

TTRI

Training for Township Renewal Initiative

Tel: +27 (0)12 315 5075

Email: li.pernegger@treasury.gov.za

14th Floor, 240 Vermeulen Street, Pretoria, South Africa
(Private Bag X115, Pretoria, South Africa, 0001)



Townships in the South African Geographic Landscape – Physical and Social Legacies and Challenges

October 2007

Li Pernegger

Susanna Godehart

A partnership between the NPDG, URP, SACN and DBSA to provide peer-learning opportunities for township renewal practitioners



the dplg
Department:
Provincial and Local Government
REPUBLIC OF SOUTH AFRICA

Townships in the South African Geographic Landscape – Physical and Social Legacies and Challenges

Welcome

Introduction

The 'Training for Township Renewal Initiative' (TTRI) is the first initiative of its kind. It targets township development practitioners and tries to raise the profile of township development. It also aims to highlight the typical pertinent issues that practitioners will encounter and help us all to fast track some of the regeneration projects. This is not a 'To Do' list and we are optimistic that this five-day session will inform you, educate you, and amuse you.

The TTRI is a joint initiative of the National Treasury's NDP Unit, DPLG (in particular the URP team), the South African Cities Network, the DBSA (SCI and Vulindlela), FinMark Trust and Urban LandMark to broaden and deepen the pool of skills for township regeneration. These institutions are all involved in renewal or research programmes in townships.

This course is the first output of this cooperation with the main aim to understand core objectives of township integration, restructuring and the range of development strategies and interventions that can be employed.

Part of why we are here is to challenge our perceptions (video clip).

This is a start and this five-day session will also identify issues for further research and debate.

Li Pernegger is the head of the newly established Neighbourhood Development Programme (NDP) Unit of the National Treasury. It administers the Neighbourhood Development Partnership Grant (NDPG) which aims to:

*"support neighbourhood development projects that provide community infrastructure and create the platform for private sector development and that improve the quality of life of residents in targeted areas."*¹

Areas targeted by the NDP are townships. The term "township" has no formal definition but is commonly understood to refer to the underdeveloped, usually (but not only) urban, residential areas that during Apartheid were reserved for non-whites (Africans, Coloureds and Indians) who lived near or worked in areas that were designated 'white only' (under the Black Communities Development Act (Section 33) and Proclamation R293 of 1962, Proclamation R154 of 1983 and GN R1886 of 1990 in Trust Areas, National Home lands and Independent States).

Although formal segregation ended with the new democracy, many of these township areas as well as other low-income housing areas (such as informal settlements and low-income housing estates) have seen rapid growth.

¹ *Conditional Grant Framework for the NDPG as published in the Government Gazette, No. 29797, 14 April 2007, "Local Government Frameworks and Allocations, 2007/2008, in terms of the Division of Revenue Act (DoRA), Act No. 1 of 2007", (Schedule 3: Frameworks for Conditional Grants to Municipalities, pg. 108)*

Consequently NDPG target areas include the following:

- Townships that were originally created as separate areas for black people, generally located on the periphery of towns and cities
- Low-income housing estates, which are generally not fully functional neighbourhoods
- Informal settlements

All these areas are characterized by low levels of community facilities and commercial investment, high unemployment, low household incomes and poverty. The term 'township' used in the discussions is deemed to include any of these target areas. The biggest challenge the NDP Unit faces is to encourage municipalities to be much more direct in planning for future-oriented development of townships, whilst still dealing with backlog issues in these areas. Today's infrastructure requirements are tomorrow's backlogs.

The five themes of this TTRI session will be briefly introduced. We acknowledge that our understanding of the issues is not always going to be correct. It is quite ironic that not more presenters in this course have first hand experience of living in townships. We encourage all participants – especially those with first hand experience - to challenge and correct what is being presented, and to contribute their knowledge and ideas in the daily exercises. All of us have a lot to learn.

The Challenge

We all know that development is 'uneven'.

Slide 1: The world is flat



“Technological innovation has shrunk the world, reducing the cost of transmitting information to virtually nothing. Internet users in developing countries could constitute more than half the world total within five years if current trends persist.

The metaphor, popularized by Tom Friedman, is that the world is now flat.

But population and economic activity are not uniformly distributed across the globe.”

Source: London School of Economics

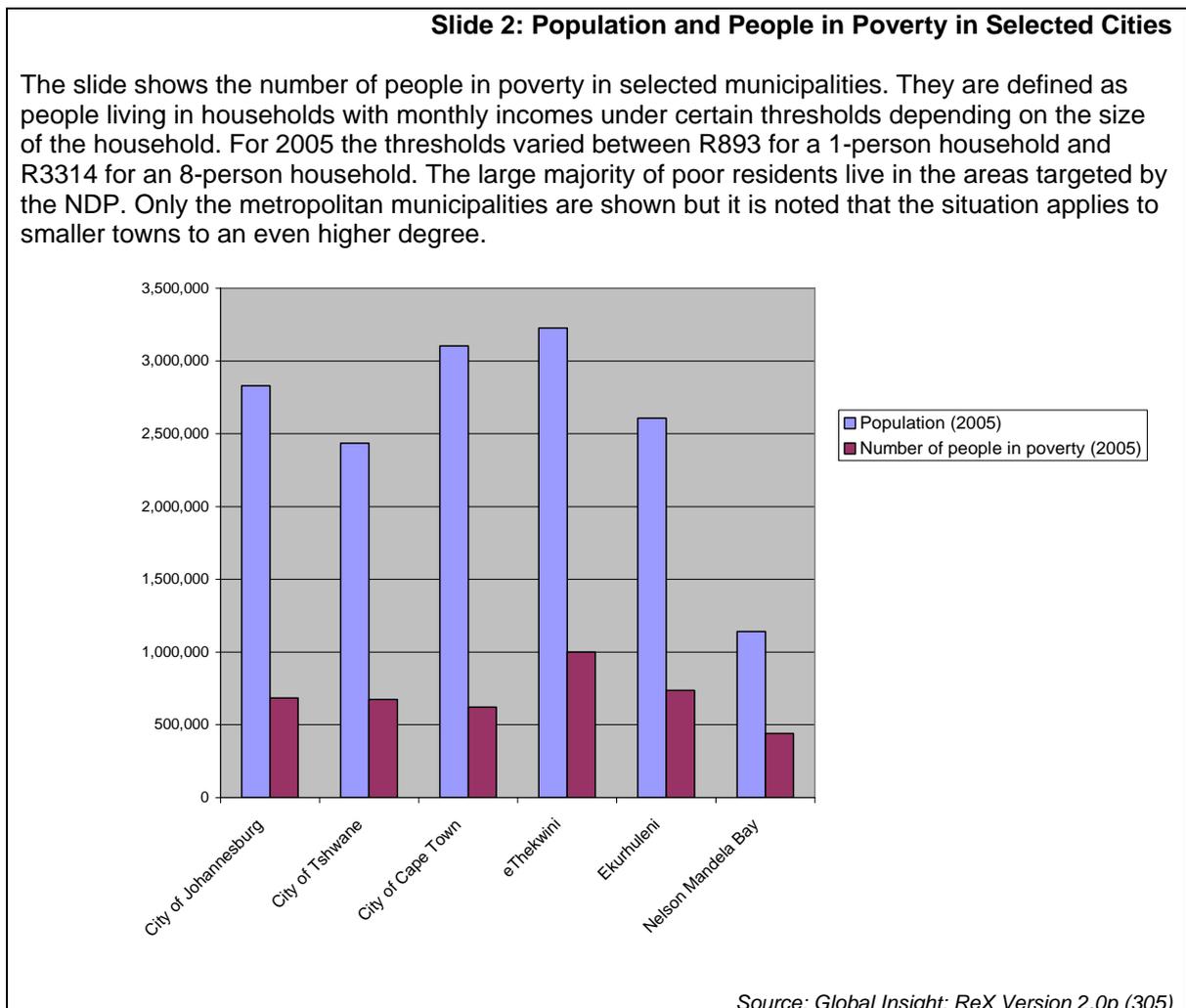
If one considers the number of internet users – as the London School of Economics has – as a global benchmark of progress – then South Africa may be doing very well relative to other African countries. However, all of us are here today as the situation in townships certainly would not indicate that the “world is now flat”. There are extreme discrepancies across the globe, across Africa, across South Africa – between north and south – between first world and third world – between cities and towns – between townships and urban centres. We experience these differences every day in every city, town and rural area across the country. Townships and informal settlements are being left behind and it is more than time to do something about it.

