg.





### ③ NATURE OF LAND USE AND LAND DEALS

The geographic area covered by Faraday Station is approximately 26 226 sq metres (Faraday Precinct: 2001). This is broken down into the following uses:

- Neighbourhood Centre consists of two floors and covers 1 170 sq metres
- Retail and commercial covers 3 030 sq metres
- Trading Market covers 2 750 sq metres
- Healing Centre covers 2 000 sq metres
- Public open space covers 1 000 sq metres
- Covered taxi rank covers 3 800 sq metres
- Taxi facility covers 126 sq metres
- Bus Terminal covers 6 350 sq metres

It was proposed that Propcom undertake all the property transactions and perform the land holding function. The City of Johannesburg provided the finance for the acquisition of land and currently owns the land. Land was initially bought from Putco at a price of R3.3 million. The Putco land that was purchased was already zoned for transportation so there was no need for rezoning.

### ④ KEY DRIVERS

The Faraday project is predominantly public sector driven and buildings are managed by the City's Metropolitan Trading Company.



### ⑤ LEVEL OF INVESTMENT AND SCALE OF BENEFITS

The city spent R41.4 million completing the project (City Vision: 2002/03). The JDA had a public sector budget of R40 million for the project. A further R11 685 000 was invested by private finance for the taxi business centre, retail and microretail.

Land area made directly available to the poor is the Trading Market and the Healing Centre which covers a combined area of 4 750 sq metres. Before these areas were built the traders plied their products and peddled their goods under a bridge for about 30 years (JDA: 2007).

The area currently houses a Traders Market which consists of 250 four sq metre units, a taxi rank which has 200 rank bays which is used by 1 200 operating taxis and serves about 6 000 commuters daily. In the first year of operation, taxis contributed R1 x average of 2.5 entries a day, which covered the operating costs. There is a large bus terminal which comprises of a large paved area and a taxi business area providing lower level retail and taxi maintenance facilities, a fast food court and a neighbourhood centre which provides office and retail facilities. (Faraday Precinct: 2001).

There are four different types of units in the traders markets. The most basic consists of an allocated space in the open, costing R90 a month. Units with wooden doors cost R200 a month, units with metal rolling doors cost R350 a month and the largest units R500 a month. A double-storey building houses muthi traders on the ground floor and consulting rooms above, which provide trading space for more than 280 muthi traders. In 2001 there were 52 inyangas (healers, sangomas etc) and an estimated 250 traders (Faraday Precinct Formulation Phase – Needs Analysis: 2001).

According to a traditional medicine seller interviewed, a benefit to the poor has been a suitable environment in which they can trade their goods, with each trader having a designated area from which they trade.





## ⑥ CONCLUSION

The Faraday Station development has improved the lives of many of the traders that peddled their goods under the M2 highway for almost 30 years. The market with designated stands for traders has resulted in a more formalised and better managed environment resulting in increased profits. The new formal taxi rank has greatly improved access to transport to and from the city.





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Tradition Medicine seller

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# Case study 10



## EXTRA-LEGAL LAND DEALS: FOLWENI, ZEVENFONTEIN AND ETHEMBELETHU

### ① LOCATION

Three examples of extra-legal land deals have been selected: Folweni, 10 km southwest of Durban's centre, Zevenfontein, 40 km north of central Johannesburg, next to Dainfern, a wealthy area, and Ethembelethu, situated in Mogale City.

### ② NATURE OF LAND USE AND LAND DEALS

Land use is primarily residential, usually with some mixed-use, and on land zoned for agriculture

### ③ BACKGROUND AND KEY ISSUES

In contrast to illegal land transactions, conducted in violation of the law, extra-legal transactions are conducted without legal recognition but may not be explicitly forbidden, or may become legalised in time. Rental transactions which take place on urban and rural land, but which have no legal status, provide examples of extra-legal land transactions. The fact that these take place indicates that the institutional and regulatory framework is unsuited to prevailing conditions. As is shown in Ethembelethu, the formal processes associated with land zoning and development are often inflexible and unable to respond dynamically to different circumstances.

