UITENHAGE:

TOWNSHIP ECONOMY DEVELOPMENT STRATEGY

Uitenhage: Township Economy Development Strategy

Prepared for the
Volkswagen Broad-Based Black Economic Empowerment Initiatives

Compiled by:

SUSTAINABLE LIVELIHOODS FOUNDATION
in collaboration with
URBANWORKS ARCHITECTURE & URBANISM

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ANC	African National Congress
B-BBEE	Broad-Based Black Economic Empowerment
BRT	Bus Rapid Transit
CCTV	Closed-Circuit Television
DA	Democratic Alliance
DED	Department of Economic Development
DSBD	Department of Small Business Development
DSTV	Digital Satellite Television
ECPG	Eastern Cape Provincial Government
EFF	Economic Freedom Fighters
ICT	Information and Communication Technology
MBDA	Mandela Bay Development Association
merSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
NMBM	Nelson Mandela Bay Municipality
NT	National Treasury
NYDA	National Youth Development Agency
PDP	Professional Driving License
RDP	Reconstruction and Development Programme
RPL	Recognised Prior Learning
SACO	South African Cultural Observatory
SASSA	South African Social Security Agency
SEDA	Small Enterprise Development Association
SEFA	Small Enterprise Finance Agency
SLF	Sustainable Livelihoods Foundation NPC
STATS SA	Statistics South Africa
UW	UrbanWorks
VW B-BBEE Initiatives Trust	Volkswagen Broad-Based Black Economic Empowerment Initiatives Trust
VW CT	Volkswagen Community Trust
VWSA	Volkswagen South Africa

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EXECUTIVE SUMMARY

This document presents a strategy for township economic development in Uitenhage. The strategy is the main output of a project collaboration between the Volkswagen Broad-Based Black Economic Empowerment Initiatives Trust (VW B-BBEE Initiatives Trust) and the Sustainable Livelihoods Foundation (SLF). This strategies' purpose is to advance an evidence-based development strategy tailored to the needs, capabilities and opportunities of township micro-enterprises. It provides suggestions on initiatives through which both the public and private sectors could meaningfully contribute towards igniting business development in the townships. The strategy has been formulated with no expectation of either government or private business to commit to funding, partnerships or programme alignment. Should either private business, donors or government desire to contribute towards business development in the Uitenhage townships, the document provides a series of clearly defined projects which could be implemented individually, or collectively in order to achieve development impact.

The project was under-taken in two phases. In phase one, the core objectives were to undertake detailed research on the scope and scale as well as the business dynamics of micro-enterprises operating within the Uitenhage settlements of KwaNobuhle and Rosedale & Langa. In phase two we identified potential strategies to ignite township businesses and to propose a series of suitable project interventions. Phase 1 was undertaken from September – December 2018, while Phase 2 was undertaken from January – March 2019.

The project purposely transferred skills and knowledge to township beneficiaries. The phase 1 research was undertaken with the support of 14 field workers recruited from KwaNobuhle and Rosedale & Langa. The field workers were trained in the SLF small-area census approach and use of data capturing technologies, including GPS devices and survey tablets. In phase 2, the project engaged with township entrepreneurs, introducing them to participatory action learning methods. Through a series of workshops, the research participants co-developed the central aspects of the projects through using the participatory methods of problem solving; collective brainstorming; and group design. In order to ensure that the proposed projects aligned with public sector and private development programmes, SLF engaged with stakeholders from the VW B-BBEE Initiatives Trust, trade union representatives, management in government departments and development agencies, technical advisors from enterprise support programmes, private entrepreneurs, and local political leadership. The results from Phase 1 were presented to a cross-section of these stakeholders. The projects developed in Phase 2 have benefited from the guidance and advice of the VW B-BBEE Initiatives Trustees as well as economic development experts.

PHASE 1: HIGH LEVEL FINDINGS

The researchers traversed every street and pathway in communities of KwaNobuhle, Rosedale & Langa to identify micro-enterprises and interview the business owners or employees. All businesses were surveyed, regardless of size or state of informality. In total the survey covered an area of 19.9km2, thus making this study one of the most extensive (in area terms) undertaken in a South African township context.
In total, the research identified 1,888 micro-enterprise activities; 1,084 in KwaNobuhle and 804 in Rosedale & Langa. At least one third of these activities can be regarded as survivalist businesses, undertaken to make ends meet but generating small profits. We identified numerous businesses (around 27% of the total) that could be considered as financially sustainable, profitable and able to provide employment opportunities. These include businesses in the categories of grocery retail, taverns and takeaways, business providing services such as hair care. Grocery retailers (spaza shops) are the largest (in terms of business size) and most profitable of these enterprises and most shops should be classified as small- rather than micro-enterprises. Over 88% of spaza shops are operated by non-South Africans and virtually none provide employment to South Africans. Immigrant entrepreneurs are also active in the hair care sector in KwaNobuhle. Otherwise most businesses in the research sites are operated by South Africans.

The research mapped the spatial distribution of all businesses. The geographically even distribution of businesses is a notable characteristic and underlines the importance of neighborhood niche markets for products and services. The levels of entrepreneurial activity along high streets were surprisingly low and this finding contrasts to other township sites which we have studied. The number of micro-enterprises within the township economy in KwaNobuhle and Rosedale & Langa sites is surprisingly low, in both absolute numbers and relative terms. In comparison to townships in Cape Town and Johannesburg, the state of entrepreneurship is underwhelming.

The researchers found clear evidence of the failure of government authorities (including the Nelson Mandela Bay Metropolitan Municipality) to adequately enforce regulations and restrict the activities of individuals and business groupings who profit from informality. Under-regulation is especially noticeable in the case of spaza shops, taverns and informal taxis. We also obtained evidence of poor performance within government in the provision of development assistance to township enterprises. The persistence of this state of affairs is likely to result in the continued economic exclusion and marginalization of vulnerable micro-enterprises.

Although micro-enterprises in the township economy are in general under-performing, we identified several pockets of opportunity. Sectors with growth potential include public transport (both minibus taxis and informal taxis); micro-enterprises operating in the informal automotive sector including car washing, mechanics and panel beaters; businesses engaged in recycling; businesses providing personal service; and micro-enterprises providing business services and creative industries, especially those involving young entrepreneurs. In terms of social-spatial development objectives, we noted the potential to mobilize communities around common automotive interests as a way to bridge current divides between the different townships and suburbs.

PHASE 2: HIGH LEVEL SUMMARY

We propose 12 projects:

#1. People's Automotive Academy
#2. High Street Activation
#3. Area Activation Nodes
#4. Street Business Infrastructure
#5. Recycling Stokvels
#6. Hairdressers & Beauticians
#7. Outlier Entrepreneurs
#8. Automotive Businesses
#9. Creative Studio
#10. Taxi Formalization
#11. VDUB'elopment
#12. Development Facilitation.

Importantly, the development strategy has been conceptualised as a constellation of independent projects which could be implemented as stand-alone interventions, or alternatively in a cluster or collectively. We have suggested specific modalities for the implementation of each project. Due to the nature of the interventions we recommend that Projects 1,4,5,6,7,8,9,11 and 12 be funded and implemented through the private sector, whereas Projects 2,3,4, and 10 be funded and implemented by government. We recognise, nevertheless, that private entities, government and public institutions will have strategic interests across all 11 core projects. For this reason, we have proposed a project of Development Facilitation (Project 12), whose activities include the harmonisation of projects, the formation of partnerships (including public-private partnerships), the mobilisation of funding, and securing stakeholder endorsement.

I. People's Automotive Academy. A flagship project to bring together the communities of KwaNobuhle and Rosedale / Langa through providing infrastructure to enable training, skills development for automotive micro-enterprises and to support leisure uses of the motor vehicle. The Academy will comprise a learner driving track, a training facility, trading facilities for motor events, mechanical workshops, a track for drifting and spinning, and a car wash. Budget requirement R15-25 million.
II. High Street Activation. A project to activate the high street economy of Mabandla and Matanzima streets in KwaNobuhle Township. These two major streets support a range of service businesses and have notable growth potential to become economic spines. Activation requires both infrastructure interventions and social interventions to secure the support of property owners and the participation of businesses situated along the street. Activation strategies include: land use rezoning to obtain commercial rights, street paving and lighting, the installation of mountable-kerbs, traffic calming and surveillance, and the provision of street trader facilities. Budget requirement R25-R35 million.
III. Area Activation Nodes. A project to enhance economic activities within transport and trading nodes through strategic infrastructure and social interventions. Infrastructure interventions are required to improve the useable space and infrastructure facilities for business activities, whilst enhancing the quality of the social space, including measures to improve safety and security. Social interventions will be supported to facilitate the entry of new businesses into these developed hubs. The project will enable beneficiaries to obtain strengthened land use rights and participate in precinct management. Budget requirement R5-R10 million.
IV. Street Business Infrastructure. A project to develop appropriate, adaptable and affordable (low cost) infrastructure solutions for businesses operating on streets and open spaces. The project will pilot solutions to address the shortage of high street business units, obstacles to trader mobility and storage constraints for street traders. Infrastructure will be developed through participatory design. Local artisans will be engaged to construct the infrastructure. Social and business interventions will be undertaken to ensure the sustainable use of the infrastructure and enhancement of business activities. Budget requirement R2-R3.5 million.
V. Recycling Stokvels. A project to enable waste collectors (recyclers) to better access current markets and obtain regular income from selling recyclable materials by working in self-selected groups. The project has twin objectives; one, to redress the current market barriers which hinder income generation for recyclers, and two, to minimise the environmental threat of uncollected recyclable materials within the township economy where plastic, in particular, is increasingly entering fragile river systems. Budget requirement R2.5-R3.5 million.
VI. Hairdressers and Beauticians. A project to enable local hairdressers & barbers and beauticians to upscale their businesses, establish linkages to product suppliers, improve their branding and marketing, and access better infrastructure and/or high potential sites. The project will support the beneficiaries to become social entrepreneurs, filling a role in the communication of

social messaging, on topics such as health, gender based violence and employment readiness. Budget requirement R2.5 – R3.5 million.

VII. Outlier Entrepreneurs. A project to catalyse the businesses of entrepreneurial outliers to grow in scope and scale through mentoring, peer-to-peer networking, marketing advice and business support services over a sustained period. The project will enable beneficiaries to receive personalised and targeted business support over a sustained timeframe (two years). The focus of the project is on persons with high entrepreneurial capability and/ or potential, irrespective of the sector in which their business operates. Budget requirement R4 million.

VIII. Automotive Service Businesses. A project to support informal businesses in the township automotive sector to improve their businesses through strengthening business systems, enhancing their quality of service and transitioning towards specialisation. The project targets auto-electricians, mechanics and panel beaters. The project will provide skills training and facilitate accreditation; assist businesses to access specialist equipment; mentor the beneficiaries to improve their business system, marketing and branding; and build peer-to-peer networking. Budget requirement R4-R6 million.

IX. Creative Studio. A project to establish a creative studio with design, production and audio-visual equipment and workspace. Within the studio, the project will introduce programmes to unearth and nurture creative talent. Training and mentoring will be provided to assist young crafters and artists to professionalise products / service offering. The project will reduce the constraints of accessing equipment, workspace and studios, and specialist tools and equipment. The project will enable beneficiaries to strengthen their professional networks and more effectively market their skills, services and products. Budget requirement R5-R7 million.

X. Taxi Formalisation. A project to facilitate the formalisation of informal sedan taxis operating short distance routes within the townships as a means to improve public transport safety. The project will improve the taxi system through: instituting vehicle registration and licensing; enforcing public driving licences; introducing a system for taxi identification; providing incentives and disincentives towards safety-oriented behavioural change; exploring possible strategies for incorporating the informal sedan taxis within an e-hailing platform; and promoting the participation of women in the sector, via branded women-only taxis. Budget requirement R3-R5 million.

XI. VDUB'elopment. A project to facilitate public engagement for a development vision in which automotive related activities foster socio-spatial-economic integration in Uitenhage. Through participatory engagements and one-on-one engagements, the project will facilitate public input on a development vision for Uitenhage which draws on the towns' manufacturing legacy and synergistic linkages to the automotive sector, and Volkswagen interests in particular. The vision will aim to identify catalytic opportunities, such as the VDUB festival, VW rally, or events at the Peoples Automotive Academy, to spur economic development in ways that foster social, spatial and economic integration across the Uitenhage communities. Budget requirement R2.5-R3.5 million.

Implementation and facilitation of the 12 Projects would require a total investment of between R74.5 million and R112 million. Factors of scope and scale will determine the resource requirement. Cost efficiencies can be achieved through implementing projects in series, thus benefiting through the sharing of management expertise, office resources, training facilities and business mentorship programmes. It is proposed that the development strategy be implemented over a period of 36 months with the predominant enterprise development projects undertaken over 24 months.

In advancing the strategy towards implementation, it is recommended that a project of Development Facilitation be initiated. Such a project can disseminate the strategy to all key stakeholders to engage potential partners for the 11 projects and mobilise sources of funding. Part of this role will be to identify suitable lead development agents to implement the projects. The development facilitators will then need to support the identified agencies to formulate implementation plans and detailed project costings

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PART I
BACKGROUND RESEARCH AND MICRO-ENTERPRISE SURVEY

01
PROJECT BACKGROUND AND OBJECTIVES

The VW B-BBEE Initiatives trust and SLF entered into a collaboration to develop an evidence led strategy for township economic development in Uitenhage. SLF had proposed an area-based approach. An areas based approach ensures that proposed development strategies are situated within an evidence-based understanding of the local economic system of micro-entrepreneurship. SLF has significant experience in applying this approach in other township settings in Johannesburg and Cape Town.

The area-based approach has five main components:

- A geo-spatial mapping and a business census of a specific area.
- Participatory engagement with local entrepreneurs to understand their opportunities and constraints.
- Investigation and conceptualization of spatial economy interventions, based on an assessment of area spatial dynamics, including the viability of high streets and opportunities for strategic investment in infrastructure for micro-enterprises.
- Identification of sustainable enterprise development strategies.
- Stakeholder engagement to agree on the approach / partnerships / modalities / funding to implement a development plan.

It was agreed that the project would be undertaken in two phases. In the first phase (Phase 1), an extensive business census as well as survey all micro-enterprises operating within the townships of KwaNobuhle and Rosedale & Langa would be undertaken. The research would focus on the established portions of these settlements, including high streets. In this first phase of the project, the main deliverables were:

- To conduct an extensive field survey,
- To carry out interviews and engagements with township micro-entrepreneurs,
- To produce a series of geospatial maps indicating the scope and scale of township micro-enterprise activities.
- To analyse the survey data with respect to township micro-enterprise dynamics, trends and opportunities for intervention.

In undertaking the field research component, SLF agreed to upskill a group of local researchers, recruiting unemployed graduates and skilled persons resident in the research sites.

In the second phase of the project (Phase 2), a series of development projects would be proposed. For Phase 2, SLF collaborated with UrbanWorks, an architectural practice which specializes in development oriented design and urban place-making. In conceptualizing suitable projects, the main deliverables were:

- To conduct an assessment of spatial development opportunities (including one high-street) at which catalytic development interventions could enhance the business environment and foster micro-enterprise growth.
- To conduct as series of participatory engagements with township micro-entrepreneurs to understand their business challenges and development needs, with the results informing proposed initiatives of infrastructure and enterprise development support.
- To propose a set of business support interventions targeted in up to five sectors with high potential for economic growth.
- To engage with municipal and other stakeholders to review the proposed development strategy, and harmonize actions with existing development programmes and priorities.
- To prepare a final report, outlining an appropriate and feasible development strategy for Uitenhage townships, and thereby highlight areas in which the VW B-BBEE Initiatives Trust could contribute towards township economic development.

02
RESEARCH SITES

The project focused on two geographic sites which we refer to in this report as KwaNobuhle and Rosedale & Langa. Within these sites respectively, the research encompasses the following sub-places, as defined by Statistics South Africa (STATS SA):

KwaNobuhle:

I. KwaNobuhle 2
II. KwaNobuhle 3
III. KwaNobuhle 4
IV. KwaNobuhle 5
V. KwaNobuhle 6
VI. KwaNobuhle 7
VII. KwaNobuhle 8

Rosedale and Langa:

I. Allanridge West
II. Blikkiesdorp
III. Gerald Smith
IV. Greenfields
V. Langa Phase 4
VI. Langa Phase 5
VII. Mandela village
VIII. Mandelaville
IX. McNaughton
X. Middlestreet
XI. Mountain View
XII. Rosedale
XIII. Thomas Gamble

The KwaNobuhle site covers an area of 12.04 km^2 whilst the Rosedale and Langa site cover an area of 7.86 km^2. The research thus surveyed businesses within an area of 19.9 km2. The geographic scope of research is much broader than similar studies, using the SLF small area census approach, and thus represents one of the most extensive area studies on township micro-enterprises. The site boundaries are shown in Map 1 and Map 2.

2.1. HISTORICAL BACKGROUND

2.1.1. GROUP AREAS

In 1950 the National Party enacted the first of three acts of parliament called the Group Areas Act. The Acts (1950), (1957) and (1966) sought to assign racial groups to different residential and business areas in a system of urban apartheid. As a result of this policy, in 1967 the township of KwaNobuhle was established as a dormitory settlement for black persons residing in the established Uitenhage suburbs of Langa and Kabah (also known as Xaba). As part of the same process of forced resettlements and urban segregation, coloured people were moved to the new settlement of Rosedale. The relocation and creation of new suburbs had a profound impact on both black and coloured communities: neighbourhoods were disrupted, community social infrastructure was demolished, and politics infused with racial tension and spatial divisions. The people who were resettled in KwaNobuhle Extension 1 and 2 were particularly disadvantaged because the area was far from the commercial centre (Uitenhage) (too far to walk) and there was little infrastructure to provide social support services and amenities.

2.1.2. MUNICIPAL HOUSES

In KwaNobuhle, the first municipal houses (in other words owned by the municipality) were built in 1967. These were constructed according to the Non-European (NE) 51/6 proposal of Douglas Calderwood, or its variants, NE51/7, NE51/8 or NE51/ 9. These dwellings comprised a 3-bedroomed house established on a 275m^2 plot. Although by current standards these municipal houses were situated on large plots, the real challenges lay in their conceptualization as a tool in the policy of Apartheid urban segregation. In developing the new settlements, officials were compelled to accentuate the separateness of KwaNobuhle and Rosedale from neighboring areas and Uitenhage town itself, following instructions as given in the following quotation:

“Railway lines, main roads, rivers, streams and ridges all form separation media and these should be used as far as possible. Where no suitable feature of this sort exists…the Group Area Board may insist on a buffer strip. In the case of native locations buffer strips varying in width from 200 to 500 yards… are insisted upon by the Minister of Bantu Administration” (Floyd, cited in Haarhoff, 2010: 4).

To local residents, KwaNobuhle was referred to as a location, not a residential area. For several decades it had no infrastructure to support economic enterprises and its only connection to Uitenhage was a single bridge. Even today there is just one additional route of connectivity between Uitenhage and KwaNobuhle. Between 1967, when the first 2500 municipal houses were built, and 1986 a total of 13,299 municipal properties were established. A great number of these houses have remained unaltered (and hence undeveloped) since their first establishment.

2.1.3. ANTI- APARTHEID STRUGGLE

The anti-apartheid struggle amplified between 1984 and 1994. The struggle was fueled by resentment towards the segregation, the rise in black political consciousness and the harsh experiences of forced removals to the new settlements. Under the first wave of Apartheid reforms, the Black Local Authority legislation was enacted in 1983 and the following year the KwaNobuhle Town Council was established. The Council decision to raise rents and service charges in order to reduce the fiscal crisis caused widespread resentment. Opposition was led by United

Democratic Front (UDF) which, at the time, had begun to gain popular support in townships and gave residents a vehicle to oppose the Council and wider apartheid political system.
In the resulting political struggle, much violence occurred between supporters of councilors (Peacemakers) and those opposed to them (AmaAfrica and UDF). This struggle continued for over 10 years until the introduction of democracy. The conflict extended to Langa with violent incidents in one township reverberating in the other. State violence and the police in particular had a major influence in this conflict, both directly and indirectly through its support of vigilante groups. At the same time, anti-apartheid groups also embraced the use of violence as both a tool of mobilization and to intimidate the collaborating councilors and their supporters.

In the history of the anti-apartheid struggle, Langa is memorialized for the "Langa Massacre" which took place on March 21st, 1985. In this incident, over 35 people were shot and killed by the police as they attempted to march from Langa to KwaNobuhle. The day of the massacre is now commemorated as "Langa Day."

2.1.4. POST-APARTHEID DEVELOPMENTS AND RDP HOUSES

After 1994, important social and infrastructural developments were initiated in KwaNobuhle, Rosedale and Langa. These developments included the Reconstruction and Development Programme (RDP) which provided free houses to the homeless and persons living in informal settlements. Under the RDP programme, the number of dwellings in KwaNobuhle doubled. Houses have also been provided through the following programmes:

The Peoples Housing Process: a government funded housing programme wherein recipients contribute towards their own house.
Consolidation subsidy programme: wherein recipients are afforded a subsidy to extend their house on a serviced stand
Individual subsidy programme: wherein loans are afforded to individuals to build a house on a serviced stand.
War veteran's subsidy.

In the most recent financial year (2017-2018), 52 RDP houses were built in KwaNobuhle, 65 RDP houses were built in Langa (Greenfields) and 1000 applicants qualified for a subsidy. In line with the objective to provide residents with freehold title, the Nelson Mandela Bay Municipality (NMBM) is proceeding with a programme to transfer title deeds to housing beneficiaries.

There are eight high schools in KwaNobuhle and approximately fifteen primary schools. The importance of public transport in KwaNobuhle has resulted in an efficient (though not necessarily cheap) transport system, which includes a bus service to Port Elizabeth town centre. Mini-bus taxis provide transport services to Uitenhage. Small taxi's known as jikeleza's provide a service over shorter distances within KwaNobuhle, providing an important linkage between the residential areas, access to the local mall and government buildings.

2.1.5. SERVICE DELIVERY STRUGGLES AND SOCIAL CONFLICT

Housing shortages remain a major political grievance in KwaNobuhle, Langa and Rosedale. In this respect there have been several protests, notably in 2013, 2014 and 2018. Poor service delivery by the NMBM, particularly with regard to the provision of water and sanitation, is a second major grievance. In the words of one of the protestors:

"It was an insult to the poor because we had to relieve ourselves in the bush across the road. Sometimes, we had to relieve ourselves in buckets and sleep with them the whole night inside our shacks. We depended on one communal tap that we shared with roaming cows and stray dogs." (Mbovane ,T. 2018).

Xenophobic violence occurred in KwaNobuhle in 2008 when grocery retail stores (spaza shops) were attacked and looted. Today most shop owners operate walk-in stores which suggests a higher degree of social cohesion and lower risk of crime than some of the other sites SLF has studied. In Cape Town, for example, spaza shop employees are barricaded inside the shop.

In many townships political pluralism and openness is highly visible. In KwaNobuhle and Rosedale / Langa, by contrast, one sees very few young people openly associating themselves with opposition political parties, through for example the wearing red berets or blue t-shirts associated with the Economic Freedom Front (EFF) or Democratic Alliance (DA) respectively. The political environment remains strongly dominated by the African National Congress (ANC). In the coloured communities of the Rosedale / Langa site, whilst there remains a degree of support for the ANC, residents feel strongly dissatisfied with what they consider is bias in development programmes and investment towards KwaNobuhle. Political dissatisfaction has been amplified by the 'gerrymandering' of ward boundaries in which the settlements of Lapland and OR Tambo have been allocated to wards situated outside the immediate geographic area. In political terms, the combination of resentment towards perceived development bias along with the racial polarization is expressed in support of coloured communities for the DA and black communities for the ANC.

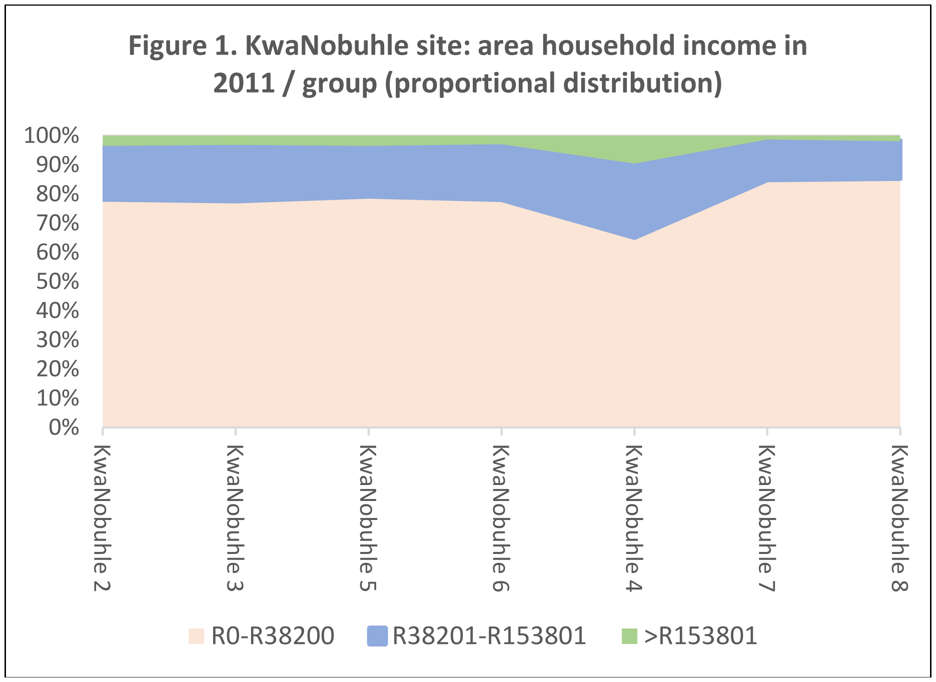
2.2. SOCIO-ECONOMIC PROFILE

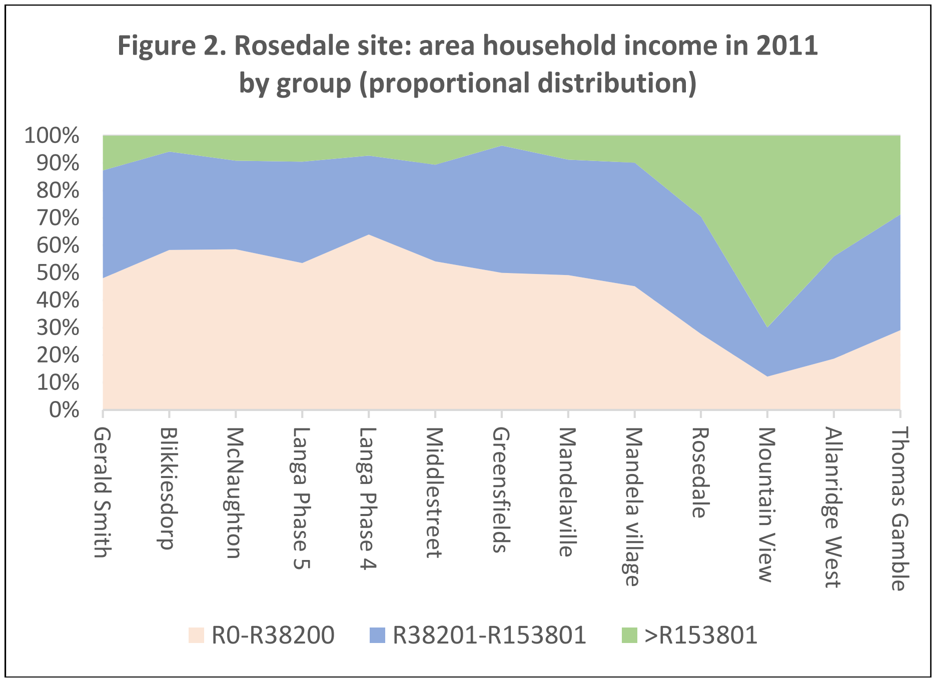
The 2011 national census conducted by STATS SA recorded a population of 99,747 in the surveyed portion of KwaNobuhle and 55,674 in the surveyed portion of Rosedale & Langa. These populations resided in 26,6652 and 12,885 households respectively. The population of KwaNobuhle was (and remains) overwhelmingly 'black' in racial group, whereas the population of Rosedale & Langa was 71% 'coloured' and 29% 'black' in 2011. There has been considerable in-migration to the Rosedale & Langa sites, with the newer residents residing in informal settlements. It is unclear how this migration has changed the racial profile of the site, though our observations indicate that Rosedale remains predominantly 'coloured' and Langa largely 'black', though more mixed in racial profile than KwaNobuhle.

The census results with respect to household income are shown in Figure 1 and 2. We have organized the data into three groups: i) low income or households with less than R38,200 income per year, ii) lower-middle income or having between R38,201 and R151,3801 income per year, and iii) middle income or having above R153,801 income per year. The charts show the relative distribution between the three groups and across sites, disaggregated by neighborhood. The contrasting profiles show the then noticeable difference between KwaNobuhle, where 78% of households then fell into the low income group and Rosedale & Langa where 43% of households then fell into the low income group. The charts also highlight the comparatively better off position of certain neighbourhoods, such as KwaNobuhle 4, Thomas Gamble and Mountain View. Our field observations suggest that this distribution might have changed, especially with respect to the expansion of the middle income group and notably in KwaNobule where we noted evidence of improvement in household income in terms of property improvements and renovations, subscription to services such as digital satellite TV and vehicle ownership. Figure 3 and 4 shows the then (2011) rate of unemployment according to the expanded definition (in other words including discouraged work seekers). In 2011, the average rate of unemployment was 55.5% for KwaNobuhle and 44.5% for Rosedale and Langa.

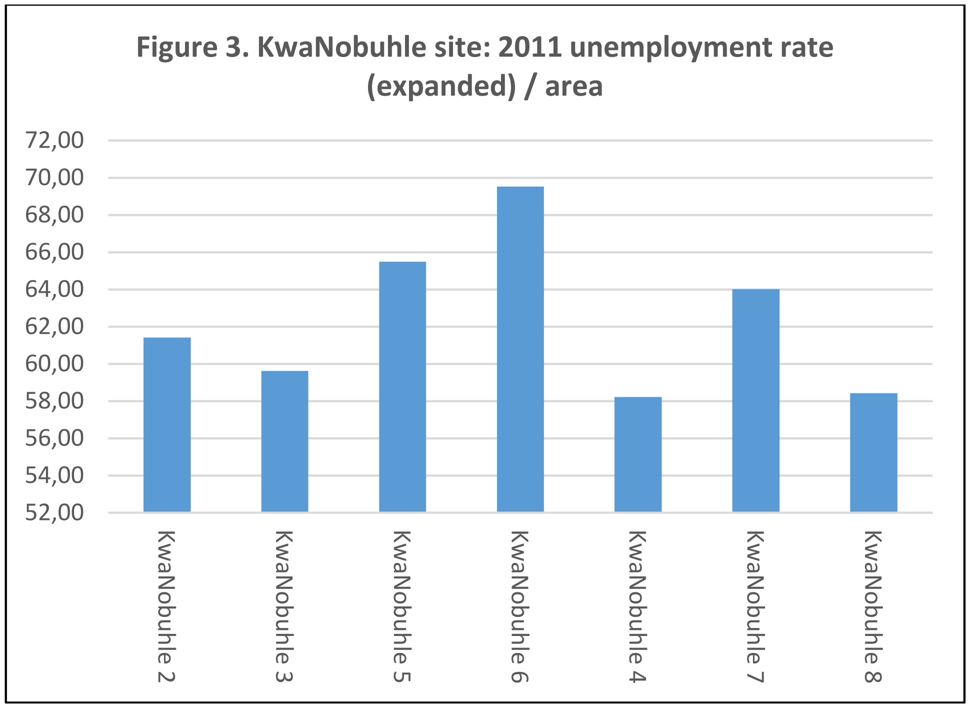

UITENHAGUE
DESPATCH
30km
PORT ELIZABETH

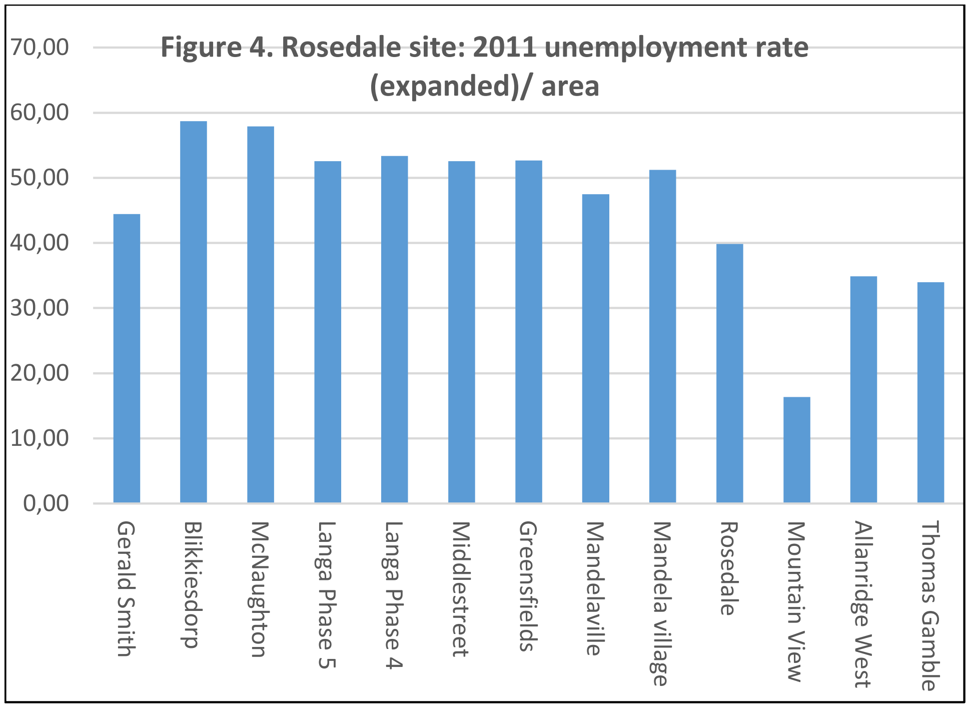
ROSEDALE AND LANGA
NOVEMBER 2018





HOUSEHOLD INCOME





UNEMPLOYMENT RATE

KWANOBUHLE

1. KwaNobuhle is a geographically dispersed settlement, divided with numerous greenbelts, river valleys, public land and servitudes. Residents are reliant on vehicle transport to access high streets and shopping facilities.
2. The first generation of council houses were built according to the apartheid defined NE 51/9 model. Some home owners have substantially enhanced their properties, though many original houses remain unaltered and undeveloped.
3. Most renovations incorporate embellishment into the design.
4. Urban agriculture fulfills a role in supplementing livelihoods and sustaining cultural traditions.
5. Home owners with resources have chosen to invest in their properties, such as building a garage, additional rooms, upgrading doors and windows and a tiled roof.

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ROSEDALE AND LANGA

1. The broader area of Rosedale is highly diverse in settlement characteristics, containing suburbs, formal council houses and informal settlements.
2. McCarthy Informal Settlement contains over 900 dwellings; there are merely two communal water taps.
3. Whilst the area supports a number of 'middle income' suburbs, such as Mountain View and Gamble, many of the original council houses in Rosedale have not improved since 1994 when owners acquired title deeds.
4. Sewerage spills out onto the street in Blikkiesdorp, one of the oldest settlements within this site.

3

1

HISTORICAL LEGACY

1. In 1985, 35 people were massacred by the security police when they attempted to march from Langa to KwaNobuhle to attend the funeral of three anti-apartheid activists. This event has been memorialized in both KwaNobuhle and Langa. The Langa Memorial site is fenced and locked – See 3.
2. These foundations memorialize the forced relocations from Langa to KwaNobuhle under the apartheid programme of separate development.
3. 4Traditional celebrations to communicate with the ancestors are widely practiced in KwaNobuhle and Langa.
4. Floodlights are characteristic of the township and help to illuminate dark places and open grounds where no street lights exist. These lights symbolise people's insecurity at night.


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RESEARCH PROCESS

1. SLF recruited and trained 14 field researchers from KwaNobuhle and Rosedale communities.
2. SLF operated from the Lovelife Y-Centre in KwaNobuhle and the Ikhwezi Lomso educare in Kabah.
3. Field workers conducted interviews using a survey instrument contained on a tablet device with the data uploaded to a cloud based storage system.
4. The field team was divided into a cycling unit and a walking unit. Bicycles enabled the cycling team to cover an extensive area, whilst also providing the researchers with a unique means of identification.

4

5. The research process was overseen by highly experienced SLF research specialists who recorded the precise locality of each business using a Garmin GPS device.
6. The field researchers acquired new skills and built friendships amongst each other.
7. SLF conducted a focus group discussion with young entrepreneurs working in creative industries to understand their business strategies and opportunities for growth.
8. Part of the research process required building bridges with the community to earn their trust and support.

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03
RESEARCH METHODOLOGY

Fieldwork was undertaken in two main time frames: in KwaNobuhle between the 13th October and the 2nd of November 2018 and in Rosedale / Langa between the 13th and 23rd of November 2018.

The research methods and engagement activities are summarised as follows:

- Consultation with the VWBBBEE Trust, community stakeholders and leaders in respective research sites;
- Mobilisation, selection and training of local field workers for survey work;
- Implementation of the small area-census research process, which entailed: 1) geospatial mapping of all informal businesses, micro-enterprises and livelihood activities; and 2) a micro-enterprise survey of all informal businesses;
- Rapid field assessments of transport services, formal retail activities, pedestrian movement, various trading infrastructure and land availability within the research sites settlements;
- Focus group discussions with young persons engaged in creative micro-enterprises to identify opportunities to support the development of livelihoods in this sector;
- Social, political and historical desktop analysis of secondary literature and data sources;
- Analysis of the survey data and engagements and mapping of geospatial data.

It was important for the SLF team to inform community members about the purpose and aims of the research. We made efforts to reach out to local councillors to explain the aims of the project. These engagements were intended as an act of courtesy and because as researchers we are ethically bound to minimize disruptions to the contexts within which we work.

In each site a logistical base was established to provide a safe haven for parking vehicles and the storage of the SLF bicycle fleet. These bases were established at VW Community Trust partner organizations, namely the Lovelife Ycentre in KwaNobuhle and the Ikhwezi Lomso Educare Centre in Rosedale/Langa.

3.1. MOBILISATION OF LOCAL FIELDWORKERS:

Upon project commencement, SLF implemented an online recruitment drive to source potential fieldworkers for the project. Our mobilization process was multi-faceted. In our preliminary site visit, we made contact with the management team at the Y-centre. The management team assisted our mobilization efforts through their networks and dedicated a few minutes on their community radio station to make a special announcement about the opportunity to work with SLF. The Y-centre placed the SLF recruitment advertisement on their Facebook page which is widely supported in KwaNobuhle and Rosedale/Langa. Although we initially aimed to recruit field workers with an undergraduate degree, we later accommodated persons with merely a matric certificate but prior work experience. We restricted our recruitment drive to KwaNobuhle and Rosedale / Langa communities since we felt it was important to work with people living in these sites as their wealth of local knowledge would be vital in the field. Fieldworkers were required for multiple roles in addition to conducting interviews, including the roles of community liaison persons, translators and project ambassadors. Individuals were therefore selected on the basis of their knowledge of the area, their self-confidence to undertake interviews with strangers as well as education qualifications and past experience.

In total, 389 candidates responded to our recruitment drive from all over the country with only 21 of these residing in either KwaNobuhle or Rosedale/Langa. All 21 applicants were asked to attend a one-day selection, briefing and training workshop. Using a range of participatory methods, the SLF trainers were able to assess the candidates individually as to their suitability of the fieldworker role. We ended up selecting 14 candidates. The fieldworkers were diverse in culture, linguistic skills and racial profile, though there were more women. They were then trained in SLF's small-area-census approach and technical skills, which included learning how to use GPS devices and how to conduct face-to-face interviews using a questionnaire tool on tablet device. SLF issued each fieldworker with an identification badge (containing their name, photograph and the SLF details) and SLF branded clothing. The fieldworkers were remunerated on a weekly basis.