The enormous scale of the challenge will be highlighted.

According to FinMark Trust (2004) more than 40% of the urban population lives in townships alone. Additionally more than 20% of the population lives in informal settlements and low-income housing estates, for example, 73% of residents of Johannesburg live in these areas combined; 43% of residents of Johannesburg live in Soweto alone.

Emerging data indicates that townships are largely – but not exclusively – an urban challenge. A quarter (24.35% or about 11.6 million) of South Africa’s population of 47.8 million people live in the 76 largest townships in the country².

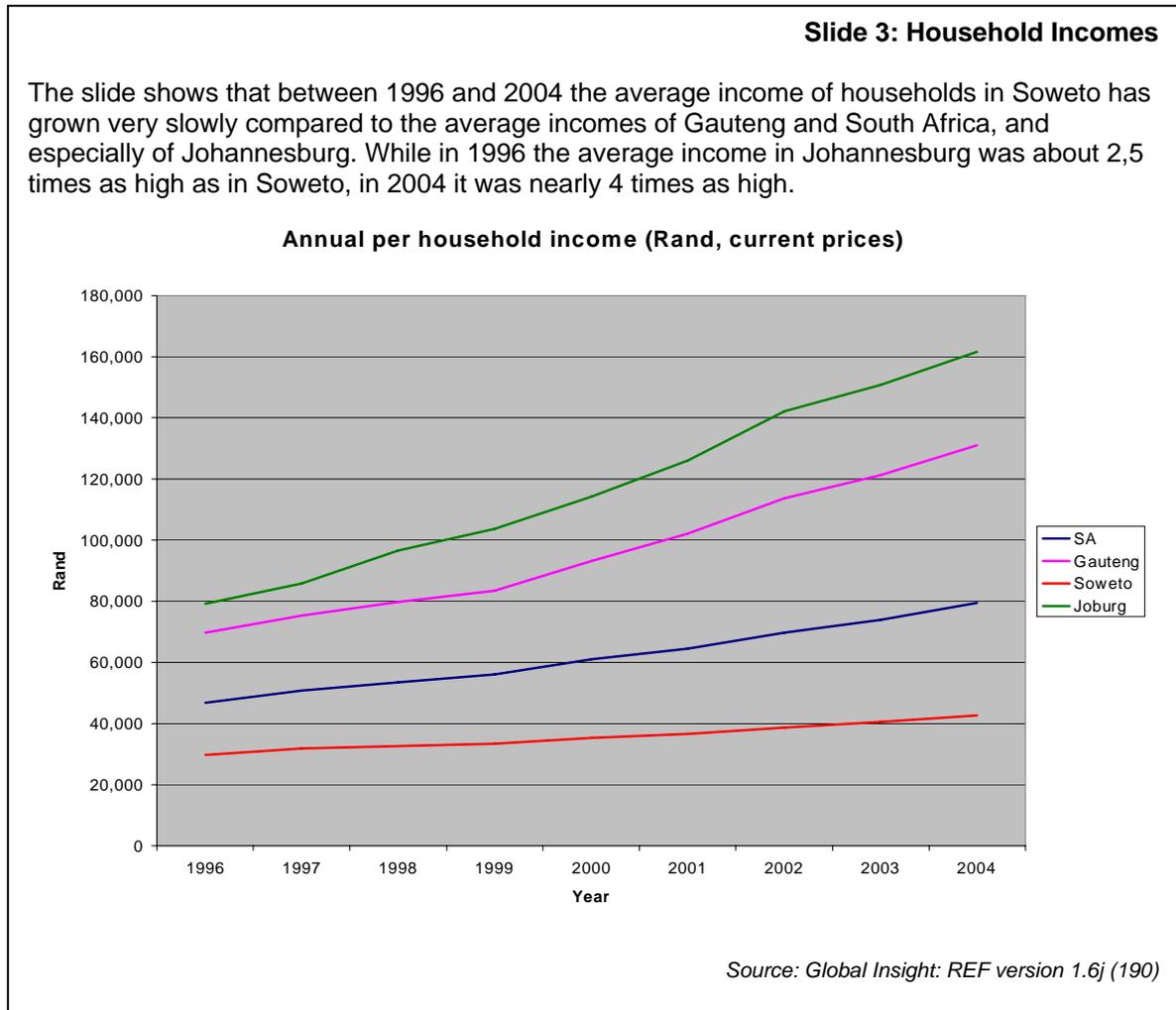
Townships are also likely to be home to the highest concentrations of poverty, too:



² Township Database, NDP Unit, 2007

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 lower-income areas and additionally scattered middle-income houses. But socio-economic data show clearly that the majority of township residents are poor and that the unemployment rate is very high. For example, figures for Soweto indicate that in 2004 the monthly income of 28% of households was less than R800 and that 40% of economically active people were unemployed³.

Disparities of income are particularly evident when the economic data for a township is compared with the rest of the metropolitan area. These disparities are growing too, over time.



Clearly, the benefits of economic growth for township residents have been far below expectations. Possible reasons for the widening gap between rich and poor are the persistence of the large number of unemployed township residents without income, and the departure of many middle income households from the townships to other neighbourhoods offering a better quality of life. The widening of the gap between rich and poor is not only a South African phenomenon alone but reflects a global trend. Obviously, this is no consolation but emphasises the urgency to start locally reversing the trend.

How do we start reversing this trend? Possibly and partly by understanding the nature of the problems that we – as practitioners – will be dealing with in township regeneration initiatives.

³ City of Johannesburg (2005)

1. Townships – Designed for Control and Exclusion

The first issue that ‘jumps out’ at the township practitioner is that townships represent the ‘exclusion by design’ of large portions of the South African citizenry. This dynamic manifests itself differently to areas that may represent ‘exclusion by decline’, such as many of the inner city degradation challenges that some of the practitioners here may have some exposure to. Understanding how areas designed specifically to exclude substantial numbers of South Africans may offer some clues as to how to deal with strategies supporting their re-integration into the wider urban and social fabric.