### ④ FOLWENI

Folweni is a densely settled former homeland area in the Makhanya tribal area of about 1 200 sites with an estimated population of 40 000. Established in 1982, about 27 000 people who were given sites at Folweni had been forcibly removed from the informal settlement of Malukazi, south of Umlazi. Permission to Occupy (PTO) certificates gave the residents the right to occupy the allotted erf's at the nkosi's discretion but not to sell or

rent out their site. This title was not registered but was administratively created with the approval of the tribe and the regional level authority. During the 1980s it was agreed that some of the tribal area be earmarked for strangers to settle. Land was delineated through beacons and this provided security of tenure for title holders, land-use control and the ability to raise a limited mortgage (Fourie and Hillerman: 1998). After several years the residents of this area had their houses burnt and were driven off the land. Hillermann concluded that this happened because resources were given to Folweni during the course of the urban development in the area that were not given to the adjacent tribal rural area, which remained poor and unserved. Thus, the tribespeople who had originally given their land for settlement in Folweni, reclaimed it and the state was unable to protect the property rights of the people who had obtained titles in Folweni.

In the early 1990s, private companies built housing for their workers in section C, financed through the KwaZulu Finance Corporation, later Ithala Bank. Although buyers were promised freehold tenure by the bank, they only received PTOs, which led to a bond boycott and a legal challenge still in progress.

In 1998 Folweni was released from the KwaZulu Ingonyama Trust Act and, in an agreement between the city and the province, administrative jurisdiction was given to the eThekweni Municipality removing power from the Traditional Authority. Legislative uncertainty has slowed down the implementation of proposed development including a project to upgrade services and formalise tenure. Folweni became part of the eThekweni Metropolitan Municipality after the re-demarcation process of 2000.

This experience indicates that cadastral surveys are not always sufficient. In addition to community involvement, resources must be transferred to the surrounding tribal area and should be at least equivalent to that being allocated to the urban development project (Fourie and Hillerman: 1998). Avoiding disparities in allocation of resources and services, limits conflict that can disrupt land registration.

In 2004, 150 houses and title deeds were handed over to Folweni's residents. The Provincial Department of Housing provided people with subsidies to buy land to build their houses. Under normal circumstances the housing subsidy is not to be used to buy land. A total of 1 000 houses is expected to be built under this programme, representing an investment of R115 million by the Department of Housing.

Von Riesen (2004, cited in [www.leap.org.za](http://www.leap.org.za)) notes that Folweni residents constructed an adaptable land transaction system for themselves because they held lesser forms of tenure and held land outside of the main market. As local government and elected ward councillors have been extended into traditional areas, the role of Traditional Authorities has declined, even as the brokers in peri-urban land transactions. In many cases, councillors now play a critical role in brokering and validating informal land sales ([www.leap.org.za](http://www.leap.org.za)). It is clear that there is a successful informal land market in Folweni at the level of transactions undertaken by individuals. These occur outside of laws pertaining to the dominant tenure type. However the actual legislative mechanisms in which these informal transactions occur are also illegal. This adds an extra layer to the informality of informal transactions (Magni et al: 2002).

Current tenure reforms in the area involve upgrading PTOs to freehold tenure. This can be problematic as some landowners do not have the original PTO, and PTOs are not the only form of tenure security in use. Others included sales agreements, receipts, letters from councillors, Certificate of Occupation for emergency housing, valuation certificates and forms given out by companies for receiving a house (Magni et al: 2002). The current development project insists that freehold tenure is the only form of land holding. Land tenure reform is seen as a formalisation tool, and "ignores the suitability of current legislative and planning mechanisms for a particular set of historical circumstances" (Magni et al: 2002).

Although residents of Folweni are overwhelmingly in favour of freehold tenure, Magni et al outline a number of concerns around this level of formalisation. Formalisation processes and the provision of freehold title can inflate housing and land prices to beyond the reach of the poor. Formalisation is time-consuming and does not acknowledge the incremental nature of land market transactions. There is no guarantee that those

who receive freehold tenure will be able, or willing, to maintain the title from resident to resident especially where informal land markets have brought benefits to the landowner. Improved tenure needs to be accompanied by education programmes for landowners, and addressing broader social and economic needs.

## ⑤ ZEVENFONTEIN

The Zevenfontein informal settlement, with about 5 000 informal houses at its zenith, is located on a portion of the Rietvallei property, privately owned and zoned for agricultural use. Initially six families employed by the land owner settled there and paid rent. However, in the early 1990s land invasions into the area began due to evictions of many resident farm workers off farms. The city was unable to install services on temporarily settled land. The community had no proper water or toilet facilities, and was unable to build permanent homes. Residents did not have formal documentation to show that they lived in the area, and thus had no security of tenure.