3.2. DATA COLLECTION

The aim of the research was to collect geospatial and firm level data through a detailed survey and mapping process of all forms of informal business, including small livelihood activities. The approach is to identify businesses in both residential localities (in other words in people's home) and on public sites such as streets or open land. The method is known as the small-area-census approach which SLF has pioneered and developed since 2010 (see Charman et al. 2015). The value of this method lies in the capacity to locate and map not only the visible micro level street businesses, but also important economic activities that are hidden and which are run from people's homes.

In undertaking the research, the field research team was divided into a cycling unit and a walking unit. Bicycles enabled the cycling team to cover an extensive area, whilst also providing the researchers with a unique means of identification. The fieldworkers set out on bicycle or foot with clipboards containing their survey range data sheets, device login details and ID's, as well as project information pamphlets, while senior SLF researchers were equipped with Garmin GPS devices, spare tablet devices and cameras. The entire research process was overseen by highly experienced SLF research specialists who supervised the fieldwork, simultaneously recording the precise locality of each business using GPS devices. Each team would comprehensively investigate all streets, thoroughfares and walkways within a specified area, working off printed maps. To address community suspicion, the fieldworkers handed out pamphlets to all businesses wherein which the objectives of the research were described and SLF company details were provided, including the name and contact details of the fieldwork manager. Pamphlets were available in English, Afrikaans and isiXhosa.

Fieldworkers were trained to identify businesses by sight and through conversations. We spoke with business owners, partners, employees, friends and relatives. We also held conversations with residents in the street from whom we sought information about business activities in their neighbourhood or details about a particular business. Some businesses were easy to identify from signage and/or entrepreneurial activity, while others had to be identified through street level engagements. Although some interviewees preferred speaking Shona (in the case of Zimbabweans) or English, for the most part, the surveys were conducted either in Afrikaans or isiXhosa.
The researchers' use of bicycles to conduct the survey created considerable local interest and amusement and as a result many residents openly engaged with the team to find out what they were doing or simply to introduce themselves.

The questionnaire contained 35 variables. After introducing the research (which sometimes required long conversations), each questionnaire took on average 10 minutes to complete. The data was recorded on a tablet device linked to an online data management system.
The information we sought to obtain included social and demographic data, information on the nature of the business and employment, and information regarding business needs and challenges. In addition to the survey instrument, we used GPS devices to record the geospatial position of each business and linked photographs to each GPS point. Mapping GPS locations also allows us to examine each settlement's design, street grid and proximity to business centres and transport nodes. The experienced senior SLF researchers collected qualitative data through in-depth semi-structured interviews with a number of business owners. This data – which comprises anecdotes, stories on how the business was established or particular challenges, information on business turnover and profit and observations from the field – enabled the researchers to ground-truth the findings and explore complex issues which would not, otherwise, be obtained through the survey instrument.

3.3. HIDDEN ENTREPRENEURS

A limitation of the small-area census approach is the difficulty of identifying hidden entrepreneurs, particularly if the business has no infrastructure and operates outside the neighbourhood. From past experience and research, we are aware of one such group. These are young people engaged in creative micro-enterprise activities such as performing artists, DJs, dancers and many other sectors. In order to explore the potential scope and scale of participation in these activities, SLF hosted a workshop discussion with young creatives in KwaNobuhle and Rosedale. We mobilized participation at these events through social networks we identified during the course of the research process and with support from the Lovelife Y-centre groundbreakers. Through these workshops, SLF was able to engage with young creatives and gain insight into their business activities, challenges and development needs.

04
RESEARCH FINDINGS

4.1. SCOPE AND SCALE OF MICRO-ENTERPRISES

The business census identified a total 1888 micro-enterprise activities in the two sites. South African entrepreneurs operate around 72% of these businesses and are active in all categories apart from the grocery retail / spaza sector which is dominated by non-South African immigrants. Men account for 58% of the entrepreneurs. Since the KwaNobuhle and Rosedale / Langa sites are geographically separate and confront different socio-cultural and spatial influences, we have analyzed the census results for each of the sites separately.

4.1.1. KWANOBUHLE

In KwaNobuhle, we identified 1084 micro-enterprise activities. The distribution of micro-enterprises by category in number of micro-enterprises identified is shown in Figure 5. The top 5 most commonly identified activities, in order, are recycling (197 or 18.2%), grocery retail (161 or 14.95%), hair care (97 or 8.9%), tavern (63 or 5.81%) and takeaways (62 or 5.72%). There are important differences in the distribution of businesses by gender, as shown in Figures 7 and 8. Men operate (and dominate) grocery retail, hair care, mechanic and mechanical services, building services, car washes and home maintenance activities, amongst those businesses most frequently observed. In contrast, women operate the bulk of recycling activities and the selling from home of snacks and cigarettes. These two business categories are predominately survivalist, provide little profits and have low growth potential. Of greater potential for women, are the businesses providing hair care services, taverns, educares, the selling of meat, poultry and fish, and operating (unlicensed) shebeens.

To differentiate businesses with higher profit from the total census result, we analysed the business distribution / categories using proxy variables such as whether the business operated under a unique name and whether or not the business provided employment. We found that categorization by employment was more insightful as some survivalist categories recorded names. In Figure 4, we show the proportional distribution of enterprises providing employment (1 or more person in addition to the owner) by category. The result found that 57% of the enterprises which provide employment are spaza shops (position 1) and hair care (position 2), sectors dominated by immigrant business men and women which don't employ South Africans (apart from a few isolated instances, where for example the entrepreneur has married a South African). From a perspective of creating jobs for South Africans, strategic businesses are takeaways, car washes, mechanical services, business services and recycling.

There are notable differences between the entrepreneurial activities of South Africans and non-South Africans. Immigrant entrepreneurs are mainly active in the spaza sector, which they totally dominate, the hair care sector, building services and shoe repair, as illustrated in Figure 9. The main immigrant nationalities, in order of numerical size, are Ethiopians (41%), Ghanaians (21%), Somalians (12%), and Zimbabweans (10%). The Ethiopians and Somalians operate spaza businesses (and taverns, with respect to the former), the Ghanaians operate hair care businesses and the Zimbabweans operate in hair care, building services and mechanical services categories. Other identified nationalities are Bangladeshi (spaza), Chinese (spaza), Eritrean (spaza), Malawian (spaza), Mozambican (hair care / building services), Nigerian (taverns and hair care), Pakistani (spaza) and Ugandan (hair care).

Past research on the informal economy in South Africa has noted differences between start-ups (<1 years old) and mature enterprises (>5 years old), as well as differences between the businesses operated by youth (under 30 years old) and pensioners (over 30 years). In Figures 9 and 10 we explore these influences, comparing the proportional distribution of these variables by enterprise category. In Figure 9, we compare the distribution of enterprise activities between youth and pensioners. The data on recycling is potentially misleading as these activities are predominantly undertaken by pensioners (a qualitative understanding), though in conducting research the field researchers sometimes interviewed young persons who spoke on behalf of their parents or grandparents, thus incorrectly allocating the business to the informant instead of the actual operator. Otherwise the result is consistent with our qualitative understanding. Apart from recycling, the most numerous businesses run by persons over 60 years old are taverns, the selling of snacks and cigarettes, mechanics, takeaways, hair care, grocery retail businesses and building services. For younger persons, the most common businesses (according to ranking) are grocery retail, hair care, takeaways, taverns and mechanics. We also note a comparatively higher proportion of young entrepreneurs than older entrepreneurs in micro-manufacturing, health services, and business services; this finding is notable as these are sectors with good growth prospects.

The result of the analysis of startups vs mature enterprises, as shown in Figure 10, indicates that businesses have been able to sustain their operations in most categories. We identified 397 businesses which had been in operation for longer than five years and 279 businesses which had commenced within the past 12 months. In proportional terms, recycling businesses comprise 23% of start-ups (and 32% of the category) but only 9% of mature businesses, thus possibly indicating a high rate of business failure. Excluding recycling, grocery retail (13%), taverns (10%), mechanics (8%), hair care (7%), building services (6%) and takeaways (5%) comprise just under half of all mature enterprises categories. Relative to their category, over 60% of the identified micro-enterprises operating as mechanics had been in business for over 5 years. There appears to be a high degree of turnover within the grocery retail, hair care, taverns and building services sectors (which account approximately 30% of start-ups) as immigrant entrepreneurs (who are active in these sectors) set-up new businesses or acquire established shops / taverns. As potential markers of future trends, we found that 55% of health services, 42% of transport services, 42% of personal services, 41% of wood and coal businesses, 37% of business services, 36% of shoe repair businesses, and 35% of mechanical services were established in the past 12 months.

4.1.2. ROSEDALE AND LANGA

In Rosedale and Langa we identified 804 micro-enterprise activities. The distribution of micro-enterprises by category in number of micro-enterprises identified is shown in Figure 6. The top 5 most commonly identified activities, in order, are grocery retail (133 or 17%), snacks and cigarettes (128 or 16%), recycling (68 or 9%), taverns (49 or 6%) and mechanics (48 or 6%). Less numerous, but also notable in number, were business services (39), mechanical services (36), hair care (34) and building services (32).

As in KwaNobuhle, there are differences in the gender participation in business, refer to Figures 11 & 12, with women disproportionally represented in survivalist and poorly rewarded businesses such as snacks and cigarettes (90 of 128 in the category; 34% of women operated businesses). In this respect, the data shows a notable difference with KwaNobuhle, where the main women survivalist business is recycling. In Rosedale and Langa, recycling holds position 3 in ranking (in terms of absolute numbers), though the number of participants in the sector is much fewer in this site (68 vs 193) whilst the gender distribution is more evenly divided between men and women. Men dominate grocery retail (92%), mechanic (85%), mechanical services (81%), building services (81%), home maintenance (100%), micro-manufacturing (94%) and appliance repair (100%). Apart from recycling, women dominate in the categories of takeaway (70%), educare (100%), the selling from home of meat, poultry and fish (75%) and liquor (67%). Women entrepreneurs are also notable in the selling of personal accessories and tailoring, though the number of participants is small.

In Figure 13, we show the proportional distribution of enterprises providing employment (1 or more person in addition to the owner) by category. The importance of spaza shops as a source of employment within the township economy is again witnessed, though in Rosedale / Langa spaza shops account for 31% of employing businesses. As in the KwaNobuhle case, these shops are dominated by immigrant entrepreneurs, as discussed below, who provide no employment to South Africans. The main categories which provide jobs are snacks and cigarettes (8%), [a questionable result given that these businesses generate tiny profit and likely refer to our observation that multiple members of a household may support the women entrepreneurs is some way], taverns (8%), mechanical services (6%), and building services (5%). Additionally, hair care, educares, micro-manufacturers, takeaways and car washes provide informal employment, though the number of businesses identified in Rosedale & Langa is small in absolute and comparative terms.

Immigrant entrepreneurs are predominantly concentrated in the grocery retail sector where they operate 85% of the shops. The research found a small number of immigrants running hair care businesses, though few in comparison to KwaNobuhle. These findings might reflect several factors, including the difference in demand for hair care services between black and coloured communities, and possibly constraints in the high street environment making conditions unfavourable to the establishment of container businesses in suitable localities. The nationalities of the immigrant entrepreneurs are diverse. As in KwaNobuhle, Ethiopians are greatest in number (72%), followed by Zimbabweans (10%) (running hair salons and appliance repair businesses and selling goods as hawkers), Somalis (8%), a small number of Malawians (5%), Pakistanis, Eritreans, Bangladeshis and Cameroonians. In most of the stores operated by Ethiopians, Malawians are employed as helpers to pack stock and provide surveillance.
Figure 14 and Figure 15 examine the contrasting distribution of enterprise categories between, firstly persons under 30 years old and persons over 60 years old, and secondly, between startups (<1 year old) and mature businesses (>5 years old). In proportional terms, young entrepreneurs are mostly operating grocery retail stores (35%; 28% within category) (these are all immigrant entrepreneurs), selling snacks and cigarettes (17%) [as with recycling in KwaNobuhle, this might be a false result based on qualitative evidence], hair care (14%, though 44% within category) (again, due in part to immigrant entrepreneurs), takeaways (4.7%), recycling (3.7%) and mechanics (2.8%). In other categories, the number of young person's operating businesses are too few to discern sector influences or trends. We identified 96 persons over 60 years of age operating businesses, of whom 38 were engaged in selling snacks and cigarettes and recycling. As in KwaNobuhle, the main categories where older persons operate businesses are in business services, mechanics, taverns, grocery retail and building services.

Figure 14 compares the proportion of businesses by categories among start-ups and mature businesses. Over 40% of startups sell snacks and cigarettes (equal to 23% within category). It is likely that many of these activities will fade and are simply a desperate effort to supplement household income in a context where spaza shops control the grocery retail market segment, including fruit and vegetables. The next most common start-ups are grocery retail (11%), recycling (10%) and takeaways

(8%, though 22% within category); thereafter we identified a few businesses selling meat, poultry and fish and also homeware. There was merely a single business in the remaining categories. In the case of mature businesses, we identified a similar proportional mix to KwaNobuhle, comprising grocery retail (15% of the >5 years cohort and 35% of the spaza category), snacks and cigarettes (10% and 23% of category), mechanics (10% and 55% of category), taverns (9% and 53% of category), building services (8% and 72% of category) and business services (6% and 49% of category). With the exception of grocery retailers, this result indicates that businesses in these categories have high potential for sustainability for once the business becomes established, it presents strong competition to start-ups. In the case of the grocery retail sector, most of the businesses have been established with comparatively large sums of capital (>100k) through investment by resourced individuals or business groupings, though we did encounter a few examples of owner operated businesses grown from modest means.

Figure 5. KwaNobuhle: all enterprises / categories (number)

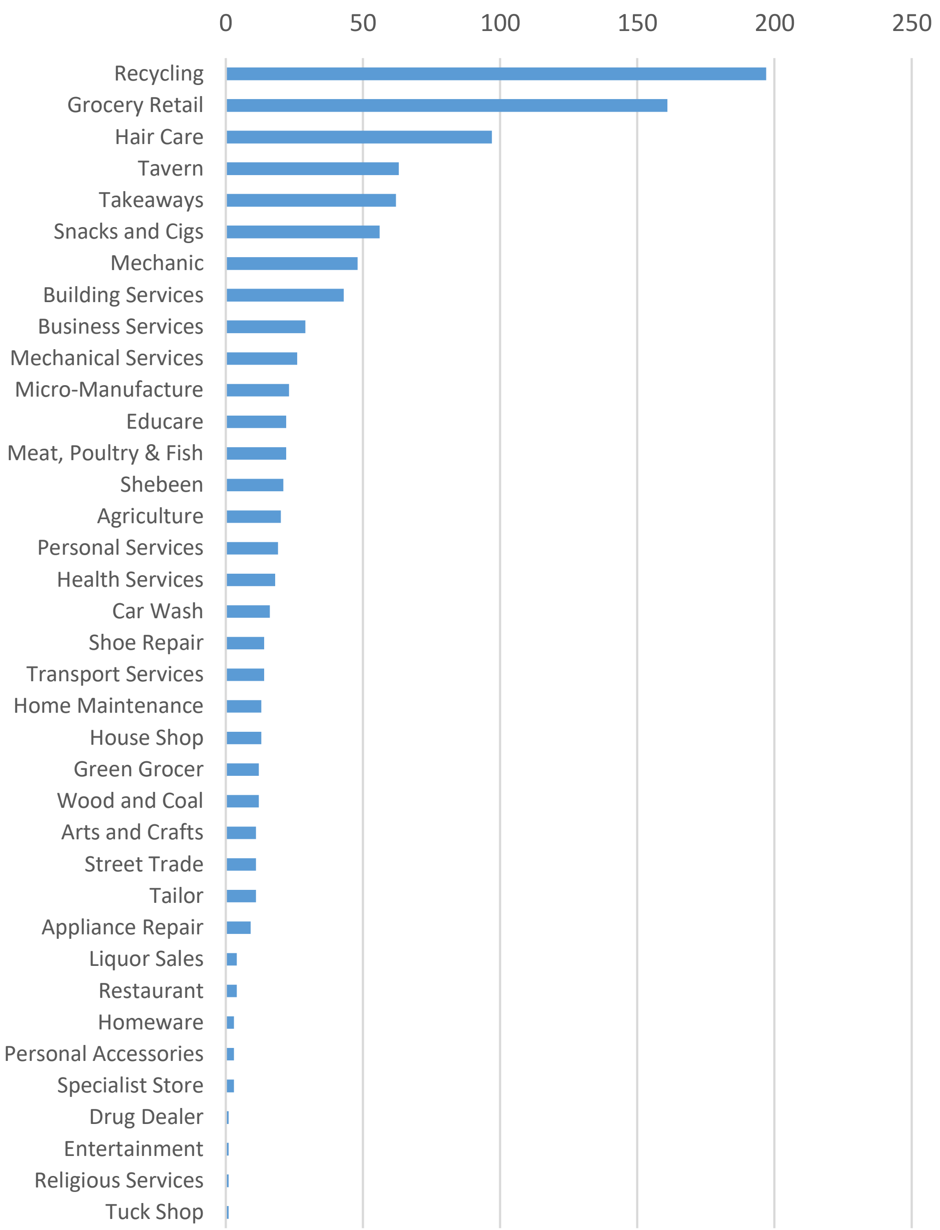
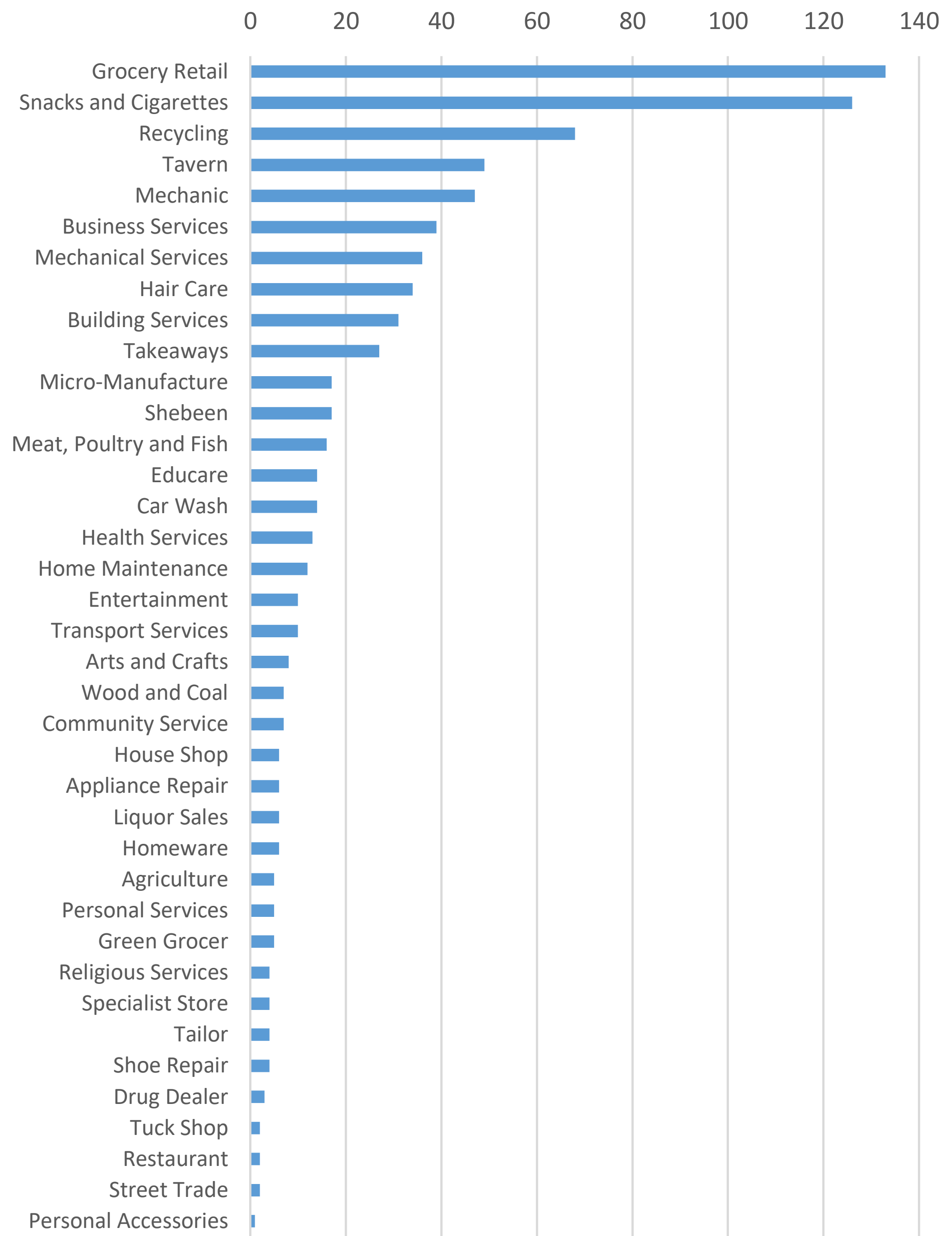


Figure 6. Rosedale & Langa: all enteprises / categories (number)



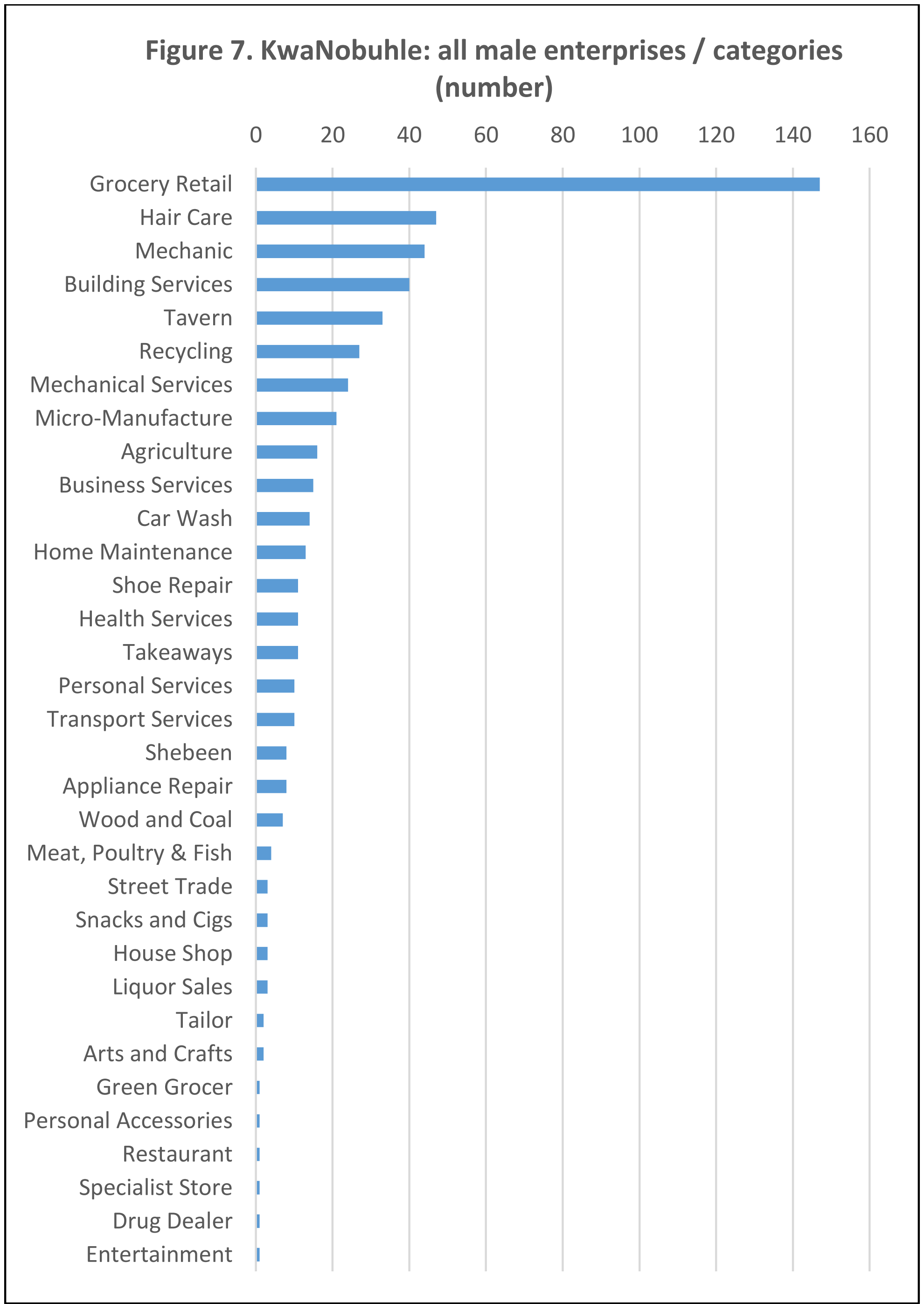


Figure 7. KwaNobuhle: all male enterprises / categories (number)
0
20
40
60
80
100
120
140
160
Grocery Retail
Hair Care
Mechanic
Building Services
Tavern
Recycling
Mechanical Services
Micro-Manufacture
Agriculture
Business Services
Car Wash
Home Maintenance
Shoe Repair
Health Services
Takeaways
Personal Services
Transport Services
Shebeen
Appliance Repair
Wood and Coal
Meat, Poultry & Fish
Street Trade
Snacks and Cigs
House Shop
Liquor Sales
Tailor
Arts and Crafts
Green Grocer
Personal Accessories
Restaurant
Specialist Store
Drug Dealer
Entertainment

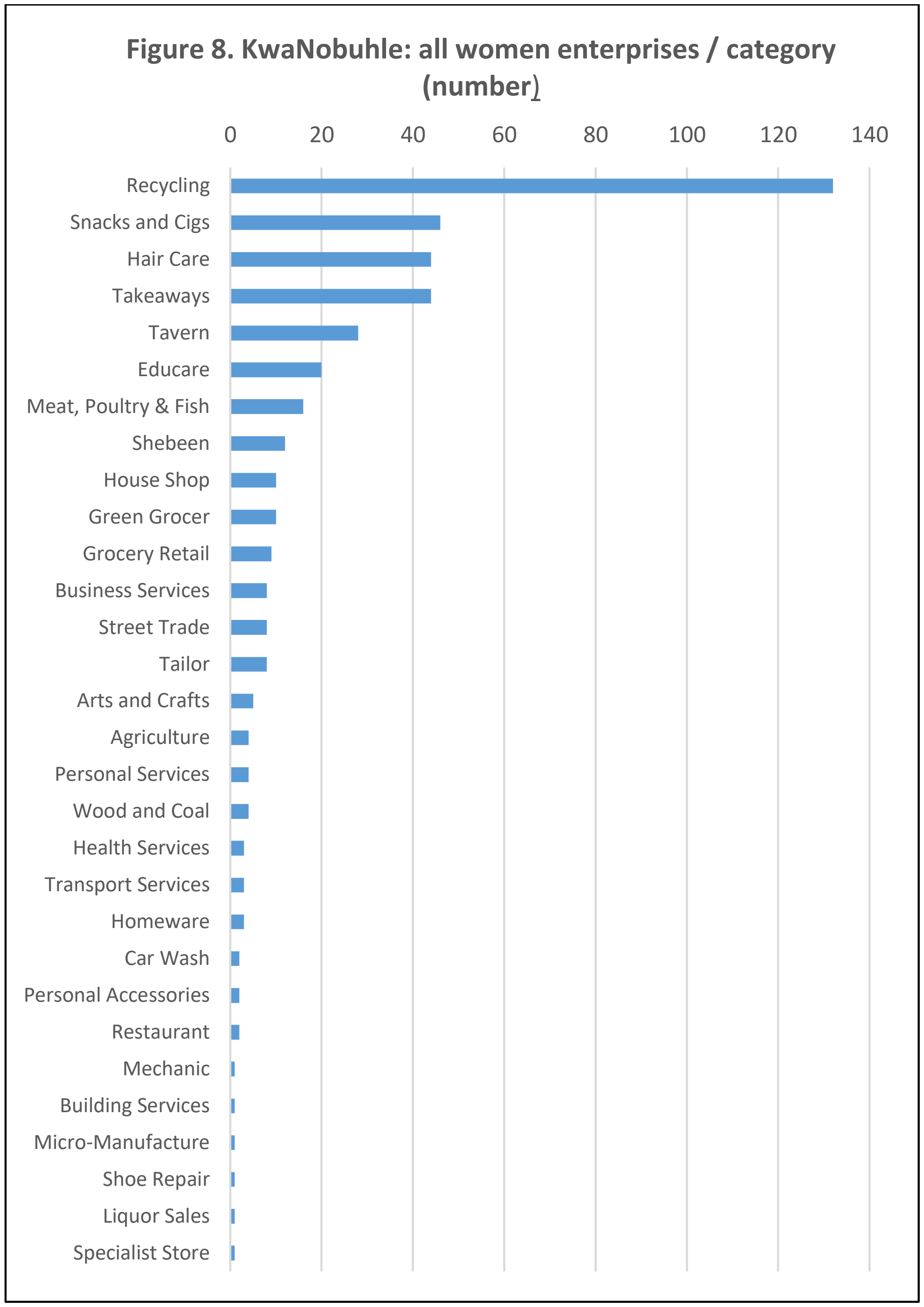


Figure 8. KwaNobuhle: all women enterprises / category (number)
0
20
40
60
80
100
120
140
Recycling
Snacks and Cigs
Hair Care
Takeaways
Tavern
Educare
Meat, Poultry & Fish
Shebeen
House Shop
Green Grocer
Grocery Retail
Business Services
Street Trade
Tailor
Arts and Crafts
Agriculture
Personal Services
Wood and Coal
Health Services
Transport Services
Homeware
Car Wash
Personal Accessories
Restaurant
Mechanic
Building Services
Micro-Manufacture
Shoe Repair
Liquor Sales
Specialist Store

Figure 10. KwaNobuhle: enterprise categories of the over 60 years and under 30 years (proportional)

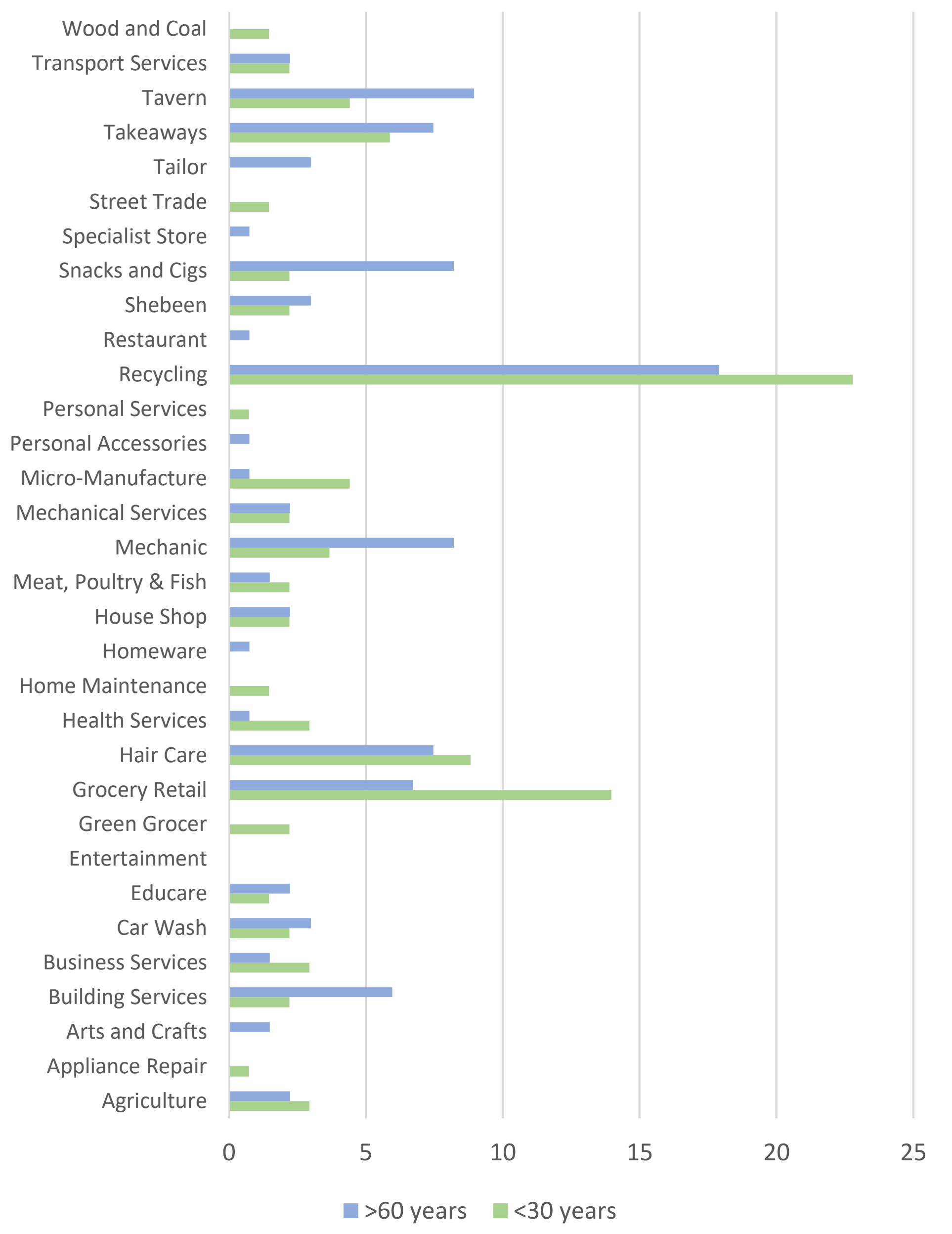
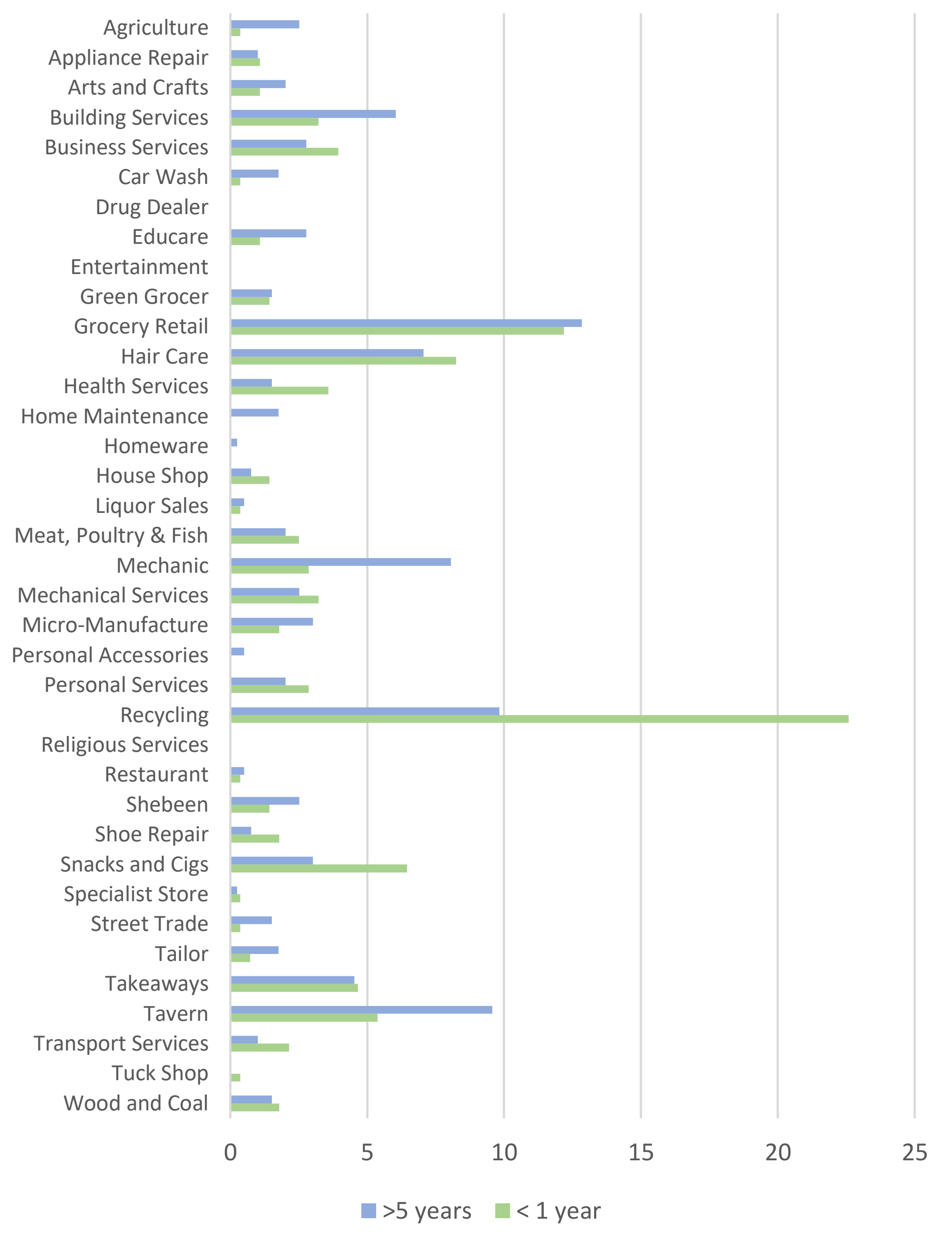


Figure 11. KwaNobuhle: enterprise categories of mature businesses and startups (proportional)



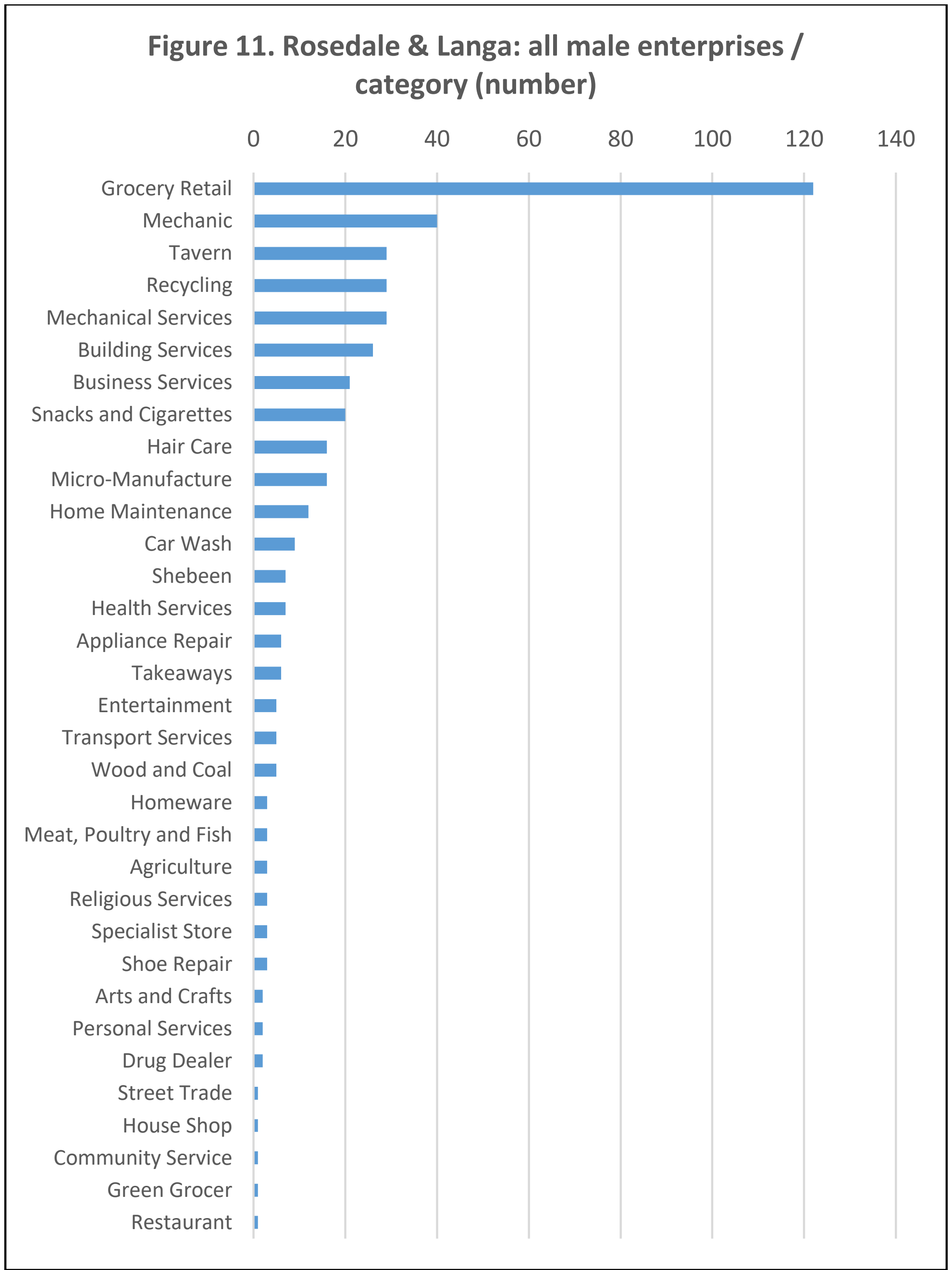


Figure 11. Rosedale & Langa: all male enterprises / category (number)
0
20
40
60
80
100
120
140
Grocery Retail
Mechanic
Tavern
Recycling
Mechanical Services
Building Services
Business Services
Snacks and Cigarettes
Hair Care
Micro-Manufacture
Home Maintenance
Car Wash
Shebeen
Health Services
Appliance Repair
Takeaways
Entertainment
Transport Services
Wood and Coal
Homeware
Meat, Poultry and Fish
Agriculture
Religious Services
Specialist Store
Shoe Repair
Arts and Crafts
Personal Services
Drug Dealer
Street Trade
House Shop
Community Service
Green Grocer
Restaurant