Colonial Townships

Townships are considered a specifically South African ‘invention’ but they were inspired by colonial town planning and can be found in many African cities, such as Nairobi, Lusaka, cities in the Democratic Republic of Congo and even in Zanzibar. Colonial planning intended to deliberately spatially segregate three classes of citizens, which generally coincided with race groups:

- the white, colonial elite, (rich)
- the colonized middle-class comprising of Indians and some Africans working in the colonial bureaucracy, (middle-class)
- the urban majority of Africans working for the elite (poor)

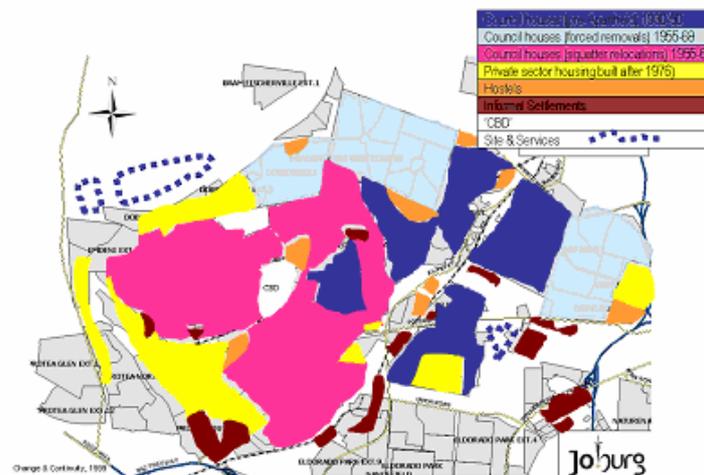
For the African working class townships or ‘locations’ were planned some distance away from the colonial towns, but in most countries few townships were actually built.

In South Africa the first ‘locations’ were founded more than a hundred years ago, the oldest existing one is New Brighton in Port Elizabeth. It was built in 1902-03. Between the two World Wars, a number of townships were built by the municipalities at the peripheries of the cities, and separated from the cities by a green belt. Examples are Langa in Cape Town, Lamontville and Chesterville in Durban and Meadowlands in Johannesburg.

Apartheid Townships

Slide 4: Township Establishment and Growth, Soweto

The slide shows how, over time, Soweto grew from a few small ‘suburbs’ to the township it is today.



Source: From “Change and Continuity”, 1999

Most large townships were built after 1950 by the apartheid government, or saw significant expansion after this period. The entire non-white urban population was forced to live in townships through the enforcement of the Group Areas Act of 1950 and other pieces of town planning legislation which determined the strict separation of race groups by stipulating, for example, that:

- “Each race group should have its own consolidated residential area.
- Each residential group area should be separated by a strong physical “buffer” such as a river or ridge or by use of a buffer such as 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.”⁴

These regulations and massive housing programmes underpinned the creation of townships and shaped South African cities in this unique way that we see today. Townships for African residents were areas of exclusion and control and containment of all aspects of life of the residents. Most townships were linked to the city centre and industrial areas by a single road and possibly one railway line that could easily be blocked in cases of social unrest.

Townships Post-Apartheid

After 1994 in response to the former policy of exclusion, ‘integration’ (social, economic, administrative and spatial) became the vision for South African cities. The Urban Development Framework of 1997 states in its vision for townships and informal settlements that:

“Rebuilding the townships cannot occur in isolation from integrating strategies. The intention is to move actively away from the segregation of different parts of the city and to ensure equity across the urban landscape, thus offering all urban residents access to opportunities and facilities.”⁵

The following is not an evaluation how far this has been achieved but the sharing of a few observations only.

Since the end of apartheid many township residents have moved to other parts of the cities or use facilities outside the townships, indicating that the move to integration has not matched township residents’ desired quality of life. Through this ‘one-way integration’ the townships continuously lose the impetus for improvement. An example of such a loss is parents who can afford to send their children to schools outside the townships, making the improvement of the quality of township schools an even more difficult task, as the demand to warrant such improvement is perhaps too small. This example is cited because schools have been internationally acknowledged as problems in areas of exclusion. Urban renewal programmes, e.g. in Germany, have begun to focus on the improvement of educational institutions as the ‘hook’ for the regeneration of communities.

The perceived poor location of many townships at the periphery and their limited transport linkages to the cities is reportedly the worst aspect of spatial exclusion. However, the spatial relationships of townships to the cities and towns are dependent on the patterns and direction of urban and economic growth of the relevant metropolitan area. Most cities have expanded so much that pre-apartheid townships are no longer at peripheries. For example, Alexandra and Duncan Village in East London are today extremely well located.

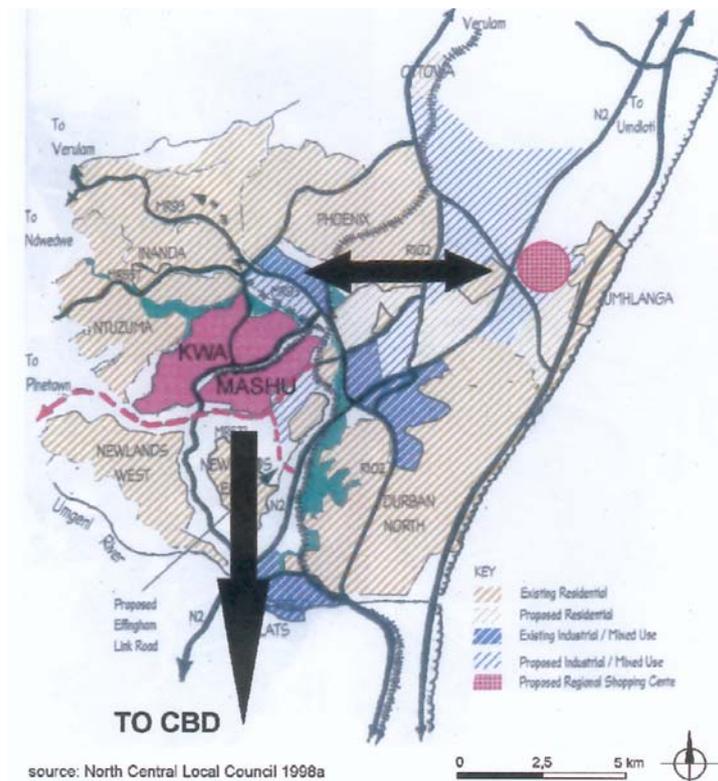
⁴ Smit (1989:103)

⁵ Department of Housing (1997:13)

Since the 1990s in all large cities, new economic activity nodes⁶ have developed outside their historic central business districts. Today, many cities are multi-nodal cities. These structural changes affect townships in different ways. Many townships, especially those built in the 1970s and 1980s like Shoshanguve in Pretoria, Mdantsane in East London and Botshabelo outside Bloemfontein are still far away from opportunities; but others are now close to new economic nodes. An example is INK (Inanda, Ntuzuma and KwaMashu) in Durban that is now only one freeway exit away from Umhlanga Ridge - the 'Sandton' of Durban.

Slide 5: INK & Umhlanga Ridge in the North of eThekweni

The slide 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).