The community formed structures to negotiate with the landowner and government for alternative land. Before 1994 there was some violence, with the ANC taking leadership of the area. The Community Development Forum was established in 1999 to deal with issues around the relocation of the community to Cosmo City.

In 1999, the decision was taken to relocate Zevenfontein and River Bend informal settlements to Cosmo City, a planned mixed-use housing development for both low- and middle-income people. To qualify for a house in Cosmo City, Zevenfontein residents needed to be registered with the city. Those who were registered were seen as having secure tenure, while those not registered were seen as very vulnerable. "Registration brings with it evidence of tenure as well as the stratification of rights (A, B and C forms, green cards, relocation letters leading ultimately to title deeds). And evidence of tenure creates the conditions for a local market in land sales" (Development Works: 2005). Local rules and procedures for sale and transfer have been developed and are applied and enforced.

Cosmo City, north of Randburg 25 km from Johannesburg's CBD, is a public-private partnership between the City, the provincial government and developers Codevco, and is a R3.5 billion urban mixed-land-use development. The first beneficiaries took occupation of their houses in November 2005. By December 2006, 2 978 houses were occupied, a secondary school and two primary schools were completed. By the end of 2007 it was hoped that 6 155 houses will be completed, with a private-public clinic, three more public schools, a private school, four churches and a bus stop or taxi rank. ▶

Shopping centres, garages and a municipal multipurpose centre are also set to be built in the 1 105-hectare development, scheduled for completion in September 2009 ([www.fin24.co.za](http://www.fin24.co.za)).

Some beneficiaries “lament the loss of the business (they) ran while living in Zevenfontein: selling fruit and sweets from (their) shacks, which is prohibited in Cosmo City”. This means that, for one woman interviewed, “While the roof over her family’s heads was a blessing, she now could not afford to pay her children’s school fees without an income” ([www.fin24.co.za](http://www.fin24.co.za)). In Cosmo City trading is only allowed in designated areas, some of which are yet to be built.

## 6 ETHEMBALETHU

The Muldersdrift Home Trust Foundation (MHTF) in Mogale City municipality, Gauteng, has, for over 10 years, been trying to buy its own land to establish a village and provide homes and job opportunities in Ethembaletu. In 1997 over 250 families formed a Section 21 Company (MHTF) and made their first offer to buy land using their accumulated savings. This prompted reactions from neighbouring white farmers, and has led to a series of failed purchase attempts, court cases and investigations by consultants on EIAs. To date, the community has not been able to purchase land and is still trying to get permission to build their own houses (Berrisford et al: 2007). In the process, they have spent large amounts of money on consultants, and have even been paid not to settle in one area, in an out-of-court settlement.

The MHTF wants to purchase peri-urban land, relatively well-located with regard to work opportunities. It is thus desirable for high-income gated housing estates. The MHTF would like to establish a mixed-use settlement, “Although they have the financial means to do this, they have been thwarted in their efforts by “government programmes, development planning and environmental requirements, and the land and housing markets as currently configured” (Berrisford et al: 2007).

Berrisford et al highlight the fact that, while government officials have been helpful and positive, their capacity to deliver is undermined by the highly complicated and fragmented framework within which they operate. Current bureaucratic processes are exhausting the

capacity of both communities and local governments to ensure that low-income South Africans of all backgrounds can acquire and develop land and shelter in peri-urban areas (Berrisford et al: 2007). They suggest a number of areas for policy reform:

- Overcoming reluctance and resistance by municipalities and prospective neighbours to low-income settlements
- Making land-use planning in municipalities explicitly pro-poor
- Restructuring the land market
- Realigning planning processes
- Designing a land and housing programme targeted at peri-urban areas
- Re-engineering programme implementations
- Freeing up and building capacity

## 7 CONCLUSION

These examples highlight some of the problems faced by the poor in their efforts to gain access to well-located land, and how they have developed informal mechanisms to overcome the problems they face in the formal system. There is a gap “between the formal instruments of the market and the state and the local, or informal, practices in communities”. This gap “contributes to the reproduction of the dual economy and inequity” (Royston and Narsoo).