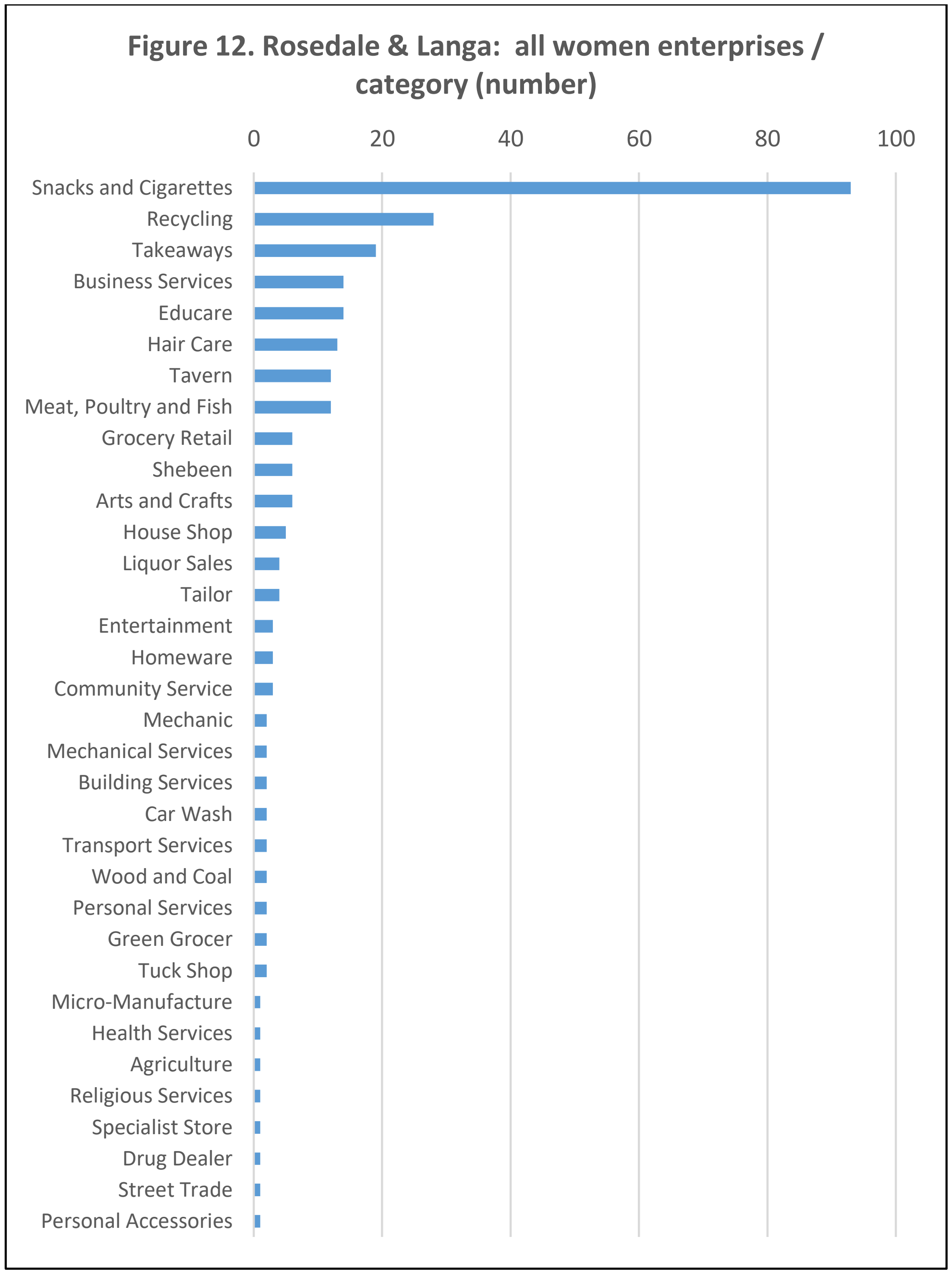


Figure 12. Rosedale & Langa: all women enterprises / category (number)
0
20
40
60
80
100
Snacks and Cigarettes
Recycling
Takeaways
Business Services
Educare
Hair Care
Tavern
Meat, Poultry and Fish
Grocery Retail
Shebeen
Arts and Crafts
House Shop
Liquor Sales
Tailor
Entertainment
Homeware
Community Service
Mechanic
Mechanical Services
Building Services
Car Wash
Transport Services
Wood and Coal
Personal Services
Green Grocer
Tuck Shop
Micro-Manufacture
Health Services
Agriculture
Religious Services
Specialist Store
Drug Dealer
Street Trade
Personal Accessories

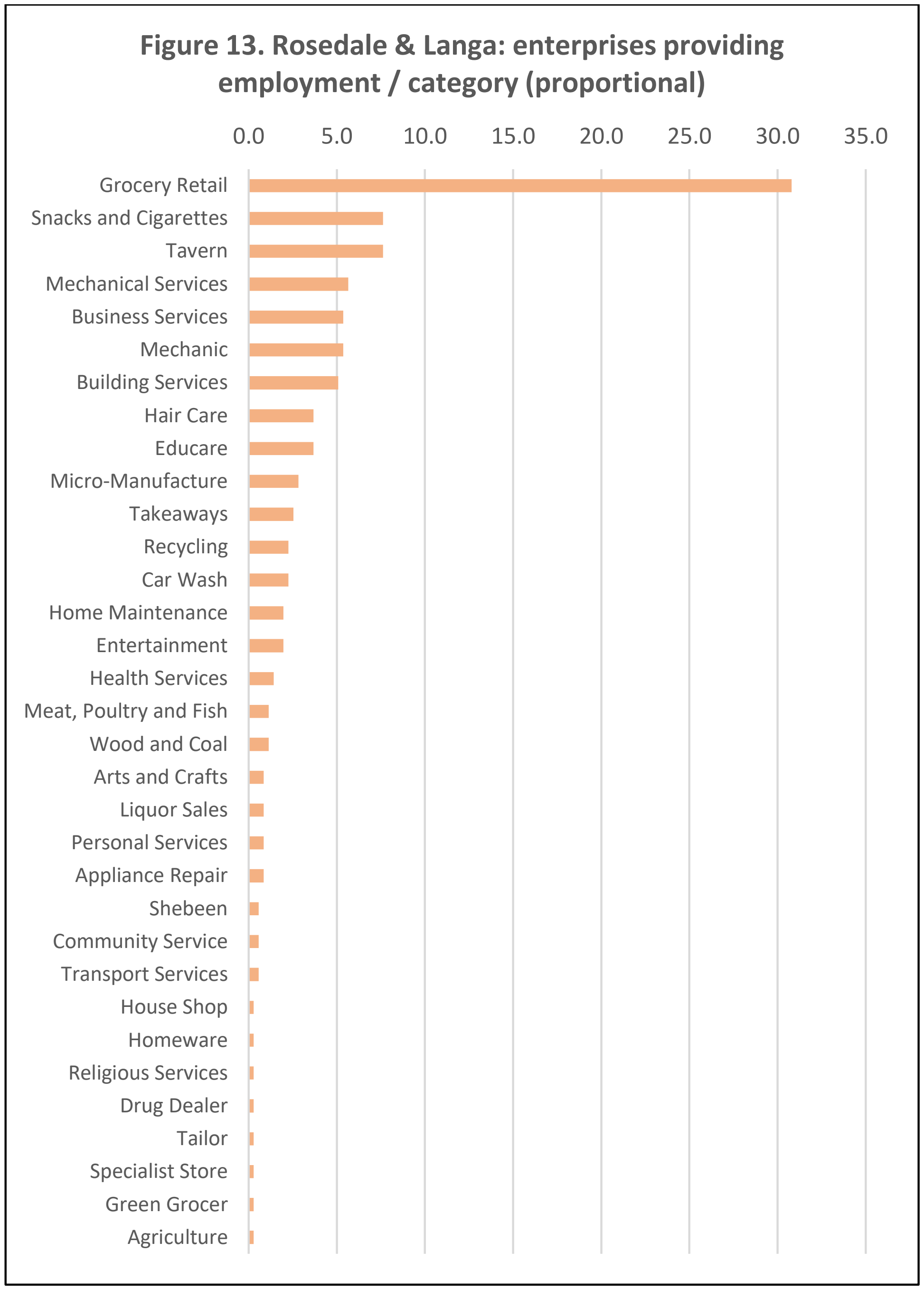


Figure 13. Rosedale & Langa: enterprises providing employment / category (proportional)
0.0
5.0
10.0
15.0
20.0
25.0
30.0
35.0
Grocery Retail
Snacks and Cigarettes
Tavern
Mechanical Services
Business Services
Mechanic
Building Services
Hair Care
Educare
Micro-Manufacture
Takeaways
Recycling
Car Wash
Home Maintenance
Entertainment
Health Services
Meat, Poultry and Fish
Wood and Coal
Arts and Crafts
Liquor Sales
Personal Services
Appliance Repair
Shebeen
Community Service
Transport Services
House Shop
Homeware
Religious Services
Drug Dealer
Tailor
Specialist Store
Green Grocer
Agriculture

Figure 14. Rosedale & Langa: enterprise categories of the over 60 years and under 30 years (proportional)

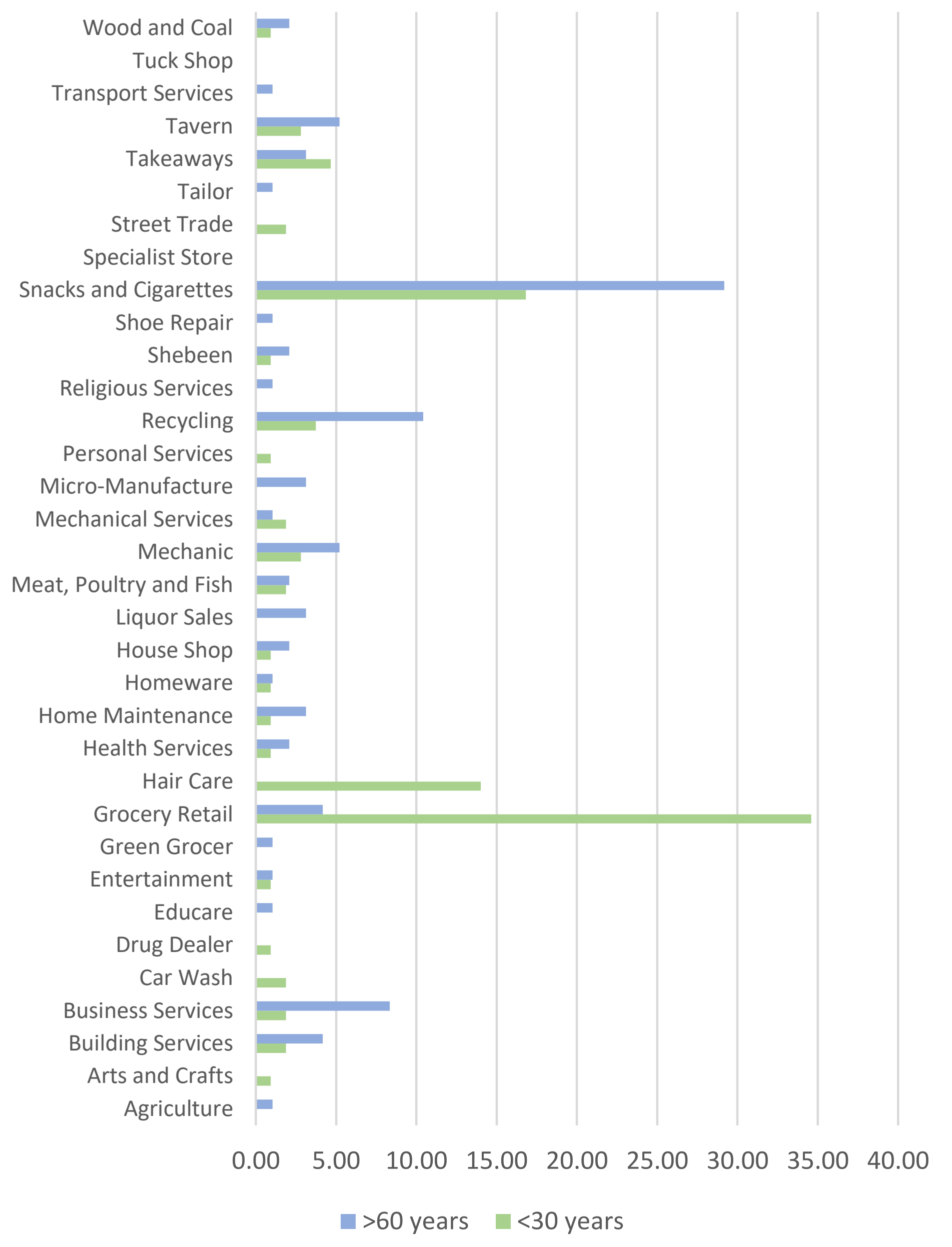
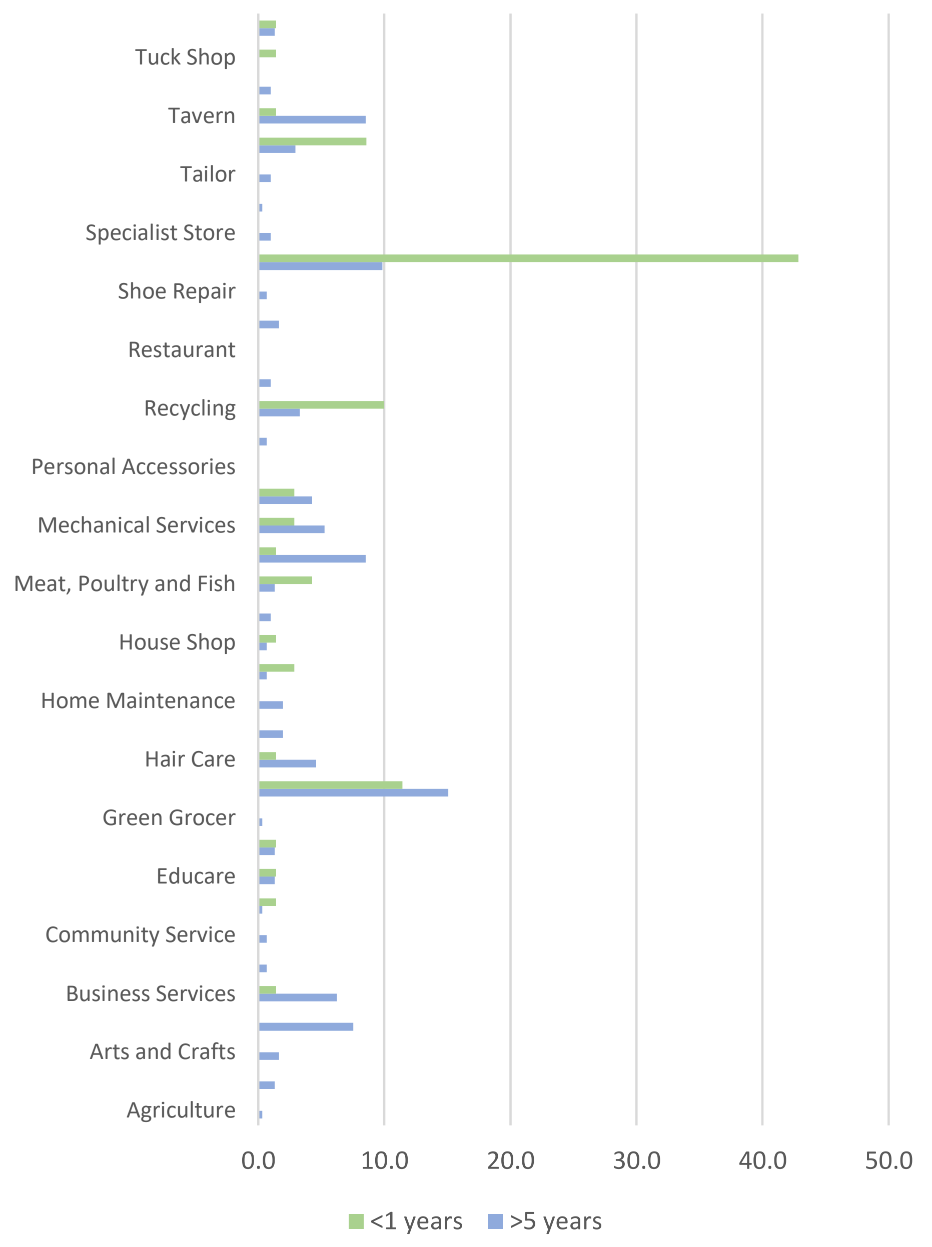
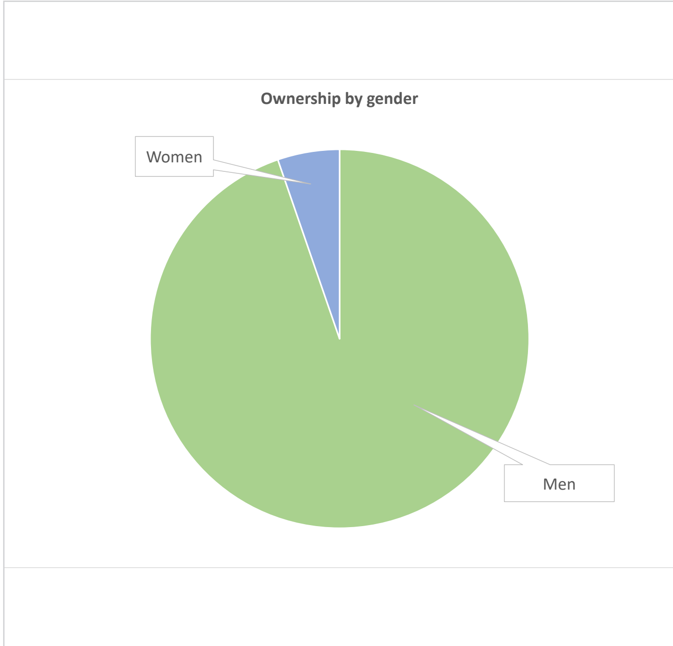


Figure 15. Rosedale & Langa: enterprise categoreis of mature businesses and startups (proportional)

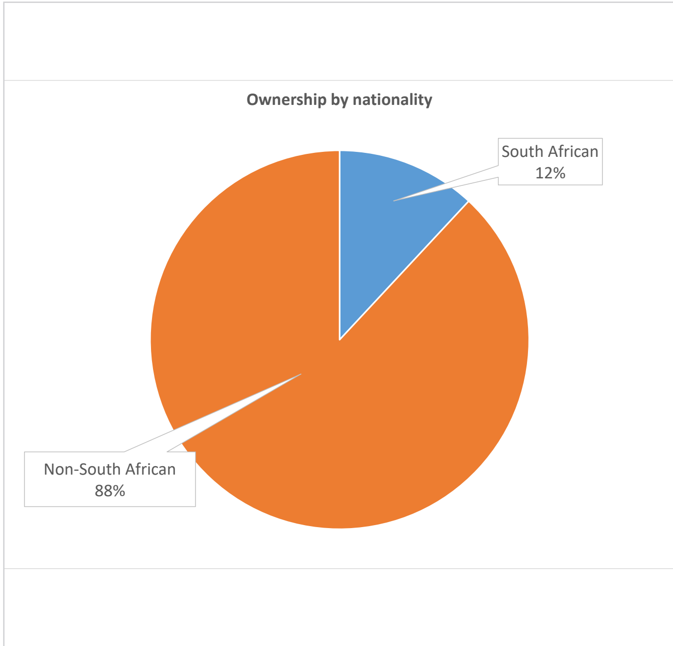


1


2



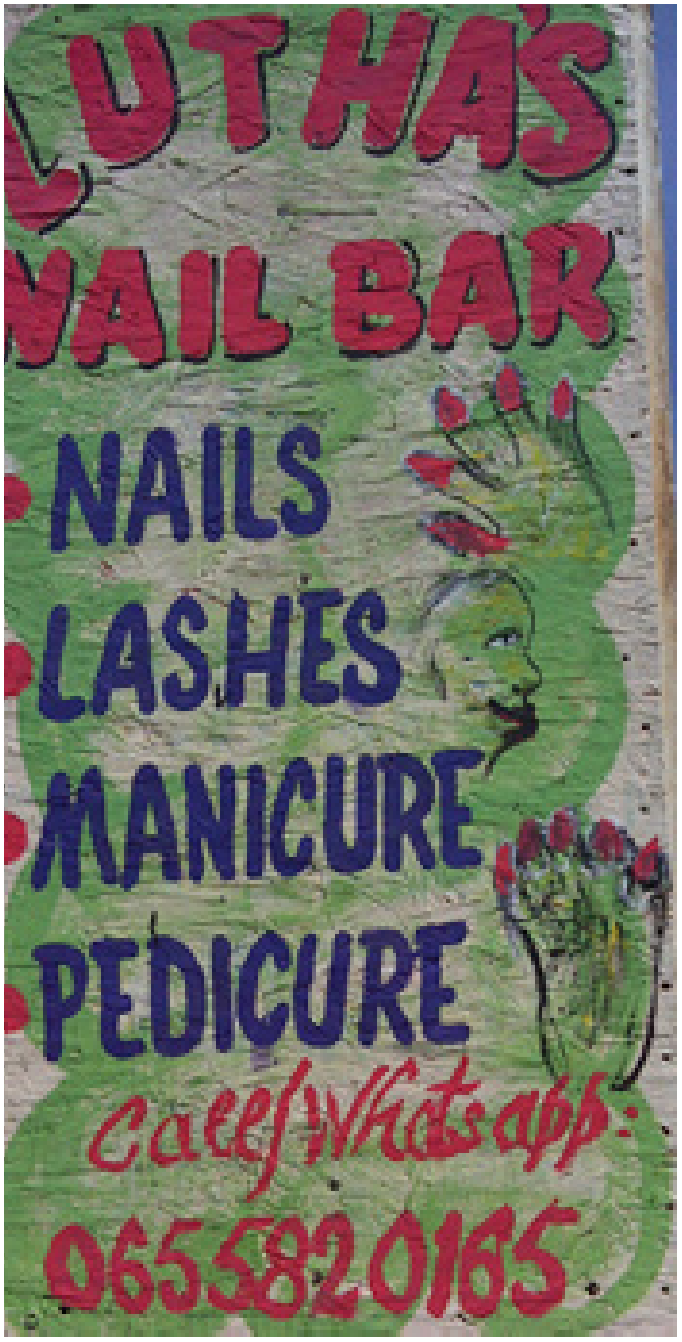
3



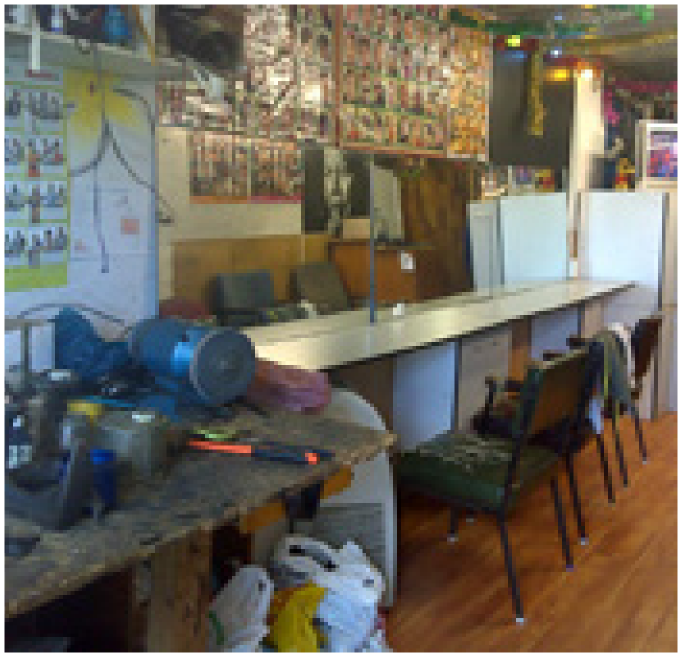
SPAZA SHOPS

1. Spaza shops are the apex business in both sites. The sector is now dominated by Ethiopian shop-keepers.
2. Most of the immigrant-run spaza businesses are significantly bigger businesses than the historical spaza store. These new spaza shops stock fruit and vegetables, hair care products, hardware and homeware, cosmetics and a large range of food and beverages. Most shops are informal and unregistered. The great majority of shop employees are immigrants, notably from Malawi.
3. Young girls and boys are often found ‘hanging out’ outside spaza shops. Shops have become the meeting point for local ‘gangsters’, though the state of gangsterism is relatively tame in most cases.

1



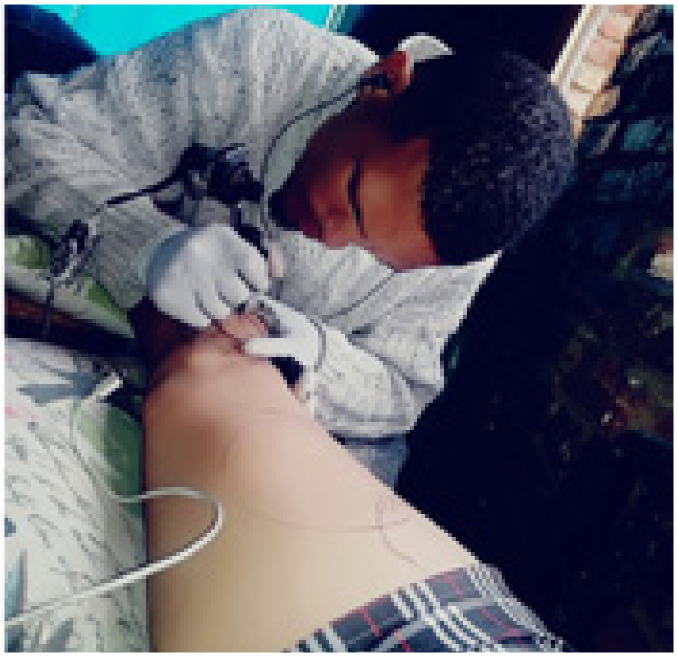
4



2

HAIR SALONS AND TATTOOS

1. In KwaNobuhle many of the hair salons are situated in high street localities, operating from containers and shacks.
2. Immigrant entrepreneurs, notably Ghanaians have established businesses in the hair care sector in KwaNobuhle. A few of these businesses provide tailoring and shoe repair services.
3. In Rosedale many barbers operate either at home or on a mobile basis serving clients within their network. There are few high street salons. A number of individuals have established tattoo businesses, responding to the growing demand for tattoos and body art. As the equipment is costly, entrepreneurs have innovated to build their own tattoo guns using home based appliances.
4. There are a small number of businesses providing other forms of personal services, such as nail bars.



3

MECHANICS

1. The research identified numerous mechanics and mechanical services. Most of these business are run by South African men. Although some mechanics are currently employed or once worked in the auto-motor industry, most acquired their skills 'on-the-job'.
2. Mechanics have good technical skills and have invested in tools and equipment. Most work environments are highly informal and work practices are not systematic, such as the storage of tools in buckets. This hampers productivity and efficiency.
3. Informal tyre sellers provide a cost-effective service. But as the sign says, there is no guarantee.
4. The range of businesses includes auto-trimmers, exhaust repairs, panel beaters, welders, as well as persons renovating collectable vehicles.

4

3

1

2

1

4

2

HOME BUSINESSES

1. The selling of sweets, ice-lollies (boompies), chips and cigarettes is a common homebased business. Profits are thin. These businesses are run by middle aged women as a survivalist strategy. Their core market is school children.
2. As spaza shops dominate the retail market in most food products, we found few home based businesses selling meat or vegetables, surprisingly (and in contrast to other settings).
3. The collecting of glass bottles at home is the most common enterprise activity in KwaNobuhle. Collections are sporadic and profits are very thin.
4. Plastic is not widely collected for recycling.

3

1

2

SERVICES

1. Doctors and Dentists have established practices in Uitenhage townships.
2. There remains a strong demand for traditional medicine, faith healing and the communication with ancestors.
3. In Rosedale (and Langa) the embellishment of teeth is fashionable. We were told that dentists are willing to charge this service to medical aid schemes.
4. In both communities, there has been substantial investment in religious institutions, especially churches. A question should be posed as to whether this important social infrastructure is fulfilling a suitably broad role in the community, especially in the context of government under performance in the provision of social infrastructure?

3

4

3

TAVERNS AND TAKE-AWAYS

1. The leisure economy is an important component of the local economy in KwaNobuhle and Rosedale.
2. Shisa nyama restaurants and taverns are popular localities with synergies to other businesses, including car washes.
3. In most taverns, the business model is focused on selling a high volume at low profit rather than providing a higher quality service. Taverns are formalized and registered businesses.
4. Although the trade in liquor is subject to sector regulation, we identified a number of businesses operating with expired licenses. We noted that immigrant entrepreneurs are operating businesses in this sector, with the business (unlawfully) using the license awarded to the original business owner or landlord.

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HIGH STREET DYNAMICS

1. Unlike many townships, the pedestrian traffic on the high street is of low volume. Hence there are relatively few street based businesses, apart from those operating from containers and buildings.
2. Coke has invested in a SMME development project to provide young entrepreneurs with a business-in-a-box. These are situated on the high street. It seems as though the businesses are not performing well.
3. Important and successful high street businesses are car washes, whose clients include the informal taxis.
4. The shopping mall is the main commercial node in KwaNobuhle. The mall design does not accommodate opportunities for small township businesses on the adjacent high street.

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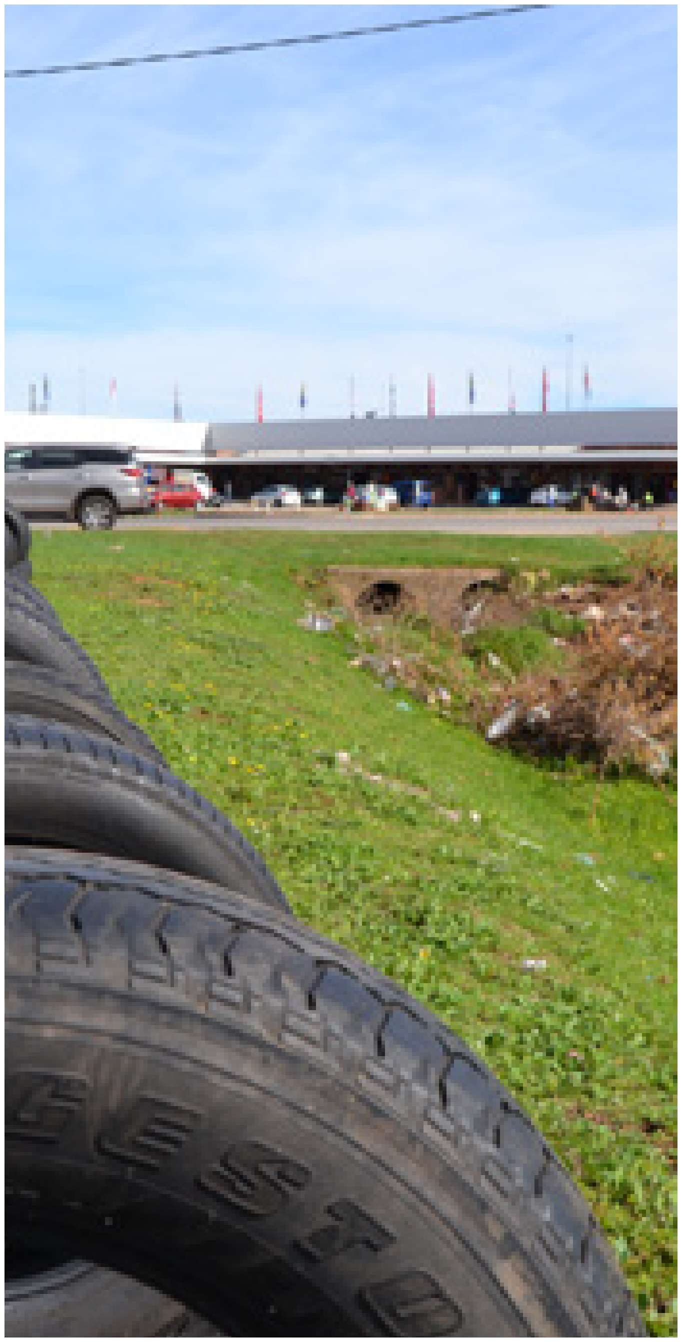

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4.2. CHARACTERISATION OF BUSINESSES

The range of businesses in our survey is extremely diverse in terms of entrepreneurial skills, assets and equipment and property, and profit (income). We chose intentionally not to pose questions on business profitability and income so as to avoid causing mistrust and suspicion in the objectives of the survey. Therefore, we do not have finance data on which the dataset can be disaggregated. Using a crude measure of business profitability, based on our observations and discussions in the field, we have divided the identified businesses into three groups: i. survivalists (earning <R1000 pm), ii. businesses that deliver a modest though regular income (the middle group; earning R1001-R9999 pm), and businesses with comparatively good profitability (generating in excess of R10,000 pm), operating on the SMME rather than micro-enterprise scale. Using this approximate, we consider that 27% fall into the survivalist group, 48% into the middle group, and 26% into the upper group. The upper group comprising largely business services, grocery retail, specialist stores and taverns. Though within this group, one would also include some building services, some hair salons, some religious services, some takeaways, and some transport services. The survivalist group, at the reverse end, comprises businesses in agriculture, green grocers, recycling, sellers of snacks and chips and (some) street traders.

In terms of business infrastructure, in the KwaNobuhle site, 57% of the businesses operate from brick buildings, 19% from shack structures (informal), 14% from shipping containers and 10% are mobile or have no business structures. In Rosedale and Langa, 58% of business operate from brick buildings, 24% from shacks, 17% are mobile or have no businesses structures and 1% operate from containers. The contrasting absence of container based businesses is notable.

4.2.1. QUALITATIVE INSIGHTS

In the following sub-section, we characterize the research findings with respect to some of the major enterprise components.

4.2.1.1. GROCERY RETAIL STORES (SPAZA SHOPS)

Spaza shops are one of the dominant business categories. The majority of these businesses do not have municipal permits. Although the spaza shops varied in size, the produce in general was very similar, comprising food items, fruit and vegetables, cooldrinks, snacks, cigarettes, airtime; cleaning products and toiletries. The larger shops also stocked hardware, homeware and electrical appliances. Compared to other townships we have studied, the majority of spaza shops were larger in terms of both the size of the structure and the volume of stock (which was estimated to be around R50 000 in the smallest shops and up to R120 000 in the larger stores). Most of the spaza shops had obvious signage and there was a lot of visible corporate advertising. Some shops operate from residential properties and some from buildings and shacks on freestanding erven. Shops have up to three employees, sometimes including the owner, though in a high proportion of the cases the owner was absent. Almost all of the spaza shop owners and employees were males. The majority of spaza shops are owned by foreigners, originating from Ethiopia or Somalia. In cases where spaza shops are owned by South Africans, they have had to diversify away from grocery retail in order to survive, selling alcohol products, lottery tickets, and electricity, or providing internet services to their customers. Many of the Ethiopian run stores employ Malawians, who are one of the most vulnerable population groups in Southern Africa and who often work for very low wages (R1200-R1500 per month).

These new generation spaza shops are places where people can buy all their essentials without needing to travel to the shopping malls or into Uitenhage. These stores are not simply ‘top-up’ shops, but provide serious competition to supermarkets, selling hampers and most of the grocery items in high demand at competitive prices. In many spaza shops, the cashier’s desk, and a number of small items such as chocolates and cigarettes, are enclosed in a metal cage-like protective structure. The spaza shop remains the main retailer of cigarettes with all of the shops selling illegal cheap cigarettes.

4.2.1.2. SNACK AND CIGARETTE SELLERS

Snack and cigarette sellers exist in abundance. These are incomparable to the spaza shops in terms of size, scale, produce and entrepreneurial ambition. The business is run from peoples’ homes. In Rosedale and Langa, many businesses in this category sell bompies (ice lollies which are made from water mixed with juice concentrate and frozen in a small plastic bag), while in KwaNobuhle the most commonly sold product is chocolate shavings in plastic bags. Bompies and chocolate shavings are sold for between 50 cents and R1.50. Occasionally, we identified businesses selling cigarettes. Due to the very small scale of these activities, most of the people partaking in it don’t describe it as doing business; they are merely “doing it to make means”. Almost all of these activities are undertaken by South Africans, predominantly women. These micro-enterprises can best be described as survivalist strategies, often used to supplement grant income and make a few extra rands to buy a loaf of bread or a carton of milk. A number of elderly women are involved in this business, as their pension does not provide enough support to run the household, particularly in cases where they also have children to support. Their main customers are children who live nearby or those who pass the houses on their way to and from school. A few examples exist of people who are actively investing in their snack business in an attempt to grow the business into a larger tuck-shop, by selling slightly increased quantities and a greater variety of products, such as fresh vegetables, toilet paper and airtime. This only applies to a small minority of the people whom we interviewed however, which highlights the low growth potential of this business category.

4.2.1.3. TAVERNS AND TAKE-AWAYS

There are numerous licensed liquor outlets, called taverns, in both of the surveyed areas. Some of these businesses sell for off-consumption only (as liquor stores), though the majority provide facilities for on-consumption and recreation. The quality of these businesses is disappointing by comparison with other sites in terms of the scale of investment in facilities and service offering. This is not to deny that most venues are clean and safe. It is apparent that the predominant business model is oriented towards selling large volumes of liquor at low price points. The taverns sometimes have a secondary activity connected to the core business, such as takeaway shops or shisa nyamas. In contrast to the spaza shops, the overwhelming majority of taverns and take-away's are owned by South Africans, with both men and women operating businesses in this sector.