But proximity to areas of economic growth alone has neither resulted in integration nor in visible developmental benefits in the townships. In Alexandra and Duncan Village good locations have the effect of extreme overcrowding. Many residents of INK have found jobs at Umhlanga Ridge but getting there has remained difficult because Umhlanga Ridge was planned without public transport links to the nearby townships. In the evenings hundreds of black employees wait at makeshift taxi ranks in the parking lot of the main shopping mall for transport. One wonders if planning has moved from designing areas of exclusion to designing areas of exclusivity.

⁶Nodes' are understood by the NDP Unit to refer to concentrations of activity in township areas. These 'nodes' are typically concentrations of economic activities but could also be characterised by social, government, transportation and/or other functions. There are two common features of all nodes. Firstly there is the intensity of land uses within the nodes in comparison to the surrounding land uses. Secondly there is a strong relationship with the flows of pedestrian and transportation movement systems. Nodes are dynamic. They react to social, political and economic changes and pressures. Nodes consequently go through cycles in which they may peak, then decline, then peak again. Nodes can be found in a variety of sizes and configurations. They provide different functions in various combinations. They attract different users according to the scale of the services offered. As such the size of the catchment area may vary. Nodes and nodal hierarchies can be found in both urban and rural areas. See NDPG Toolkit for more detail: www.treasury.gov.za/ndp

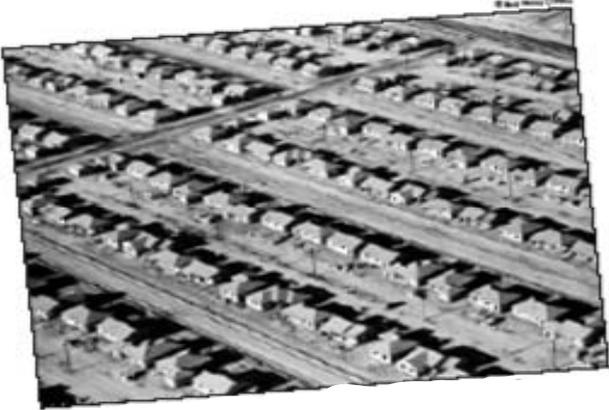
Improving physical linkages between townships and other parts of the cities, 'cross-linkages', as well as other infrastructure measures to compensate for less favourably located townships will be discussed in the modules on Physical Dimensions.

2. Lay-out and Functioning of Townships

In the 1950s the lay-outs of many townships were based on internationally acclaimed planning models of the time such as the American 'Neighbourhood Unit' and the British 'New Town'.

Neighbourhood Units and 'New Towns'

Slide 6: Which township is this?



This slide shows a new neighbourhood of 'tract-housing' in Lakewood, Los Angeles County in 1950. It illustrates how similar the lay-out is to South African townships.

Initially living conditions in many of these neighbourhood units, especially for the working class, were rather poor as the story illustrates. But in Europe and the US most new neighbourhoods quickly developed economically and poorer working class areas were often improved through urban renewal programmes in the 1970s and 1980s.

Story 1: Who is this boy?

A little boy gets out of bed that he shares with his sister. It is freezing cold and dark. He lights a candle, then runs to the loo in the courtyard. Then he washes in a steel tub in the kitchen. It is now 6 o'clock and the air is thick with smoke from wood fires. He grabs some bread and starts walking to school which is far away. He mustn't be late as mum and dad say education is important.

Source: L Pernegger: A Man growing up 1950s London

Master plans for South African townships were often based on the British 'New Towns'. New Towns were generally planned as independent towns with their own economies. Spatially, large town centres and generous sub-centres were planned to accommodate commercial and public facilities. Some of this thinking is evident in South African townships, such as KwaMashu.

Slide 7: KwaMashu Master Plan, 1957

The slide shows the example of KwaMashu with 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. Only 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), *The Transformation of Townships*

These large vacant areas and the suburban form of townships with mainly free-standing houses resulted in low densities and long travelling distances. This created a transport problem for most residents. A response was the taxi industry which increased the mobility of township residents strongly. Scattered spaza shops and other small service providers developed primarily as a result of growing unemployment but are also a response to the inconvenience of long distances and the costs of transport. It is estimated that the number of informal businesses primarily located in townships is in the order of 749,500 businesses and that these provide employment for 1,620,900 people⁷. Small businesses often encroach into residential areas but we will argue that this is in line with the vision for townships stated in the Urban Development Framework, i.e. that:

“The townships and informal settlements represent an under-utilised resource for the future. These have to be transformed into sustainable, habitable, productive, environmentally healthy and safe urban environments, free from crime and violence.”⁸

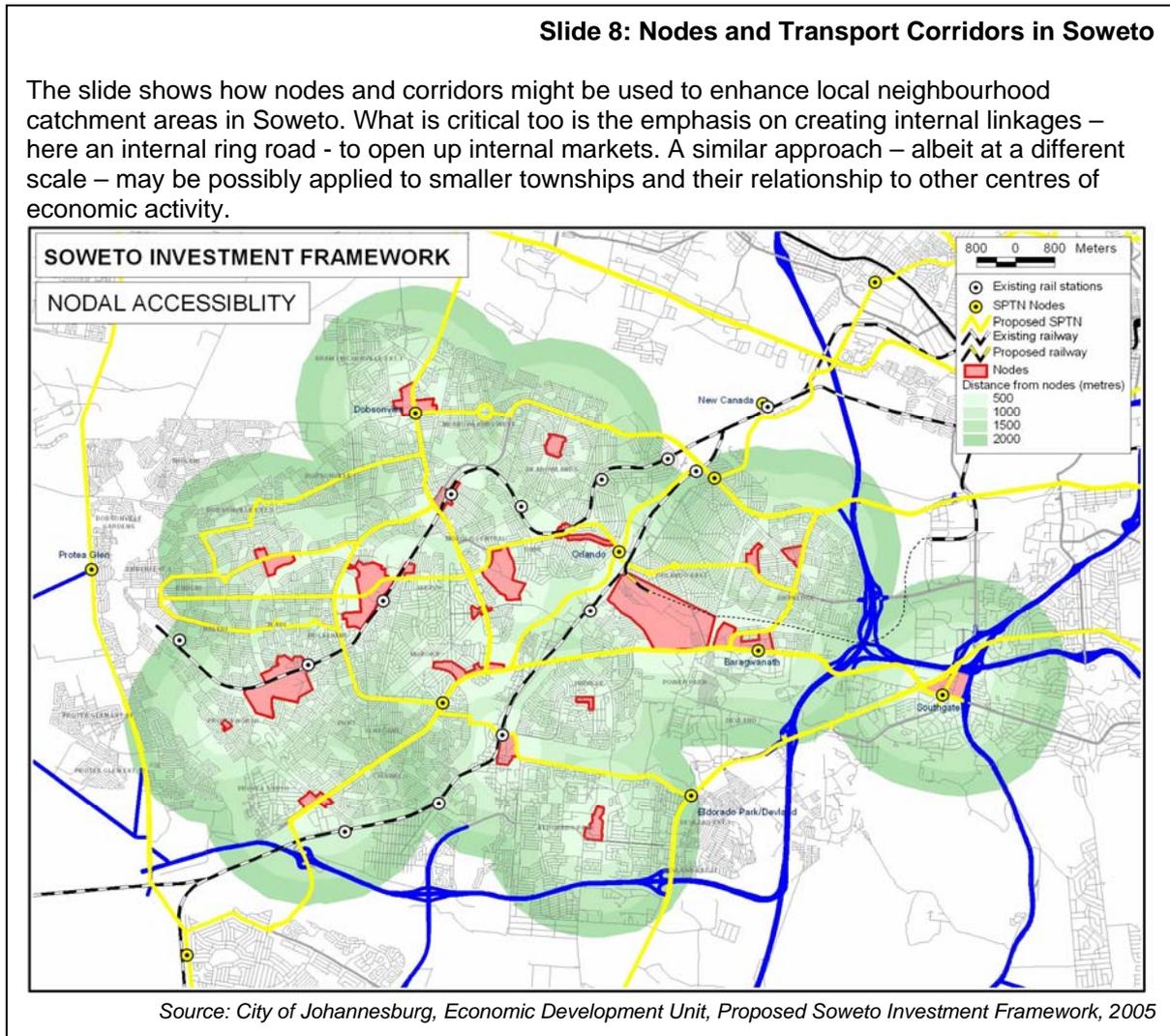
⁷ Ligthelm (2005)