In many instances, the legislative requirements and bureaucratic procedures associated with acquiring and developing land (such as EIAs and township establishment) have proved to be daunting, expensive and time-consuming, and work against the interests of the poor. In order to overcome these, extensive negotiations have been needed, with intense institutional involvement. Resolution of the stand-offs in terms of formal access to land thus require intensive resources, both financial and in terms of human capacity.

Further investigation is needed as to whether current forms of documentation and registration and/or the current local system “could form the basis of an officially recognised local system of registration, as an alternative to the central system of deeds registration which has been shown to be inappropriate for and ignored by the poor” (Royston and Narsoo).

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# Discussion AND Conclusion

THESE CASE STUDIES illustrate instances where the poor have gained access to well-located urban land. In this sense, all the cases show examples of where the poor have become better integrated into the daily working of the city. What is clear is that this is often very complex, and that integration, in the sense of enabling the poor to become well integrated into the everyday life of the city, does not always lead to social inclusion. The case studies have raised several key issues which need further discussion and investigation. They have raised an apparent difference between approaches to the indigent and to the working class by both local government and other agencies.

## KEY OBSERVATIONS

### Size of investment vs benefit to the poor

Some of the most successful case studies indicate that it is not necessary to invest vast amounts of money to reap benefits in terms of integration (e.g. R60 000 for the mielie cookers, R600 000 for the bovine head cookers, R250 000 in the Fashion District). More important than the amount invested is a recognition by the city to provide opportunities, accompanied by flexibility in terms of regulation and implementation of projects (e.g. relaxing the fire laws for mielie cookers and drawing up an informal trader policy).

### Economic vs residential interventions

Most energy seems to go into providing well-located housing as the means to providing the poor with access to well-located land. The case studies indicate that economic interventions are important and often more successful at lower costs, as is evidenced particularly by the Durban cases (both legal and illegal).

### Safety and security

A key issue for the poor, many of whom are women with children, is the need to feel safe. This security needs to be both physical and, to a certain extent, social, and is linked to whether or not people feel a sense of inclusion – lack of security is a key aspect of social exclusion. One of the successes attributed to Mansel Road Night Market in Durban is the provision of security guards, fencing and relatively controlled access. On the other hand, one of the key problems facing women in workhouses, apart from exploitative rents, is their lack of safety and security, not only in terms of health and fire regulations, but in terms of abuse and rape by landlords and male residents.

### Integration or inclusion?

In drawing conclusions from the case studies, it is important to remember the definition of integration as used in this research. Integration, in this research,

“is regarded as a consequence of the ability of the poor and disadvantaged to have access (in a spatial, economic and institutional sense) to the opportunities afforded by the city. Thus integration may not necessarily mean racial integration. Rather, an intervention that successfully leads to integration is one which facilitates increased access of the poor to work opportunities, improved residential opportunities, improved access to social facilities and, ideally, an increased sense that they are part of the city, rather than marginalised from it”.

Thus, integration involves the integration of the poor into the normal workings of the city on a daily basis (residentially, economically, socially and possibly culturally). It does not necessarily mean that all residents of the city, rich and poor, black and white, mix together socially or otherwise, in a harmonious existence.



Linked to a discussion of integration is that of social exclusion and inclusion. As indicated earlier, social exclusion reflects “early years’ underdevelopment, lack of educational attainment and the sorts of barriers faced later by those most disadvantaged in the labour market”<sup>1</sup>. Social exclusion constitutes a critical challenge for urban governance. Various forms of social exclusion including weak families and the denial of aspirations, “limit the development of the next generation of producers and consumers”<sup>2</sup>. An inclusive city is one **where people have access to infrastructure, health and education opportunities, are able to build strong communities, participate fully in urban life with a sense of security, can set aspirations and have some confidence that these will be able to be met.**

The case studies in this report all provide examples of situations in which lower-income groups are provided with improved access, either residentially, economically or in terms of access to social facilities, and thus meet the criteria for our definition of integration. However, it is important to question the nature of this access to well-located land. Does it mean good access in the physical (geographic location), economic (access to employment and retail facilities), and social (including access to health and education facilities) sense, at any cost?

Both the Mansel Road Night Market and the workhouses in Durban provide opportunities for poor women for residential and economic activities in the same place. The Mansel Road Night Market does not provide this on the same scale as do the workhouses (providing only 44 units compared to several thousand in workhouses). However, Mansel Road Night Market is legal and developed by the city, and clearly promotes a sense of inclusion among its residents, with no evidence of exploitation. The workhouses exist as a result of the need for the poor, particularly women, to have somewhere close to the city to live, manufacture goods and sell them. However, the fact that there is no regulatory or financial business model which can deal with them, and provide viable safe and secure alternatives, means that the poor in these circumstances will continue to be vulnerable to exploitation.

