

TOWNSHIP RENEWAL SOURCEBOOK



CONTENTS

Township Renewal Sourcebook
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ACRONYMS
FOREWORD

iv
v

MODULE 1:

Introducing and contextualising the township renewal challenge in South Africa

MODULE 2:

Unlocking township markets

MODULE 3:

Restructuring the township physical environment

MODULE 4:

Packaging township development projects

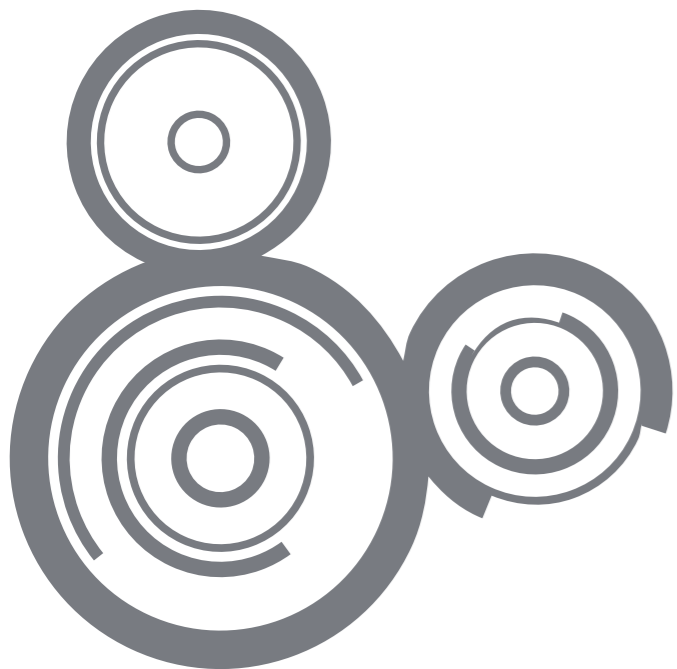
MODULE 5:

Improving urban management in townships



ACRONYMS

ABM	Area-based Management
INK	Inanda, Ntuzuma and KwaMashu
NDP	National Development Programme
SACN	South African Cities Network
ABI	Area-based Initiatives
NSDP	National Spatial Development Perspective
SIPP	Special Integrated Presidential Projects
RDP	Reconstruction and Development Programme
URP	Urban Renewal Programme
DPLG	Department of Provincial and Local Government
NDP	Neighbourhood Development Partnership Programme
UNISA	University of South Africa
CSIR	Council for Scientific and Industrial Research
HOV	High-occupancy Vehicle
CBD	Central Business District
NDPG	Neighbourhood Development Programme Unit
MSP	Municipal Service Partnerships
BOT	Build/Operate/Transfer
NQF	National Qualifications Framework
BSM	Business Sophistication Model
GDP	Gross Domestic Product
BEE	Black Economic Empowerment
KMTC	KwaMashu Town Centre
MPTC	Mitchells Plain Town Centre



FOREWORD

This Sourcebook is a product of the Training for Township Renewal Initiative (TTRI) – a joint project of the National Treasury, the Department of Provincial and Local Government and the South African Cities Network. The project has received assistance from FinMark Trust, Urban Landmark and the Development Bank of Southern Africa.

The purpose of this initiative is to promote and support development and renewal in South Africa's townships, where some 40 per cent of the country's urban population resides. The initiative centres on training, helping to build local expertise to conceptualise, design and implement township development projects countrywide. The expected outcomes of the project are:

- A clear progression from the urban development strategy level of planning to the development of neighbourhood or precinct-level plans for the regeneration and restructuring of townships.
- The development of a pipeline of potential projects that are appropriate and feasible, and which can be funded by national government grants, private investors or municipalities.
- A larger pool of local project managers who can coordinate project partners, engage local communities, account to municipal councils and other funders, and project manage construction and urban management interventions.

The Township Renewal Sourcebook is the foundation material for all practitioners entering the TTRI programme; it will also be circulated more broadly among township development practitioners and trainers. While TTRI products are developed primarily for an audience of public-sector officials with post-matric qualification, the Sourcebook has been designed as a practical tool that is readily accessible to a non-technical audience.

The Sourcebook is presented in five modules:

- **MODULE 1:** Introducing the township renewal challenge, provides an overview of South Africa's urban landscape, summarises policies that promote socioeconomic development in townships, and reviews strategic outcomes.
- **MODULE 2:** Unlocking township markets, provides a framework for identifying areas of economic intervention with a high potential for success, focusing on the labour, commercial, services and residential markets.
- **MODULE 3:** Restructuring the township physical environment, examines the range of public-sector physical interventions that can be applied to support development.
- **MODULE 4:** Packaging township development projects, reviews the key elements for the success of physical interventions in townships, as well as the preconditions for mobilising private-sector investment.
- **MODULE 5:** Improving urban management in townships, looks at the regulatory, operational and maintenance factors needed to support township development.

Several case studies are included in the Sourcebook. Over time, new case studies will be added, and existing ones updated, to ensure that the material presented in the Sourcebook draws on current best practice.

In addition, Powerpoint presentations on a handy flash drive provide an overview and synthesis of the content in each module and case study.

The TTRI project values any comments that you may have after completing this Sourcebook. You can reach us at: XXXXXXXXXXXXXXX

The Project Partners



INTRODUCING THE TOWNSHIP RENEWAL CHALLENGE

- 1.1 Introduction
- 1.2 Origins of South African townships
- 1.3 The urban landscape today
- 1.4 International experience in addressing exclusion areas
- 1.5 Township development policy in South Africa
- 1.6 Township renewal outcomes
- 1.7 Conclusion

1.1 INTRODUCTION

The purpose of this first module is to outline a broad understanding of the main challenges in township renewal, and the developmental outcomes that can be targeted in this context.