Amagwinya/vetkoek, hot chips, fish, meat and 5th quarter (i.e. heads and feet) are the most commonly sold take-away items. Most takeaways lacked signage, variety and atmosphere. Along with crime and competition (challenges experienced across most of the business categories), people running cooked food businesses also noted water and electricity as challenges that they experience.

4.2.1.4. RECYCLING

Glass recycling can be seen on almost every street despite the fact that profits are low. There is usually an active, unlicensed shebeen (often hidden, as a result of which we are probably underreporting the scale of informal liquor sales) in close proximity to the recycler's house and from where the empty recycled bottles are sourced. The recyclers usually have a large sack situated in their garden which they fill with crushed glass bottles until there is enough material for it to be taken and sold in Port Elizabeth or to be collected by recycling companies. Some people highlighted issues regarding the recycling companies not collecting the recyclables often enough, whilst some said that they were unable or unaware of how to organize collections. Many of the recyclers thought of their business as a means to acquire a little bit of extra money and "something to keep busy with." We identified a small number of micro-enterprises engaged in the collection of metal, paper and plastic. Whilst there is low demand for plastic, there appear to be ample sources of supply within both sites. We noted that there were a few entrepreneurs who had succeeded in elevating their business, upscaling operations and registering the businesses.

4.2.1.5. MECHANICS AND MECHANICAL RELATED SERVICES

The research identified a range of businesses providing mechanical and engineering related services. The category of mechanics refers to persons involved in fixing cars, whereas mechanical services refers to services that include spray painting, panel beating, tyre repair and sales, and window tinting. Most mechanics repair cars outside their own homes or in their garages. We observed that the workspaces were rudimentary and unsystemitized, often having no designated spaces for tools and machinery. In terms of investment, the business requires the use of specialised equipment, so start-up costs can be relatively high. Some of the interviewees were previously employed in the auto-motor sector, though the majority are not formally qualified mechanics and have simply developed the skill over the years. We noticed the importance of family networks in this business sector, with sons working with fathers who in turn transferred skills and knowledge to their sons. A few of the interviewees expressed a desire to mentor other young boys in their communities and teach them a trade in order to keep them away from drugs and local gangs. The majority of people involved in mechanic work and mechanical services are South African males between the ages of 30 and 60. Competition, crime, a lack of an adequate work space and equipment, as well as the difficulty of securing payment once a job is completed, were the main issues highlighted by the entrepreneurs involved in this line of work.

4.2.1.6. SERVICES

We found a diverse range of service oriented enterprises in both KwaNobuhle and Rosedale. These include: building services (painters, carpenters, bricklayers), business services (money lenders, lawyers, and hiring services), home maintenance services (gardeners) personal services (funeral parlors) transport services (taxis and scholar transport) and health services (doctors, traditional healers, gyms).

Our enumeration of transport services captures a small fraction of the enterprises in this sector. In Rosedale, Star Cabs is the main formal taxi service. The cabs are only entitled to collect customers on a booking basis (through placing a call) and charge a fare on a mileage basis. These sedan taxis cannot tout for business and cannot share lift. Public transport along the high street corridors is dominated by formal mini-buses. In KwaNobuhle there is an informal transport service (jikeleza's) which is widely used by shoppers and school children. The jikeleza taxis operate on an unregulated basis and the drivers are free to collect and drop-off passengers anywhere in KwaNobuhle. The standard fare is R10 to travel to a high street destination (see the maps) and R12 to a residential destination. These taxis fulfill an important role in ferrying children to and from school. The vehicles are generally in poor condition and some (many?) of the drivers operate without driving licenses. We saw no evidence of regulation by the municipal traffic authorities.

Informal money lenders', commonly referred to as Mashonisa's, provide short-term financial loans. Although there is widespread demand for bridging finance, the main market appears to be lending money to pensioners. Pensioners are seen as low risk customers and are known to be more reliable in terms of paying back their loans through regular monthly South African Social Security Agency (SASSA) grants. Furthermore, pensioners are also more vulnerable and easy to intimidate. We heard that it is common practice to retain the pensioner's SASSA card until the loan is repaid. Most informal cash loans are offered with an interest rate of between 30% and 50% per cycle (usually one month).

In terms of health services, the research identified numerous traditional healers. Furthermore, we found a small number of medically trained doctors and dentists operating medical practices. This is a promising development as these businesses provide needed services and operate as professional business entities. There were a number of gyms. One memorable gym business was owned and run by a 22-year-old woman who built the business up from scratch and now provides a service to over 60 clients.

In the home maintenance category, the main business was gardening services; grass cutting in particular. The majority of grass cutters operate as mobile gardeners, carrying with them their equipment (weed-eaters and rakes). Most are South Africans. Some operate outside the community, providing services in the outlying suburbs of Uitenhage.

4.2.1.7. YOUNG CREATIVES

The creative sectors that were identified through our engagements included: arts (graffiti), tattooing, music making and music performers, DJs, clothing designers, performance artists, including drama and dancing and producers of traditional crafts. Although these businesses have potential for development, additional research is required to fully understand the opportunities and constraints. Some young creatives have organize dtheir businesses as not-for-profit entities with the objective to raise funding and secure sponsorships.

4.3. BUSINESS CHALLENGES

In the business survey we sought to investigate the challenges which entrepreneurs confront in operating their businesses. The data comprises quantitative variables and qualitative responses. The quantitative responses, which we describe below, should be viewed with caution as the notion of a 'challenge' was interpreted in multiple ways, ranging from a major obstacle to a minor irritant. The true measure of these challenges, however, needs to be investigated in terms of those businesses' which have, as a consequence, ceased trading, in order to fully comprehend the impact on the business. The quantitative variables were: competition, utilities, location, building, crime, other factors, police and jealousy. We analyzed the proportional weighting of these variables by nationality, gender, the age of entrepreneur (<30 years old and >60 years old), and the stage of business, comparing start-ups with mature businesses. In the following section, we will report on the KwaNobuhle and Rosedale& Langa sites concurrently.

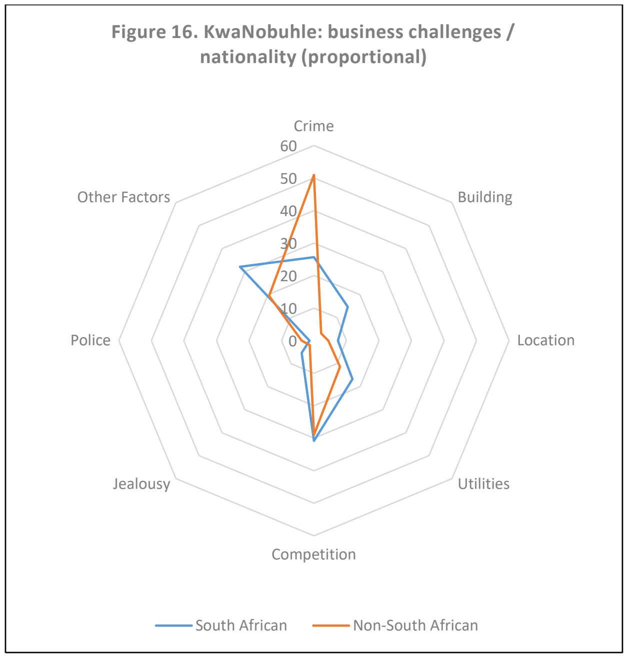
There are important differences in the experience and the weighting of business challenges between South Africans and non-South Africans. In KwaNobuhle, Figure 16, 'other factors' were the most frequently cited concern (32%), though competition (30%) and crime (26%) were reported by just under a third of respondents. These 'other factors' were wide-ranging and included non-payment for services rendered, the absence of shelter for trading, a shortage of capital to invest in the business, credit defaulters and transport costs among other reasons. For many South Africans operating service oriented and retailing businesses, their business is reliant on the provision of credit and this presents challenges when clients default or simply abscond. In Rosedale and Langa (Figure 17), the difference between South Africans and non-South Africans is more accentuated with 65% of non-South Africans listing crime and 59% listing competition as constraints on business. This result suggests that non-South African businesses are more vulnerable to crime in Rosedale / Langa, though it should be noted that most spaza shops are walk-in-stores, which indicates that the challenge is manageable. The frequent listing of competition might relate to the greater diversity of nationalities amongst the immigrant spaza shop community. This diversity might work against efforts of the trader cartels to capture the township spaza market as witnessed in other townships and seemingly evidenced in KwaNobuhle, especially among Ethiopian shops which are predominantly operated by employees of an absent boss who resides in Port Elizabeth.

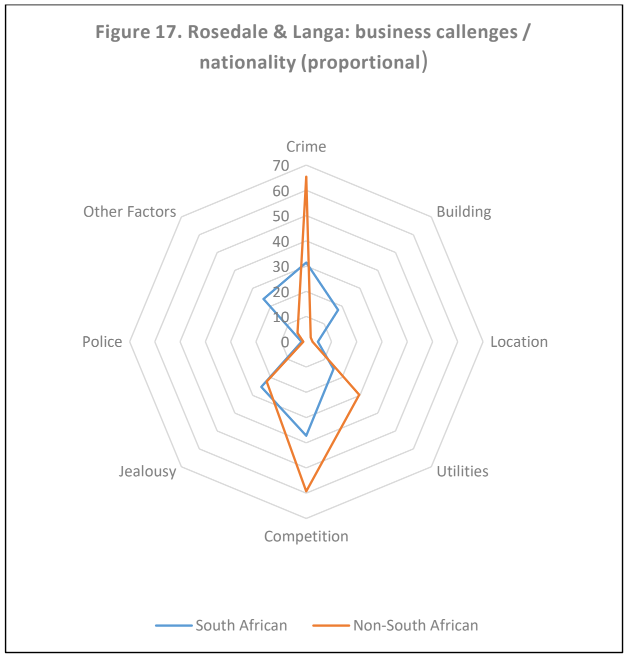
For South Africans in Rosedale / Langa, the most frequently listed challenges were competition (37%), crime (31%), jealously (25%) and inadequate buildings (18%). In analyzing for age, we noted competition was a more important concern for persons under 30 years old, whilst jealously was more of an issue to persons over 60 years. The latter might be a false result and could be equally of concern to the young business owners in KwaNobuhle.

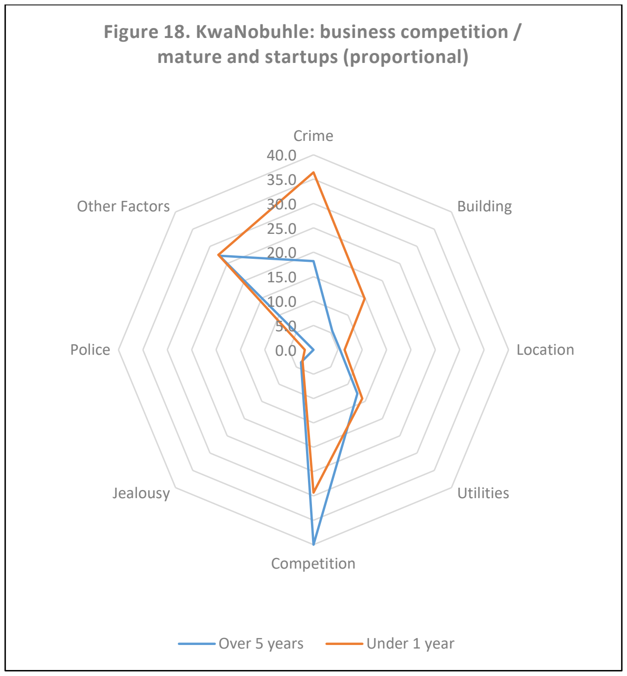
This argument would be valid if the result derives from a greater openness amongst older persons in a predominately coloured community to speak on this issue. We certainly identified traditional healers and magicians in both sites who provide services to enhance luck and redress jealousy. In Rosedale, roughly 45% of respondents in both the under 30 years cohort and the over 60 years cohort listed crime as a constraint on business. Whereas the Rosedale / Langa data suggests subtle differences across age, the responses in KwaNobuhle are closely matched with roughly one third of respondents listing crime, other factors and competition. Our analysis of the gender variable indicates that crime is a concern to more male run businesses than female run businesses, though the result is skewed by the male dominant group of immigrants for whom crime is a more serious concern.

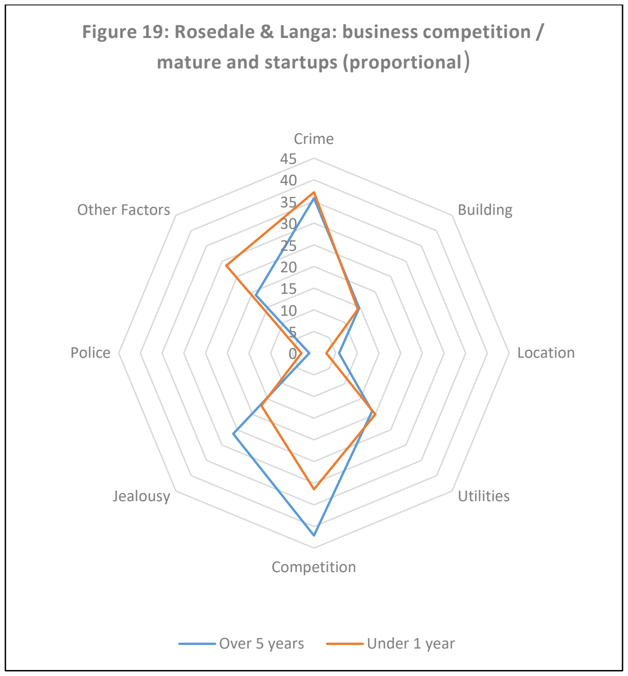
Our analysis of the comparative responses of start-ups and mature businesses provides useful insight (Figure 18 and 19). In KwaNobuhle, startups have a bigger challenge with crime, whereas mature businesses are seemingly better able to manage crime risks (the proportion of responses dropping from 36% to 18%). In contrast, for established businesses, competition is a more serious challenge, the proportion of respondents increasing from 29% to 40%. A similar jump in the rate of respondents listing competition is evident in the Rosedale / Langa site where the response rate rises from 31% to 42%. But unlike in the KwaNobuhle site, both start-ups and established businesses have a similar rate of concern with crime (36%) which, whilst higher for the same cohort in KwaNobuhle, is considerably lower than the 65% of responses amongst non-South Africans who are more severely affected by the high levels of insecurity.

Whilst some business owners complained about the police, our initial observation is that the police are neither as corrupt nor as brutal in the enforcement of law as seen in other









sites in which SLF has undertaken research. Yet several of our survey respondents complained that the police were ineffective in solving criminal incidents and did little to pre-empt crimes. The research team witnessed an incident in which the police failed to uphold the law with respect to an incident of ‘vigilante mob justice’ inflicted upon a man who had stolen a cell phone.

4.4. COMPARATIVE PERSPECTIVE

In comparative terms, the rate of entrepreneurship per unit population is relatively low. In the KwaNobuhle site, we identified 10.9 micro-enterprises per 1000 people, using the 2011 census data. The figure for Rosedale and Langa is 14.4 micro-enterprises per 1000. As the census data is outdated and since the populations in these communities have undoubtedly increased over the past seven years, the real rate is probably much lower than these figures. For purpose of comparison alone, SLF research found that there were, on average, 35 micro-enterprises per 1000 people across nine sites in the Western Cape, Gauteng, KwaZulu-Natal and the Free State in which we have undertaken similar studies.

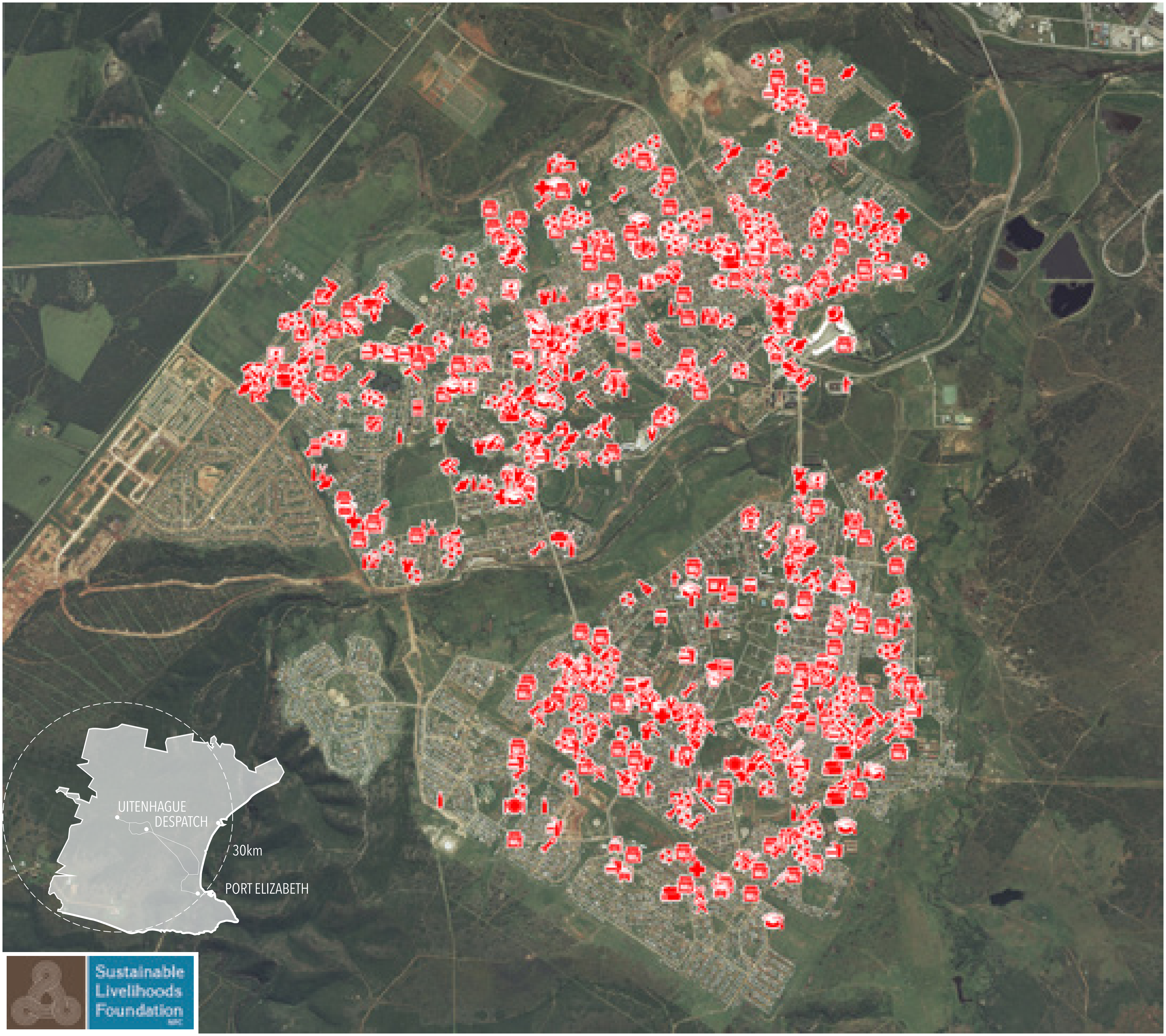
It is surprising that the low rate of informal business activities, in the context of the area’s high rates of unemployment, is not a subject of major public policy concern, either in the NMBM or nationally. The reasons for this underperformance are unclear. A major contributing factor to this outcome is the relative (and comparative) absence of street traders and street based businesses. Street trade is characteristic of township economies in general and its absence thus contributes to the low levels of economic dynamism witnessed on some of the high streets. This finding reflects, in part, the dispersed nature of these townships in which there is little pedestrian traffic. It might also reflect, in part, the dominance of the spaza shops within grocery retail. In most townships, fruit and vegetables are typically sold by street based green grocers, though in KwaNobuhle and Rosedale & Langa these items are acquired from spaza shops.

We have also noted, in the qualitative discussion above, the seeming under-performance of businesses in the leisure economy where the range business offerings are very similar: non-diverse and non-competitive in terms of quality. The shopping mall in KwaNobuhle provides no opportunities within the precinct or surrounding area for micro-enterprises. The mall is an important retail destination which accommodates several banking ATMS, specialist stores and corporate fast-food. Its spatial position on the fringe of the KwaNobuhle settlement means that most shoppers travel to the mall in vehicles.

05
MICRO-ENTERPRISE MAPS

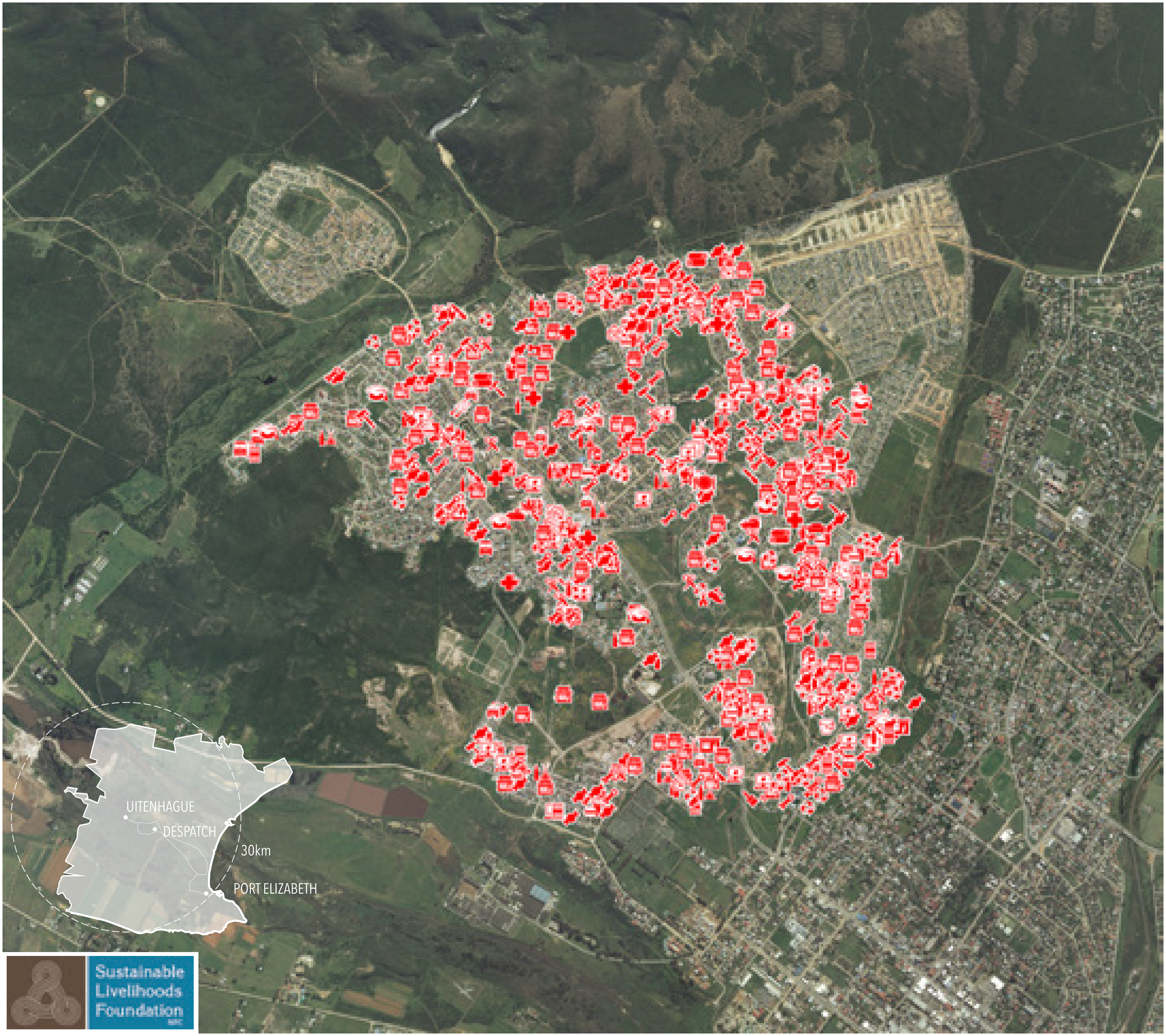
WE HAVE MAPPED THE RESULTS OF THE BUSINESS CENSUS. THE MAPS SHOW THE SPATIAL DISTRIBUTION OF MICRO-ENTERPRISES BY CATEGORY. FOR THE PURPOSE OF MAPPING (AND TO ENHANCE THE LEGIBILITY OF THE ICONS), WE HAVE ONLY INDICTED THE PRIMARY BUSINESS ACTIVITY.

MAPS 3 AND 4 SHOW THE SPATIAL DISTRIBUTION OF ALL BUSINESSES IN KWANOBUHLE AND ROSEDALE & LANGA RESPECTIVELY. MAPS 5 AND 6 SHOW THE SPATIAL DISTRIBUTION OF ALL SPAZA SHOPS, DISAGGREGATED BY THE NATIONALITY OF THE BUSINESS OWNER. MAPS 7 AND 8 SHOW THE DISTRIBUTION OF MECHANICS AND MECHANICAL SERVICES; FOR THE PURPOSE OF MAPPING, WE HAVE COMBINED THESE CATEGORIES. MAPS 9 AND 10 SHOW THE DISTRIBUTION OF ALL BUSINESSES OPERATING ALONG HIGH STREETS. MAPS 11 AND 12 SHOW THE DISTRIBUTION OF RECYCLING BUSINESSES IN KWANOBUHLE AND BUSINESSES SELLING SWEETS AND CIGARETTES IN ROSEDALE & LANGA RESPECTIVELY.



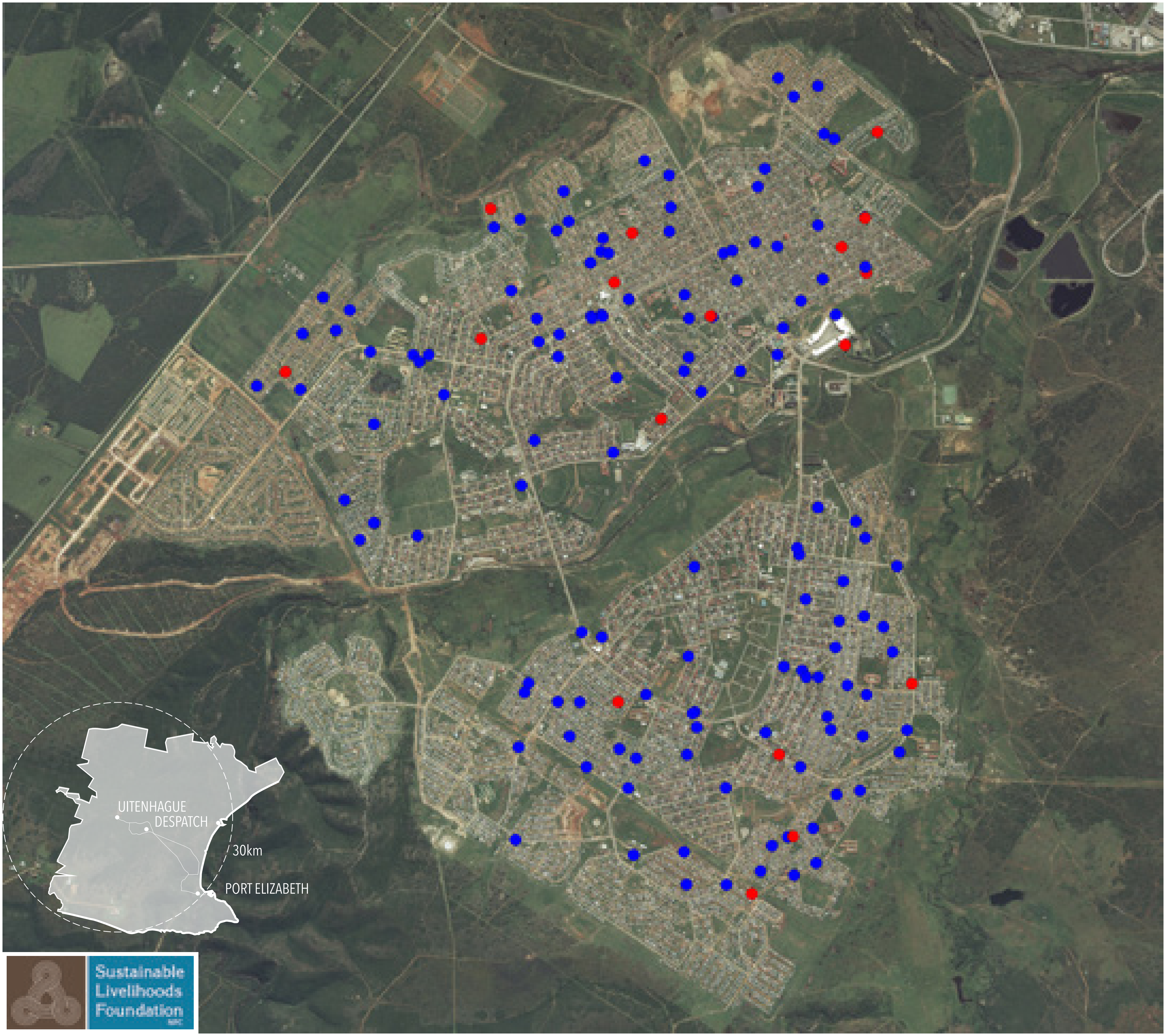
Recycling	175	Snacks and cigarettes	49	Agriculture	18	Transport services	11	Appliance repair	8	Drug dealer	1
Grocery retail	155	Building services	35	Health services	17	Car wash	11	Street trade	8	Entertainment	1
Hair care	90	Business services	28	Personal services	17	Green grocer	10	Restaurant	4	Specialist store	1
Mechanical services	71	Educare	24	Meat, poultry and fish	15	Wood and coal	10	Homeware	3	Tuck shop	1
Tavern	60	Shebeen	24	Home maintenance	13	Arts and crafts	9	Shoe repair	2		
Takeaways	52	Micro-manufacture	20	House shop	12	Tailor	9	Community service	1		

MICRO-ENTERPRISE DISTRIBUTION KWANOBUHLE (NOV 2018)

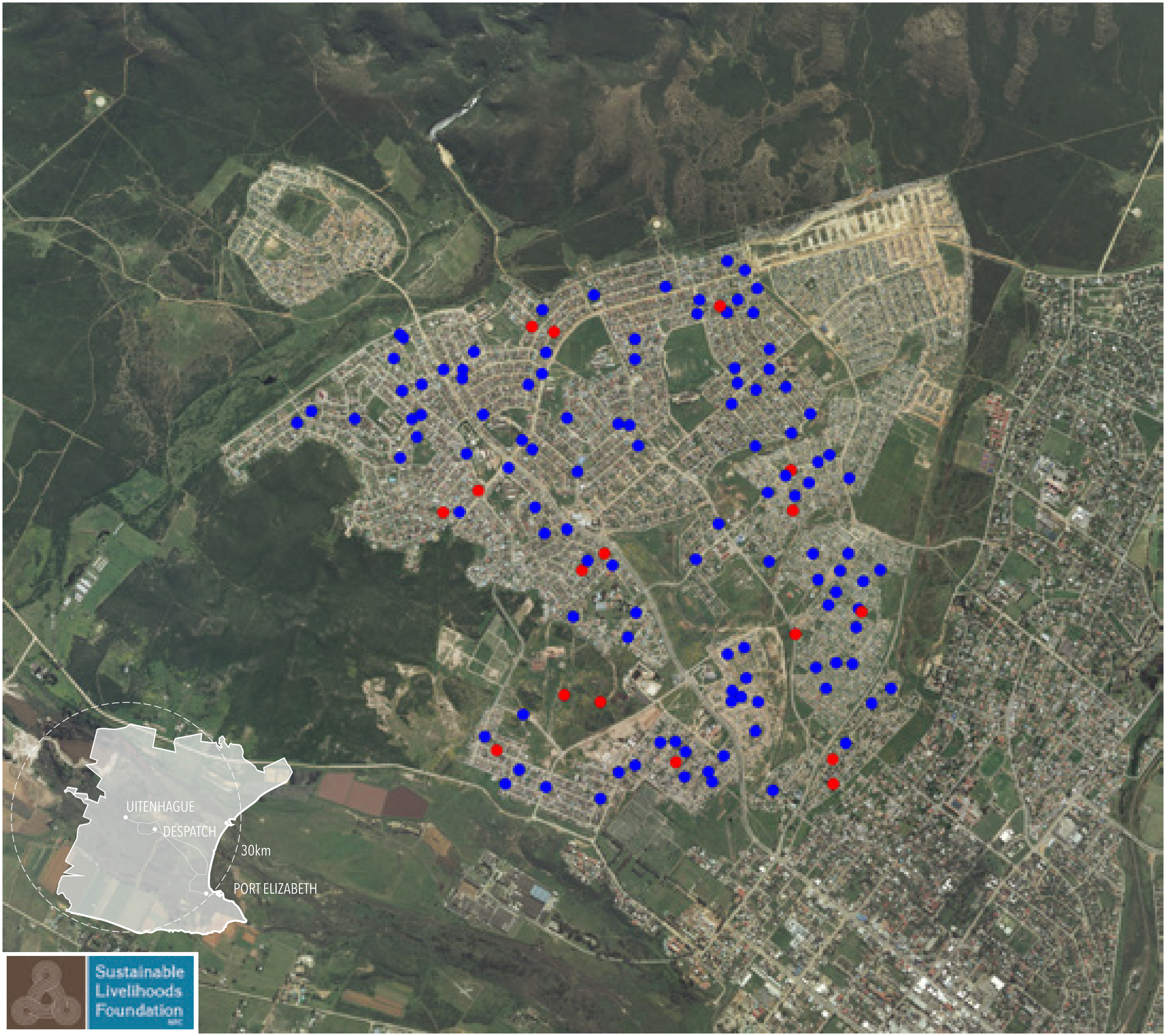


Grocery retail	130	Hair care	34	Car wash	13	Community service	7	Tailor	5	Drug dealer	2
Snacks and cigarettes	103	Building services	31	Health services	13	Appliance repair	6	Homeware	4	Restaurant	2
Mechanical services	89	Shebeen	23	Educare	12	Entertainment	6	Personal services	4	Specialist store	2
Recycling	60	Takeaways	23	Home maintenance	12	Agriculture	5	Religious services	4	Street trade	2
Tavern	48	Micro-manufacture	15	Arts and crafts	9	Green grocer	5	Shoe repair	4	Tuck shop	2
Business services	38	Meat, poultry and fish	14	Transport services	8	House shop	5	Wood and coal	4		

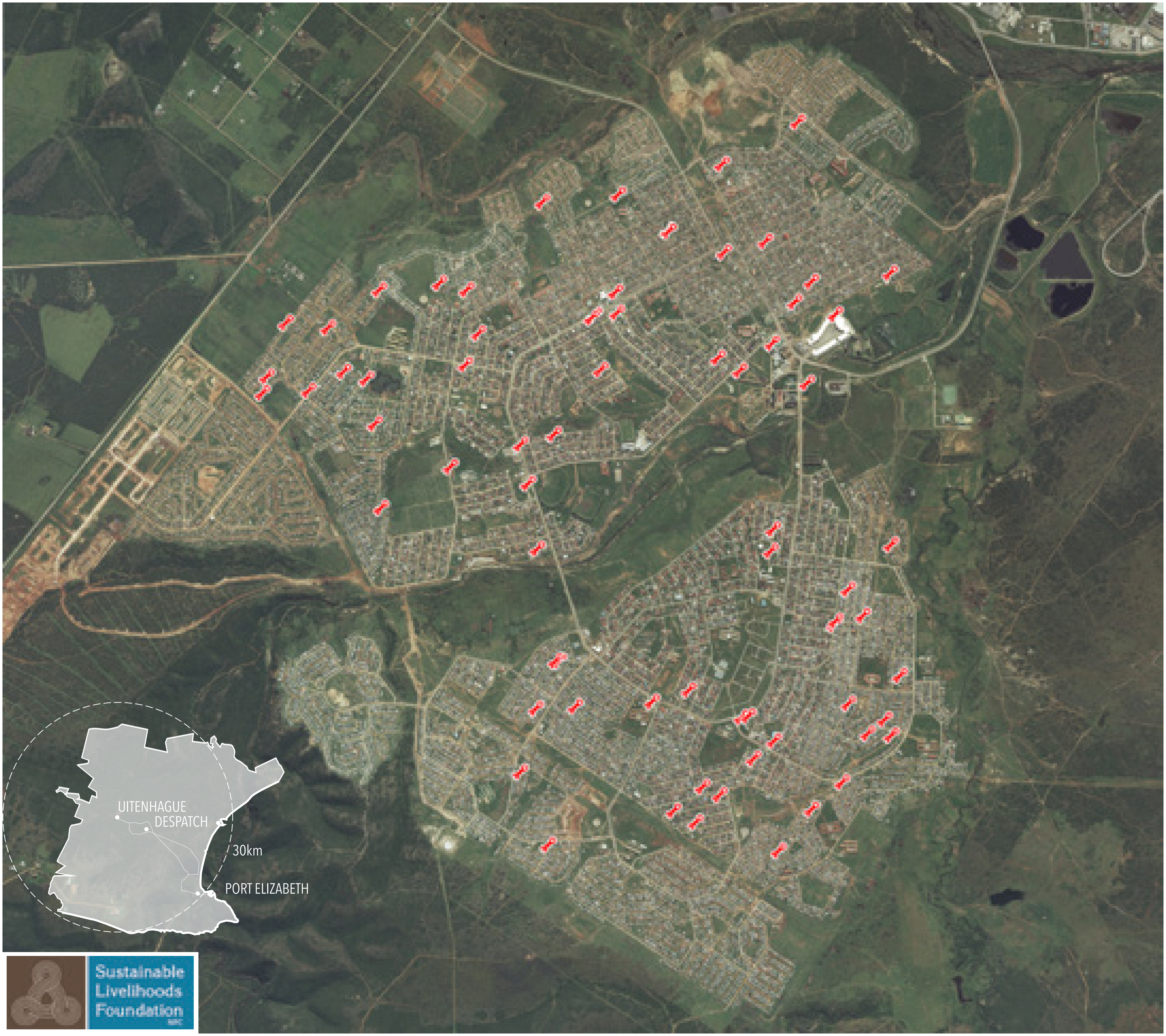
MICRO-ENTERPRISE DISTRIBUTION ROSEDALE AND LANGA (NOV 2018)