Thus, in at least the case of the workhouses in Durban, which undeniably have good access and facilitate the daily integration of their residents into the residential and economic functioning of the city, they involve gross exploitation of the poor. Similarly, in the Amalinda Co-op people are better located geographically but are probably worse off economically and socially due to disintegration of social networks, loss of social capital, and of well-established survival strategies. Thus some case studies show that integration in terms of access into the daily functioning of the city does not necessarily lead to inclusion, and can lead to some levels of exclusion,

marginalisation and alienation, as is the case in the workhouses and Amalinda.

In the move from Zevenfontein to Cosmo City, and the move to Amalinda, residents have noted the loss of income from operating informal businesses in the informal settlements. Thus, while their actual housing structure has undoubtedly improved in both cases, they are sometimes worse off financially than before the move.

City involvement in project initiatives seems to be necessary for successful integration of the poor into the city. Poor people will constantly seek access to the city due to their economic circumstances. If this is not facilitated by the city, it will happen and will happen illegally as in the examples of the workhouses in Durban, and illegal squatter settlements such as Zevenfontein and Folweni. If the city fails to act, people will be exploited and very vulnerable.

## LAND DEALS

Each case study reflects on the nature of the land deals (change in ownership, change in land use, land transactions) which formed an essential aspect of providing well-located land for the poor.

A comparison of these raises several interesting issues. Apart from the workhouses in Durban and the extra-legal land cases, all involve local government in some form. In East London, both the Amalinda and Belgravia housing examples were built on land provided at extremely low cost by the municipality (80c per sq m). In both cases this was land that previously formed a buffer strip and that the municipality wished to develop for lower-cost housing.

In the case of the informal traders in West Street, Durban, the municipality provided land that was previously used as road space, and converted this into areas dedicated to informal trading. In Warwick Junction much of the land involved is owned by the city, although land uses have changed over time, in some cases legally and in others not.

In both Rondebosch Mansions and the Fashion District in Johannesburg, land was mainly previously privately owned, but the city has identified problem buildings, and through JPC taken them over to pay bad debts, for redevelopment.

In both the Mansel Road case and the Faraday Station case, state-owned enterprises have owned land which has been used to provide opportunities for the poor to become better integrated into the city. In Mansel Road land was owned by SA Rail Commuter Corporation, Metrorail and leased by the city, and in Faraday Station and market land was owned by both SA Rail Commuter Corporation, Intersite and Putco.



The cases of extra-legal land deals involve informal transactions on land that is privately-owned and traditional authority land.

## FACTORS FACILITATING INTEGRATION

A number of factors seem to enable integration. These include the following:

### Drivers

In many cases key individuals, groups of individuals or organisations, can be identified as the main drivers at various stages of the development of the project.

In Mansel Road Night Market, the need for a solution to the problems facing the Block AK traders prior to 1994 was raised by the women themselves, taken up by ANC activists and then SEWU, and then pursued by the city. Thus the Mansel Road Night Market and Strollers were city responses to community initiatives and political pressure.

In the case of the workhouses in Durban political pressure in a different sense, through threats of exposure of politically high-profile landlords, has played a role in the improvement of conditions in some workhouses. In general, the key drivers in establishing workhouses are either the landowner or principal tenant, constituting an entrepreneurial response to a need for cheap centrally located land. The role of the city to date has been fairly limited and is focused mainly on monitoring, although the better buildings project is now identifying bad buildings and working on ways to upgrade these.

In both Warwick Junction and the West Street informal trader projects, the city has been the key driver. However, like Mansel Road, this has involved extensive negotiations with the affected communities, mainly the informal traders. The rejuvenation of Faraday Market and Station has also been primarily public sector driven, with the JDA instrumental in project management.

In the two housing projects in East London, the municipality was key to the process in that it provided cheap land for the poor. However, in Amalinda the process was driven by ELHMC with the support of Afesis-Corplan. In Belgravia the key driver was HAEL, facilitated by the state. Interestingly, in both the JHC case and the HAEL case, donor money and initial involvement played a crucial role in initiating developments and ensuring they got off the ground.