This module:

- Examines the historical origins of townships, and their inherited physical and social legacies.
- Reviews current conditions in South African townships.
- Touches on relevant international practice adopted to deal with similar renewal challenges.

- Discusses township renewal in relation to government policy and development priorities and programmes.

- Introduces broad outcomes for township renewal.

Given the complex and varied nature of developmental challenges in South African townships, this module focuses on key problems and highlights a systematic approach to renewal. As someone responsible for township renewal, you can anticipate that you will not be in control of addressing all the challenges, but will instead need to provide strategic guidance for priority programmes and projects to help leverage change.





1.2 ORIGINS OF SOUTH AFRICAN TOWNSHIPS

COLONIAL PLANNING

Townships were inspired by colonial town planning. While at home they are often considered a uniquely South African creation, townships are found in many African cities. The colonial planners intended to physically segregate three classes of people, which generally coincided with race:

- the white colonial elite
- the colonised middle-class made up of Indians and some Africans employed in the bureaucracy
- the urban majority of Africans.

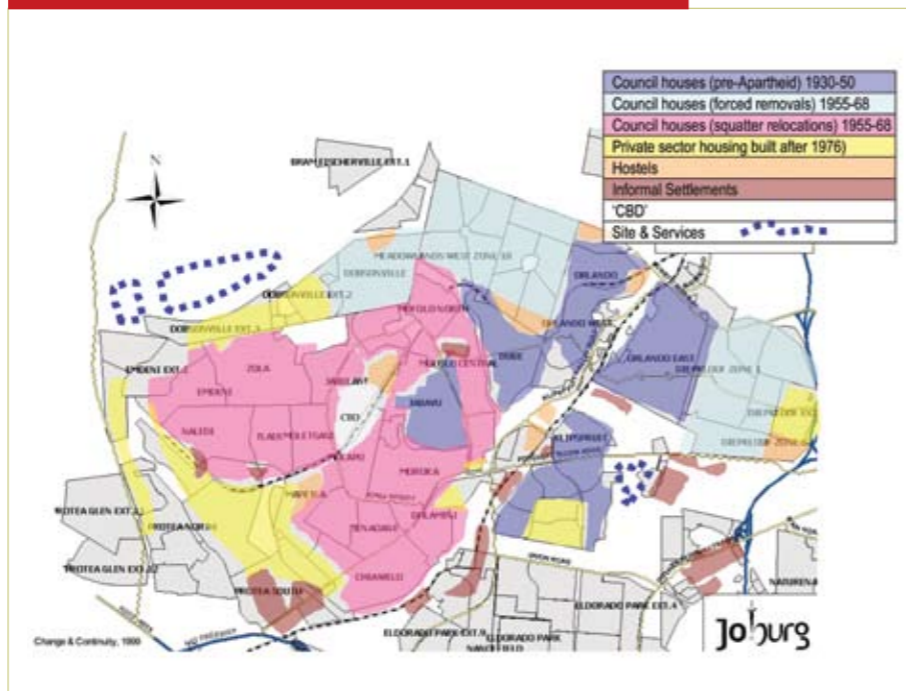
For the African working class, townships were planned some distance away from the colonial towns. In South Africa the first 'locations' were founded more than 100 years ago – the oldest existing one is New Brighton in Port Elizabeth, which was built in 1902-03. Between the two World Wars, municipalities built a number of townships at the urban periphery, separated from the cities by green belts. Examples are Langa in Cape Town, Lamontville and Chesterville in Durban, and Meadowlands in Johannesburg.

APARTHEID TOWNSHIPS

Most large townships were built or significantly expanded by the apartheid government after 1950. Through the enforcement of the Group Areas Act (1950), accompanied by various elements of racially engineered town planning legislation, the government forced the entire non-white urban population to live in townships. Such legislation determined strict racial separation by stipulating that:

- 'Each race group should have its own consolidated residential area.

Township establishment and growth, Soweto



- 'Each residential group area should be separated by a strong physical 'buffer' such as a river or ridge, or an industrial or commercial area. Should buffers of this kind not be available, then an open space or 'buffer zone' was to be left between group areas.' (Smit 1989:103)

The figure shows how, over time, Soweto grew from a few small 'suburbs' to the township it is today. (Source: "Change and Continuity", 1999)

These regulations, alongside massive housing programmes initiated to accommodate a growing urban working class, underpinned the creation of townships and shaped South African cities in the unique way that we see today.

For black (African, Indian and Coloured) South Africans, townships were areas of exclusion, control and containment, affecting every aspect of residents' lives. Most townships were linked to the city centre and industrial areas by a single road and possibly one railway line, which could easily be

blocked if residents began to organise protests against these conditions.