SPAZA SHOP OWNERSHIP KWNOBUHLE

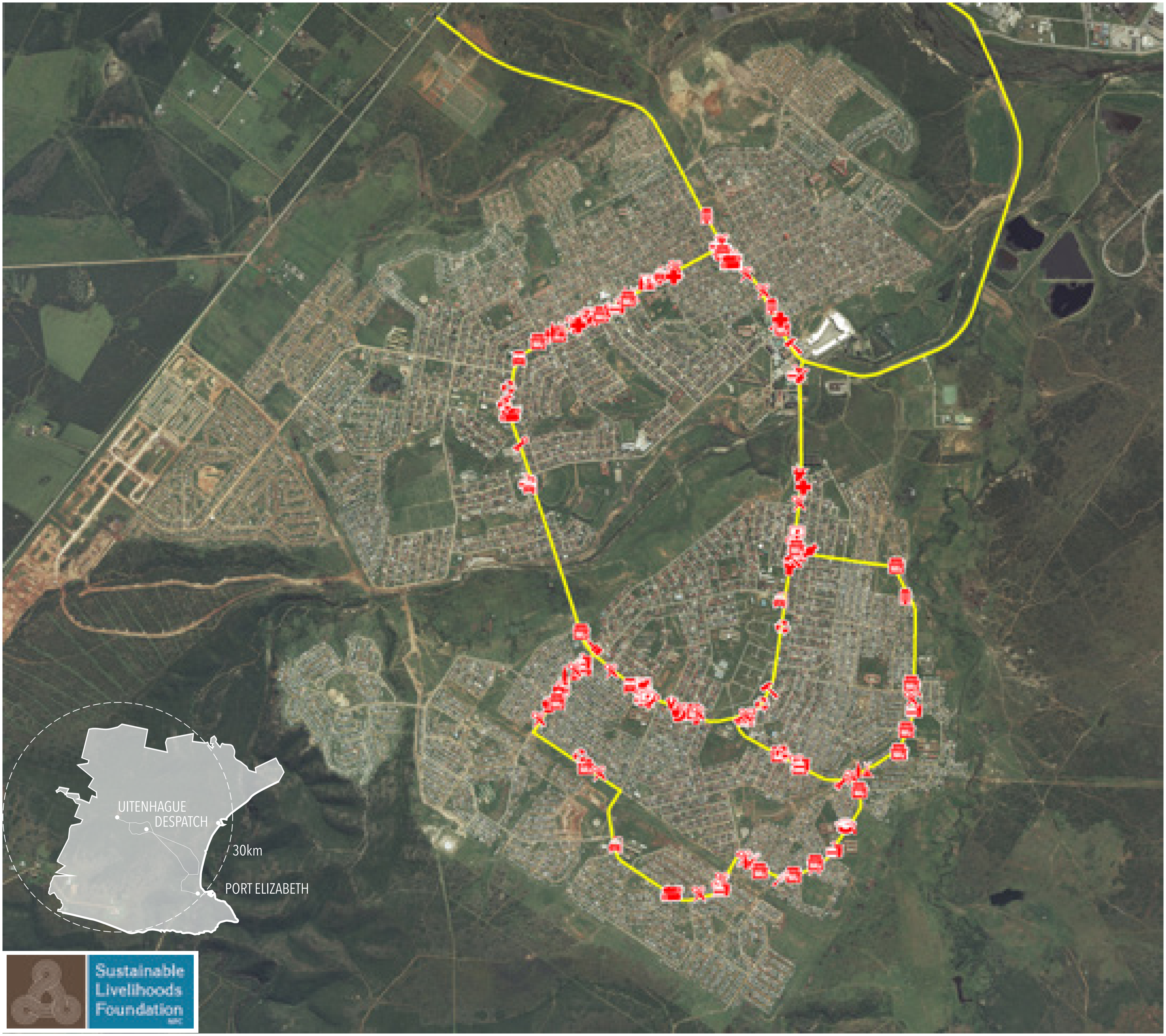


SPAZA SHOP OWNERSHIP ROSEDALE AND LANGA



MECHANICAL SERVICES KWNOBUHLE

MECHANICAL SERVICES ROSEDALE

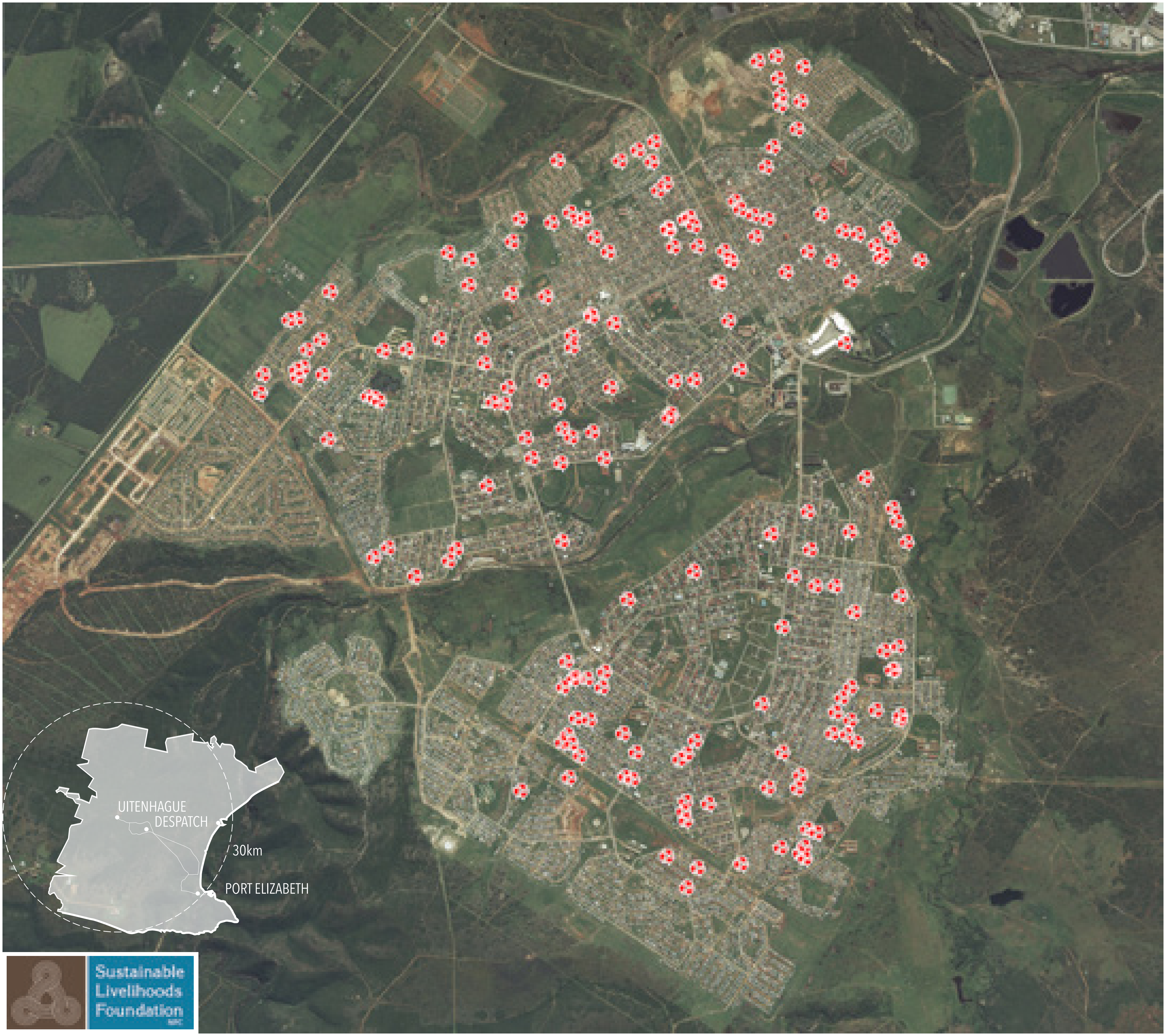


Hair care	35	Business services	6	Snacks and cigarettes	4	Wood and coal	3	Restaurant	1
Grocery retail	28	Personal services	6	Appliance repair	3	Green grocer	2	Street trade	1
Takeaways	17	Health services	5	Building services	3	Shebeen	2	Tailor	1
Recycling	16	Car wash	5	Home maintenance	3	Educare	1		
Tavern	9	Agriculture	4	Micro-manufacture	3	Homeware	1		
Mechanical services	9	Meat, poultry and fish	4	Transport services	3	House shop	1		

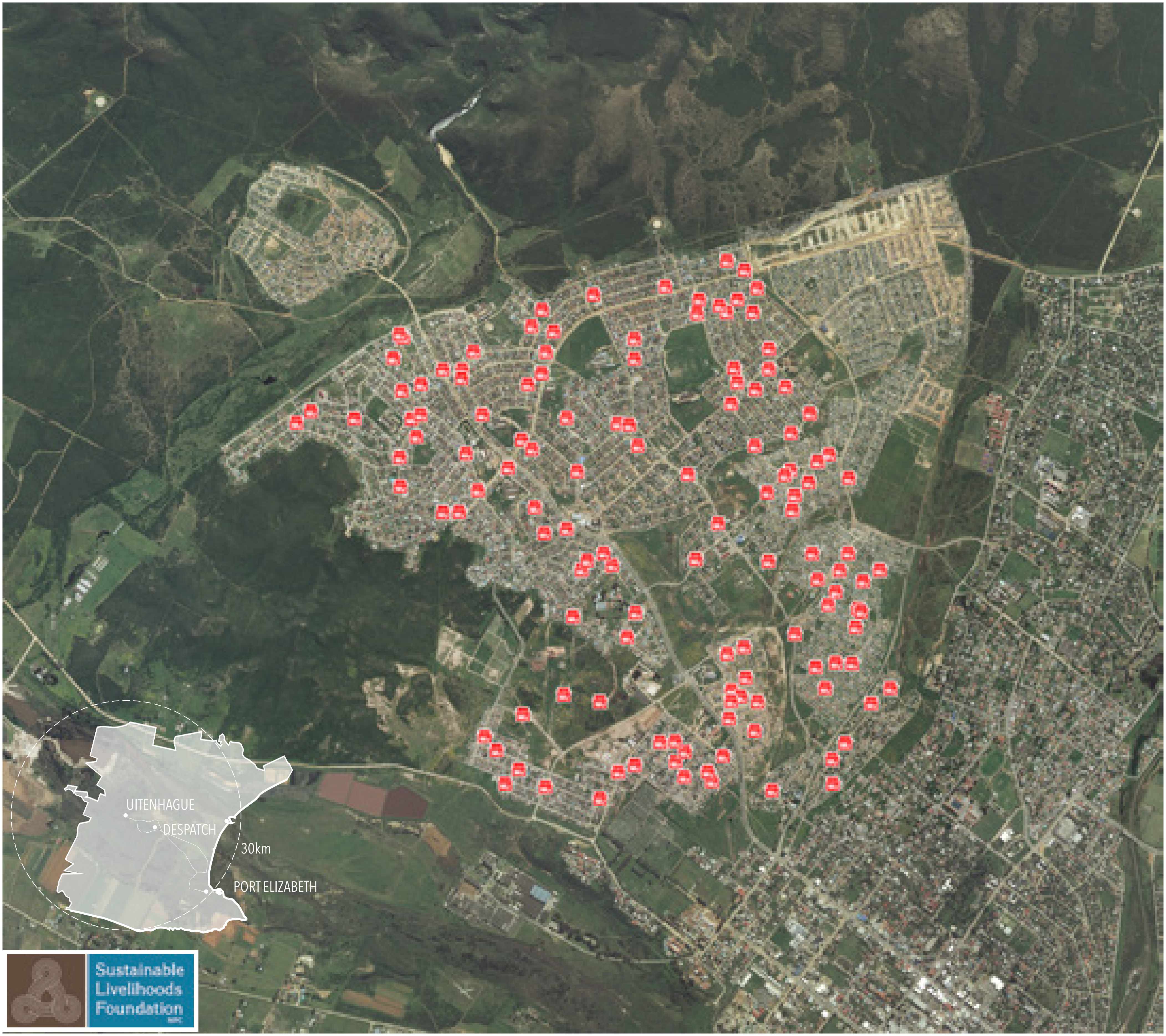
MICRO-ENTERPRISES ALONG HIGH STREETS KWNOBUHLE

Grocery retail	11	Hair care	4	Appliance repair	2	Micro-manufacture	1	Transport services	1
Snacks and cigarettes	10	Entertainment	3	Car wash	2	Personal services	1		
Mechanical services	7	Health services	3	Green grocer	2	Restaurant	1		
Tavern	6	Meat, poultry and fish	3	Educare	2	Shoe repair	1		
Business services	5	Recycling	3	Community service	1	Specialist store	1		
Building services	4	Takeaways	3	Shebeen	1	Tailor	1		

MICRO-ENTERPRISES ALONG HIGH STREETS ROSEDALE AND LANGA



DISTRIBUTION OF RECYCLING SERVICES KWNOBUHLE



DISTRIBUTION OF RECYCLING SERVICES ROSEDALE AND LANGA

06
CONCLUSIONS

The number of micro-enterprises within the township economy in KwaNobuhle and Rosedale & Langa sites is surprisingly low, in both absolute numbers and relative terms. The range of enterprise activities is also skewed towards survivalist, low profit business endeavors typical of those encountered in township settings, as compared in similar small-area surveys in other metropolitan areas. These include street traders, green grocers, specialist stores and leisure economy businesses.
The local state of the informal economy of micro-enterprises should thus be regarded as underwhelming. The near dominance of immigrant entrepreneurs in the spaza shops indicates that South African businesses have not succeeded to exploit stable and profitable market segments. This dominance, notwithstanding the commercial success of the immigrant run businesses, reflects the failure of the state (including the municipality) to adequately enforce regulations and restrict the activities of business groupings that seek to profit from informality. The persistence of this state of affairs might result in the (further) economic exclusion and marginalization of vulnerable micro-enterprises.

In spite of these observations, there are pockets of opportunity. These pockets include public transport (both minibus taxis and informal taxis) micro-enterprises operating in the informal auto-motor segments, including car washing, businesses engaged in recycling (those positioned upstream), micro-enterprises providing business services and creative industries, especially those involving young entrepreneurs.

PART II

PROPOSED DEVELOPMENT PROJECTS

07
CONSTRAINTS AND OPPORTUNITIES

7.1 CONSTRAINTS

Townships represent areas of important economic and social significance in South Africa, yet they occupy the margins of neighbouring urban core economies and are largely unable to attract formal private investment. As is the case in Uitenhage, townships generally occupy the geographic fringes of formal towns and cities and are thus physically separated from business districts and industry which form common sources of employment. The distinct, largely racially separated settlements of KwaNobuhle, Langa and Rosedale typify this setting and maintain the legacy of Apartheid planning for separate development.

Township residents commonly have no formal property land rights for the land upon which their houses are built. This has meant that (aside from government or external investor sponsored construction) most buildings are illegal. Such informal and unregulated building structures tend not to have (or have illegal access to) sewerage, electricity, roads and clean water, which adversely affects residents' quality of life.

Overburdened and poor municipal service delivery results in sewerage, water, and electrical infrastructure being in need of repair, often leading to a lack of sanitation due to problems with accessibility and availability. Township schools are oversubscribed and underperform academically. Furthermore, school dropout rates are high, meaning that whilst there is a surplus of labour, poor academic skills inhibits access to knowledge economy jobs.

As historic dormitory areas, townships are still primarily residential settlements, with incumbent micro-enterprises seen as static, unproductive and incapable of facilitating the capital accumulation that is needed to ignite local economic development. Structural constraints imposed by the urban spatial and economic arrangements thwart informal enterprises to become major drivers of economic growth.

7.2. OPPORTUNITIES

In light of the high levels of formal unemployment it is important that township economies be stimulated in order to support an enhanced business environment with better growth and employment attributes. In recent years, government has come to acknowledge that support for township informal enterprises can contribute towards reducing spatial and economic marginalisation and has increased programme support to this end. There are various ways in which township economic development can be stimulated. Opportunities lie in fostering growth and business development in various disciplines such as:

Entrepreneurial and enterprise development initiatives. Various business support programmes (of varying success rates) have been developed and promoted for township entrepreneurship. These include training and investment programmes, and industry focused investments in retailers (e.g. in the liquor sector for licensing).
Enhancing livelihood strategies. Much investment has gone into promoting urban agricultural production within co-operatives. These projects have achieved poor results. The experience of failed co-operatives highlights the need for greater programme support towards individuals rather than groups.

Social, cultural and recreational interests. Various cultural projects and investments have been implemented across South African townships. These include the development of tourism routes, and investment in important cultural and historic nodes such as Vilakazi Street in Soweto.
Enhancing linkages to markets and product suppliers. Various programmes have been initiated to support enhanced access by township retailers to suppliers and strategically useful businesses such as financial institutions. A range of cell phone app-driven technologies are currently being tested in the market (see, for example selpal.co.za).
Activating land. The case of Eveline Street in Windhoek (Namibia) demonstrates the importance of correcting inaccurate land use zoning in order to promote township business activities.

Programmes of investment and development. Many municipalities have invested in street trade infrastructure in order to support local retail traders. This includes specific investments in street trade spaces, storage and municipal infrastructure. National Treasury further manages the 'Neighbourhood Development Partnership Grant' initiative to encourage the development of business nodes or precincts.
Enhancing public transport routes. Municipal Bus Rapid Transit (BRT) systems have been implemented in most of South Africa's major metropolitan areas, designed to counter the spatial dislocation of the township from economic opportunity.

1


SHOPRITE

3

5


WITH THIS NOTICE SHALL BE
OPERATING DAYS:
MON 9AM -3:30PM
WED 9AM -3:30PM
FRIDAY 9AM-3:30PM
12:18

08
PROPOSED PROJECT INTERVENTIONS

WE PROPOSE 12 PROJECTS:

#1. People's Automotive Academy
#2. High Street Activation
#3. Area Activation Nodes
#4. Street Business Infrastructure
#5. Recycling Stokvels
#6. Hairdressers & Beauticians
#7. Outlier Entrepreneurs
#8. Automotive Businesses
#9. Creative Studio
#10. Taxi Formalization
#11. VDUBelopment
#12. Development Facilitation.

8.1. ELEMENTS AND COMPONENTS

8.1.1. ELEMENTS

There are 5 central elements in the conceptualisation of the suggested projects:

- Project Management: this element refers to the management of specific project as well as management of the overall project development process.
- Infrastructure Improvement: this element refers to the provision of new infrastructure, the enhancement of existing infrastructure, and the repurposing of infrastructure to support enterprise development.
- Enterprise Development Support: this element includes technical support to enable enterprises to improve business systems, to access markets and opportunities, and to receive guidance in decision making.
- Technical Training: this element refers to the strengthening of technical and specialist skills.
- Provision of Equipment and Facilities: this element addresses technical constraints through providing access to equipment and facilities.

8.1.2. KEY COMPONENTS

There are a number of components within each of the 5 core elements:

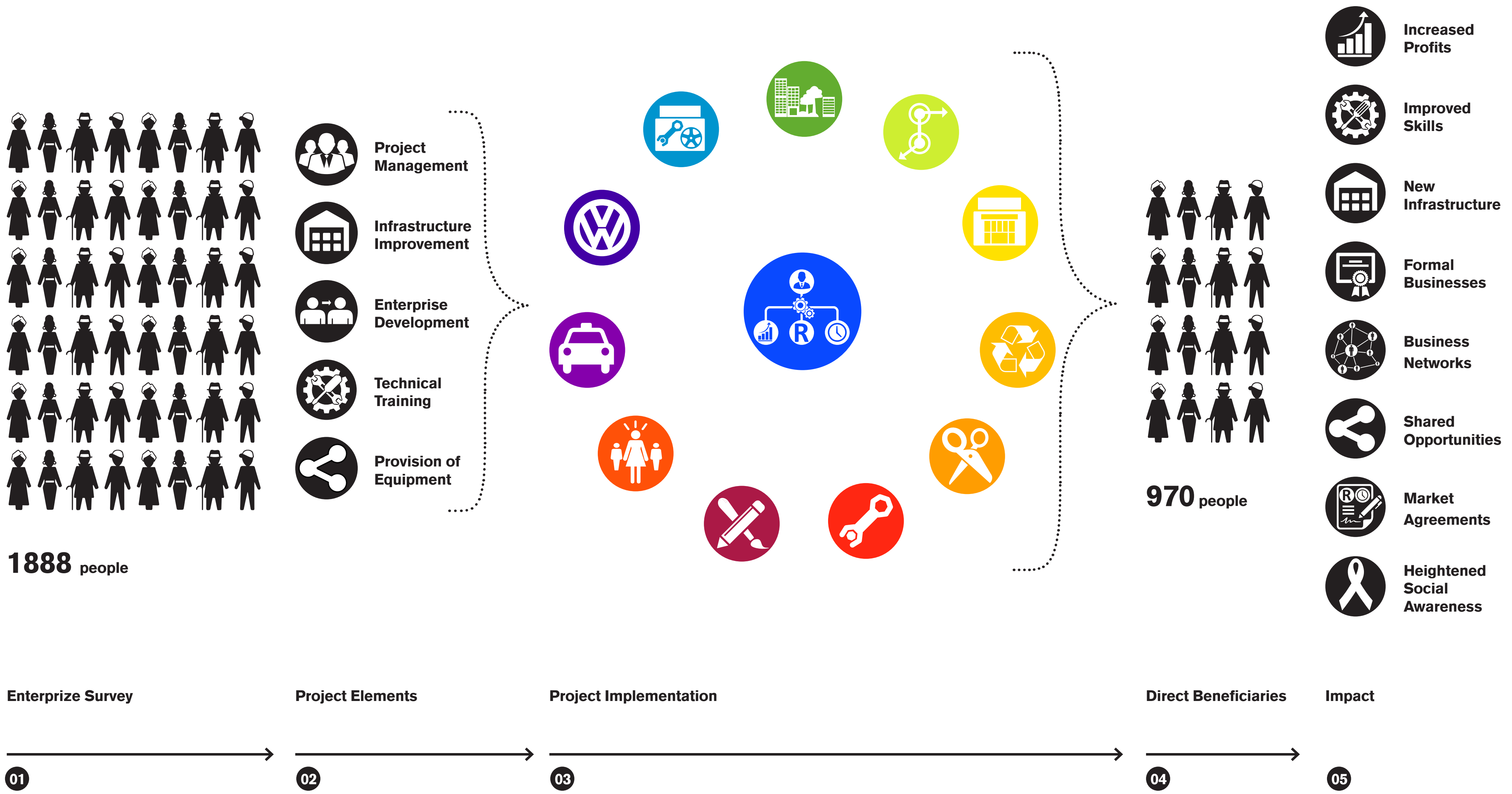
- Project Management
    - Beneficiary mobilisation
    - Implementation planning
    - Establishing partnerships
    - Enabling beneficiary access to private sector development programmes
    - Enabling beneficiary access to government development programmes
    - Building synergies to other project interventions
    - Project performance and impact monitoring
- Infrastructure Improvement
    - Facilitating private infrastructure investments
    - Facilitating public infrastructure investments
    - Enhancing a sense of public place
    - Providing technical design services
    - Securing the participation of beneficiaries in designs and infrastructure plans
    - Enabling entrepreneurial investment in infrastructure
- Enterprise Development Support
    - Providing business mentoring
    - Providing technical support to enhance business systems, including financial management
    - Supporting enterprise formalisation and licening
    - Enabling peer-to-peer mentoring to exchange information and share opportunities
    - Building social entrepreneurship and awareness raising
    - Strengthening land use rights
- Technical Training
    - Enabling skills recognition
    - Providing technical skills training
    - Providing business oriented training in computers and software
- Provision of Equipment and Facilities
    - Providing access to shared equipment (for specialist tasks)
    - Providing access to shared workspaces and facilities

8.2. LINKAGE TO MICRO-ENTERPRISE SURVEY

The conceptual framing of the project is shown in Figure 1. As shown in the figure, Development Facilitation is central to the development of the 11 suggested projects, each of which comprise a range of components of the five elements. The project specific goal and overall goal is to improve the state of the township economy, through supporting individual businesses, creating new opportunities, and stimulating local economic growth. These goals are to be measured in terms of 8 variables: profits, skills, infrastructure, legal status, networks, opportunities, market access and social awareness. In Figure 2, we summarise the main components in the 12 projects.

8.3. INFRASTRUCTURE STRATEGY

The suggested infrastructure strategy is intended to enable incremental growth. Each element has been designed in a modular form. The strategy permits for infrastructure projects to be scaled up on demand through the addition of modular units. The units themselves are designed to be accessible to micro-enterprises and adaptable to changing needs.
The design process is participatory and responsive to real-world business challenges and opportunities for growth. The infrastructure strategy response to the broader development need to enable place-making, reduce spatial exclusion and re-align infrastructure in ways which purposefully support entrepreneurship.


1888 people
Project Management
Infrastructure Improvement
Enterprise Development
Technical Training
Provision of Equipment
970 people
Increased Profits
Improved Skills
New Infrastructure
Formal Businesses
Business Networks
Shared Opportunities
Market Agreements
Heightened Social Awareness
Enterprize Survey
Project Elements
Project Implementation
Direct Beneficiaries
Impact
01
02
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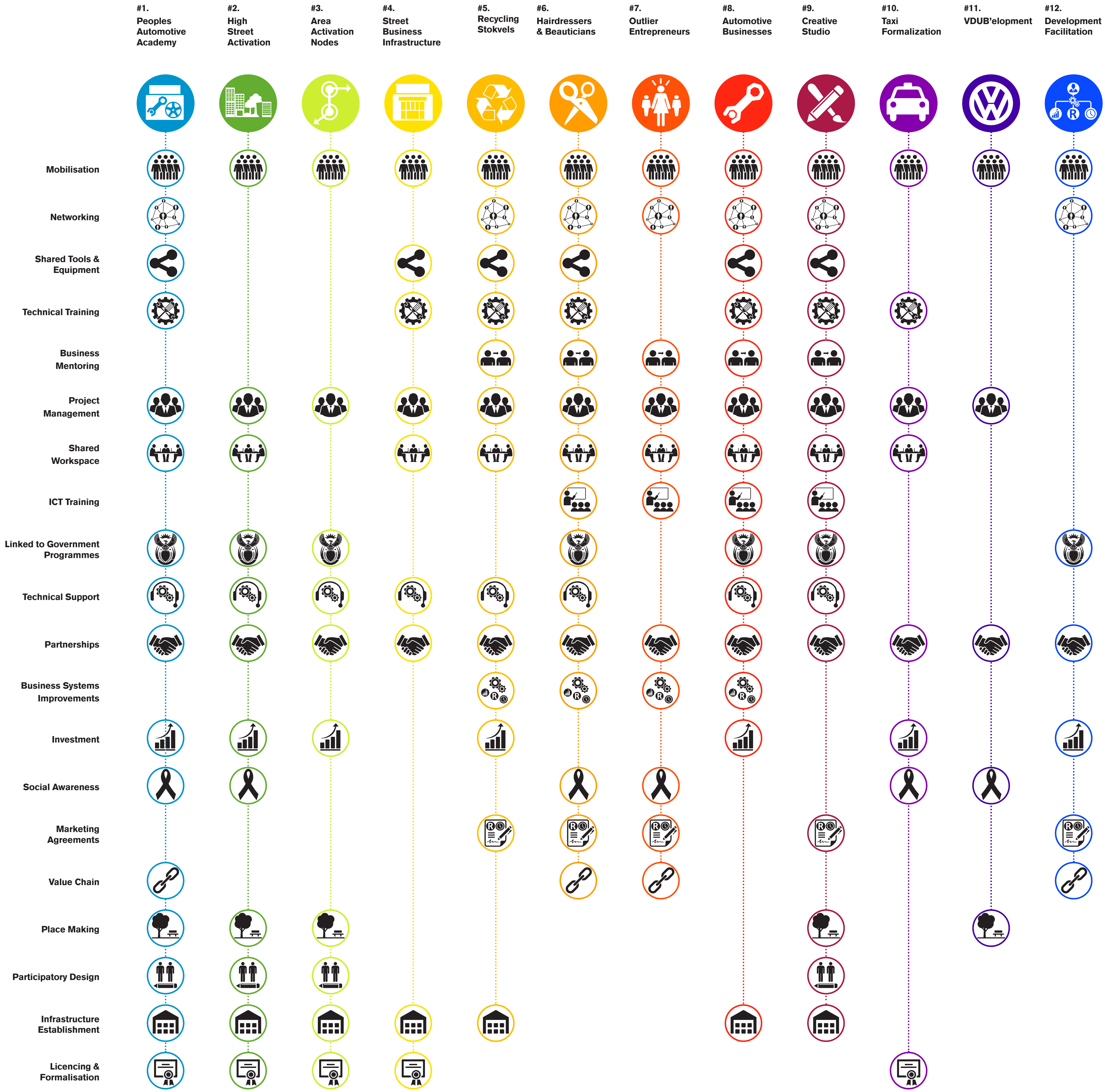
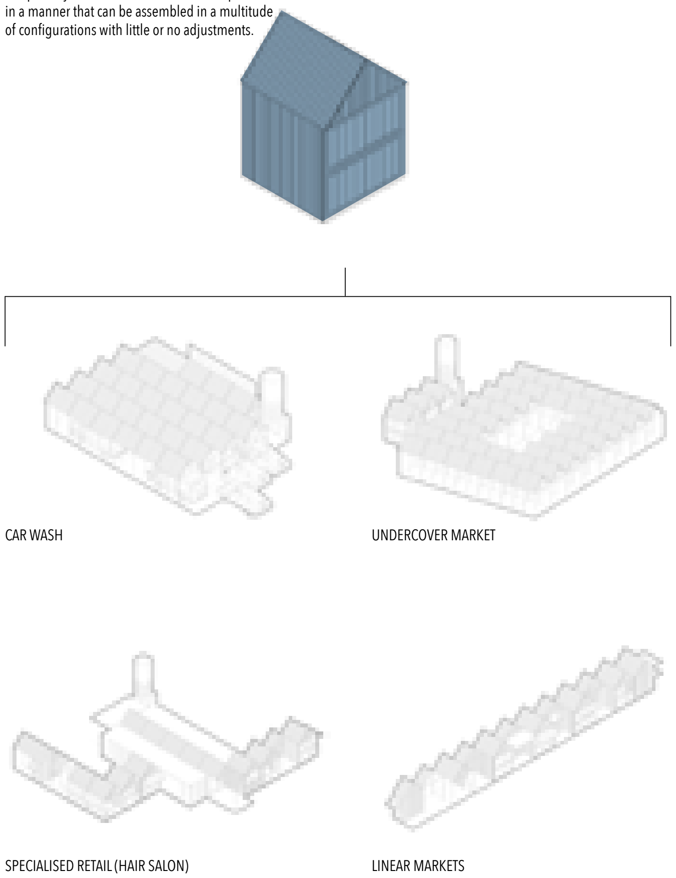
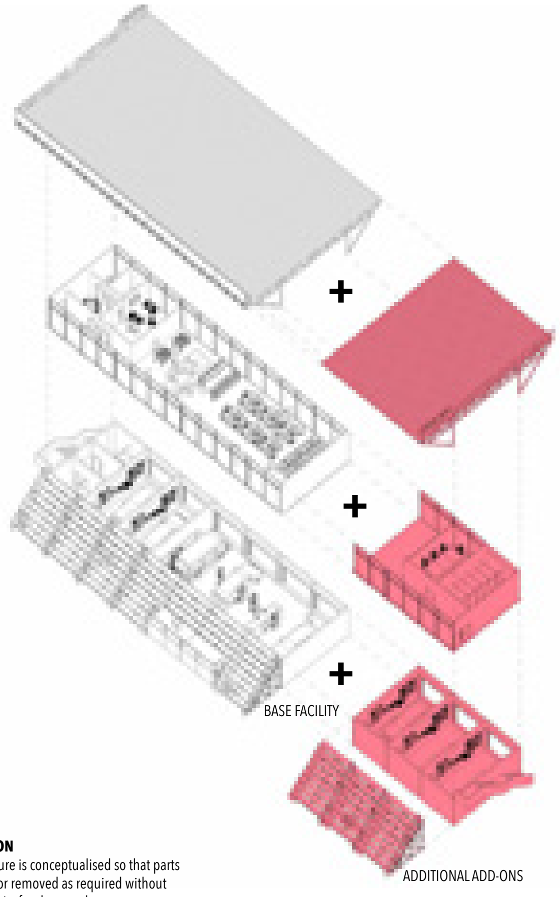
05

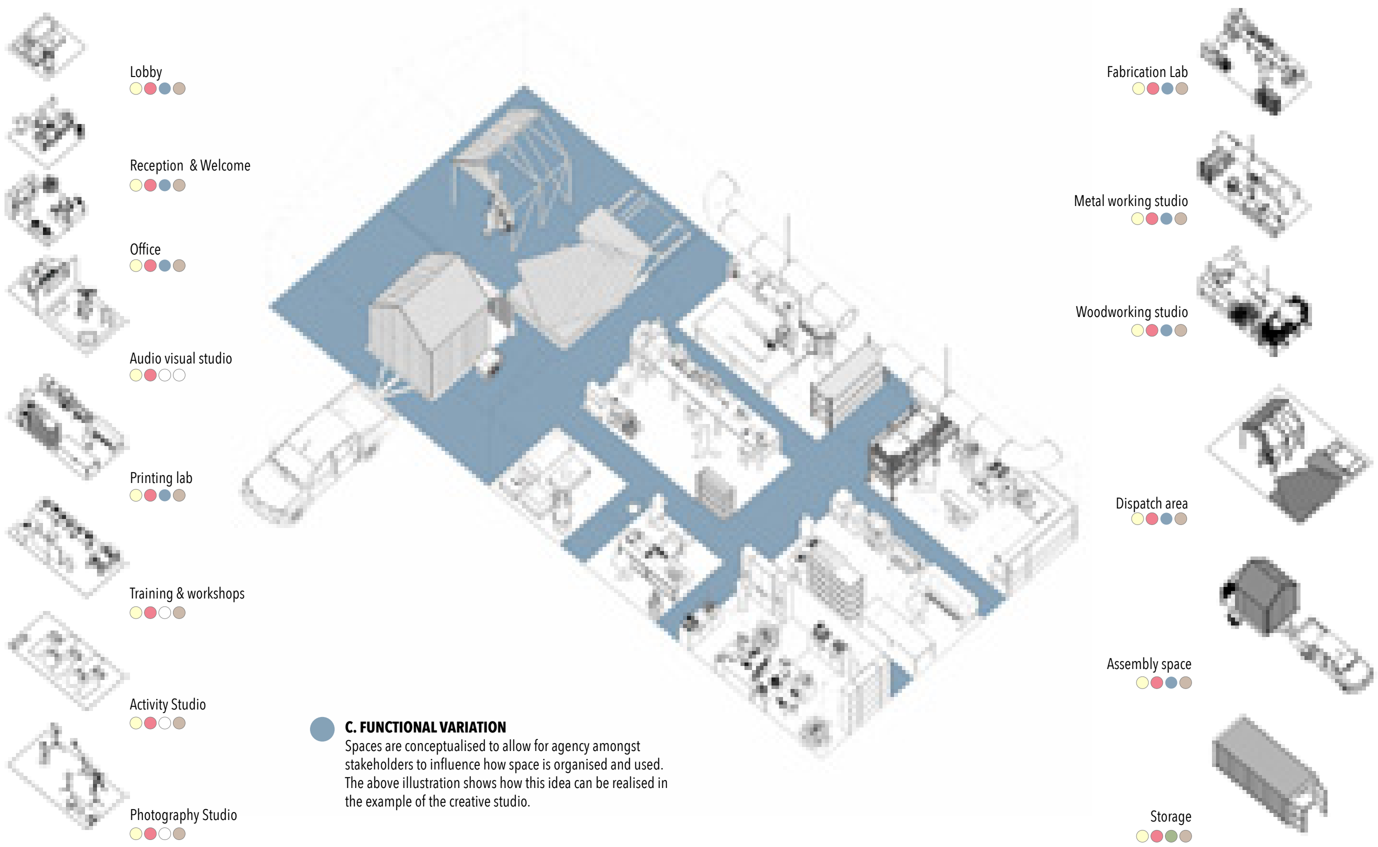

#1. Peoples Automotive Academy
#2. High Street Activation
#3. Area Activation Nodes
#4. Street Business Infrastructure
#5. Recycling Stokvels
#6. Hairdressers & Beauticians
#7. Outlier Entrepreneurs
#8. Automotive Businesses
#9. Creative Studio
#10. Taxi Formalization
#11. VDUB'elopment
#12. Development Facilitation
Mobilisation
Networking
Shared Tools & Equipment
Technical Training
Business Mentoring
Project Management
Shared Workspace
ICT Training
Linked to Government Programmes
Technical Support
Partnerships
Business Systems Improvements
Investment
Social Awareness
Marketing Agreements
Value Chain
Place Making
Participatory Design
Infrastructure Establishment
Licencing & Formalisation

A. ASSEMBLAGE
The primary unit of infrastructure is conceptualised in a manner that can be assembled in a multitude of configurations with little or no adjustments.





B. ADAPTATION
The infrastructure is conceptualised so that parts can be added or removed as required without compromising its fundamental use.



C. FUNCTIONAL VARIATION
Spaces are conceptualised to allow for agency amongst stakeholders to influence how space is organised and used. The above illustration shows how this idea can be realised in the example of the creative studio.

09 STAKEHOLDER CONSULTATIONS

In developing the 12 projects, the team engaged a range a stakeholders, whose names are listed in Annex 1. The main stakeholder groups comprised: management of the VW B-BBEE Trust and VW CT; trade union representatives of the VW CT; ward councillors; economic development specialist from the Department of Economic Development (DED) of the Nelson Mandela Bay Municipality (NMBM), the Mandela Bay Development Agency (MBDA), and the Eastern Cape Provincial Government (ECPG); experts in land use planning; experts in enterprise development and training; the management of private companies; and representatives of organisational bodies of township businesses.

10 PARTICIPATORY ENGAGEMENT

The project team engage with a cohort of townships entrepreneurs through a series of participatory workshops. In all 82 people partook in these activities. The function of these engagements was twofold; first, to understand the main sectoral opportunities and constraints from the township entrepreneur perspective; second, to involve the participants in formulating workable solutions to improve their businesses. To achieve these objectives, three participatory methods were used: problem solving; collective brainstorming; and group design. The emphasis in all three action research processes was on collective or common needs.

We undertook 7 engagements workshops in total. These workshops were targeted at a specific sector. The workshop groups were: pensioner entrepreneurs; hairdressers and barbers; young creatives (2 different workshops); mechanics and motor enthusiasts (successive workshops) and potential outliers. Most of the workshop participants were mobilised on the basis of the database obtained through the census process. In the case of creatives, we mobilised participants through social networks since we did not encounter many cultural and creative businesses in the field, though we learnt of the strong youth interest in this sector through our field based engagements.

In the recyclers' workshop, the action learning process focused on exploring the possibilities for establishing stokvel groups. Working in two groups, the participants were asked to develop a set of member rules (or constitution) suitable to a stokvel, through which we gained insights into the importance of enabling entrepreneurship within the sector. In the hairdressers' workshop, the action learning process focused on the requirements for a competitive and profitable salon, with the participants required to work in groups to develop a model salon. The research process gave us insights into the importance of training and value chain linkages, whilst testing the idea of introducing shared equipment and facilities. Similarly, in the creatives' workshops, the action learning process explored the feasibility of a shared studio-space with equipment. The participants worked in groups to conceptualised and build an ideal studio. The learning experience provided a networking opportunity and we were pleased to observe individuals exchanging contact details and talking about ways in which their crafts / arts could synergise.