In the Fashion District the source of the regeneration of the area appears to be a private entrepreneur, Rees Mann, who established the Johannesburg Sewing Centre and SewAfrica. Building on this, the project was taken forward by the municipality and is now primarily driven

by JDA. The city's Better Buildings programme identifies bad buildings and assists in procuring them for renovation. Similarly, in Rondebosch Mansions and housing owned by JHC, bad buildings are identified by the city, expropriated to pay outstanding debts, and the existing residents evicted in order to transform the building into appropriate housing stock. The process is co-driven by the city, JPC and JHC.

The extra-legal land deals are driven by the affected community. However, in the case of Folweni the public sector has played a role, initially through facilitating the move of the displaced community to the area, then providing resources and housing to residents. In the case of Zevenfontein, while the move to Zevenfontein itself was primarily driven by the residents, initially private land was made available by the landowner to a small group of workers. The informal market in registration was, however, created by the planned move of Zevenfontein residents to Cosmo City, which was driven by the city, in consultation with the affected residents.

### Environment – social and political context

Mansel Road Night Market and the two housing projects in East London, Amalinda and Belgravia, were both initiated and developed during a period of significant national transition. During this period, the strategic and policy frameworks tended to be in a state of flux, and the legal and policy constraints currently faced by local government were generally not yet in place. There was a new energy, with pressure from local, previously marginalised groups (black rural women supported by the local ANC in the case of Mansel Road Night Market) and international input and assistance to local organisations (in the case of East London's housing). This enabled key participants in the process to take advantage of aspects such as the vacuum in local level policy and decision-making, and develop innovative approaches that would probably not be possible today. The way in which macro-level policy was framed at the time allowed for more creative approaches at a local level than appears currently to be the case.

It is also interesting to compare the social housing provided in Rondebosch with the two cases in East London, looking particularly at the respective roles of the city and the other agency involved. In East London both social housing projects were, to a certain extent, experimental. The JHC approach in Rondebosch appeared at a later time period, and seems to be an institutionalisation of this approach. Whereas in the earlier East London cases the agency seems to have taken the lead in the development of housing, in Rondebosch the reverse occurred, with the block being identified by the city, and the agency becoming involved at a later date. In this



case, the city seems to be using the JHC to displace the very poor and replace them with the working class (possibly this could be seen as replacing the “undeserving poor” with the “deserving poor”).

It seems that innovative and experimental approaches such as were possible during the 1990s (as is shown in cases such as the East London housing projects and the Mansel Road Night Market) which are likely to have more long-term benefits for the truly poor are less likely to occur now.

### Human agency

In considering access of the poor to well-located land and their integration into the daily workings of the city, it is clear that this is highly complex, requires many different factors to come together simultaneously, requires commitment from a range of stakeholders (public sector, donors, private sector and communities themselves). This complexity appears to be compounded in the current policy and legislative environment. However, linked to the historical or socio-political context is the role of people – officials, community representatives, entrepreneurs – in navigating the rules in order to press for, and implement, the development of land for the poor.

For example, in the case of Mansel Road Night Market, the women themselves sought the assistance of political activists to insist on negotiations with the city to improve their living conditions. In Warwick Junction, key city officials in iTrump were instrumental in negotiations between the city and the community, and in bringing together different city departments to concentrate on the area. In the Fashion District the initiatives of Rees Mann were instrumental in identifying the area and established the basis on which the city developed further engagements. In Amalinda social housing, the co-operative was key to the development and unfolding of the process. In the case of the workhouses, the landowners or principal tenants have conducted the illegal conversion of space, driven by the demand for such space.

### Creating an environment that is inclusive of poor people

Several of the case studies indicate that successful interventions to promote integration, particularly economic interventions, seem to need both a regulatory environment and a physical environment that is inclusive of the poor. City interventions around public space in several case studies showed that there is a conscious recognition and acceptance by the city of the poor e.g. Warwick Junction, Mansel Road Night Market, Faraday Market and to a certain extent the West Street informal traders and the Fashion District.