NEW PATTERNS

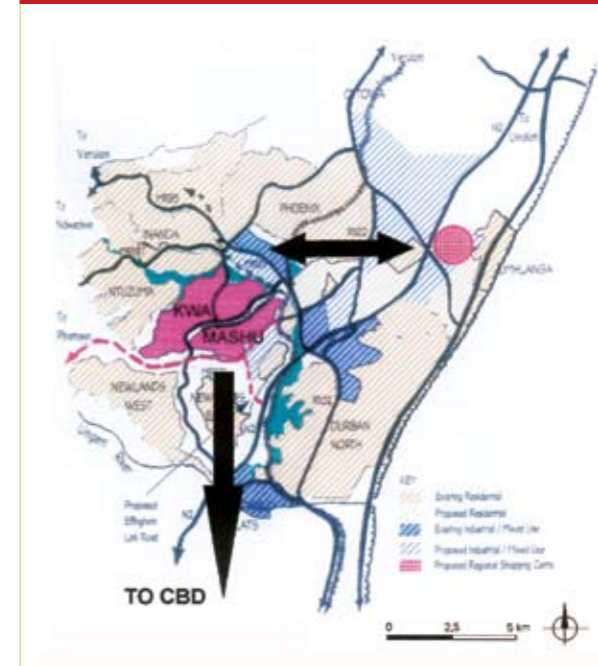
At the outset, the peripheral location of many townships and their limited transport links to the cities was the worst aspect of spatial exclusion – and most townships still face this problem. In some cases, however, cities have expanded so much that townships are no longer at the urban periphery. For example, Alexandra (Johannesburg) and Duncan Village (East London) are today extremely well located from the point of view of urban access.

In addition, new patterns of economic activity have developed, particularly since the early 1990s. In all large cities, new economic activity nodes have developed outside the historic central business districts. Today, many cities are 'multinodal', with economic activity and workplaces concentrated in several locations.

These structural changes affect townships in different ways. Many townships, especially those built in the 1970s and 1980s (e.g. Soshanguve in Pretoria, Mdantsane in East London and Botshabelo outside Bloemfontein) remain far away from work opportunities. Others find themselves close to new economic nodes (e.g. INK [Inanda, Ntuzuma and KwaMashu], which lies one freeway exit away from Umhlanga Ridge – the wealthy business/residential district of Durban).

But proximity to urban growth nodes has not resulted in integration or in visible development. The few townships that are relatively well-located have become overcrowded as they become the place of choice for new migrants into the cities, as is the case

INK and Umhlanga Ridge



The figure shows how close (5km) the residential conurbations of Inanda, Ntuzuma and KwaMashu (INK) are to Umhlanga while being quite far from the Durban CBD (20km). (Source: North Central Local Council 1998a)

in Alexandra and Duncan Village. Many residents of INK have found jobs at Umhlanga Ridge, but getting there is difficult because Umhlanga Ridge was planned without public transport links to the townships. In the evenings hundreds of black workers wait at makeshift taxi ranks in the parking lot of the main shopping mall for transport.

Since the 1990s, urban townships, well-located or not, have undergone massive expansion as migrants from the rural areas have been drawn to the cities in search of work. The townships provide cheap rental housing or the opportunity to build a shack.

For apartheid's planners, cheap and efficient movement of labour to and from work opportunities was never a major factor in deciding on a new factory or a new settlement for the poor. This has left South Africa with a very expensive public transport system – costly for township residents to use and for the state to subsidise.

In the 1950s the layout of many townships was based on international



KwaMashu Master Plan, 1957



The 1957 KwaMashu Master Plan shows spaces for the commercial centre and nine sub-centres indicated in blue. From the beginning the planning model contradicted the function of townships as dormitory suburbs of the working class. Local economies could never develop because of low wages and large amounts of money leaving the townships to pay for rents, fees, and services. Few public and private facilities were developed in townships and large portions of the main and sub-centres remain vacant up to today. (Source: S. Godehart 2006)

planning models then in vogue. Master plans for South African townships were often based on the British 'New Towns', which were generally planned as independent towns with their own economies. In this model, large town centres and generous sub-centres were planned to accommodate commercial and public facilities. Some of this thinking is still on display in areas such as KwaMashu.

But these virtually suburban planning models, with large vacant spaces and mainly freestanding houses, resulted in low residential densities and long travelling distances, contributing to transport problems for the great majority of township residents. One response to this was the development of the taxi industry, which boosted residents' mobility. Scattered spaza shops and other small service providers developed primarily as a result of growing unemployment, but were also a response to the inconvenience of long distances and the costs of transport. There are about 750 000 informal businesses located in townships, providing work for some 1.6 million people. (Ligthelm, 2005)



1.3 THE URBAN LANDSCAPE TODAY

Townships are an ever-present part of the urban landscape in South Africa. The typical city or town will contain a mix of the following elements:

- Core and frame (fringe/periphery)
- Decentralised commercial centres and suburbs
- Industrial areas
- Upper- and middle-income residential neighbourhoods
- Declining residential neighbourhoods
- Townships and post-apartheid additions

Africa's urban population live in townships, and 20 per cent live in informal settlements and low-income housing estates. For example, 43 per cent of Johannesburg's residents live in Soweto alone, and a total of 73 per cent live in townships, informal areas and low-cost housing estates.

Emerging data indicates that townships are largely – but not exclusively – an urban challenge. A quarter (24.4 per cent or about 11.6 million) of South Africa's population of 47.8 million people live in the country's 76 largest townships (Township Database, NDP Unit, 2007).