⁸ Department of Housing (1997:13)

Nodes and Corridors

How is municipal planning responding to the situation in townships? Today, town planning favours 'nodes and corridors' as structuring elements and locates retail and public facilities along them. It is a rational approach based on accessibility of supply and service facilities. All South African cities apply this model in their Spatial Development Plans. For many townships a hierarchy of existing and new nodes is being identified in an attempt to retrofit the new planning principles. The identification of nodes is determined by transport interchanges and additionally by considerations of the economic viability of retail and service providers.

An example of this is Soweto with its proposed nodes and transport network:



Township Economy

Currently township economies are marginal and undiversified. An example is Soweto which – despite housing 43% of Johannesburg's population contributes only 5% to the City's GGP. Economic activity of many townships is generally limited to retail trade (frequently informal trade), transportation, and government services.

For many practitioners, often the starting point for the redevelopment of a township is a critical assessment of the drivers of that township economy. What are the drivers now, and what can they be in the future? How does one tap into the latent demand of the area? What are the trade-offs that are likely during the course of the development. As a property economist once said: "its not about moving the peas around the plate, it's about growing new peas". Is this a case where development in the township may compromise the financial sustainability of its neighbours?

Many ask the question about the job creation aspects of township regeneration. Yes, obviously, its important to make as many job opportunities available as possible during the course of any development, but township regeneration is more importantly about creating the *platform* for future job creation.

Retail

Several economic studies observe that township residents spend most of their disposable income outside the townships. The Soweto Retail Strategy found that in 2006 only 25% of disposable income was spent in Soweto. The study considers the doubling of local spending as a realistic projection if more attractive and cheaper shopping facilities are made available. Currently, in many townships shopping malls or centres are being developed at nodes. Of these the Maponya Mall in Soweto is the biggest and sets a high standard for township malls. Malls appear to satisfy the aspirations of residents for a choice of high quality goods and an exciting shopping experience. It might contribute to retaining existing, or attracting new, middle income residents to the townships.

However, it would be interesting to see if there are ways to encourage developers to provide a uniquely South African Township shopping experience. If the trend is towards 'shoppertainment' then what might this mean for a development that serves a typically South African township community? Will the next public square development incorporate a ceremonial area that sells and slaughters goats?

The Soweto Retail Strategy acknowledges the role that informal trade has to play in the township economy. In this case the calculations of overall supply included the contribution of a myriad number of small informal traders. It suggested a spread of retail across the townships in a way that might benefit all residents in the township. It suggests that shopping centres at nodes are not sufficient on their own to conveniently supply township residents and that individual shops or small groups of shops and informal businesses also have a role to play. At the time the study was done, the sheer scale of the Maponya Mall was not known.

A study by the Bureau of Market Research at UNISA⁹ into the impact of retail developments on small township retailers undertaken in Shoshanguve found that informal retailers and to a lesser degree small formal shops that are located in walking distance to shopping malls are negatively affected. 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 are not only important to supply the townships residents but play a vital role to achieve the objective of increasing local economic activities.

The level of economic activity can be measured in how often each Rand that comes into a certain area, e.g. through wages or pensions, circulates in the area before it leaves again. In economically very vibrant areas or communities, each Rand circulates 8 to 10 times, in townships it is only 1,3 times¹⁰. Economically vibrant areas are Sandton and also Lenasia in Johannesburg. The circulation rate is further explained in Slide 9.

⁹ UNISA (2006)

¹⁰ Business Day, 6 September 2006

Slide 9: Circulation of the Rand in a Township

A township resident has put aside R200 to buy a dress. She has different options to buy her dress: She could buy it in the city centre. In this case the R200 leaves the township immediately and does not circulate at all. Alternatively, she could buy the dress, at Woolworths or Jet Stores in a shopping centre in the township. In this case the share of her money that pays for salaries of staff remains in the township to circulate again. But if she buys at a national retailer the share for salaries can be as little as 10%, in our example this is R20. She could also decide to get her dress made by a local fashion designer. In this case a much larger share, e.g. 60% or R120 remains in the township. It could circulate a number of times if e.g. the fashion designer uses the money to pay the fees for the crèche of her child; if the principle of the crèche uses the money to pay the caterer of the crèche, and so on; before it finally leaves the township to pay for goods and services that cannot be locally produced. Whilst there is clearly a case to be made for local production, the practitioner needs to also be aware of the nature and extent of demand for that particular good or service, and whether that supply is satisfied somewhere already, in order to strive towards economic sustainability.



An example for a successful intervention to strengthen local businesses is provided in Story 2.

Story 2: Butcheries at iKwezi Station

A number of butcheries ply their trade around iKwezi Station in Soweto. In fact, the area is renowned for the quality of their produce, especially amongst the 17,000 daily train commuters as well as other township dwellers. They were encouraged by the council to jointly install a giant video screen. They also started offering braai services on site. Apparently, extended trading times and the draw-card of a popular weekend entertainment area has impacted favourably on bottom-line sales.

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 for businesses to operate from their residential premises are costs and security. According to the Soweto Retail Strategy large retailers consider crime in townships a manageable risk and would encounter this risk in any area they chose to develop in. 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.

Slide 10: Crime and Small Businesses

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 whilst 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.



Other economic aspects

There is an emphasis now on municipalities thinking more like commercial property developers and there is certainly more pressure on delivering project proposals that attract private sector investors. Below are some examples and observations in this regard.

With regard to housing the emphasis has been on dealing with the backlog for lower-income households while commercial housing investment opportunities have often been ignored. Many townships have large areas – around the town centres – that can never be developed as retail areas solely. 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 the existing, middle-income earners with their higher buying power in the townships.

A caution about tourism as a driver for development must be raised. It is true that some township areas may have attractions that will encourage local and international tourists. It is possible that some investments into supportive infrastructure will help in making tourist money ‘stick’ in the townships. Too often though we see supply-side interventions being built that cannot ever succeed.