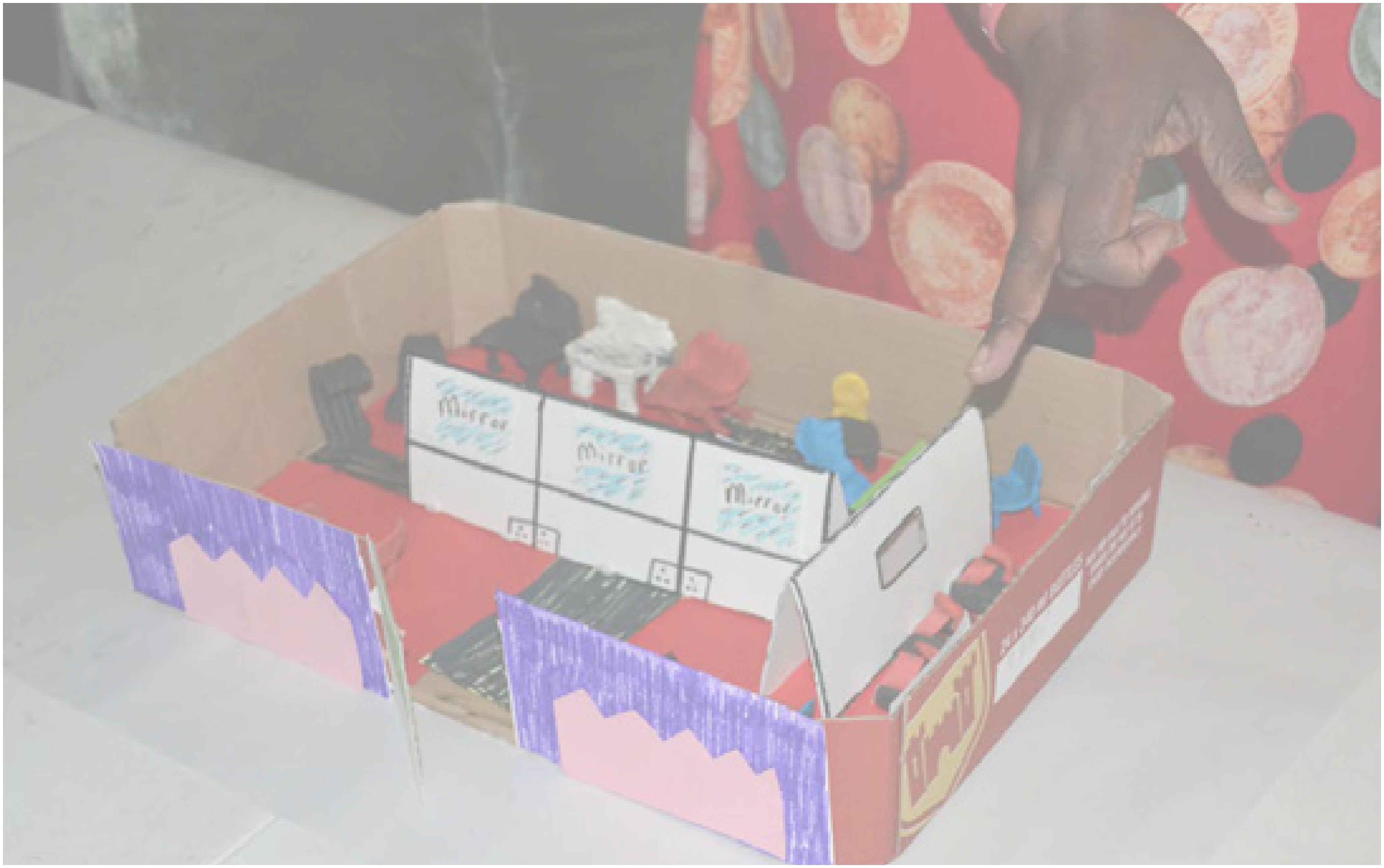
In the workshops for mechanics and motor enthusiasts, the action learning process first sought to comprehend their business and training needs. In the second part of the workshop, the action learning process explored the skills, business and recreational development needs through a participatory design process in which the participants were asked to design and build a model automotive centre. Using paper, pens, modelling clay and Lego to communicate their ideas, the participants proposed two designs. Through these model designs, we identified 5 major principles which would inform the suggested People's Automotive Academy (Project 1). First, the importance of accommodating multiple users. Second, the need to enhance opportunities for township micro-enterprises through providing automotive businesses with access to specialised equipment. Third, the importance of safety measures, especially for motor events and spinning. Fourth, the need minimise the environmental impact. Fifth, the need to balance financial sustainability (through hosting events and sponsorship), with providing services to the community.


Saints

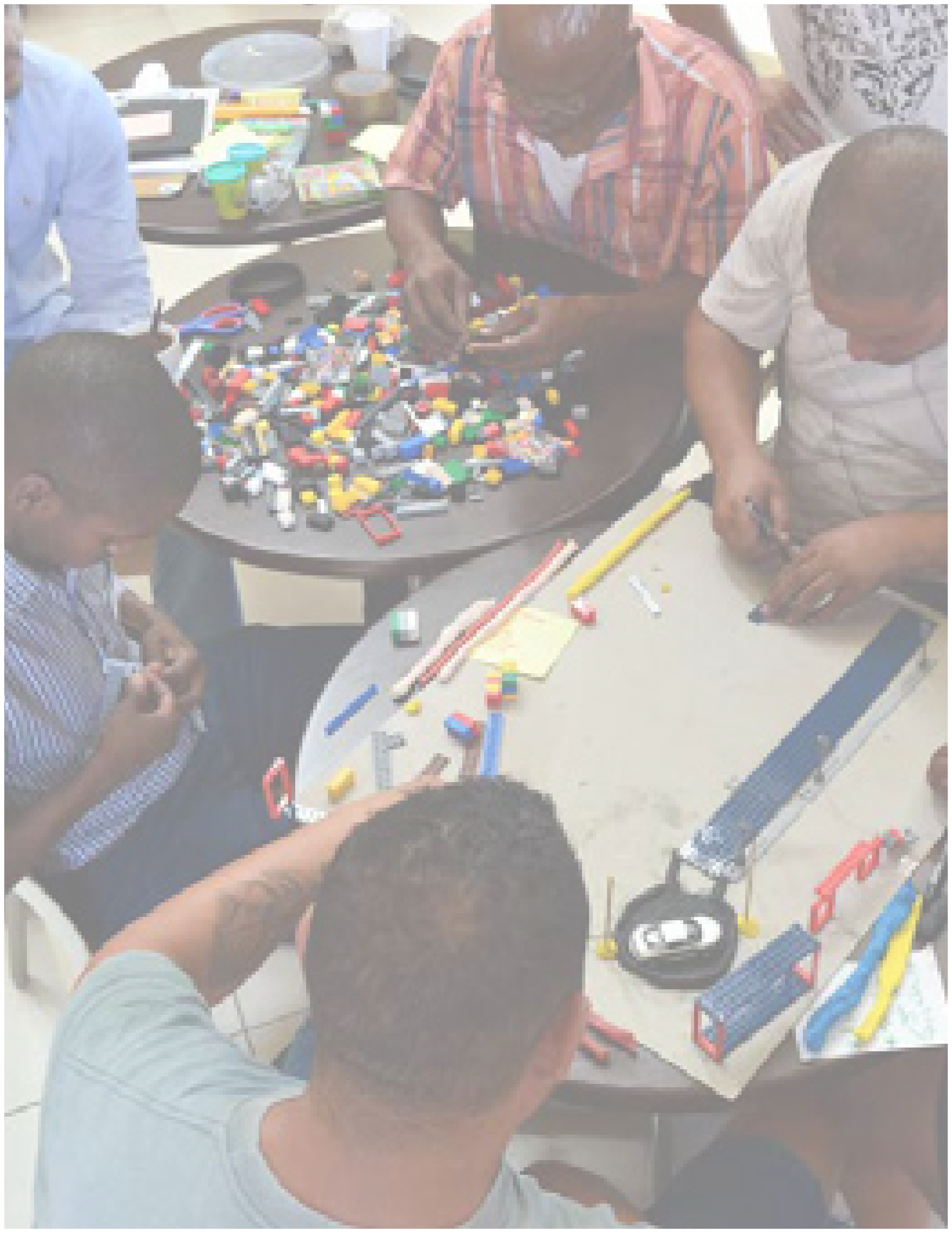

SUMMER

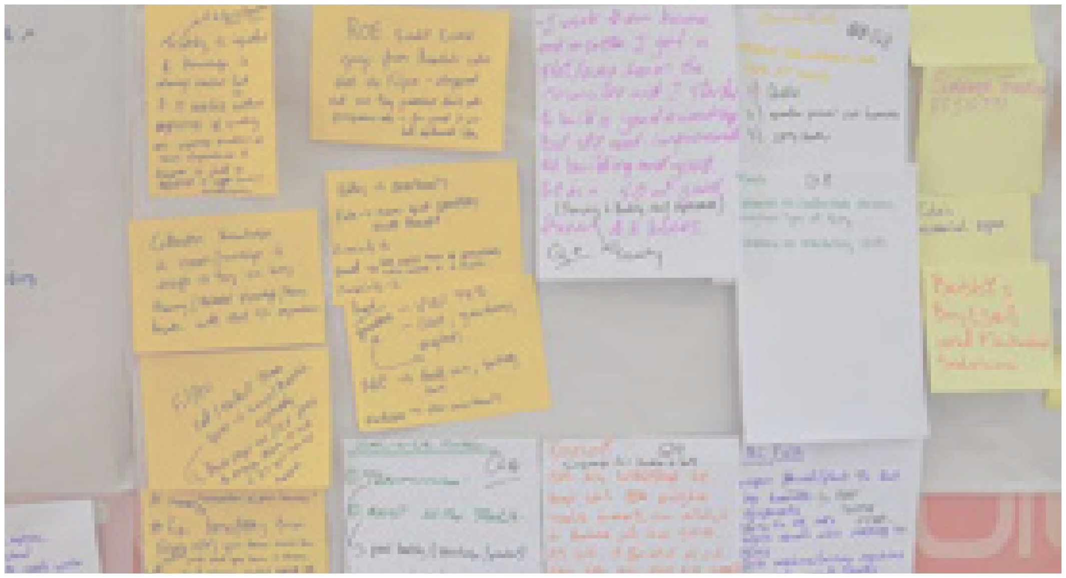

Saints

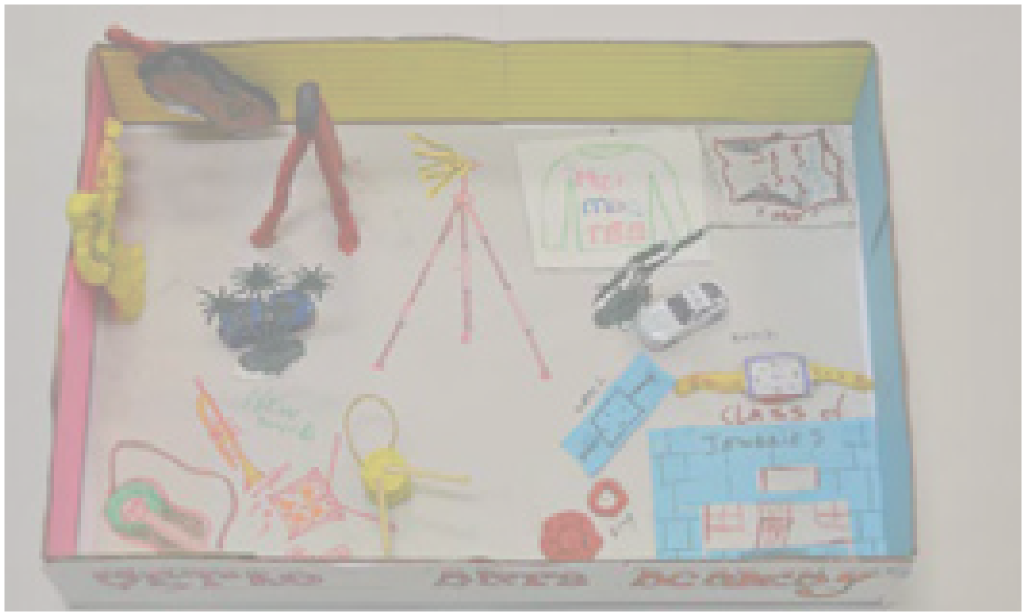

Creative
Soul's
Boutique
Salon


Mirror
Mirror
Mirror


and calls the adventure







11 PROJECTS

01/ PEOPLE'S AUTOMOTIVE ACADEMY

11.1.1. PROJECT SUMMARY

CONCEPT

A flagship project to bring together the communities of KwaNobuhle and Rosedale / Langa through providing infrastructure to enable training, skills development for automotive micro-enterprises and to support leisure uses of the motor vehicle.
The Academy will accommodate:

- A learner driving track to assist learner drivers to master their driving skills
- A training facility for automotive micro-entrepreneurs
- A track for spinning events
- Trading facilities for events
- Mechanical workshops for training, demonstrations and events
- • A car wash facility

BENEFICIARIES

The project beneficiaries are:

- Learner drivers from KwaNobuhle and Rosedale / Langa
- Mechanics
- Car Spinners
- Car Restorers
- Market traders
- The community of Uitenhage

The Project will have up to 250 direct beneficiaries and up to 5000 indirect beneficiaries.

DEVELOPMENT IMPLEMENTATION

It is proposed that the project should be privately funded with private stakeholders overseeing its implementation. As this project aligns with the strategic socio-economic interests of the local automotive sector, opportunity exists to mobilise a consortium of funders. The infrastructure facility would benefit current efforts within the automotive sector to support enterprise development amongst informal micro-enterprises and component suppliers. The project would require support from local political representatives (ward councillors) as well as buy-in from leadership within the NMBM. As the project shall develop new infrastructure, the facilities would need to be established in compliance with municipal land-use and by-laws.

The project will directly link with Project 8 and Project 11; the provision of technical services for informal automotive businesses and the promotion of an automotive centric development vision for Uitenhage.

RESOURCES

An indicative budget of R15-25 million over two years is required for the design, construction and operationalisation of the People's Automotive Academy. Factors of scope and scale will determine the resource requirement. It is recommended that the project be implemented synergistically with Project 8.

11.1.2. RATIONALE AND JUSTIFICATION

Uitenhage is the home of the motor industry in the Eastern Cape. The automotive sector provides an important source of employment for township residents. Yet the connection between the townships and the automotive industry runs much deeper than simply employment and has inspired an important culture of motor enthusiasts. Some of these enthusiasts restore vehicles; others pursue motorsport leisure activities such as drag racing, spinning and drifting; and some have set up businesses servicing motor vehicles, providing mechanical, panel beading and tyre-fitment services to name a few of the more common businesses identified.
An interest in motor vehicles extends across all Uitenhage township communities. We believe that this common interest presents an important development opportunity to build bridges between culturally distinct communities of Langa, Rosedale, KwaNobuhle and Uitenhage that were spatially separated through apartheid. In order to (re-)connect these communities, we are proposing the construction and establishment of an automotive academy, wherein people can obtain instruction, skills and participate in motorsport leisure activities. As the concept is to unite people around their interests and passion in the motor vehicle, we are proposing that the academy be established in a neutral site which is accessible to all communities, but inextricability connected to social, cultural, and entrepreneurial interests within the township. Through our engagement with members of these communities, we learned that there is no facility in Uitenhage which serves people's core needs with respect to motor vehicle activities. We learnt that people require and indeed desire a facility in which: i) technical training could be provided, ii) learner drivers could master parking and general driving skills, iii) motorsports could be undertaken in a safe and responsible manner, iv) local businesses can benefit from motor events and v) where common interest in motorcars can contribute towards national building.

Spinning events generate socio-economic multipliers. The sport promotes the development of technical skills, bringing diverse groups of people together, and creates business opportunities including food and merchandise sales. Spin events also create local tourism opportunities as a result of the attending crowds of spectators; large competitions such as the Vaal Spin Festival attract up to 7,000 paying spectators.

Based on our community learning, we have conceptualised a People's Automotive Academy. The term automotive, which means 'related to or concerned with motor vehicles', is chosen to emphasise the diverse usages of the envisaged Academy: from training, learning, sporting, to watching and enabling business activities. The inclusion of recreational activities within the Academy will safeguard and secure economic sustainability as motorsport events such as spinning have high income generating potential through entrance fees and sponsorship.

11.1.3. ASPECTS

The People's Automotive Academy will comprise 4 major aspects:

I. A multi-purpose training facility wherein beneficiaries can receive technical and practical training,
II. A hard surface to be used as a driving track and for hosting drifting and spinning,
III. Safe and separate areas for viewing motorsport events,
IV. Business facilities and trading space for micro-entrepreneurs.

The proposed design is based on the philosophy that all aspects should enable multifunctional uses. The training facility will provide a club house for motorsports enthusiasts as well as an office space for management of the Academy. On the ground floor level, the central building will accommodate a series of pits for servicing vehicles as well as tool storage. The track will be used for multiple purses in addition to learner driving and driving / spinning, including 'show 'n shine' events, staging music and cultural events, showing films (a drive-in), and hosting car-boot markets and 'swap meets' where car enthusiasts trade in cars, automobile parts, accessories and skills among one another. The business facilities will provide trading opportunities to local entrepreneurs during events, whilst businesses that offer driving lessons, car washes, or specialised services would be able to operate on a permanent basis from the site.
For learner driver facilities and motorsport events, the track will be surrounded with a suitable crash barrier to protect spectators. Other measures will be implemented to ensure safety within the Academy. These will include the employment of marshals and security guards during events to oversee safety procedures, the provision of first-aid facilities and equipment, CCTV monitoring, and the use of flags and traffic lights to control entry into and exit from of the track. A perimeter fence will secure the Academy, with entrance via a controlled gate. The premises will be guarded constantly and under 24-hour surveillance.

The Academy will be established as a greenfield development. A suitable site would need to be identified and land use secured (either leased or bought). Upon project commencement, the management of the Academy will be entrusted to a Board of Trustees, comprising representatives of the funders, management and financial advisors appointed to these roles, and representatives from local motorsports clubs. The Board of Trustees will make executive decisions to ensure that the Academy operates in accordance with its role as a community initiative and to ensure its financial sustainability. A manager will be appointed to oversee the operation of the Academy, to coordinate training and practical programmes, promote opportunities within Uitenhage communities, subcontract maintenance services and liaise with stakeholder partners.

In implementing a training programme, there is opportunity to forge linkages with existing industry and government training and skills development programmes, as described in Project 8.

11.1.4. IN CONTEXT

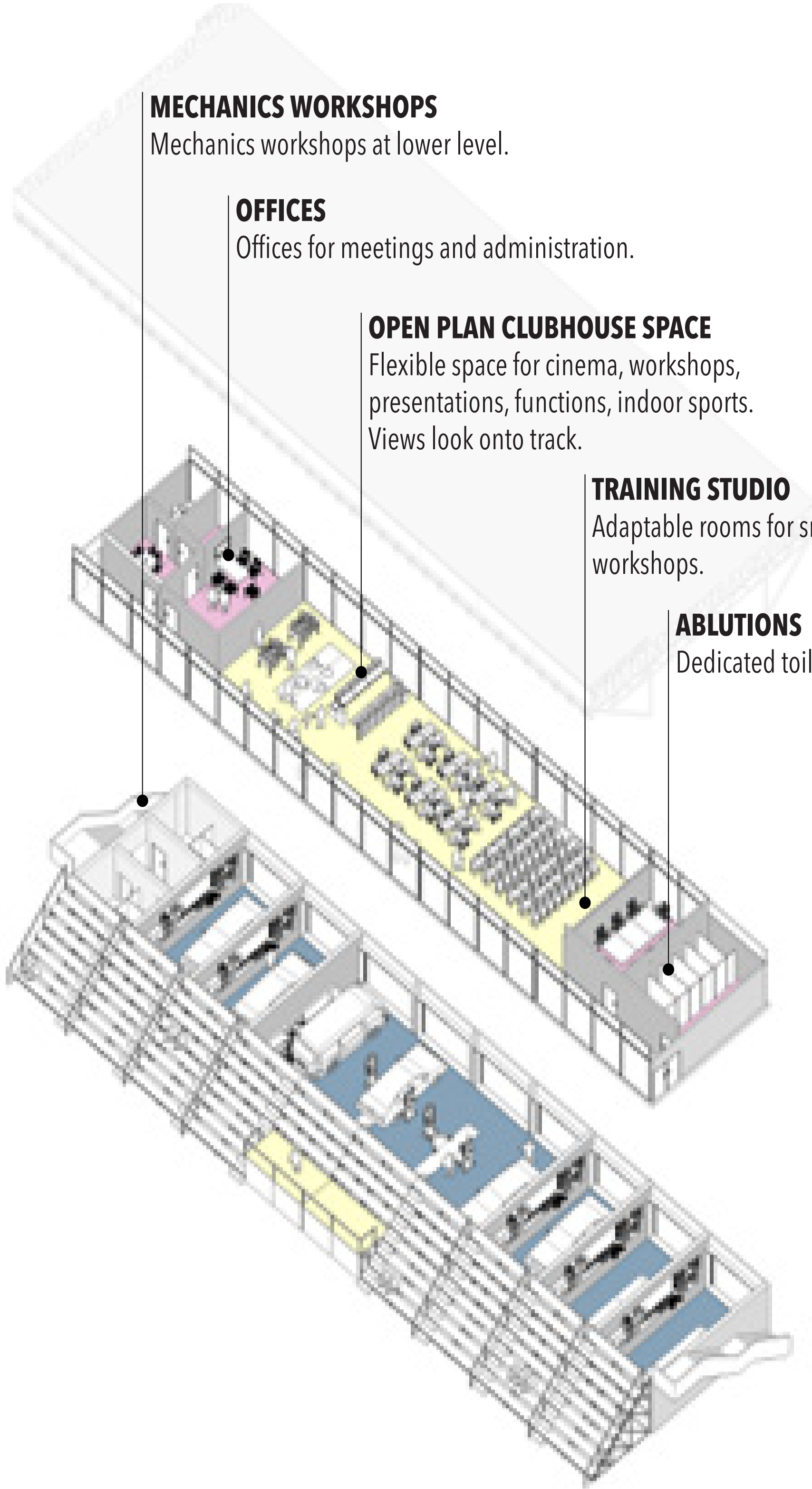
"In today's time, it's difficult to keep kids in the home. There's lots of families that we know that are battling with the surrounds that they are living in with their kids, and we've always been quite close as a family and now we know that because all three of them are involved in the same sport, we know exactly where we will find them. You know you'll find them on the pitch" Jeremy Quickfall, father of top spinner Cleo Quickfall.

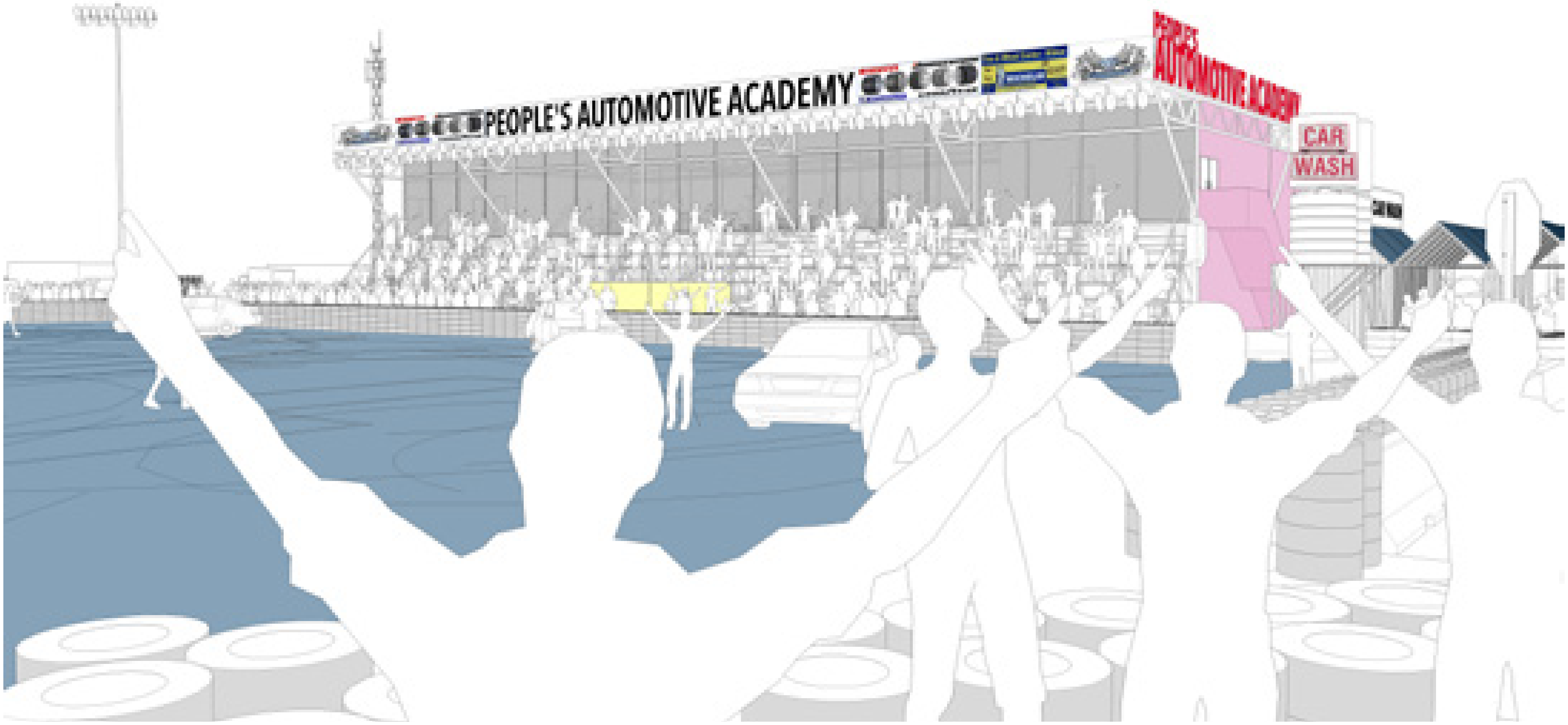
The love of the car and motor sports has been bringing people together for over 100 years, and spinning is no different. Spinning has its roots in 1980s townships, where cars were spun in celebration and defiance. By the 1990s, spinning was beginning to morph from rebellious expressions into a hugely popular people's motorsport. In Johannesburg, an abandoned entertainment park was transformed into a popular spinning venue that for some time, provided opportunities for spinners to participate in the sport off the streets in a controlled environment. Such opportunities have enabled spinners to hone their skills and introduce stunts, such as the first person to jump out of a car while spinning!

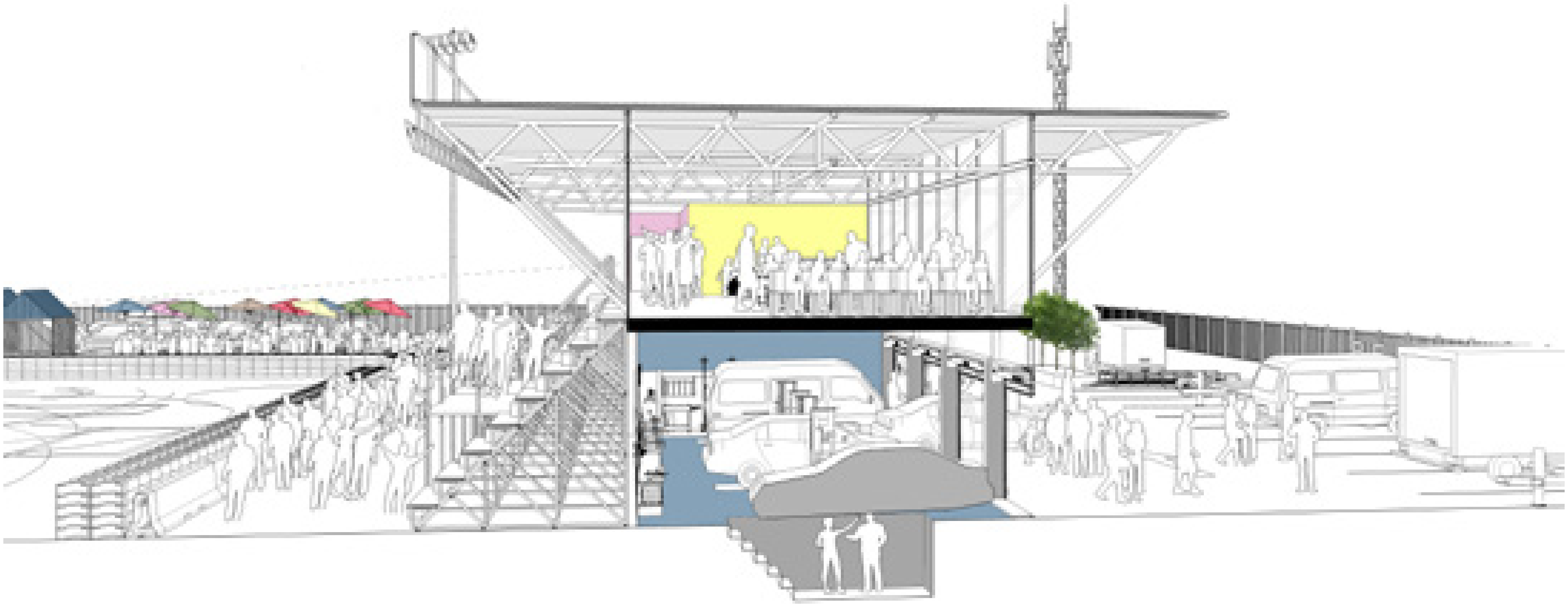
Spinning is now a recognised activity by Motor Sport South Africa, World of Motorsport the South African Sports Confederation and Olympic Committee. Spinning is one of the fastest growing motorsports in the country, attracting local and international media attention from the likes of the BBC, Al Jazeera and the New York Times. With growing interest in this motor sport, there is a pressing need for legally compliant and safe spinning pitches. Women are also making their mark in the sport, led by the achievements of spin stars like Stacy-Lee May and Cleo Quickfall who wow the crowds at events across South Africa. The spinning community has also linked their sport to awareness initiatives, and can be a powerful tool for building confidence, breaking barriers, empowering and inspiring South Africa's youth.

Famous spinning names include Rasta Eddie, Stacy-Lee May, Cleo Quickfall, Spin Kings, Jeff James, Panjaro, Mageshe Ndaba 'King of Spin' and Samkeliso 'Sam Sam' Thubane. Each spinning club or pitch have home-grown heroes. For example, the Wheelz 'n Smoke arena is home to Monde Hashe, Bad Company, Team Stacey, Eric Maswaya, Juran & Novisto, Rolley, Javas, WestSide Crew, Shermam Abrahams, Enock Spears, Wicked Wade, and Team MAX. The Wheels 'n Smoke area in Gauteng even pays spinners and subsidies free tyres. Individual spinners have been able to attract sponsorship. Stacy-Lee May, for example, was approached by in 2017 to be a brand ambassador for Nike after a video of her spinning went viral. She was also offered a brand endorsement with Mini Cooper. The City of Tshwane Metropolitan Municipality has recently supported spinning events at the Mayhem Raceway, a further sign of its recognition as a legitimate motorsport.

Each spinning track hosts weekly spinning events, as well as annual events. Thursday nights are spin nights at Wheelz 'n Smoke arena in Johannesburg. The Soweto Drift Academy has started hosting an annual women's day spinning event, showcasing Women spinners from the Spinna LeBeema Gal Academy. Spinning events found on Computicket include Numbi Spin City – Nelspruit, PuleEarmSNR Birthday Octane celebration in Johannesburg, Sabie Spin City – Sabie. The international Battle of the Nations has become an annual spinning competition, with spinners from South Africa, Botswana, Swaziland, and Lesotho competing. Pule Earm Motloung, a spinner and spinner promotor who runs his own spinning academy (Soweto Drift Academy) says that South Africa is also important for spinning on a regional level, with spinners from other SADC countries referring to them for advice and training. Spinning has even made it onto local television, in the form of the competition 'So You Think You Can Spin?', which was won by Samkeliso 'Sam Sam' Thubane in 2016. This completion attracted just under 1 million viewers per episode.




PEOPLE'S AUTOMOTIVE ACADEMY
CAR
WASH



02/ HIGH STREET ACTIVATION

11.2.1. PROJECT SUMMARY

CONCEPT

A project to activate the high street economy of Mabandla and Matanzima streets in KwaNobuhle township. These two major streets support a range of service businesses and have notable growth potential to become economic spines. Activation requires both infrastructure interventions and social interventions to secure the support of property owners and the participation of businesses situated along the street.

Activation strategies include:

- Land use rezoning to obtain commercial rights
- Street paving and lighting
- Installation of mountable-kerbs and off-street parking
- Traffic calming and surveillance
- Street trader facilities
- Container business platforms

BENEFICIARIES

The project beneficiaries are:

- Existing businesses
- Street facing property owners
- Street traders
- Property Investors

The project will have 150 direct beneficiaries (high street businesses) and 500 indirect beneficiaries, including local property owners.

DEVELOPMENT IMPLEMENTATION

It is proposed that the project is implemented by the NMBM. As the aims of the project align with metropolitan and national objectives to revive the township economy, project funding should be sought from National Treasury through programmes such as the 'Neighbourhood Development Partnership Grant' initiative. The activation of high streets aligns with the NMBM spatial development plan. The NMBM should engage the MBDA to explore opportunities for partnering in implementation and resource mobilisation. The project links to the development of business nodes, Project 3, and provides improved opportunities for street businesses, Project 4.

RESOURCES

An indicative budget of R25-35 million over 3 years is required. Factors of scope and scale will determine the resource requirement. It is recommended that the project be implemented synergistically with Project 3 and Project 4.

11.2.2. RATIONALE AND JUSTIFICATION

High streets are important sites for service businesses and specialised trade. SLF research over nine townships found that roughly 25% of all micro-enterprises are situated on high streets. High streets are especially important for personal services such as hair care (hairdressers and barbers), professional services such as doctors and lawyers, and the street trade of hardware and homeware products. In some situations, such as Eveline Street in Namibia, high streets have been activated to support a leisure economy of bars and restaurants. The street activation has, in turn, stimulated private investments to upgrade and operationalise houses into mixed-use units (including double height units which accommodate work and live functions), to invest in equipment and to improve the public space through lighting, paving and place making.

In the Uitenhage townships, the high streets are underperforming in contrast to these development trends. Since the state of micro-entrepreneurship in these settlements is similarly underperforming, the high streets present an important spatial opportunity to ignite businesses. There is scope to transform Mabandla and Matanzima streets into economic spines: both streets are major public transport routes as well as accommodate pedestrian movement; there are emerging nodes and clusters of businesses along these streets; and professional services and (midsize) retailers have established businesses along the street. Most of the properties situated along these streets have a mono-functional residential use whilst the properties are zoned for residential purposes. The rezoning of high street properties with business rights could potentially stimulate investment in these properties to unlock growth opportunities. The street verges could also be redeveloped through surfacing hardening, street lighting and access to utilities so as to accommodate street based businesses and traders. The pavements are of sufficient width (up to eight meters) to enable vehicles to park perpendicular to the street. Off-street perpendicular parking would benefit businesses whilst keeping the street free of parked cars (in line with mobility objectives), though requires minor structural amendments to install soft-kerbs.

11.2.3. ASPECTS

The project has a strong spatial-development focus. The 5 core aspects are:

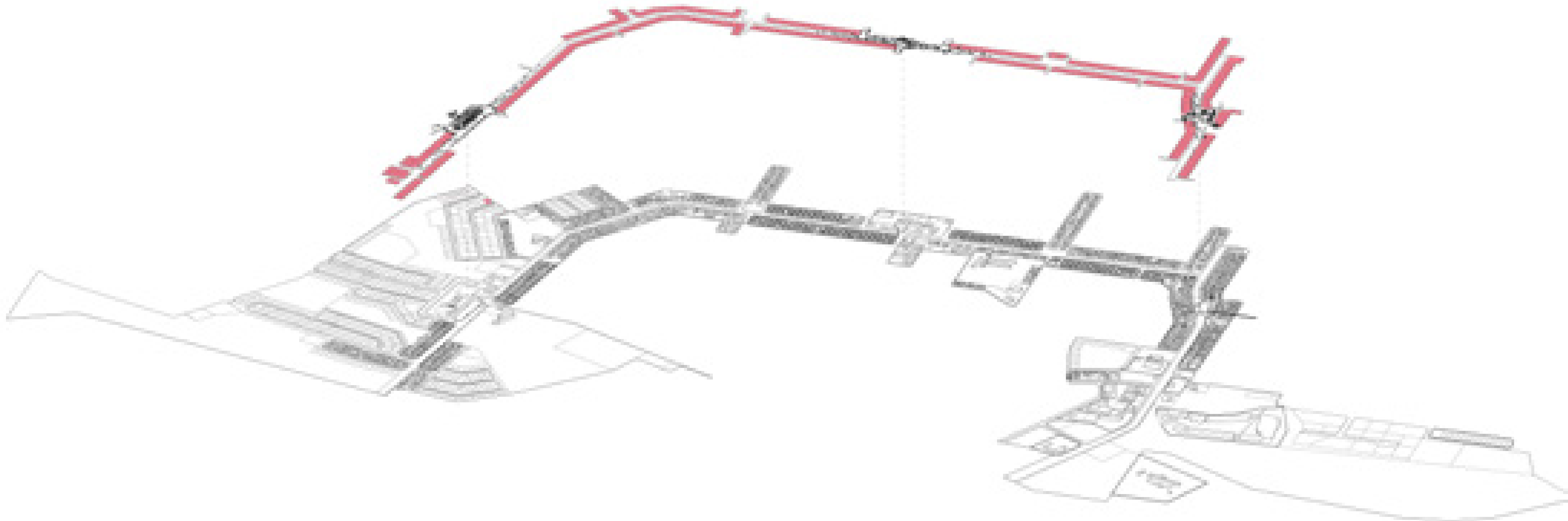
I. The rezoning of properties along the high street with business rights. This could have implications on the rates levied against these properties. Property owners would therefore need to be engaged to secure their support for rezoning. It is recommended that any increase in municipal rates be tiered for up to five years to enable development to take effect and to permit the property owners sufficient time to recognise the benefits from rezoning.

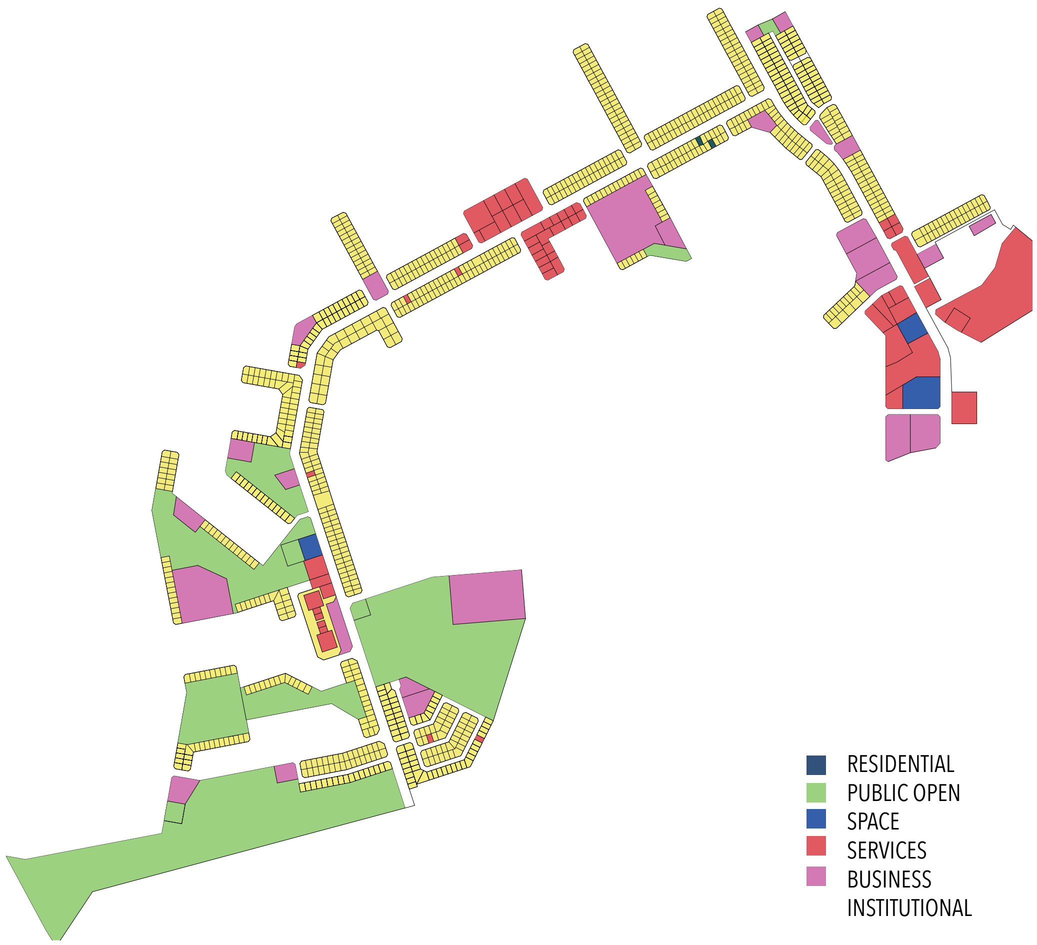
II. Infrastructure modifications to the street layout. These would include installing soft-kerbs along stretches of the two roads to enable off-street parking. There is also a need to create additional lay-bys for public transport vehicles and introduce traffic calming measures to reduce the speed of vehicle traffic and thus further enable on-off street movement.
III. Infrastructure investments to improve the quality of public space. It is proposed that investments are made in respect of surfacing hardening, providing dedicated lanes for pedestrians and bicycles / trollies / prams (as well as mountable kerbs on street intersections), street lights be installed on both sides of the road, surveillance cameras be installed at suitable lengths, trees planted and benches erected.
IV. To stimulate a process of place making, public artworks should be commissioned and installed within the high street. This activity links with Project 9, the establishment of a creative studio to support township artists and crafters.
V. Trading opportunities should be enhanced through the provision of base-infrastructure, including hardened surfaces to accommodate shipping containers, and access to public utilities (electricity and water) on a pay-as-use basis. Provision should also be made for street traders operating from mobile stalls and temporary stands. It is proposed that the trading rights of street traders be formalised through instituting a street trader plan wherein specific trading sites are formally recognised, demarcated and registered (using yellow bays). A trading plan can both strengthen trader land-use rights and also leveraing precinct management obligations towards traders. It is important that traders contribute towards the development of the high street through the payment of appropriately set monthly trading license fees. The provision of improved trading opportunities aligns with Project 4, a pilot to improve street furniture, and Project 6, measures to strengthen opportunities for hairdressers and beauticians.