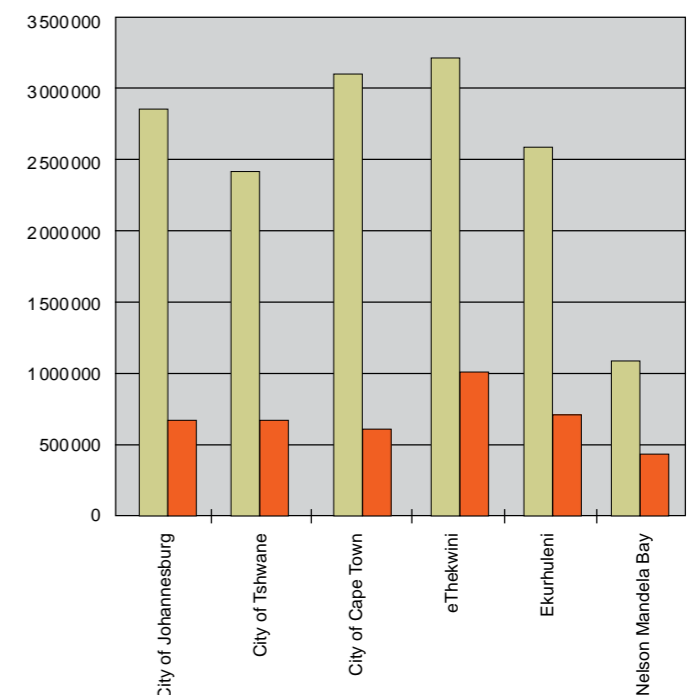
Townships are also likely to be home to the highest concentrations of poverty.

These elements are discussed in detail in Module 3.

Due to the historic social compression in racially segregated areas, old townships are socially, culturally and economically diverse. Many of them – especially larger townships – contain middle- and

According to a 2004 study by FinMark Trust, more than 40 per cent of South

Population and poverty in selected cities



The graph shows the number of people in poverty in selected municipalities. This is defined as people living in households with monthly incomes under certain thresholds, depending on household size. For 2005 the thresholds varied between R893 for a 1-person household to R3 314 for an 8-person household. Only the metropolitan municipalities are shown, but the situation applies to smaller towns to an even higher degree. (Source: Global Insight: ReX Version 2.0p (305))

■ Population (2005)
■ Number of people in poverty (2005)



Poverty pockets within townships



The average household in Alex has 1.6 earners and an average income of R2 446 per month. Lowest incomes are in Transit Camp & Setswetla and highest in East Bank

lower-income areas and scattered middle-income households. However, most township residents are poor and unemployment rates are very high. For example, figures for Soweto show that in 2004, 28 per cent of households had a monthly income below R800, and that 40 per cent of economically active people were unemployed (City of Johannesburg, 2005).

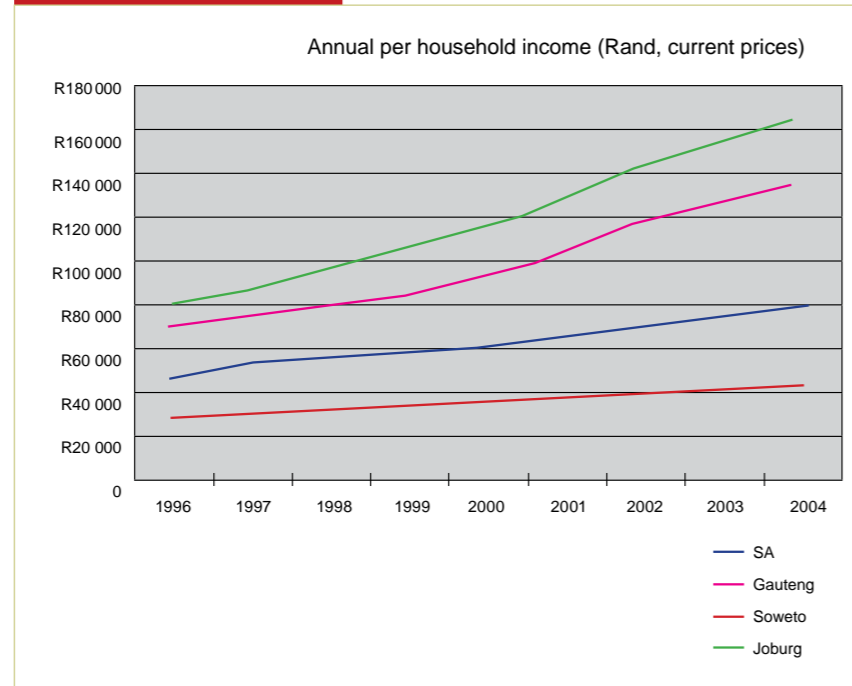
Income disparity is particularly evident when the economic data for a township is compared with the rest of the metropolitan area. These disparities are growing.

Clearly, the benefits of economic growth for township residents have been far below expectations. For many people, townships have become poverty traps.

POVERTY TRAPS

The disparities between townships and the rest of the urban system does not mean that townships are universally poor. Substantial differentiation does occur within townships, particularly between formal and informal, and established and new residents. The graph above, illustrates this reality.

Household incomes



Between 1996 and 2004 the average income of households in Soweto has grown very slowly compared to those of Johannesburg and of South Africa. In 1996 the average income in Johannesburg was about 2.5 times as high as in Soweto; in 2004 it was nearly four times as high. (Source: Global Insight)



1.4 INTERNATIONAL EXPERIENCE IN ADDRESSING EXCLUSION AREAS

Although the scale of exclusion characterising South African townships is vast, it is not unique to South Africa. Internationally, a considerable international body of experience has been developed to address urban exclusion.