There is a new push towards understanding demand- and need-driven investments. The demand itself can help to ensure long-term sustainability. Sustainability can be financially driven – which is typically the approach of any private sector investor. For the sustainability of public investment other aspects can be considered but even marginal investments need to display some economic viability to justify the expenditure.

An interesting example is the case of nJoli Square in the KwaZakhele Township within the Nelson Mandela Bay Municipality’s area. The development concept is the creation of a mixed-use retail and transport hub with related government services located in the precinct. There are different perspectives of looking at the sustainability of this project: From an annual income perspective, the scheme can earn enough to address maintenance and operating costs. From a commercial investor’s perspective, the retail development only seems attractive if the capital costs can be written off. But the project works best from the perspective of economic viability with potential transport-related savings accruing to township residents outweighing the public funds directed to the project.

A number of TTRI modules deal with the economic dimension of township rehabilitation, especially with interventions to activate markets.

Crime is also considered and case studies will be offered in the course of the sessions.

3. Land and Property Markets

Under the apartheid government African residents 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 the apartheid government. Today different, often informal forms of tenure are common in townships, from letting out space in the backyard to build shacks, to letting out the complete property by absentee landlords.

Slide 11: 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.



Many township residents have invested significantly in their homes. Most had to do this out of their pockets because banks did not operate in townships (red-lining). Since 1994 property values outside of townships have increased by more than 300% while they increased only marginally in townships¹¹. The national government has tried to regularise tenure systems in townships and to

¹¹ *Urban LandMark* (2007)

motivate financial institutions to invest there with the objective to stimulate property markets. This policy has been re-emphasised in the policy of 'Breaking New Ground'¹².

FinMark Trust (2005) found in their study into the 'Working of Township Residential Property Markets' an extremely stable ownership structure in townships.

Despite media reports of 'buoyant' property markets in the better parts of townships, the property market in townships is less viable than expected. Banks have begun to provide bonds into these markets, but selling and buying remains difficult because "*transferring properties is a long and tedious process that requires a lot of patience*"¹³.

In the study by FinMark Trust none of the interviewed owners of old township houses considered selling. Reasons are the fact that township houses are paid-up and therefore appreciated as a very secure place to stay, and that they constitute family homes that are often inherited and the legal owners feel obliged to keep the house for the benefit of the family. Township residents stated another reason for their unwillingness to sell that they use their properties to run businesses and generate income by letting out rooms or backyard shacks. The study doubts that the regularising of tenure (ownership) arrangements will change the attitude of township residents towards their property as a social – rather than a financial - asset. The study also highlights 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 3 illustrates. The legal issues are particularly difficult to navigate for individuals and small local institutions.

Story 3: How to lease a piece of vacant land?

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 is often cumbersome, too. In kwaMashu it took a CBO who had funding to build an art centre for the 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.

Recycling Township Assets

Access to vacant land and properties are necessary to increase economic activities and to manage land-use conflicts. Land and property markets in townships will be discussed in some of the days ahead.

¹² Department of Housing (2004)

¹³ The Mercury, 22 September 2005

Slide 12: Ruin or Asset?

In many townships vacant business and public buildings or ruins of such buildings exist. They have been abandoned and often have remained an eye-sore. The photograph shows a store in KwaMashu that was destroyed in 1985 during politically motivated violence. It is located in a prominent position but has never been re-developed, other than for growing maize on the surrounding site.

Many vacant buildings are in much better states than the presented ruin and their re-use would be technically simple and cost effective. Often legal issues around ownership are constraints but these buildings constitute assets and rehabilitation needs to be far more seriously considered. The benefits to the pride of neighbourhood residents cannot be underestimated either.



There are many similar examples of unused schools, and burnt-out buildings. These can be seen as assets, rather than liabilities.

The next story is a rather extreme and quirky example of recycling.

Story 4: from John to John the Baptist

A young church has recycled a disused boys' school toilet into a chapel at a school in Bonteheuwel by Reverend Michael Williams who has a long history with the school. Everything here is recycled: the altar is made from a fruit and vegetable stall, the lectern from two chairs, the windows are second-hand, the priest's robes were thrown out by the Catholic church. The reverend feels that they can "also recycle bad people into good people" and despite the odd location for a church, it plays a pivotal role in the distribution of clothing across the Cape Flats.

Source: Athlone News. 5 September 2007

4. Urban Management

Up to the 1970s all aspects of life in townships were strictly controlled. After 1976 the apartheid state focused on oppressing political resistance and petty controls gradually broke down.

Since 1994, much of the focus has been on capital investment and development – especially in the realm of backlog service infrastructure and housing.

An emerging issue, affecting not just townships but entire municipal areas, is the one of urban management. Urban management is a necessary complement to development, and without it any development initiative cannot be sustainable.

To date, minimal urban management thinking has been done and undertaken in township environments.

Many municipalities have not introduced or enforced regulations such as by-law and town planning schemes. Townships residents complain about ‘lawlessness’ and desire introduction and enforcement of rules.

Many residents in townships have expressed great dissatisfaction rather vigorously with service delivery levels recently across South Africa. Government is alert to the pressure to address this issue, to pre-empt increasingly violent actions.

TNS Research Surveys¹⁴, a marketing and social insight company, recently undertook a survey, looking at service delivery satisfaction levels¹⁵. Interviewed people were requested to indicate their level of satisfaction with service delivery on a scale between 1 and 10. A score of 6 out of 10 would show reasonable satisfaction. They found that at least 27% of people are fairly or extremely dissatisfied with service delivery by their council.

Slide 13: Service Delivery Flashpoints										
Points out of 10	SA	Easter n Cape	Free State	Gau-teng	KZN	Lim-popo	Mpum-alanga	North West	North-ern Cape	West-ern Cape
Total	6.0	6.1	7.1	5.7	6.1	5.0	3.9	6.2	7.5	6.1
Black metro	5.9	6.4	6.8	5.6	6.2	Na	Na	5.9	Na	6.1
Black small towns	6.1	6.3	7.2	5.0	6.4	5.1	3.5	6.4	7.6	6.9
White metro	6.2	5.3	7.0	6.3	6.3	Na	Na	*	Na	5.9
White small towns	6.0	*	6.0	*	6.1	7.0	7.1	5.0	*	6.0
Coloured metro	5.8	6.0	*	5.0	6.9	Na	Na	Na	Na	5.8
Coloured small towns	6.3	6.3	*	*	*	*	*	*	7.9	5.9
Indian/Asian metro	5.3	*	*	5.8	5.3	Na	Na	*	Na	*
Indian/Asian small towns	6.7	*	*	*	6.7	*	*	*	*	*
* <i>Base too small for analysis</i>										
<i>Note: Numbers in green are 7.0 out of 10 and higher, numbers in red are 5.9 out of 10 and lower Shaded blocks represent the best and worst scores</i>										
<i>Source: TNS, 18 July 2007</i>										

According to the survey, taking into account variables related to race, province and milieu, some people are happy with services levels, e.g. the best performing province is the Northern Cape (score of 7.5). However, there are a number of potential flashpoints¹⁶, looking at the numbers in red with at least a third of the people unhappy with service delivery. The worst performers are black, small towns in Mpumalanga (score of 3.5).