For example, in Warwick Junction (and to a certain extent, Faraday Market), the public space includes culturally appropriate welcoming signs such as the Mama mural welcoming people to the area, natural materials in construction, provision of space for herb traders, mielie cookers and the bovine head cookers, all of which are cultural practices not traditionally found in the CBD. This is in sharp contrast to other retail areas in the city, such as Gateway or the Pavilion shopping malls, where the poor are clearly not encouraged, let alone welcomed. Anecdotal evidence provided by Dobson suggests that these signs have contributed to the poor feeling the city is theirs, and thus to an increase in wearing cultural attire. Visible recognition and acceptance of cultural practices, e.g. the herb market and bovine cookers in Durban, and the muthi market in Faraday, Johannesburg are all important in facilitating integration and the development of an inclusionary city.

In addition to the provision of signs and street furniture that indicate an acceptance of the poor, the development of a regulatory and policy environment that recognises the poor and improves the opportunities available to them is also necessary. For example, the formal recognition and formalisation of informal trade through policy and the provision of trading areas has greatly improved the economic opportunities available to many traders in Mansel Road, Warwick Junction and West Street in Durban, and Faraday Market in Johannesburg.

### WHO ARE THE POOR – INDIGENT OR WORKING CLASS?

There are interesting differences and similarities between the case studies which suggest that it may be useful to distinguish between the working class and the indigent – are opportunities being made for the indigent or for the working class?

Considering the case studies, it seems that where a project is both initiated by, and executed by, the city, the project is mainly economic and aimed at the indigent (e.g. West Street informal traders, Mansel Road Night Market, Warwick Junction, Faraday). However, in most cases where the city plus another agency are involved (e.g. Belgravia, Rondebosch Mansions), the project tends to be residential and aimed at the working class. An example of the potential conflict between the indigent and the working class is provided by an examination of the social housing provided by JHC – in most cases “bad” buildings are previously occupied by the indigent who are then evicted and the building renovated for occupation by the working class.



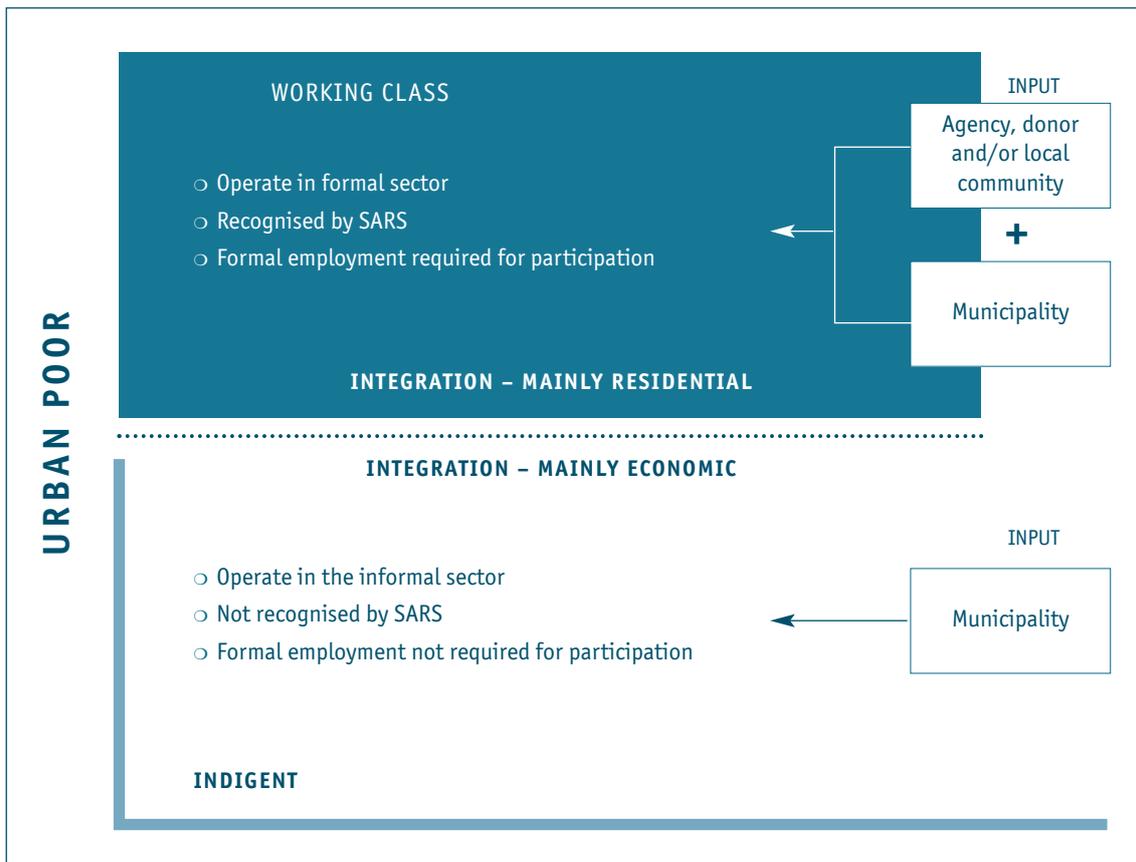
For projects where there is a high risk of failure, there seems to be city involvement, whereas for projects where there is a lower risk and a chance of financial sustainability there seems to be more likelihood that an agency will be involved. The key aspect seems to be the ability to pay – where the poor are less likely to be able to pay, the city is more likely to be solely involved, whereas when the poor can pay, another agency is likely to be involved. Thus the “breakeven point” (represented by the line in the diagram below) between city involvement and agency involvement is that point at which the poor are able to pay, which is likely to be the point distinguishing the working class from the indigent. The working class are those who operate in the formal sector, who have jobs, can produce pay slips, are “inside SARS” and where the key regulatory environment is policy and legislation. In housing projects for the working class, at least in the case studies presented here, the social environment is emphasised, and not just the provision of physical infrastructure.