As the South African Cities Network (SACN) Urban Renewal Overview (2003) notes: 'internationally, residents in exclusion areas typically manifest low incomes but this is only one manifestation of their distress. The tendency for the poor to concentrate in poor quality private or social rented housing is inextricably linked to the shortage of local jobs, poor transport access to employment opportunities, the lack of social networks to access information on available jobs, lack

of educational qualifications and vocational skills among residents, the stigmatisation of residents from areas, and the development of cultures of poverty'. (p 68)

Many European programmes and projects address such forces of exclusion by applying the concept of 'inclusion'. As the SACN report notes, 'access to democratic and legal systems promotes civic integration, access to the labour market promotes economic integration, and access to welfare systems promotes social integration...'

Since exclusion is generally concentrated in specific areas, the international trend has been to focus inclusion initiatives in spatial





programmes known as area-based initiatives (ABIs) While there is a considerable difference between ABIs internationally, all have three core features: they are focused, area-oriented institutional mechanisms; they address a range of sectors; and they encourage 'joining up' mechanisms to get things done.

In European development practices, outcomes are generally presented in two categories:

- 'For place' outcomes target improved neighbourhoods and residential areas, public environments, new property investments and so on.
- 'For people' outcomes target the residents of an area and seek to enhance education levels, skills, ability to compete for jobs and so on.

Pursuit of these two sets of outcomes is not necessarily incompatible. In fact,

most recent practice in Europe targets both. However, planners need to be clear about what balance is being pursued (and why) from the outset. They also need to anticipate the longer-term effects of any interventions.

Gentrification, for example, is one area where the achievement of 'for place' outcomes 'can act against 'for people' outcomes. Public-sector initiatives to turn around an area by improving access, upgrading the public environment and stimulating property investment can attract wealthier groups of residents from further afield. In the process, as prices rise, 'yuppie' populations can displace lower-income residents to another poor neighbourhood.

The application of this conceptual distinction in township development planning is crucial, and is discussed in Sections 1.5 and 1.6.



PRINCIPLES OF NATIONAL SPATIAL DEVELOPMENT

Government spending on fixed investment should be focused on places of economic growth and/or potential. This will play a role in attracting private-sector investment, stimulating sustainable economic activities, and creating employment opportunities.

The focus should be on people, not places, to address past and current social inequalities. Places of high levels of poverty AND development potential should receive fixed capital investment.

In areas of low development potential and high levels of poverty, the development focus should be on providing social transfers, human resource development and labour market intelligence to capacitate people to access economic opportunities.

Future settlement and economic development opportunities should be channelled into activity corridors and nodes adjoining or linked to main growth centres. This will play a role in overcoming apartheid spatial distortions.

(Source: NSDP, 2003, adapted)

2. Improve housing and infrastructure by encouraging investment, increasing access to finance, maintaining safety and security, and alleviating environmental hazards.
3. Promote urban economic development to enhance the capacity of urban areas to alleviate poverty, increase economic and employment opportunities, and maximise the multiplier effect from implementing development programmes.
4. Create institutions for delivery, which will require transformation and capacity-building at all levels of government, and clarity on roles and responsibilities.

The framework also highlights the importance of partnerships between government, the private sector and civil society. Moving away from the notion that township renewal is a challenge to be addressed by the state alone, it emphasises a broader mobilisation of resources and participants in township renewal. Despite this policy stance, in practice government has remained the key driver of township investment, with private investment remaining at the periphery.

THE NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE

The National Spatial Development Perspective (NSDP), adopted in 2003 and updated in 2006, is South Africa's first set of national spatial guidelines. It analyses South Africa's spatial realities, and proposes principles to coordinate and guide policy implementation across government.

The NSDP makes clear that the focus of public fixed (capital) investment, beyond the obligation to provide basic services, should be in areas of economic potential. While identifying such potential is not a simple matter and can be somewhat subjective, critical analysis

of localities and the comparative advantages they offer needs to inform intervention and investment in townships. Areas of potential should be focal points for public investment that serves as a catalyst for broader growth and opportunity.

Many township areas have limited potential for economic development. Some settlements, for example, are in obvious decline, and it would be counterproductive to pour public capital into these areas. However, such areas cannot be ignored: investment in human capital can be catalytic in its own right, and infrastructure is needed to support delivery of social services. Relatively minor but well-planned adjustments in the way services are provided and located can unlock local economic opportunities without significant capital investment.

This application of the NSDP principles is mirrored in the conceptual distinction between the targeting of 'for place' and 'for people' outcomes. The conditions in any given township need to be carefully assessed for maximum developmental impact. Given that many townships are very large and internally differentiated in terms of economic opportunities, township renewal practitioners may need to apply different mixes of 'for place' and 'for people' interventions to different parts of a single township.

GOVERNMENT STRATEGY

Township regeneration also needs to be seen in the light of government's overarching mandate to reduce poverty and accelerate broad-based economic growth.

Government's *Towards a Ten Year Review* (2003) describes the vast gulf between the formal and informal economies in South Africa. On the one hand, the formal economy is advanced, based on skilled labour and

1.5 TOWNSHIP DEVELOPMENT POLICY IN SOUTH AFRICA

POLICY AND STRATEGY CONTEXT

South Africa does not have one policy that focuses on township renewal. Rather, the country has a set of overarching policies, underpinned by the democratic and developmental vision expressed in the Constitution. Sectoral policies such as those for housing, health, education and so on were intended to be the vehicles through which special attention would be given to areas that have suffered from discriminatory planning and wilful neglect under apartheid. In many cases, however, these sectoral policies have not lived up to that challenge.