In order to stimulate local businesses, infrastructure works should be undertaken by township micro-enterprises and local artisans.

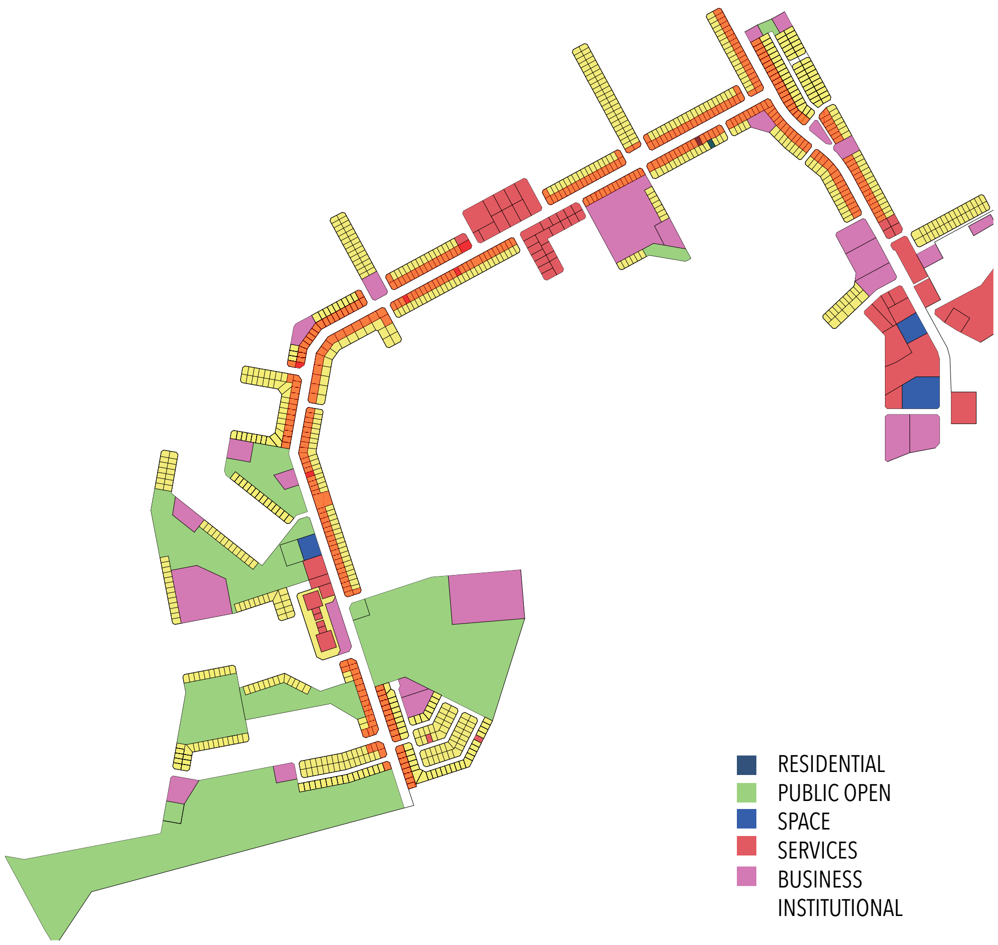
11.2.4. IN CONTEXT

The proposed activation of the Mabandla and Matanzima high streets can benefit from the learnings of the Singaphi Street Environmental Upgrade in New Brighton Township. The R40 million project was implemented by the MBDA in 2014. The upgrade has resulted in property owners making improvements to business premises and residences (investing R8 million), an upturn in local business revenues, and positive shift in business confidence. According to the MBDA spokesperson, the objective of the project was to develop a unique cultural precinct and economic node which could support the creative economy. In his words, “the impact of the upgraded open spaces, the parks and outdoor gyms has greatly improved the quality of life in Singaphi and that gives us hope that through programmes like this, we can drive the change we want to see.”





RESIDENTIAL
PUBLIC OPEN
SPACE
SERVICES
BUSINESS
INSTITUTIONAL



RESIDENTIAL
PUBLIC OPEN
SPACE
SERVICES
BUSINESS
INSTITUTIONAL

03/ DEVELOPMENT NODES

11.3.1. PROJECT SUMMARY

CONCEPT

A project to enhance economic activities within transport and trading nodes through strategic infrastructure and social interventions. Infrastructure interventions are to focus on:

- Improving the useable space and infrastructure facilities for business activities
- Enhancing the quality of the social space for business and customers, including measures to improve safety and security

Social interventions will be supported to facilitate the entry of new businesses into these developed nodes. The project will enable beneficiaries to obtain strengthened land use rights and participate in precinct management.

BENEFICIARIES

The project beneficiaries are:

- Existing businesses operating within these nodes
- Street trading businesses, both existing traders and new traders
- Street based hair salon businesses
- The project will have up to 50 direct beneficiaries (street businesses) and 250 indirect beneficiaries, including neighbouring properties.

DEVELOPMENT IMPLEMENTATION

It is proposed that the project is implemented by the NMBM. As the aims of the project align with metropolitan and national objectives to revive the township economy, project funding should be sought from National Treasury through programmes such as the 'Neighbourhood Development Partnership Grant' initiative. In KwaNobuhle, the development of existing business hubs would align with Project 2 to activate the high streets. As in Project 2, the NMBM should engage the MBDA to explore opportunities for partnering in implementation and resource mobilisation. The establishment of improved nodes would link to Project 4, a pilot intervention to support traders with improved infrastructure, and Project 6, measures to strengthen opportunities for hairdressers.

RESOURCES

An indicative budget of R5-10 million over 3 years is required. Factors of scope and scale will determine the resource requirement. It is recommended that the project be implemented synergistically with Project 2 and Project 4.

11.3.2. RATIONALE AND JUSTIFICATION

The small-area census identified clusters of businesses operating in nodes. Most of the nodes are situated along high streets. Some have developed within defunct bus-stops, utilising the existing infrastructure in support of business activities. The businesses that operate in these hubs include car washes (a pioneer business in these spaces), mechanics, grocery retailers, vegetable traders, township fast-food retailers, traditional healers and hair salons. Some traders operate in the open air, others have established rudimentary structures made with corrugated iron and/or operate from shipping containers. None have legal or safe access to public utilities such as water, electricity and sewerage, although some of these services are obtained from neighbouring properties. As these spaces were not intended for business activities, the nodes have inadequate lighting. The business activities are also weakly synergised to the high street and surrounding economic influences. Although these spaces do accommodate public use, especially in relation to car washes, there have been little or no purposeful investments to improve the quality of social use, and after dark some of these spaces present heightened security threats.

11.3.3. ASPECTS

The project has a strong spatial-development focus. The 6 core components are:

I. Infrastructure modifications to the street layout and node to accommodate off-street parking as well as taxi bays, in cases there the node has a high street edge.
II. Infrastructure investments to improve the quality of public space. It is proposed that investments are made in respect of surfacing hardening, providing dedicated lanes for pedestrians and bicycles or trollies or prams along the high street edge (as well as mountable kerbs on street intersections), street lights be installed within the node, surveillance camera be installed to oversee public safety, trees planted and benches erected.
III. Trading opportunities should be enhanced through the provision of base-infrastructure, including hardened surfaces to accommodate shipping containers, and access to public utilities (electricity and water) on a pay-as-use basis. Where possible, the NMBM should develop sustainable water provision through using ground-water and installing water-catchment facilities. To stimulate economic growth, provision should also be made for street traders to operate from mobile stalls and temporary stands. Infrastructure improvements, such as installing a simple shade structure and providing storage facilities, would contribute towards an improved business environment for traders. These activities align with Project 4, improving street infrastructure, and Project 6, enhancing opportunities for street traders.
IV. An important part of developing nodal hubs lies in strengthen business land-use rights. In this respect, a street trading plan is proposed as a legal mechanism

to enable users to obtain secure rights, whilst linking the businesses to obligations that include the payment of monthly rentals and precinct management responsibilities. To achieve this objective, social interventions are required to secure buy-in from existing businesses as well as to obtain their views and needs as to the spatial realignment of the node and infrastructure designs. Through this social intervention, each node will be co-managed by a committee of traders and relevant municipal authorities.

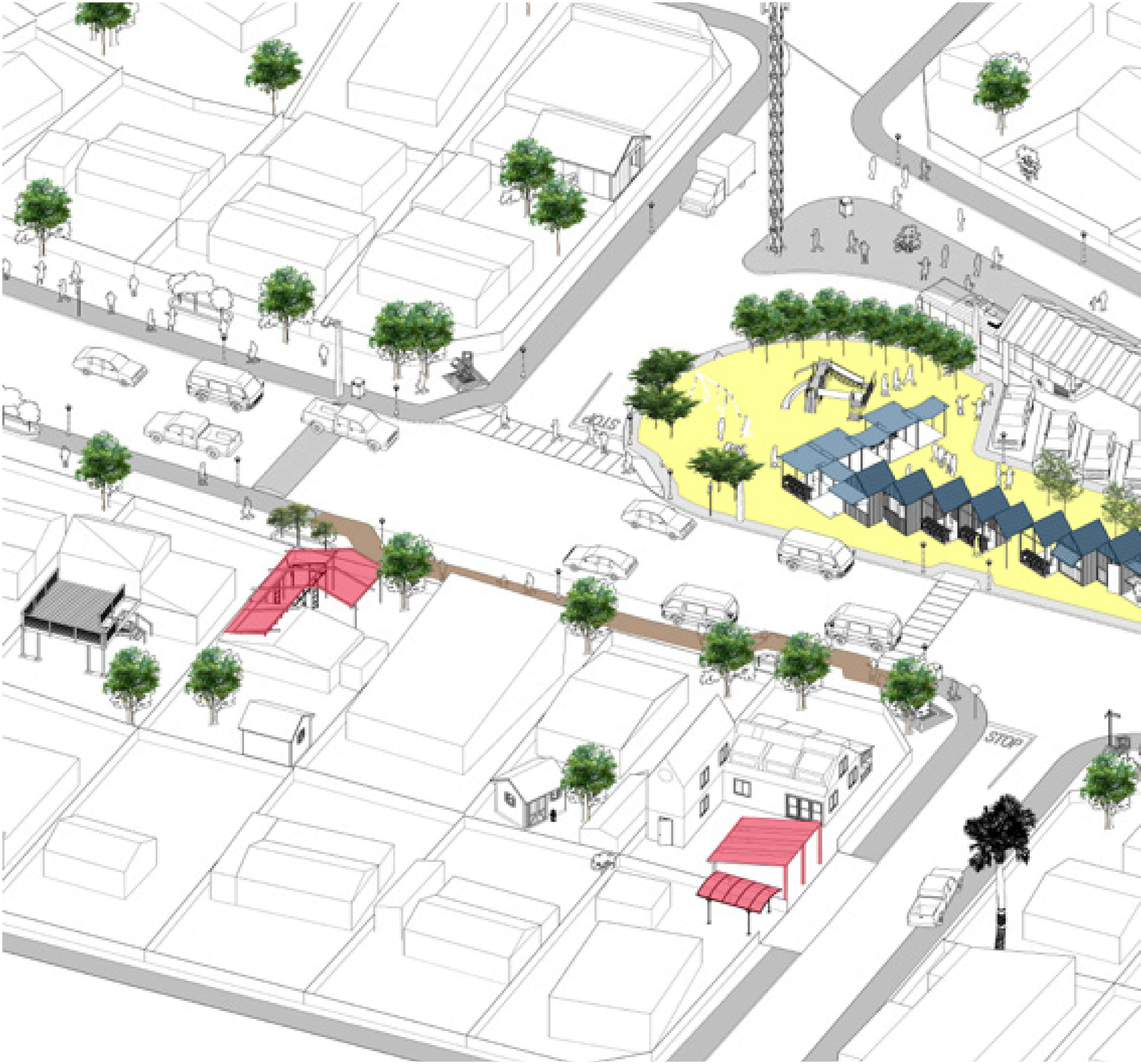
V. To stimulate a process of place making, public artworks should be commissioned and installed within the node. This activity links with Project 9, the establishment of a creative studio to support township artists and crafters. The process of public place making should entail the participation of neighbours and local residents who can then fulfil a role as custodians of arts installations, trees / flower beds, benches and play parks.

VI. Nodes are ideal sites for the installation of publically accessible Wi-Fi. This would attract residents to these sites, benefiting businesses whilst simultaneously reinforcing public use of the nodes.

In order to stimulate local businesses, infrastructure works should be undertaken by township micro-enterprises and local artisans.

11.3.4. IN CONTEXT

Nodes represent strategic points of business concentration with links to accessible transport infrastructure. Nodes can be represented by various urban forms, such as transport hubs or open group in close proximity to high streets or retail markets. Business nodes reflect the collective presence and impact of multiple businesses and activities that attract the general public to the site. The increased activity leads to enhanced business opportunities for those enterprises within the node. A good example of an organically emerged business node is the clustering of businesses around a township minibus rank, where the destination of the rank serves to attract many commuters, who in turn gain access to commuting and related business at the site. This leads to a natural clustering of different kinds of businesses serving commuter needs for food, cell phone airtime, services and various fast moving consumer goods. Formal sector shopping malls also tend to create clusters of informal businesses at the mall entrances and exits, outside the mall boundaries but in close proximity to areas of substantial foot traffic. In the case of the KwaNobuhle Shopping Mall, the infrastructure design services to exclude opportunities for informal trading both within and outside the mall along the street pavements. In this respect, a node development opportunity has been lost.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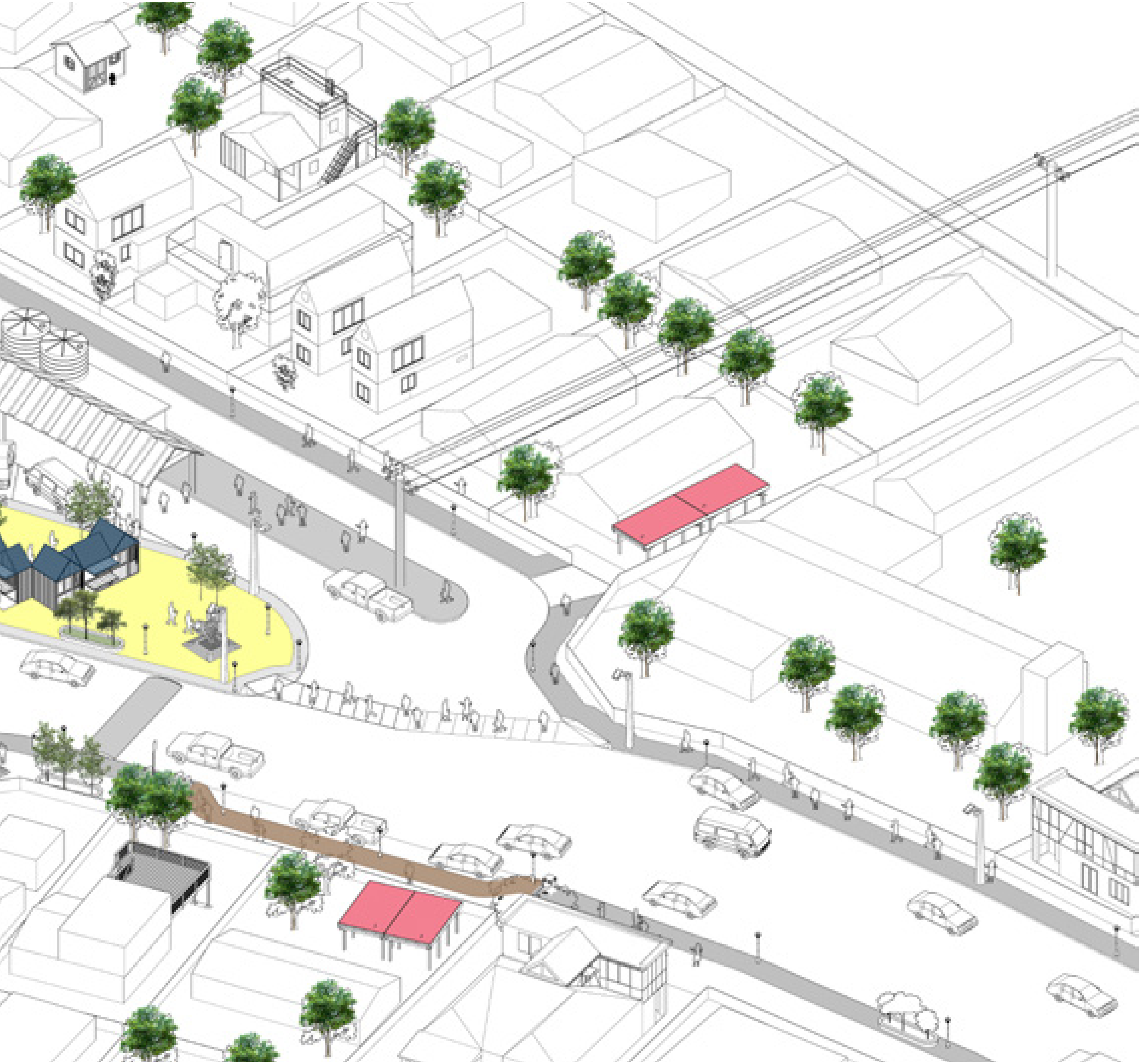
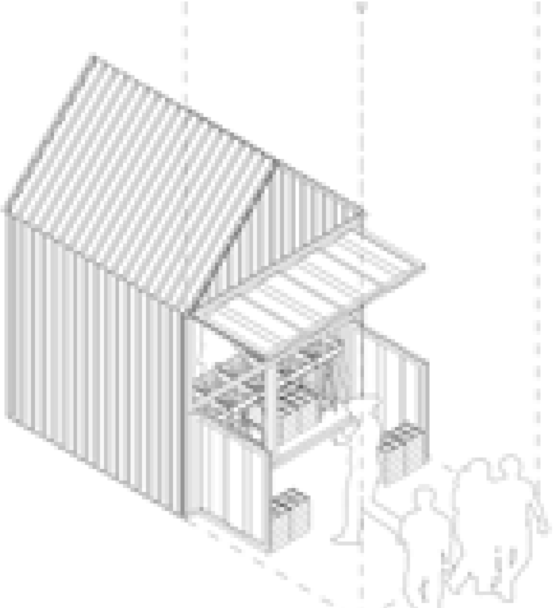




04/ STREET BUSINESS INFRASTRUCTURE

11.4.1. PROJECT SUMMARY

CONCEPT

A project to develop appropriate, adaptable and affordable (low cost) infrastructure solutions for businesses operating on streets and open spaces. The project will pilot solutions to address the shortage of high street business units, obstacles to trader mobility and storage constraints for street traders.

Infrastructure will be developed through participatory design. Local artisans will be engaged to construct the infrastructure. Social and business interventions will be undertaken to ensure the sustainable use of the infrastructure and enhancement of business activities.

BENEFICIARIES

The project beneficiaries are:

- Street based hairdressers
- Fruit and vegetable traders
- Mobile food traders
- Artisans

This project will benefit 25 new street based businesses as well as foster 25 indirect opportunities for synergistic businesses.

DEVELOPMENT IMPLEMENTATION

As this is a pilot project, it is proposed that the intervention be funded by a private donor, though implemented in collaboration with the NMBM. The project requires formal municipal partner participation since the success of the intervention hinges on secure access to public trading sites, whilst the infrastructure needs to comply with by-laws on trading, health and safety. If the street infrastructure is to be sited on private property, the project will need to secure a partnership with the land owner.

The project links to Project 2, high street activation, and Project 3, are node development. In this respect, there is scope to include the project within a single spatial development intervention, with funding sought from National Treasury through programmes such as the 'Neighbourhood Development Partnership Grant' initiative. The project has a direct link to Project 6 as one of the proposed infrastructure interventions will be a shared facility for hairdressers.

RESOURCES

An indicative cost of R2.5-R3.5 million over two years is required. Factors of scope and scale will determine the resource requirement. It is recommended that the project be implemented synergistically with Project 2 and Project 3.

11.4.2. RATIONALE AND JUSTIFICATION

We have identified an underperformance in street trading within the township economy. There are several factors that contribute towards this situation, including the absence of suitable infrastructure. This project will focus on three particular infrastructure concerns. First, is the general absence of mobile trading. Mobile trading units are important because they allow traders to shift their stalls from location to location and access sites with high business potential, including the high streets and business nodes. Furthermore, mobile traders have the comparatively greater flexibility to shift their equipment and stock from the safety of the home environment to the trading site. Second, is the general absence of storage facilities for street traders. Without storage, street traders have to shift their equipment / stock on a daily, a logistical requirement which presents a market entry barrier. Third, the project addresses the limited adaptability of existing self-made business units, most of which are purpose built and cannot easily be expanded or altered as the business grows or changes direction. The project further seeks to highlight the opportunities from creating shared-space units. Shared facilities are especially relevant to businesses that require access to costly specialist equipment and facilities (such as wash basins in hair salons), but that can otherwise operate as independent entities.

11.4.3. ASPECTS

As the project is a pilot intervention, there is a strong focus on experimentation, co-learning, and co-production. The 4 core aspects are:

I. Participatory engagement and design with existing street businesses to think through suitable infrastructure options. The engagement process will explore design solutions that address core needs, whilst fulfiling the objectives to produce infrastructure which is affordable, durable and adaptable. The end-users will have a central role in specifying the design outcome and aligning the infrastructure with their existing business needs.

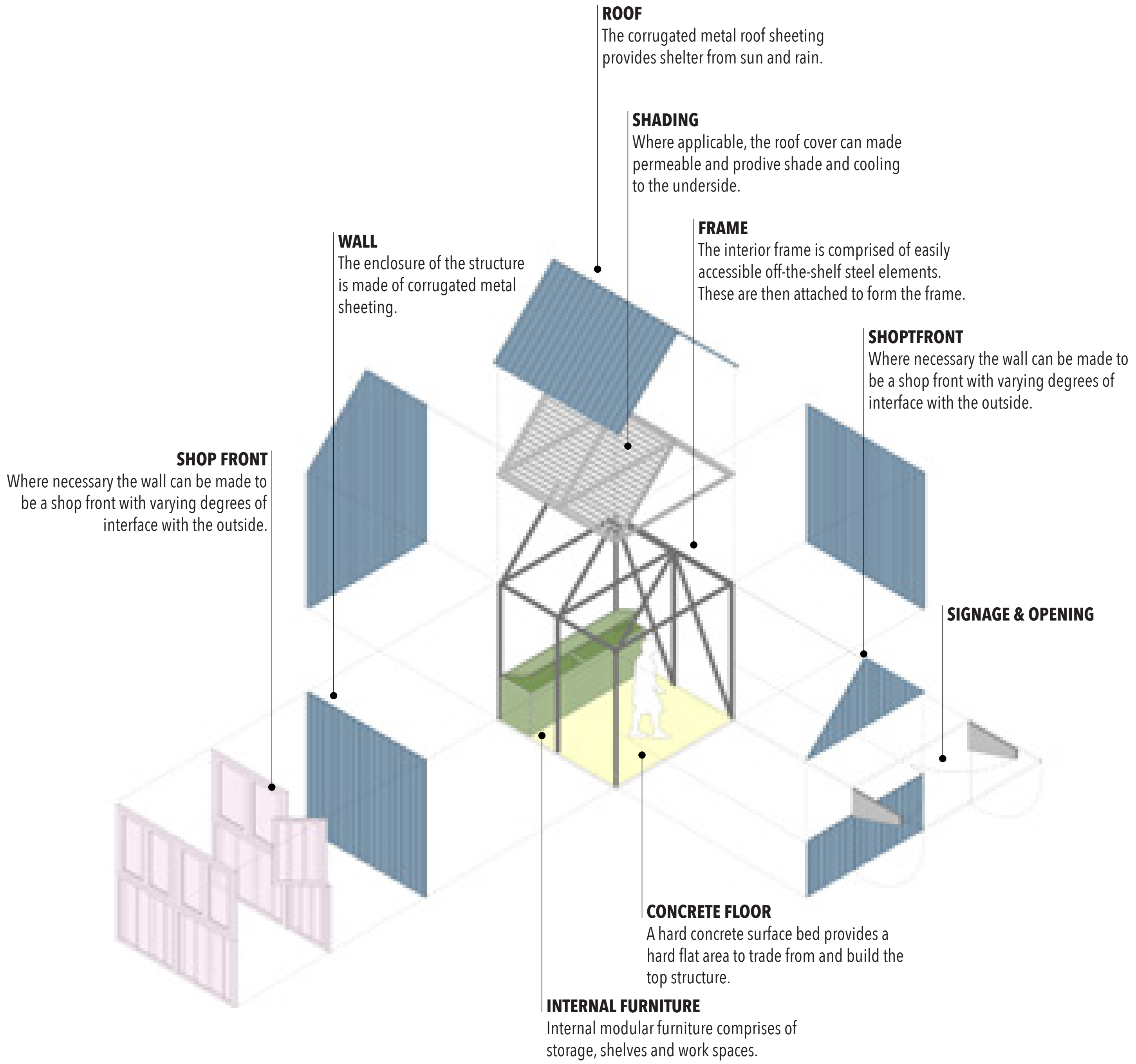
II. The implementing agent would collaborate with local artisans to produce prototypes of the proposed designs. The project proposes to build: i) a non-motorised trading structure which could be towed / pushed to high street locations, ii) a modular trading unit for fruit and vegetable traders or food service businesses, and iii) a shared facility hair salon with social amenities for children.

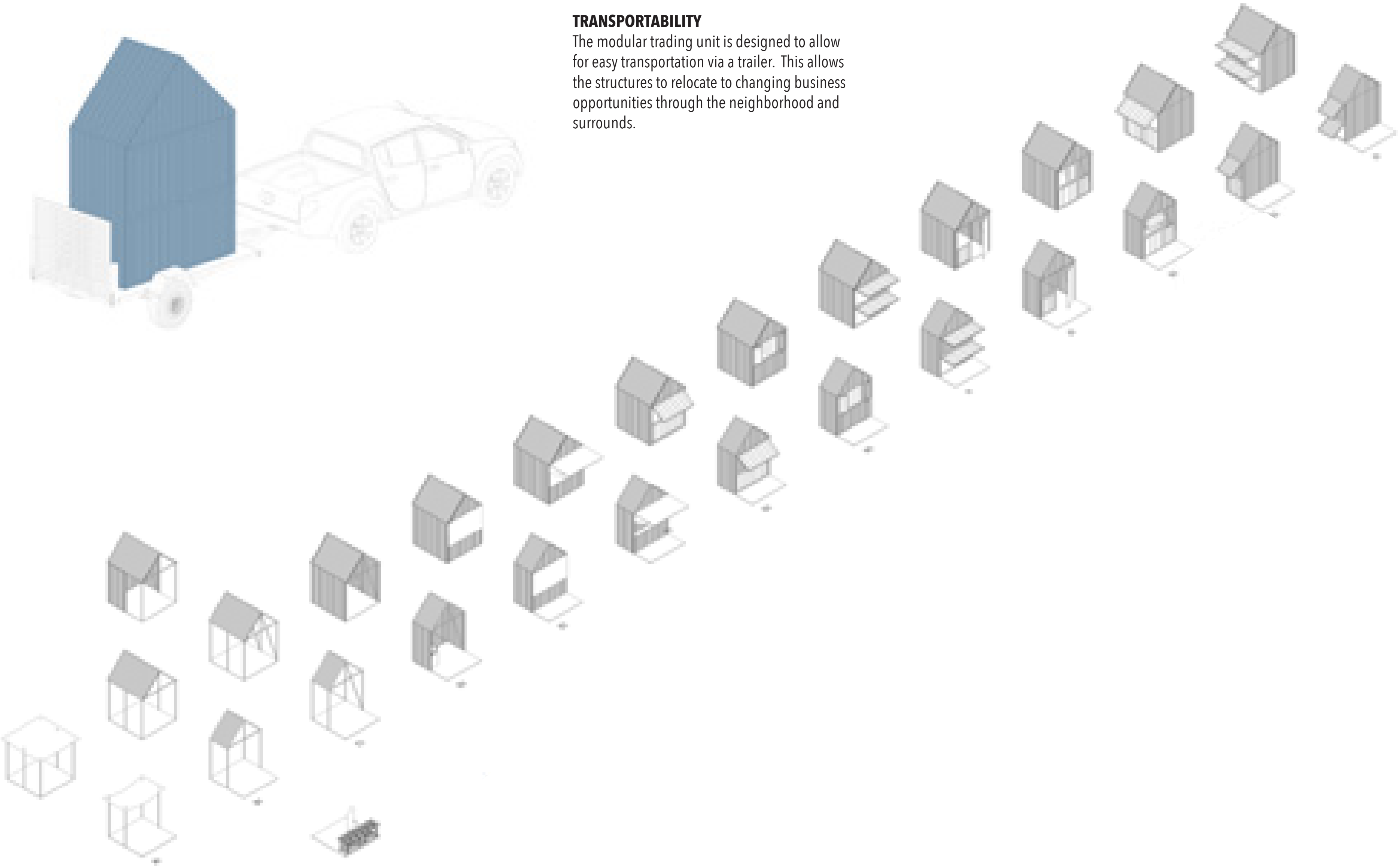
III. Municipal approval would be secured for the operationalisation of the street infrastructure, if it is proposed that the site be selected within development nodes to complement the enhancement of business activities within these sites.

IV. The project will monitor the use of the infrastructure over the course of 12 months. The suitability of the infrastructure will be assessed against the overriding criteria to develop street infrastructure which is relatively low-cost, locally produced, adaptable and durable under operation conditions. A key aspect of the evaluation is to explore ways in which the infrastructure has been self-improved and replicated. The findings will be documented and provided as learning for future projects.

11.4.4. IN CONTEXT

Coca-Cola has partnered with the Small Enterprise Finance Agency (SEFA) and the NMBM in the 'BIZNIZ in a Box' project. The project provides refitted containers to emerging township entrepreneurs. It presents an example of the scope for partnerships between the private and public sectors to address the need for street business infrastructure in the township economy. We inspected the BIZNIZ in a Box units during the micro-enterprise census and found that the project has (currently) achieved limited success in terms of its goal to support young entrepreneurs. Whilst shipping containers have been successfully used as business infrastructure for hair salons, their main disadvantages are their high cost, the difficulties associated with relocation and their relative structural rigidity. The project seeks to address these issues through seeking to unearth alternative forms of street infrastructure that can be made to specific requirements, built from locally available materials with local labour.


ROOF
The corrugated metal roof sheeting provides shelter from sun and rain.
SHADING
Where applicable, the roof cover can made permeable and prodive shade and cooling to the underside.
FRAME
The interior frame is comprised of easily accessible off-the-shelf steel elements. These are then attached to form the frame.
WALL
The enclosure of the structure is made of corrugated metal sheeting.
SHOPTFRONT
Where necessary the wall can be made to be a shop front with varying degrees of interface with the outside.
SHOP FRONT
Where necessary the wall can be made to be a shop front with varying degrees of interface with the outside.
SIGNAGE & OPENING
CONCRETE FLOOR
A hard concrete surface bed provides a hard flat area to trade from and build the top structure.
INTERNAL FURNITURE
Internal modular furniture comprises of storage, shelves and work spaces.



TRANSPORTABILITY
The modular trading unit is designed to allow for easy transportation via a trailer. This allows the structures to relocate to changing business opportunities through the neighborhood and surrounds.

C. VARIATION
The modular nature of the structure and its components allow for a great degree of variation to meet different user requirements.

05/ RECYCLING STOKVELS

11.5.1. PROJECT SUMMARY

CONCEPT

A project to enable waste collectors (recyclers) to better access current markets and obtain regular income from selling recyclable materials. The project has twin objectives; one, to redress the current market barriers which hinder income generation for recyclers, and two, to minimise the environmental threat of uncollected recyclables within the township economy where plastic, in particular, is increasingly entering fragile river systems.
The project will raise the income for recyclers through improving their access to markets and instituting regular collections. The main elements are:

- Establishing self-selected groups (stokvels)
- The provision of collective storage, bulking and marketing systems
- Instituting a reliable purchasing system
- Promoting diversification to increase the recycling of plastic
- Proving training and safety equipment
- Beneficiaries
- The project beneficiaries are:
- Pensioner recyclers
- Micro-enterprise recyclers

The project will support up to 150 recyclers.

DEVELOPMENT IMPLEMENTATION

It is proposed that the project should be privately funded with private stakeholders overseeing its implementation. The NMBM is required to partner implementation, firstly, because reducing the pollution from uncollected recycled materials is an objective in the spatial development plan, and secondly, because the municipality is needed to support the stokvel groups to access to unutilised municipal land on which group bulking facilities are to be established.

There is potential for securing implementation partnerships and funding from industry backed recycling initiatives that target the informal sector. Furthermore, the project will seek to establish marketing and supply linkages with established recycling companies with the capacity to purchase from micro-entrepreneurs.

RESOURCES

An indicate cost of R2.5-R3.5 million over two years is required. The project costing will vary on the scope and scale of investment in buking facilities and equipment.

11.5.2. RATIONALE AND JUSTIFICATION

The collection of scrap for recycling is the most common micro-entrepreneurial activity in the township economy. Most recyclers are elderly women. These recyclers mainly collect glass (empty alcohol bottles) and accumulate collections at their homes, stored in poly-sacks after smashing the glass to increase the weight within the bags. The poly-sacks were (historically) supplied by a private company (Cannibal) at a cost of R30. The company then purchased the filled sacks, with the recyclers earning approximately R140 per 300kg bag or R400 per ton. With collections points dotted throughout the settlement, the system functions inefficiently. The private operator will only dispatch a truck to collect glass if when he is certain that the truck will be able to collect the maximum possible load with the minimum resource and logistical outlay. As a result, much of the glass that gets collected in the township is not reaching the market. In KwaNobuhle, for example, we estimate that there is in excess of 50 metric tons of glass sitting uncollected at the homes of pensioner recyclers. It is unlikely that this glass will find its way to market. We found that many of the poly-sacks have degraded and can no longer be crane-lifted, whilst a considerable number of the recyclers are disenchanted as multiple requests to sell their glass have gone unanswered.

Little plastic is recycled from the township economy. As most plastic waste is light in weight but retains a substantial shape in volume (unlike glass which can be crushed), there are weak incentives for collecting plastic on a home-based scale. To derive profit, recyclers would need to accumulate a large volume of material which would then have to be compacted into manageable units (bails) prior to onward transport. There are no bulking or compressing facilities in KwaNobuhle or Rosedale. The equipment required to undertake bulking is expensive to acquire and technically complicated to maintain. In our interviews with industry stakeholders, we learnt that bulking is best undertaken by recycling specialists who could operate mobile units if there was sufficient collected material and demand.

In a participatory workshop with KwaNobuhle recyclers, we learnt that the recyclers would consider a monthly income of R500 a sufficient incentive to intensify (and diversify) their activities. The project seeks to respond to this goal through addressing one of the major weaknesses in the informal economy recycling value chain: the need to collectivise efforts. Whereas cooperatives have proven unsuited to this role, the project propose to facilitate self-selected groups, or stokvels, in which recyclers can combine their efforts with persons in whom they share a strong trust relationship.

11.5.3. ASPECTS

The stokvel recycling project will contain 4 major aspects:

I. The facilitation of recyclers into self-selected stokvels. Each stokvel will have up to 12 members. The groups will be supported to develop a constitution, formalise rules and open a bank account. They shall further be responsible for disseminating information, managing the collection of recycled materials, engaging with the buyers, and distributing revenue among its members.

II. The establishment of bulking depots at accessible sites. It is proposed that the depots be established on municipal sites on unutilised land or on private land where there is sufficient space for collectivising the materials and vehicle access. The depots will be securely fenced to prevent unauthorised access, though it is not anticipated that crime will negatively affect these depots.

III. Audio-visual training materials will be developed to inform recyclers on marketing, price factors, the sorting of plastics to enhance income, and safety procedures. Group training will be supported. It is proposed that each group be supplied with appropriate safety equipment, issued in response to the fulfilment of an agreed counter-value such as attendance of training or collection performance.

IV. The project will facilitate market agreements between the stokvel groups and recycling companies. Under these agreements, each stokvel will be required to fulfil minimum monthly collection targets, whilst the companies will be committed to purchase the material on a monthly basis with clearly defined payment commitments. In support of this activity, the project will initiative actions to improve communication between the skokvel groups and the market.

11.5.4. IN CONTEXT

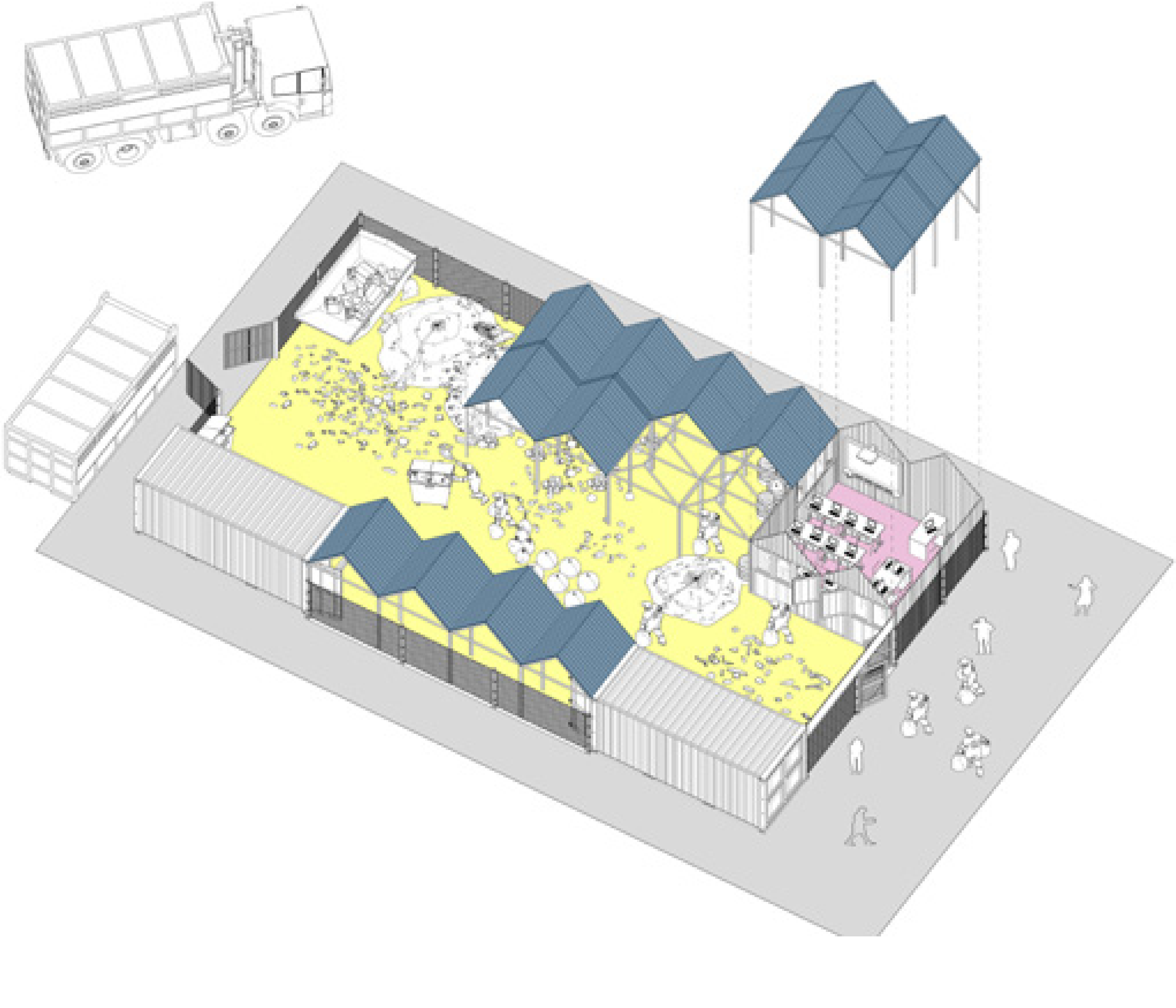
In 2017, South Africa's post-consumer recycling rate of PET plastic (65%) was higher than that in Europe (59.8%). The country's glass recycling rates are increasing, with each glass jar and bottle produced in our country containing at least 41.5% recycled glass. Further progress towards sustainable waste management can be achieved. With the right policy and market incentives, up to R11.5 billion in wealth could be added to the country's waste economy, which in 2016, contributed about R24.3 billion to GDP . To achieve this goal, the three tiers of government, industry bodies, recycling companies and buy-back centres at different scales, schools, community groups, the general public and individual recyclers all need to fulfil a role. Strategies are required to bring together the formal and informal industries. Informal waste pickers play an important role in reducing landfill space and save municipalities money by doing so. Buy-back centres provide the crucial link between the formal and informal recycling sectors and are thus central to the proposed concept.