The indigent, on the other hand, operate in the informal sector, “outside SARS” (either legally or illegally), where the regulatory environment is primarily municipal by-laws. From the case studies presented here, it seems that assistance to improve the integration of the indigent

into the city is more likely to be focused on economic interventions, and these are more likely to be successful than those focused on residential interventions.

A problem in the development of Amalinda co-operative housing is that it tried to straddle both worlds, the indigent and the working class, and seemed to lose control of it institutionally. The project deals with the indigent not the working class, the realm in which the role of the state is the most prominent. In this case, the state seemed to feel that, because it involved the indigent, they had a right to intervene but in doing so, undermined the intentions of the project. This does not mean that in all cases the indigent are passive recipients of basic needs provided by the state, but that the state does have a constitutional obligation to provide services and housing, people have a right to demand this from the state, and the lines distinguishing the state’s and other agencies’ responsibilities are more easily blurred. The ability of the indigent to hold on to their own community processes is much harder, as is also evident in the extra-legal case studies. The community is vulnerable and therefore battles to maintain the integrity of their own co-operative processes.

This is represented in the diagram below.



## AREAS FOR FURTHER INVESTIGATION

The case studies examined suggest at least two areas for further investigation.

### What are the financial costs of the poor to cities?

Given the apparent reluctance of metro governments to provide more, particularly residential, opportunities for the poor to gain access to relatively valuable land close to the city, it would be useful to conduct research to investigate the extent to which the poor are truly a financial risk and a financial drain on the city. A simple map of the location of debt owed to the city across the city, by income, and a map showing the location of households that receive free basic services from the city, would be extremely illustrative in this regard. Those who live in the cheapest housing have no alternative but life on the streets if they are evicted. This raises the question, can the poor afford not to pay, knowing the consequences, and to what extent do they not pay?

## Municipal handbook

Increasing access by the poor to well-located urban land needs careful management particularly by local government, the support of the community, relevant municipal departments and other stakeholders. This needs to be done on an ongoing basis. As Dobson noted, “there is often a lot of energy at project inception, but it is difficult to keep that momentum going, which is essential to the long term success of the project” (Dobson: 2007).

It is also important to ensure that policymakers and officials understand the implications of not developing well-located residential and economic opportunities for the poor – not only for the poor themselves but also for the cities’ long-term financial sustainability. To this end, it may be valuable to consolidate these findings in a handbook to make them accessible to municipal and other government officials who would be in a position to provide opportunities for the poor to gain access to well-located urban land in a manner which would promote their full social inclusion into the city.

<sup>1</sup> Boddy, M, and Parkinson, M, 2004

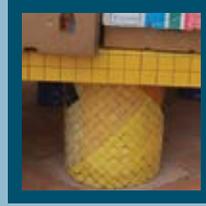
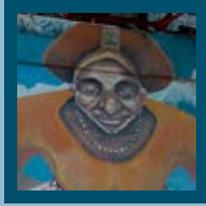
Introduction in Boddy, M and Parkinson, M (eds), 2004, *City Matters: Competitiveness, cohesion and urban governance*, Bristol: The Policy Press

<sup>2</sup> SACN, 2004, 77

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