URBAN DEVELOPMENT FRAMEWORK

The Urban Development Framework, developed in 1997, highlights the excluded nature of townships and informal settlements and stresses the need to 'connect' them to places of opportunity. It presents four key elements of township development:

1. Integrate the cities to negate apartheid-induced segregation, fragmentation and inequality. The focus is on upgrading informal settlements, reforming planning systems, and improving transportation and environmental management.



becoming more globally competitive; on the other, the informal economy is marginalised, lacks skills and is populated by unemployed workers or those who are unemployable in the formal sector. The vast majority of South Africans are still locked into the informal economy, and this is the country's central national development challenge. Township renewal programmes play an important role in overcoming this dichotomy. The informal economy, which dominates in township economic life, is characterised not only by economic poverty, but also by a lack of public amenities, social services, health care, educational facilities, and effective institutions for the maintenance of peace and order. These conditions tend to replicate themselves and make it difficult to attract significant private investment or to generate savings.

TOWNSHIP RENEWAL PROGRAMMES
SACN's *Urban Renewal Overview* (2003) presented urban renewal in three categories that are useful for planning interventions:

- Urban centre upgrades address inner-city areas that have experienced capital flight and decline.
- Informal settlement upgrades refer to large freestanding informal settlements, often located near the urban periphery.
- Exclusion areas suffer high levels of economic, social and political exclusion from the mainstream. There are two subcategories: areas that have been excluded by design, and areas that have been excluded by decline (e.g. Hillbrow in Johannesburg).

Townships mostly fall into the category of exclusion by design – a reference to apartheid spatial planning. They are generally old formal townships, and while they may often include some informal

areas, they are different from large freestanding informal settlements. They often accommodate populations with strong working-class roots, but currently have high levels of unemployment, social frustration and alienation (which often takes the form of gangsterism and crime) and decaying infrastructure.

Typically, formal housing stock in areas excluded by design is overcrowded and informal settlement often takes the form of backyard shacks for rental. There are also urgent needs for access to health services, education facilities, better sanitation and improved law enforcement. While these areas may have more developed social capital than large freestanding informal settlements, formal education levels are generally low, with a thin skills base. Such areas offer little in the way of economic opportunity: the levels of poverty and underdevelopment make it difficult for them to attract significant volumes of private capital and to generate savings.

As stated earlier, while South Africa does not have a specific policy on township renewal, there have been some high-level government initiatives in this area.

SPECIAL INTEGRATED PRESIDENTIAL PROJECTS

As part of the Reconstruction and Development Programme (RDP), the first democratic administration launched the Special Integrated Presidential Projects (SIPPs) within its first 100 days in office. Thirteen projects were selected, and were based on an integrated, multi-sectoral approach. The political intent of these projects was to quickly and visibly demonstrate government's commitment and capacity to improve the living conditions of its people. Independent evaluations judged the SIPPs as a success. Many of the lessons learnt from this initiative informed subsequent township interventions, and this Sourcebook has also drawn on this experience.



URBAN RENEWAL PROGRAMME

In 2001, government launched the Urban Renewal Programme (URP). The URP targeted eight urban nodes: Alexandra, Mitchells Plain, Khayelitsha, Inanda, KwaMashu, Mdantsane, Motherwell and Galeshewe. All these areas displayed common features: they were townships established under apartheid, experiencing high rates of poverty and crime, and deteriorating engineering infrastructure. The majority of residents had formal housing stock but there was also an informal housing component. All had very little in the



other authorities, and forms a large part of the practice-based materials used in this Sourcebook.

NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP PROGRAMME

South Africa's townships, being home to a significant proportion of the population, form a vast reservoir of underutilised social and economic potential. In response to weak long-term planning for townships, as well as the less-than-optimal focus on investment in economic infrastructure in those areas, the National Treasury designed a conditional grant known as the Neighbourhood Development Partnership Programme (NDP).

The NDP, targeted at specific municipalities, recognises that strategic public-sector investment in community facilities can help draw in sustainable private-sector investment. The programme aims to encourage future-oriented township development; to kick-start township regeneration by creating a critical mass of commercial and community facilities; to create internal linkages within townships and/or between townships and economic centres; and to bring about environmental improvements.

The NDP works to stimulate and accelerate investment in poor, underserved residential township neighbourhoods by providing technical assistance and capital grant financing for municipal projects that have either a distinct private-sector element or an intention to achieve this.

As a pilot programme, the NDP has a strong learning and knowledge-sharing agenda. The intention is that experiences and knowledge gained through the programme will help government and the private sector to improve the balance between social and economic investment in all townships.

way of economic opportunity and public transport was poor. The resident populations in general had low education and skills levels.

While the primary objective of the URP is poverty alleviation and development, the manner in which it seeks to do this is through 'joined-up' government that combines and coordinates resources from national, provincial and local level.

The considerable experience generated in the URP continues to be documented by the Department of Provincial and Local Government and





1.6 TOWNSHIP RENEWAL OUTCOMES

The material presented up to this point provides a useful basis for identifying the range of outcomes that could form the focus of SA township renewal interventions, presented as 'for place' outcomes and 'for people' outcomes.

'FOR PLACE' OUTCOMES

'For place' outcomes aim to capture the economic potential in an area and its people, eliminate inherited physical constraints, and address relevant urban management issues.

Activating the economy

Currently, township economies are marginal and undiversified. For example, Soweto houses 43 per cent of Johannesburg's population, but contributes only 5 per cent to the city's gross geographic product. Economic activity in many townships is generally limited to retail (frequently informal), trade, transportation and government services.