Other flashpoints are:

¹⁴ TNS Research Surveys, “service delivery in urban areas – it’s a hot issue. Where might the flashpoints be?” Press Release, 18 July 2007

¹⁵ 8,648 adults were interviewed between April 2006 and April 2007.

¹⁶ “when a critical mass of dissatisfied people in a smaller locality arises, trouble can be expected”, TNS

- The black and coloured metro areas in Gauteng
- Black small towns in Gauteng, Limpopo, Mpumalanga
- White small towns in the North West

One possible response to deal with emerging flashpoints is to unpack the concept of service delivery. In all likelihood, the lack of effective urban management is instrumental in driving up levels of dissatisfaction.

Urban management is a complex mix of boosting managerial acumen, and aligning plans, people and budgets. But it could be much more than councils urging everyone in the community to be part of planning as a 'wish-listing' exercise, with the management of this 'promise' being taken care of by the state's 'service delivery' machinery.

Perhaps urban management is about fostering joint accountabilities by ensuring that people are also part of the delivery process. This may imply, for example, the accommodation of CBOs¹⁷, in government procurement systems. This approach can be challenging as current systems are not permeable enough to impact at scale. One is likely to be frustrated by other existing structural and systemic impediments to the promotion of joint accountabilities.

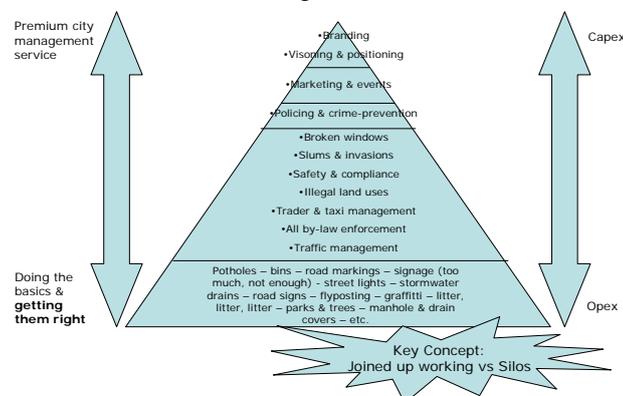
The urban management session will introduce the concept of the **co-management** approach to urban management. Francois will talk about how the current approach reinforces the state-centrist approach which tends to be exclusionary, which puts more and more pressure on the state capacity to solely discharge the 'service delivery' mandate.

Slide 14: Structure for Urban Management

Urban Management covers a range of issues from the maintenance of infrastructure, public buildings and spaces through to policing and marketing. The base objectives of urban management are to maintain public capital investments and to enforce basic rules of public life, with the ultimate objectives relating to the contribution to an improved quality of life that effective urban management might bring to residents and other users of the space under management. The slide illustrates a structure of urban management that was discussed in Johannesburg.

The bottom level of urban management consists of simple maintenance issues such as cleaning of stormwater channels, fixing potholes and removing litter. The second level deals with the enforcement of by-laws such as illegal dumping and informal trading. The third level is about policing and crime prevention. The highest levels are concerned with place marketing the managed area to outsiders.

As one moves from 'getting the basics right' to offering 'a premium service', it is likely that operational budgets will require augmentation of capital items. Working effectively across silos is also a key ingredient for successful urban management.



Source: *Informal discussions about urban management, Li Pernegger, 2006*

¹⁷ Community Based Organisations

Next are a few thoughts about the two bottom levels. The issue of crime has already been mentioned.

Maintenance

The infrastructure in many townships is over 50 years old and often requires significant maintenance and upgrading. Problems with the maintenance of existing infrastructure can be experienced in all parts of the cities. Townships have this problem too, even whilst addressing the creation of new infrastructure to deal with backlogs in service provision.

Too often, minor maintenance issues impact significantly on the quality of lives of residents as the example in Story 4 illustrates.

Story 5: The Story of 'Dr Shit'

This is the story of Trevor Mulaudzi, a geologist who resigns from his well paid job at Anglo American, to further his mission to have clean toilets.... The story starts with Trevor driving through a township one morning. He noticed some schoolgirls walking around. Inquiring why they are playing truant, he found out that they had left the school grounds to find a clean toilet as the school's toilets were utterly unusable. ...Today, Trevor runs a business of 150 employees. He credits his success to the staff of the company. They are not merely cleaners, but teachers, i.e. they 'train people how to use a clean toilet', which mission embodies facets of both maintenance and education'. One of the spin-offs is a school which sells toilet paper to the local communities. The profit earned – now at over a million Rand – is ploughed back into the community by improving facilities at the school and elsewhere – and they have the cleanest toilets all the time of any facility in the area.

Trevor is currently working for the Malaysian government, at their invitation, to assist them there with cleaning their toilets.

Source: Story as told by Trevor Mulaudzi (the Clean Shop) at a IRAZU Group business breakfast, 30 July 2007 (he dubbed himself 'Dr Shit!')

Regulatory Systems

Regarding the second level of urban management municipalities are currently introducing regulatory systems such as by-laws and town planning schemes in townships.

A study commissioned by FinMark Trust into home-based entrepreneurs in Katlehong, Orlando East and Mamelodi found that home-based-businesses operate on 14% of all residential sites. 30% of these entrepreneurs are aware that their businesses do not comply with zoning regulations; another 40% do not know whether their businesses comply. Research (e.g. Tipple and Kellet 2002) shows that most home-based enterprises do not impact negatively on the neighbourhoods because of their small scale, but exceptions exist as Story 6 illustrates.

Story 6: The 'Shebeen Industry'

A recent article (Business Report, 23 September 2007) reported typical problems created by shebeens, such as drug trafficking and prostitution in their vicinity, but also stated the large number of people whose livelihoods depend on them. It estimated that 182,000 unlicensed shebeens and additionally some ten thousand 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 employment in shebeens than in the automotive assembly industry, which offers around 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.

Practitioners need to strike a balance between regulations that deal with nuisance and serious land use conflicts as well as allowing residents to make a living from informal economic activities.

5. Institutions and Partnerships

Urban Management and development for townships has many components falling under the responsibility of different public institutions, such as municipal utilities, parks, engineering and town planning departments, the police etc. Some regulations such as town planning schemes have been absent from townships and are currently being (re-) introduced. In doing so, many municipalities are expanding the scope of their regulations to more than double the number of residents. Municipalities and other public sector institutions alone will not be able to cope with the extended scope and need to enter into partnerships with local businesses and communities. Increasing experience exists with partnerships between municipalities and businesses, e.g. in Business Improvement Districts, but there is little experience with partnerships involving communities. Therefore most modules on Urban Management present case studies of such partnerships.

Township management and neighbourhood regeneration are area-based interventions that involve many sector departments and different spheres of government. Managing the cooperation between government institutions is a difficult and time consuming task for township or area managers. Silo mentality is frequently blamed for poor performance. Based on this experience the final module of the course identifies key conditions for the effective organisation of area-based regeneration projects.

TTRI Session Themes

This keynote address only touches on the complexities, scope and scale of the challenge. It would be easy to generalise.

But significant differences exist between different townships. It has been mentioned that e.g. some townships are benefiting from external factors, such as economic growth in their vicinity; others are attracting investments; but most appear to have none of these advantages. This means there is a need to develop customised strategies for individual townships and identify projects which lever their rehabilitation most effectively.