Retail and services

According to several studies, township residents spend most of their disposable income outside the townships. The Soweto Retail Strategy found that in 2006, only 25 per cent of disposable income was spent in that township. The study considers the doubling of local spending to be a realistic projection if more attractive and cheaper shopping facilities are made available.

Currently, shopping malls or centres are being developed in many townships. Of these, the Maponya Mall in Soweto is the biggest and sets a high standard. Malls appear to satisfy the aspirations of residents for a choice of high-quality goods and an exciting shopping experience. Such developments may contribute to retaining existing, or attracting new, middle-income residents to the townships.

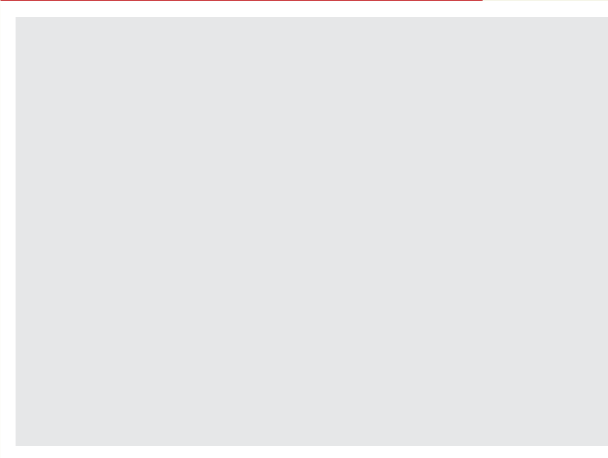
The Soweto Retail Strategy acknowledges the role of informal trade in the township economy. The strategy suggests a spread of retail across the township in a way that might benefit all residents. It notes that shopping centres at various nodes are not sufficient or adequately convenient to supply township residents, and that individual shops or small groups of shops and informal businesses also have a role to play.

A study in Soshanguve by the Bureau of Market Research (UNISA, 2006) found that large shopping malls can have a negative impact on informal retailers and, to a lesser degree, small formal shops near the malls. The Soweto Retail Strategy argues that a balance between shopping centres, local businesses and informal providers needs to be achieved. The study stresses that small businesses play a vital role in increasing local economic activity.

The level of economic activity can be measured by determining how often each Rand that comes into a certain area (e.g. through wages or pensions) circulates before it leaves the area. Where economy thrives, each



Crime and small business



The photograph shows two shops in a neighbourhood unit centre in KwaMashu. The owner of the store in front took over the shop in 1997 when the previous owner was shot dead while locking up one evening. The current owner has also been shot in an armed robbery but survived after some time in intensive care. The bullet holes are still visible in the shop. He has installed burglar bars, and razor wire to stop people entering through the roof. He also checks his shop every night at different times. Other shop owners said that they too sleep in their stores.

Rand typically circulates eight to 10 times, but in townships it circulates, on average, only 1.3 times (Business Day, 6 September 2006).

Often the lack of premises for small businesses is raised as a problem that hinders establishment of small enterprises. This is partly true but does not explain the large number of home-based businesses.

The main reasons that businesses operate from residential premises are costs and security. According to the Soweto Retail Strategy, large retailers consider crime in townships a manageable risk. Presumably, in shopping centres economies of scale allow for the installation of elaborate security systems. However, individual and small groups of shops are more exposed and their owners have little means to protect themselves, as demonstrated in the photograph on the left.

Residential markets

Under apartheid, Africans were not

allowed to own land in urban areas, but township houses could in principle be rented or owned. This policy has resulted in a legacy of different legal forms of ownership. Private letting and sub-letting has existed as a tenure option since the building of townships, although this practice was illegal under apartheid. Today, different (often informal) forms of tenure are common in townships – from letting out backyard space to build shacks, to letting out the complete property by absentee landlords.

Many township residents have invested significantly in their homes. Most had to do this out of their pockets because until the late 90's banks did not operate in townships (red-lining).

Despite media reports of 'buoyant' property markets in the better parts of townships, this market is less viable than expected. Banks have begun to provide bonds in townships, but selling and buying remains difficult because "transferring properties is a long and tedious process that requires a lot of patience" (Mercury, 22 September 2005).

In a 2005 study, FinMark Trust found an extremely stable ownership structure in townships. None of the owners of old houses who were interviewed considered selling. To appreciate why, it is worth considering that most township houses are paid-up and are therefore an affordable, secure place to stay. They may constitute family homes that are often inherited, and the legal owners may feel obliged to keep the house for the benefit of the family. In addition, many use their properties to run businesses and/or to generate income by letting out rooms or backyard shacks. The study casts doubt on the idea that regularising tenure (ownership) arrangements will change the attitude of township residents towards their property as a

social – rather than a financial – asset. The study also suggests that more consideration should be given to rental forms of tenure.

Complicated legal issues apply also to non-residential properties. Even vacant sites in township centres and sub-centres are often difficult to buy or lease as the example in Story 1 illustrates. The legal issues are particularly difficult to navigate for individuals and small local institutions.

With regard to housing, the emphasis has been on dealing with the backlog for lower-income houses, while commercial housing investment opportunities have often been ignored. Many townships have large areas around the town centres that cannot be developed solely as retail areas. They offer great prospects for small and large investors in the provision of infill and mixed-income housing. This will also help to attract new and retain existing, middle-income earners.

Module 2 of this Sourcebook will examine the issues related to the activation of township markets in more detail.

Remaking the physical infrastructure

Earlier, this module discussed the physical legacy that continues to disadvantage townships.

This legacy includes:

- peripheral location
- polarised city growth
- unidirectional transport flows
- poor transport connections between townships and new economic nodes
- dispersed and restricted movement
- low-density built form and overcrowding

Diversity of residential properties



These photographs show the diversity of housing stock in KwaMashu. Often the residential housing stock in old townships is quite diverse because residents have extended and improved their homes. Some have replaced the houses with new ones or even small blocks of flats. But there are also houses that have strongly deteriorated or have added backyard shacks.

- lack of range and quality of social facilities
- limited range of economic infrastructure and services
- limited range of residential choice
- insecure or unsafe space
- lack of identity and 'sense of place'

Module 3 of this Sourcebook will examine these problems in greater detail and identify interventions.

Module 4 examines how necessary inputs can be assembled and applied to execute the required physical interventions. Inputs refer to accessing the land, capital, human resources and legal authority to execute programmes and projects.

No easy road to leasing

In the case of Durban's townships many sites are privately owned. During the 1980s the then KwaZulu government gave away sites in sub-centres to individuals, presumably as political favours. Most of them never developed the land. Today it is often difficult to find the registered owners or their heirs. Accessing state land can also be difficult. In KwaMashu it took a community-based organisation that had funding to build an art centre for youth three years to secure a 10-year lease for a piece of state land in a neighbourhood centre that had been vacant for more than 45 years.

Managing the shebeen industry

A recent article (Business Report, 23 September 2007) reported the social problems typically associated with shebeens, such as drug trafficking and prostitution, but also stated the large number of people whose livelihoods depend on them. It estimated that 182 000 unlicensed shebeens and some 10 000 licensed bars operate in townships. Ligthelm (2005) estimates the number of shebeens at only 40 100, employing 96 600 people. Even according to this lower estimate, nearly three times the number of people found work in shebeens than in the automotive assembly industry, which maintains about 35 000 jobs. The article does not take the argument further, but an obvious conclusion is that shebeens are here to stay and need to be managed.

Improving regulation, maintenance and operations

Until the mid-1970s all aspects of township life were strictly controlled. After the Soweto Rebellion in 1976, the apartheid state focused on stamping out growing political resistance and petty controls gradually broke down. In the democratic era, much of the focus has been on capital investment and development – especially to reduce backlogs in service infrastructure and housing.

Urban management is a necessary complement to sustainable development. To date, however, urban management has simply not featured in townships. Many municipalities have not introduced or enforced regulations such as by-law and town planning schemes. Township residents complain about 'lawlessness', and want rules to be introduced and enforced. Municipalities are slowly beginning to introduce regulatory systems.

A study commissioned by FinMark Trust in Katlehong, Orlando East and Mamelodi found that home-based businesses operated on 14 per cent of all residential sites. While 30 per cent of these entrepreneurs are aware that their businesses do not comply with zoning regulations, another 40 per cent do not know whether their businesses comply. Research (Tipple and Kellet 2002) shows that most home-based enterprises do not have a negative effect in their neighbourhoods because of their small scale, but there are exceptions, as the story on shebeens illustrates.

Township renewal practitioners need to strike a balance between regulations that deal with nuisance, and serious land use conflicts, while allowing residents to make a living from informal economic activities.

Urban management is a complex mix of boosting managerial acumen,

and aligning people, plans and budgets. It needs to be more than councils urging everyone to be part of planning as a wish-list exercise, with the management of this promise being taken care of by the state. Urban management is also about fostering joint accountability by ensuring that people are also part of the delivery process. This may imply, for example, the accommodation of community-based organisations in government procurement systems.

The infrastructure in many townships is more than 50 years old and requires significant maintenance and upgrading, even as new infrastructure is built to deal with backlogs in service provision. Module 4 of this Sourcebook examines these challenges in greater detail and discusses strategies for urban management in townships.

'FOR PEOPLE' OUTCOMES

In township renewal, documenting people-centred initiatives has not yet received the same attention as place-centred initiatives. The challenges, however, are no less important and include:

- high levels of crime
- high rates of drug and alcohol abuse, and risky sexual behaviour
- low high school achievement levels for many scholars
- low vocational and life skills, and lack of information about the labour market
- high levels of gangsterism and weak community support structures
- low levels of self esteem and widespread stigmatisation

These problems contribute to the continuous outflow of upwardly mobile segments of the populace, which in turn depletes the human resource base.

1.7 CONCLUSION

The table below summarises key outcomes for township regeneration.

PHYSICAL	MARKETS /ECONOMIC	URBAN MANAGEMENT	SOCIAL
1. Reduced transport costs and times for commuters	1. Improved competitive position of workers and work seekers in regional labour markets	1. Vibrant, safe, regulated, well-managed and maintained public and private environments	1. Enhanced access to a range of regional social opportunities
2. Greater access to regional opportunities	2. Better performance and competitiveness of township businesses	2. Increased end-user/ community involvement in urban management	2. Elimination or co-option of gangsterism and the other exploitative structures
3. Reduced physical segregation/isolation from adjacent city/town	3. Optimal performance of township residential property markets	3. Higher equity standards in township services and public facilities	3. Increased number, range, capacity and connectivity of local community institutions
4. Increased access to facilities, goods and services in the township	4. Improved performance of retail and services market to benefit residents.	4. Higher rates of social and economic returns from investment in township public infrastructure	4. Reduced outmigration of human capacity and role models
5. Enhanced intra-township mobility and accessibility		5. The quality of residential accommodation is improved	5. Greater capacity of adults and those in positions of authority to act effectively against risky and anti-social behaviour
6. Improved use of existing capital/ infrastructure assets			



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