The five themes, one per day and each driven by a specific champion are:

Slide 14: Session Themes

1. Setting the scene
2. Lay-out and functioning of townships
3. Activating township markets
4. Urban management issues & interventions
5. Institutions and partnerships

1. Setting the Context (Day Host: National Treasury)

- Townships within the apartheid geographic landscape and the physical and social legacies. The townships as a unique and permanent part of South Africa's urban landscape. The exclusion by design consequences. The scale issues – how many residents, value of physical assets, % of national housing stock. What are the physical challenges posed by the legacy?
 - Policy dimensions - The place of township transformation within SA urban policy and government strategy. The broad developmental outcomes we should be pursuing within townships. The intersection of township developmental interventions with broader government policies and programmes.
 - Understanding township markets: Township markets, including scoping of demand, labour trends, expenditure trends, transport and travelling, schooling, entertainment and recreation, shopping, etc.
 - Field trip to case study section of Mamelodi township. Bag lunch supplied on the bus. Briefing of participants on the history, socio economic profile, spatial configuration and structure whilst on the bus.
 - Social event in Mamelodi
2. Lay-out and functioning of townships (intervening at the level of the physical structure of the township through public sector led investment): The Day Host: National Treasury will cover the theoretical and policy context at both regional and settlement levels, highlighting the economic dimension to spatial investment with an eye on long-term costs/impacts.
3. Activating markets within the townships: Day Hosts: FinMark Trust and Urban LandMark will unpack the concept of “making markets work for the poor”, labour market issues and interventions, land and residential property markets and understanding informal land market dynamics, retail and service sector markets, financial markets and SMEs.
4. Urban management issues and interventions: the Day Host: DPLG will articulate the urban management challenge; touch on issues around regulations, management and maintenance and a number of pertinent case studies.
5. Institutions and partnerships: will be convened by the Day Host: SACN

Social issues are not separately considered in this course. An exception is crime which is covered in a number of modules as a cross-cutting issue. HIV/AIDS is another cross-cutting issue of similar importance which influences many aspects of life from spending patterns to the capacity to learn and to work. Social issues need to be taken up in depth on another occasion.

TTRI Outcomes

By the end of the session, delegates should have an understanding of the components of township regeneration. These can also be seen as *project* outcomes too.

Physical structure

1. Reduced transportation cost and time for township commuters and enterprises.
2. Increased range of regional opportunities accessible to township residents and enterprises.
3. Reduced physical segregation / isolation of the township from adjacent neighbourhoods.
4. Increased usage of township facilities/by non residents.
5. Increased range of goods and services accessed locally by township residents.
6. Improved intra-township mobility and accessibility.
7. Higher levels of utilization of existing township infrastructure assets.

Markets /Economic

1. The competitive position of workers and work seekers in regional labour markets is improved.
2. The performance of township enterprises is improved.
3. Township property markets support sustainable livelihoods.
4. Retail and service sector market potentials are captured to the benefit of township residents.
5. Financial markets operate in the interests of local township residents.
6. Create the conditions for the broadening of Black capital formation and business development.

Urban management

1. The township public and private environments are vibrant, safe, regulated, managed and maintained.
2. Increased end-user/community involvement in urban management.
3. Higher equity standards in township services and public facilities compared to accepted standards of good practice in the overall city or town.
4. Higher rates of social and economic returns from investment in township public infrastructure.
5. Standards of liveability are increasingly adhered to within the private sphere.

Social

1. Enhanced range of regional social opportunities accessible to township residents.
2. Anti-social leadership modes and structures of exploitation are reduced.
3. Increased number, range, capacity and connectivity of local community institutions.
4. Reduced out migration / leakage of human capacity and role models from the township.
5. Improved capacity of adults and those in positions of authority to act effectively against risky and anti-social behaviour.

Institutional

1. Required institutional capacity in the public, private and community sectors is mobilised and deployed.
2. Key institutions understand, agree, and commit to the particular policies, outcomes, strategies and plans for the township initiative.
3. Institutional roles and responsibilities are clear agreed and observed by all key institutions.
4. Effective command and coordination functions and systems are agreed and operational.
5. Institutions have aligned their personnel deployment, budgets, and programmes with the township renewal plan.
6. Mechanisms for filling financing or capacity gaps in priority strategic intervention areas have been developed.

Township regeneration is a massively complex field. It is up to each of us to highlight shortfalls and areas needing attention.

The intention is to have future sessions in the medium-term, which are currently being planned:

Name	Packaging Township Property Developments	Township Development Incentives	Economic Development Strategies for Township Renewal
Champion	NDP Unit	SACN	DPLG
Aims	Introduction to the tools and concepts involved in packaging and implementing township based property development projects that aim to partner with or involve the private sector	A review and outline of the current range of development incentives available to township development practitioners/ professionals, how and when they can be used.	Introduction to the tools and strategies available to promote the economic development and renewal of townships. Introducing township development professional to the funding agencies and programmes.
Duration	One day	One day	One day
Planned Date	28 February 2008	13 March 2008	16 April 2008

No doubt this week's session will raise a completely new agenda for the TTRI to explore.

Let's not forget why we are here.... And that is to redevelop townships... from barren, dusty wastelands... into ...viable, sustainable neighbourhoods...



References

- City of Johannesburg (ed.) 2005, Palmer Development Group, Soweto Retail Strategy
- City of Johannesburg, Economic Development Unit, Proposed Soweto Investment Framework, 2005, www.joburg.org.za/srs
- City of Johannesburg 2006, Framework for Urban Management Coordination (draft discussion document)
- Department of Housing 2004, *Breaking New Ground: The Comprehensive Plan for the Development of Sustainable Human Settlements*, Pretoria
- Department of Housing 1997, *Urban Development Framework*, Pretoria
- FinMark Trust (ed.) 2006, Nell M. et al., *Resource Report 10: Research into Home Based Entrepreneurs*, (www.finmarktrust.org.za)
- FinMark Trust (ed.) 2004, Shikasa Management Consultants. *The Working of Township Residential Property Markets*. (www.finmarktrust.org.za)
- Godehart, S. (2006), *The Transformation of Townships in South Africa – the Case of kwaMashu, Durban*, Spring Research Series Nr. 49, Dortmund
- National Treasury 2007, *Neighbourhood Development Programme, Draft NDP Unit Business Plan (2006 – 2016)*
- Smit D.P. 1989, *The Political Economy of Urban and Regional Planning in South Africa 1900 – 1988: Theory to Guide Progressive Practice*, Durban
- Tipple, G. et al (2002), *The Effects of Home-Based Enterprises on the Residential Environment in Developing Countries*, in: Romaya, S. and Racodi, C., *Building Sustainable Urban Settlements*, Glasgow
- TNS Research Surveys, “service delivery in urban areas – it’s a hot issue. Where might the flashpoints be?” Press Release, 18 July 2007
- UNISA, Bureau of Market Research (ed.) 2006, Ligthelm, A.A. and Risenga A., *The Impact of Retail Development on Small Township Retailers*
- Urban LandMark (2007), *Presentation: Making Urban Land Markets Work Better in South African Cities and Towns*

The views expressed in this paper are personal and cannot be construed to be the consolidated view of the TTRI or any of its members