There are opportunities for community recycling initiatives to link with private companies such as Mpact and industry programmes such as Petco, Polyco and Collect-a-Can. These programmes support recyclers in terms of educational resources, awareness, equipment and networks, amongst other activities. Such technical support has helped recyclers to overcome market barriers and grow their business.

The Cannibal Recycling company is based in the Port Elizabeth Deal Party industrial area. It purchases glass, PET, paper, cardboard and tins. The company started 17 years ago and has grown to handle many thousands of tons of recycled material every month. It operates as a buy-back centre from over 9500 vendors registered on their database. Cannibal assists informal recyclers with information, training and equipment. The company makes their own crushing and bulking machines.

PROJECT 5 RECYCLING STOKVELS

01 Shared Facilities (Storage)
02 Peer to Peer Networking
03 Business Mentoring
04 Investment
05 Shared Equipment
06 Technical Support
07 Market Agreements
08 Skills Training
09 Project Management



06/ HAIRDRESSERS AND BEAUTICIANS

11.6.1. PROJECT SUMMARY

CONCEPT

A project to enable local hairdressers & barbers and beauticians to upscale their businesses, establish linkages to product suppliers, improve their branding and marketing, and access better infrastructure and/or high potential sites. The project will support the beneficiaries to become social entrepreneurs, filling a role in the communication of social messaging, on topics such as health, gender based violence and employment readiness.

BENEFICIARIES

The project beneficiaries are:

- Women and men, especially under 45 years of age, who currently operate hair salons
- Beneficiaries should have been in business for at least 12 months and have made a demonstrable investment in their business. A beneficiary must be committed to participate in project development processes
- The project will support up to 60 hairdressers, barbers and beauticians
- The project will directly benefit 60 hairdressers and beauticians.

DEVELOPMENT IMPLEMENTATION

It is proposed that the project should be privately funded with private stakeholders over-seeing its implementation. The project requires the facilitation of partnership between the beneficiaries and hair care / cosmetic product suppliers or manufacturers. Such partners will provide access to produce supply chains for hair care and make-up products. The project will furthermore facilitate possible partnerships with government programmes to provide skills training and enterprise development support as well as support for social awareness raising. The project links to Project 4, improvement in street business infrastructure, and Projects 2 and 3, high street activation and node development respectively.

RESOURCES

An indicative budget of R2.5-3.5 million over two years is required. Factors of scope and scale will determine the resource requirement. It is recommended that the project be implemented synergistically with (aspects) of Project 4.

11.6.2. RATIONALE AND JUSTIFICATION

Personal services including hair care, barbers and beauty salons are important township micro-enterprises. These services are in high demand. In this sector, South African business owners face stiff competition from immigrant entrepreneurs who have, over the past decade, established businesses in the township. Immigrant hairdressers and barbers introduced West African, American and Brazilian hair styles which have grown in popularity and helped to position these businesses in an advantaged position. Furthermore, most immigrant run hair salons are situated along the high street, which gives the business wide exposure to a diverse client base. The most successful businesses in this sector have comparatively strong linkages to products which are otherwise only available from select wholesalers in Port-Elizabeth. At present many hair dressers simply procure hair care products from local spaza shops. As a result, they forgo an opportunity to add additional value to their service (in contrast to the value to be added from supplying products purchased directly from wholesalers or producers), whilst exposing customers to the risk of potentially inferior or fake products.

The project seeks to enable township hairdressers, barbers and beauticians to become more competitive. This requires upgrading and strengthening skills, enabling business owners to more effective secure gateway products as well as sell these products within their salons, improving equipment and business infrastructure. At present, there are weak linkages between different hairdressers which limits the transfer of knowledge from person to person. Hence an important development opportunity lies in building and strengthening peer learning networks through which businesses can distribute information and products as well as provide peer-to-peer training. Some individual hairdressers have substantial experience in the sector and have acquired a skill which could be afforded recognition under a government programme. These individuals could then become the trainers of trainers.

Hair salons are important social spaces which people visit on a regular basis. Hairdressers tend to form highly personalised relationships with their clients, often sharing personal information and exchanging life stories. For this reason, hair solons and similar businesses have great potential for communicating social awareness messages, both directly through conversations between hairdressers and their clients and through the use of visible messaging.

11.6.3. ASPECTS

The hairdressers and beauticians project will contain 6 major aspects

I. The project will mobilise beneficiaries with the option of participation extended to all the businesses identified in the census. Prospective beneficiaries will be screened to assess the state of their businesses (including equipment), skill level and their entrepreneurial orientation. Beneficiaries will be required to commit to participate in project social development processes, embrace training opportunities and engage in peer-to-peer learning and knowledge exchange. The selection of beneficiaries will be biased towards individuals with a demonstrable history of running a hair salon / barber shop / beauty salon who are willing to receive technical assistance and embrace opportunities.

II. The project will facilitate linkages to private companies (hair and make-up manufacturers and suppliers) to provide regular product training. All training is to be provided through peer-to-peer networks. Such linkages will enable hairdressers to access products in high demand at competitive prices.

III. The project will leverage skills training from public and private agencies. One avenue to explore is to assist experienced hair dressers to obtain recognition of prior learning (RPL) from an accredited training institution. These individuals can then fulfil a role as the trainers of new entrants.

IV. The project will work with a group of hairdressers to develop a pilot shared hair salon infrastructure. This hair salon will be established in one of the development nodes. A group of hairdressers will then have use of their share-facility, sharing the use of costly equipment (such as wash basins) but each having their own storage and workspace. Each beneficiary will be required to provide a counter-value investment. The salon will have space to safely accommodate the children of customers, a development need identified in the participatory workshops.

V. Each of the participating hairdressers will be supported to refine their business brand identities and marketing of services. A set of posters appropriate to customer demands will be developed for display in the salons. These posters will provide an opportunity for including a subtle social-awareness message.

VI. The project will support all participating hairdressers to become advocates of social programmes, ideally aligned to their own social interests and causes. A training programme and support mentoring service will be provided to enable the participants to fulfil a role as awareness advocates. The project will build synergies with civil society organisations and government entities, advancing social messages, forging linkages, establishing networks and enabling information exchange. These linkages will help to harmonise and bring about alignment in the social awareness messages that are disseminated. As part of the overarching business support service, each participant will receive a message board upon which notices and social awareness posters can be displayed. The hairdressers will have access to specific social awareness materials which will be made accessible via the project linkages and programme synergies.

VII. In order to promote modernisation of business systems, the participating hairdressers will receive training in the use of computers and relevant software. Training will focus on using computers in product sourcing and procurement, idea generation, simple business accounting and business communication. The project will provide technical services and facilitate linkages with internet service providers to enable hair salon owners to offer customers to access Wi-Fi whilst using the salon.

11.6.4. IN CONTEXT

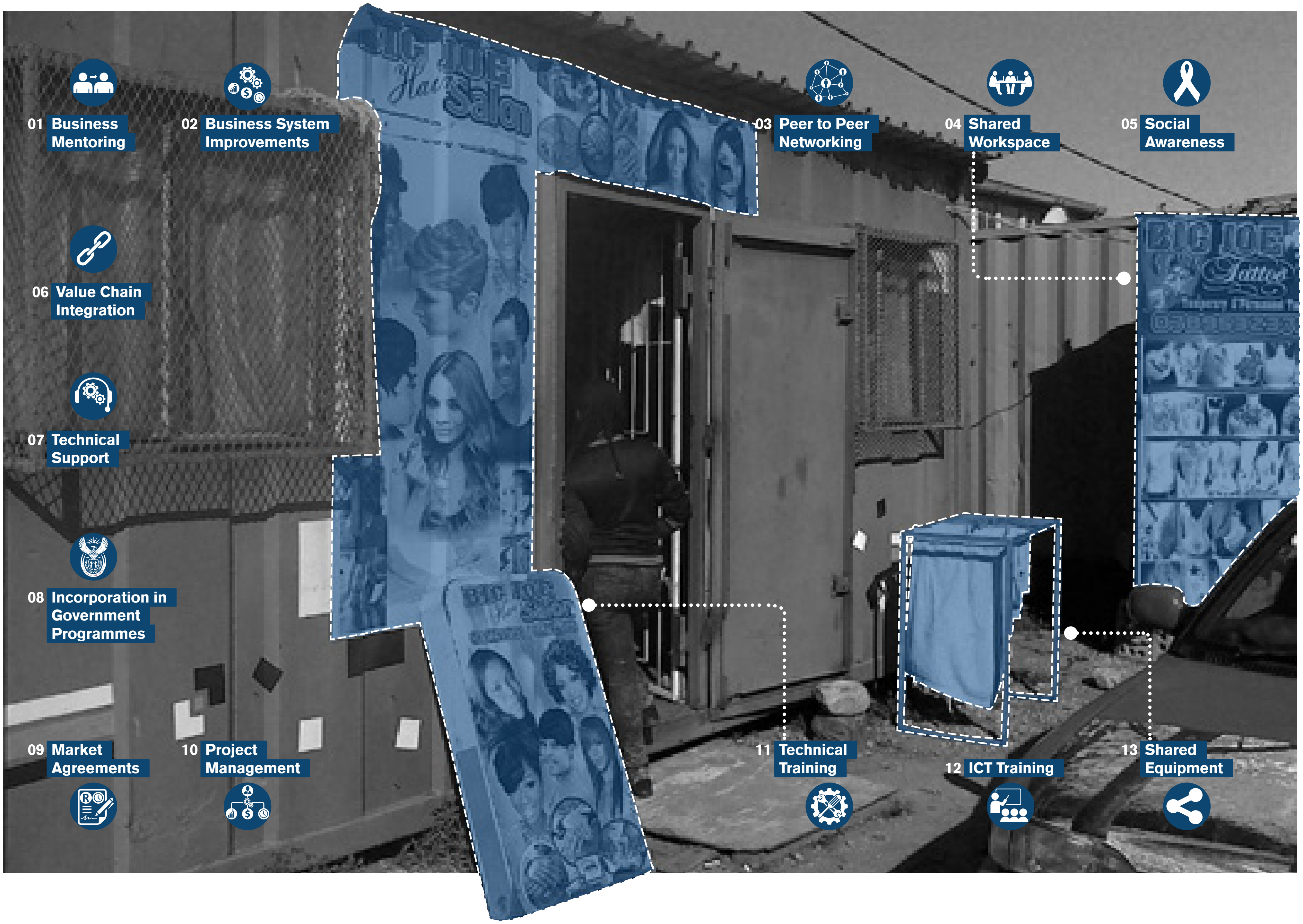
Globally, the beauty industry is strong (estimated value of $163.72bn for 2015) and weathering challenging economic conditions well, and South Africa is no exception. The country's beauty and wellness industry has continued to grow, and with it, the hair care sector. South Africa's hair care sector was estimated to be valued at R9.7 billion per year (in 2017) with a diverse mix of players, from large multinational companies to informal micro-enterprises. Between 2010 and 2015, hair care was one of the fastest growing product categories in South Africa . With the rise of the natural hair movement, the increased demand for natural hair products has not gone unnoticed by big companies such as L'Oréal, who have acknowledged the high growth potential of the African hair market and a more discerning customer base.

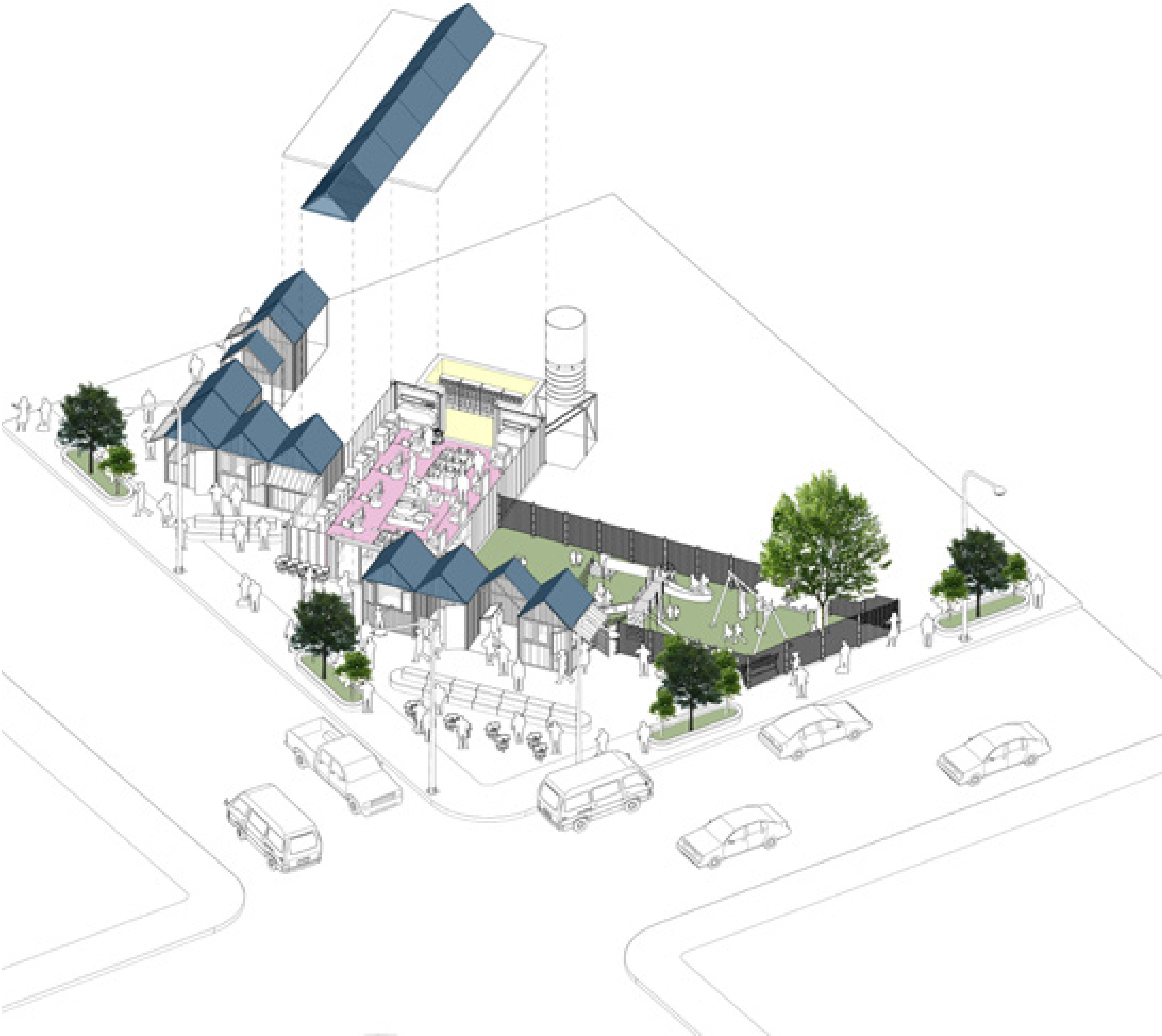
There are several relevant examples of successful skills development partnerships. Amka, a manufacturing and marketing enterprise (which produces a range of personal care, hair care and household cleaning products), has linked up with the Sofn'free Hair Care Academy in Johannesburg to provide enterprise support. Over 5000 people from township communities have attended the programmes. The L'Oréal Foundation's 'Beauty for a Better life - Beautiful Beginnings' program has trained over 4000 participants, providing them with skills training in beauty care. Many of the participants have found work in the industry or have started their own businesses.

Projects to support social entrepreneurship have also achieved impact. Cut It Out, a US domestic violence awareness campaign, for example, supports the training of hairdressers and beauty professionals in identifying signs of domestic abuse. It started out as a state wide program, but has since expanded to a nationwide program.

PROJECT 6 HAIRDRESSERS AND BEAUTICIANS

01 Business Mentoring
02 Business Systems Improvements
03 Peer to Peer Networking
04 Shared Workspace
05 Social Awareness
06 Value Chain Integration
07 Technical Support
08 Incorporation in Government Programmes
09 Market Agreements
10 Project Management
11 Technical Training
12 ICT Training
13 Shared Equipment





07/ OUTLIER ENTREPRENEURS

11.7.1. PROJECT SUMMARY

CONCEPT

A project to catalyse growth of the businesses of entrepreneurial outliers, in scope and scale through mentoring, peer-to-peer networking, marketing advice and business support services over a sustained period. The project will enable beneficiaries to receive personalised and targeted business support over two years.

BENEFICIARIES

The project beneficiaries are:

- Women and men under 35 years of age who currently operate business in the township.
- Outliers have:
    - An established business with specific products or services
    - Made investment in infrastructure or equipment
    - Accumulated knowledge for use in their business
    - Taken measured risks to grow their business
- The focus of the project is on persons with high entrepreneurial capability and/ or potential, irrespective of the sector in which their business operates
- The project will directly benefit 15 outlier entrepreneurs

DEVELOPMENT IMPLEMENTATION

The project should be funded and implemented by a private sector partner. The target outliers can be supported to emerge as suppliers to large businesses and hence part of the project investment requirement could be offset against enterprise development initiatives to comply with Broad-Based Black Economic Empowerment (B-BBEE) criteria. It is proposed that project implementation is undertaken by an established service provider with experience of nurturing outliers to the next level to fulfil roles within established supply chains. The project should seek to establish linkages with government agencies to unlock microfinance and marketing support. The project aligns with Project 6, support for Hairdressers and Beauticians, Project 8, business support for automotive enterprises, and Project 9, the establishment of a creative studio hub.

RESOURCES

An indicative budget of R4 million over two years is required. Factors of scope and scale will determine the resource requirement. It is recommended that the project be implemented synergistic with Project 6 and Project 8. Additional synergies can be identified, such as the use of training facilities that will be developed as part of People's Automotive Academy (Project 1).

11.7.2. RATIONALE AND JUSTIFICATION

As part of the micro-enterprise survey, the researchers identified a number of individuals who stood out from their peers in entrepreneurial orientation. We refer to these people as outliers, borrowing the term from Malcolm Gladwell's book titled Outliers: The story of success. All of these individuals had established and were operating their businesses. These businesses differ in shape and form. We found outliers operating a car wash, running a gym, installing CCTV and DSTV dishes, undertaking construction projects, running an entertainment business, repairing cars and manufacturing wooden structures, to list some of the examples. It is inspiring to note that many of these outliers are relatively young and operating their first business.

Although most of these outliers are relatively new in business, they stood out from their peers in several respects. These include: i) the scale of personal investment into their business and equipment, ii) the clarity of the business idea and marketing strategies, iii) their entrepreneurial attitude and embrace of measured risks, and iv) and evidence of having acquired knowledge and skills to advance their business. To become true outliers, these individuals require more time in business (to broaden their experiences) as well as mentoring to guide them in making the right decisions. These individuals seemingly have the entrepreneurial spirit to succeed in business, but need to be nurtured to move to the next level, which includes introducing business systems, refining their products / services and improving marketing.

At the workshop with prospective outliers, we learnt that all but one had been able to access business support services from government programmes. Without strong development facilitation support, individuals face considerable barriers to access programmes intended to nurture emerging businesses. Some of the individuals who do benefit from these programmes are unsuited to become entrepreneurs, but benefit as a result of programme target priorities, nepotism and outright corruption.

11.7.3. ASPECTS

The Outliers Project will have 4 aspects:

I. The project will mobilise and thoroughly assess prospective outliers to ensure the likelihood of upscaling their business as well as remaining committed to mentoring and business support for a duration of two years. The assessment will include an examination of their current business as well as psycho-metric evaluation of their entrepreneurial orientation and capacity for learning.
II. The project will incorporate the successfully identified outliers in an entrepreneurial support programme. Through this programme, the outliers will receive general business training, be provided with physical access to

business support services, receive book keeping training, gain marketing support services and have access to a mentor and advisors. Where suitable, the programme will help channel outlier entrepreneurs into corporate and large business supply chains. For these entrepreneurs, the programme will assist the business to be legally compliant with procurement systems, including tax status, B-BBEE status, and inclusion of procurement databases.

III. The project will facilitate linkages to government enterprise support programmes through which the outliers can gain access to funding and other services. Such funding and business support opportunities are currently provided by the Small Enterprise Development Association (SEDA), SEFA, and the National Youth Development Agency (NYDA). There ae also potential funding and business support opportunities from the national Department of Small Business Development (DSBD).

IV. The project will provide a tailored training course on the use of personal computers and software relevant to operating a business, including MS Word, MS Excel, and internet searching.

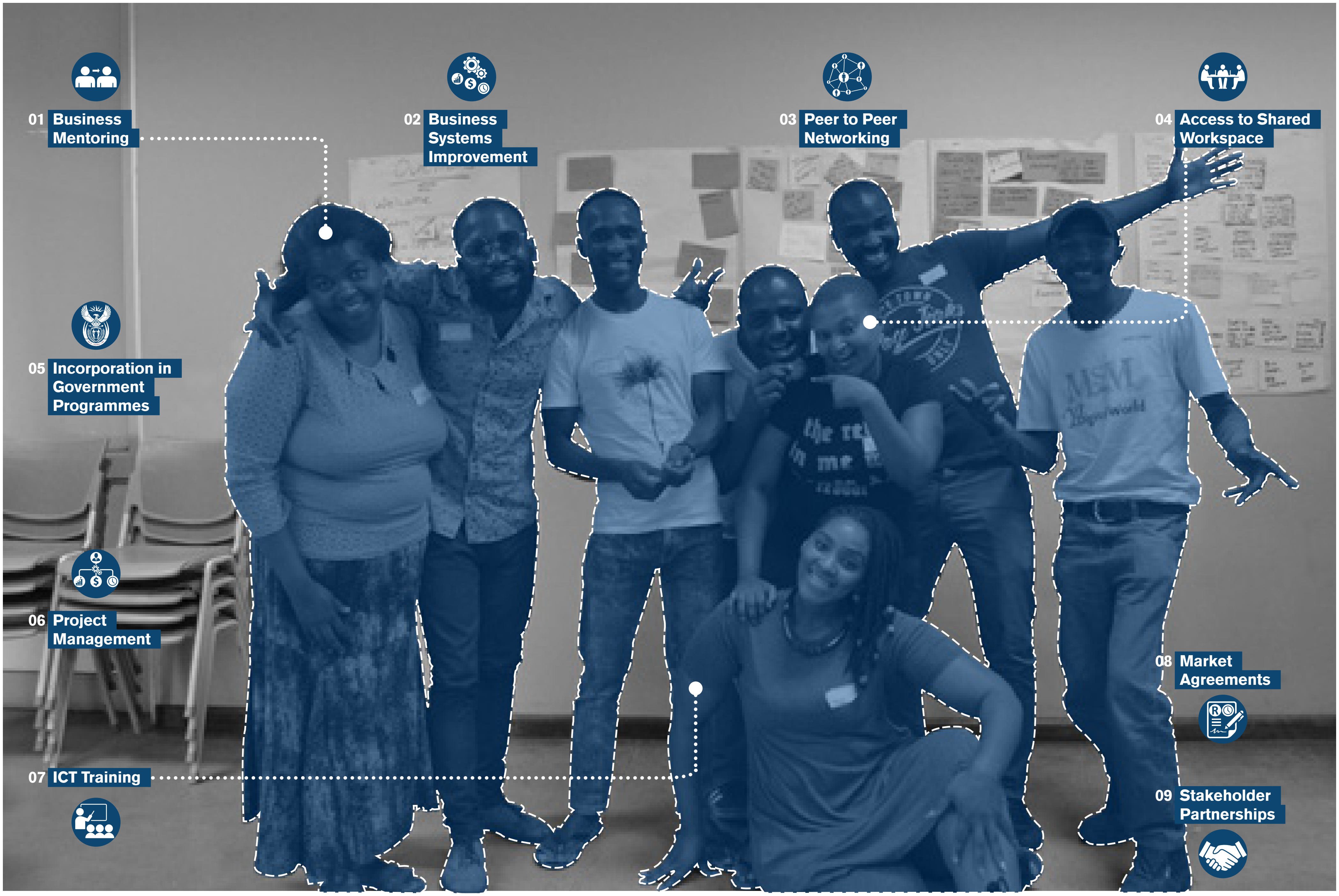
11.7.4. IN CONTEXT

Private sector enterprise development support programmes are making an impact in surfacing, training and capitating new entrepreneurs. In Uitenhage, Raizcorp have partnered with the VW B-BBEE Initiatives Trust to establish a business incubator. Within the incubator, Raizcorp is currently implementing a 'Prosperator' programme wherein extensive business mentoring is offered to emerging black entrepreneurs to enable them to enter the automotive supply chain. The 'Prosperator' programme provides an extensive package of business support services to select individuals, along with direct business support to assist them meet all supply chain compliances and business requirements. This programme is not necessarily suitable to the target of township-based businesses whose core market is within the township itself.

As a more cost-effective approach towards entrepreneurial support, Raizcorp has develop a programme of entrepreneurial 'Beacons'. In the 'Beacon' programme, Raizcorp establishes and operates field-based support centres whereby the beneficiaries have access to a range of business support facilities. Mentorship is provided at intervals and focuses on specific needs. Beneficiaries have access to Raizcorp specialists via phone and internet services from the Beacon office. As will all Raizcorp programmes, the beneficiaries are assisted in instituting a financial management system through which the support service is able to track improvements and identify weaknesses which can then be addressed. The Beacon model is probably more suitable to the township context than the more costly 'Prosperator' programme.

PROJECT 7 OUTLIER ENTREPRENEURS

01 Business Mentoring
02 Business Systems Improvement
03 Peer to Peer Networking
04 Access to Shared Workspace
05 Incorporation in Government Programmes
06 Project Management
07 ICT Training
08 Partnerships
09 Access to Markets
10 Partnerships
11 Marketing Agreements



“Practice isn’t the thing you do once you’re good. It’s the thing you do that makes you good.”

— Malcolm Gladwell, *Outliers: The Story of Success*

08/ AUTOMOTIVE BUSINESSES

11.8.1. PROJECT SUMMARY

CONCEPT

A project to support informal businesses in the township automotive sector to improve their businesses through strengthening business systems, enhancing their quality of service and transitioning towards specialisation. The project will provide:

- Skills training and accreditation
- Support to access specialist equipment and infrastructure, including shared facilities
- Mentoring to improve business systems
- Support with marketing and building business brands
- Training in computer use
- Peer to peer networking

BENEFICIARIES

The project beneficiaries are:

- Motor mechanics
- Auto-electricians
- Panel beaters
- Tyre fitters
- People who restore cars

The project will support up to 40 beneficiaries directly, whilst 80 emerging automotive entrepreneurs will indirectly benefit from knowledge transfer and access to shared facilities and tools.

DEVELOPMENT IMPLEMENTATION

It is proposed that the project be privately funded and implemented. There is scope for forging partnerships to provide skills training and equipment, through for example the current FILPRO and Business Place programmes which similarly provide training and entrepreneurial support to township businesses. The project will facilitate informal linkages to government programmes for training and investment. In this respect, the project will seek to facilitate a partnership with the industry linked Manufacturing, Engineering and Related Services Sector Education and Training Authority (merSETA).

The project directly links to Project 1, the People's Automotive Academy. The Academy will provide training facilities for theoretical and technical training. It will also house specialist equipment which the project beneficiaries will be able to access (as a shared resource) upon completion of their training. Furthermore, the People's Automotive Academy promises to amplify community interest in motor vehicles which will benefit township businesses, notably the mechanics and car restorers.

RESOURCES

An indicative cost of R4-R6 million over two years is required. Factors of scope and scale will determine the resource requirement. It is recommended that the project be implemented synergistically with Project 1 which will enable the beneficiaries to access the Academy and training and workshops.

11.8.2. RATIONALE AND JUSTIFICATION

Automotive micro-enterprises fulfil an important role in township economy, providing services that are relatively affordable and accessible. These businesses include mechanics, panel beaters and re-sprayers, and tyre fitters. Although there is high demand for local auto-repair services, many of these enterprises struggle to make profit. Some township automotive entrepreneurs are highly skilled, having completed formal training and acquired additional technical training as employees at Volkswagen and other companies. These individuals could be afforded a role in providing peer-to-peer training and technical mentorship. At present there is little networking amongst township automotive entrepreneurs. Other automotive entrepreneurs have acquired skills as a result of their on-the-job training in informal businesses. For these individuals, additional training and technical support would be welcomed.

Most township automotive businesses lack specialised equipment, whilst some mechanics lack even basic tools. Furthermore, most of these businesses have weak business management, organisational and marketing systems and are reliant on word of mouth communication. We noted that there are very few automotive businesses with dedicated signage. In the participatory workshops with mechanics, we learned that their major challenges included:

- Lack of workshop space
- Need to access specialised tools (such as an engine stand, body jack, a hoist, lathe and milling machines, and diagnostic equipment)
- Technical know-how (including auto-electrical training)

The shift towards specialisation has commenced. For example, some individuals focus on one particular make of vehicle, and others provide specific services. In order for greater specialisation to develop, there is a need for stronger networking to emerge because, at present, automotive entrepreneurs are reluctant to make recommendations with assurance as to the skills competencies of the specialists providing the service.

11.8.3. ASPECTS

The automotive business project will have 7 aspects:

I. The project will mobilise beneficiaries with the option of participation extended to all the businesses identified in the census. Prospective beneficiaries will be screened to assess the state of their businesses (including equipment), skill level and their entrepreneurial orientation. Beneficiaries will be required to commit to participate in project social development processes, embrace training opportunities and engage in peer-to-peer learning and knowledge exchange. The selection of beneficiaries will be biased towards individuals with a demonstrable history of running an automotive business and who are willing to receive technical assistance and embrace opportunities.

II. The project will facilitate access for the beneficiaries to skills development and equipment service programmes. This will include building linkages to existing industry and state sponsored skills and capacity development programmes, including FILPRO, Dunlop and the Business Place. All training will take place at the People's Automotive Academy.

III. Over the course of two years, each beneficiary will receive mentoring to guide the entrepreneur towards introducing innovation and specialisation. As part of this process, the business will be supported to develop a unique brand and identity.

IV. The project will provide a tailored training course on the use of personal computers and software relevant to operating a business, including MS Word, MS Excel, and internet searching. In this component, the entrepreneurs will be trained in online procurement and provided with guidance on searching for authentic technical information.

V. The project will establish and facilitate the operation of a network of township automotive enterprises. The network will communicate via an existing social media platform. The function of the network will be to share information, advertise parts and services, and mobilise participation in programmes/ training. The network will enable peer-to-peer learning through introducing automotive entrepreneurs to each other, both in person and via a digital platform. We anticipate that the network will encourage specialisation.

VI. The project will facilitate access to MerSETA. This component will provide a pathway to support emerging automotive entrepreneurs to access government training programmes and enable established entrepreneurs to obtain RPL (a service which was requested in the workshops).

VII. Project beneficiaries will have access to the People's Automotive Academy where they can access specialist equipment, tools and workshop facilities. The use of equipment and facilities will be made accessible via an online booking platform, in accordance with practices of balanced benefits and obligations. Beneficiaries will be required to provide a counter-value in exchange for the opportunity to use the Academy workshops; the counter-value will be determined through a participatory engagement process, but could include peer mentoring, performing maintenance and administrative tasks.

11.8.4. IN CONTEXT

The automotive industry contributed 6.9% to South Africa's GDP in 2018 . In line with the B-BBEE policy, the government's goal is to transform the automotive sector to be more racially inclusive. The SA Auto Masterplan 2035 highlights the need for employment equity, increased supplier diversity and advancing skills amongst other targets. Skills development and RPL form a part of this transformation, to allow for better inclusivity from black participants.

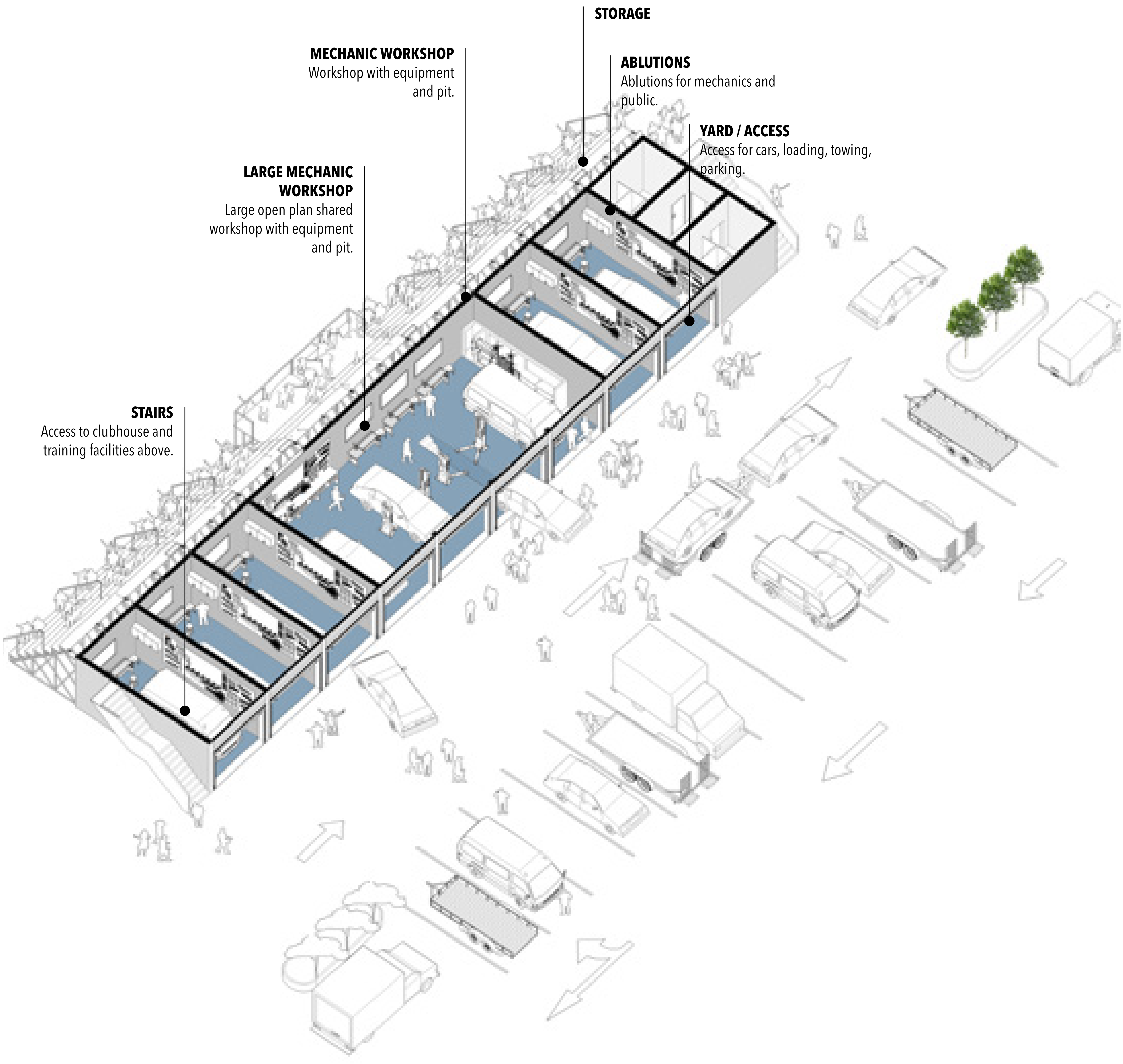
Artisanal skills related to the auto industry fall under MerSETA, a government education training authority, which is able to create links between those looking for recognised prior learning certification and accredited centres that offer these services. By being able to access the necessary equipment, networks links, mentorship and business training, it is anticipated that entrepreneurs in the informal motor sector will be able to have access to and play bigger roles in the South African automotive industry going forward.

Projects to support township automotive micro-enterprise have tended to follow one of two approaches. The one approach is to incorporate participants in a skills development hub. The second approach is to provide training in-situ. The Winterveld Enterprise Hub is a part of the Automotive Industry Development Centre in Gauteng. This centre has an Automotive Learning Centre, an Automotive Incubation Centre, and Trade Test Centre. FillPro and the Dunlop Enterprise Development Programme aim to provide upskilling opportunities for informal mechanics, panel beaters, auto electricians and other auto services in townships and to create better links to industry. In both projects, training is provided in local workshops.

Across the automotive sector there are also programmes which link development and entrepreneurship support for supply chain integration: The VW Uitenhage 'Prosperator' programme is one example whose aims are to raise the capacity of black suppliers in order to enter the VW manufacturing value chain. Goodyear SA's Umthombo Development Programme is another example of a programmes whose aims are to develop the capacity of black enterprises to become business suppliers. Under the Umthombo Programme, Goodyear has partnered with The Hope Factory (http://www.thehopefactory.co.za/) to provide beneficiaries with access to finance and business mentoring.

PROJECT 8 AUTOMOTIVE BUSINESSES

01 Business Mentoring
02 Business System Improvements
03 Peer to Peer Networking
04 Incorporation in Government Programmes
05 Access to Shared Workspace
06 Investment
07 Access to Shared Equipment
08 Technical Support
09 Management
10 Stakeholder Partnerships
11 Technical Training
12 ICT Training


STORAGE
MECHANIC WORKSHOP
Workshop with equipment and pit.
ABLUTIONS
Ablutions for mechanics and public.
YARD / ACCESS
Access for cars, loading, towing, parking.
LARGE MECHANIC WORKSHOP
Large open plan shared workshop with equipment and pit.
STAIRS
Access to clubhouse and training facilities above.

09/ CREATIVE STUDIO

11.9.1. PROJECT SUMMARY

CONCEPT

A project to establish a creative studio with design, production and audio-visual equipment and workspace. Within the studio, the project will introduce programmes to unearth and nurture creative talent.

Skills training and mentoring support will be provided to professionalise products and service offering, focusing on:

- Upskilling in specific craft and artistic endeavours
- Providing training in computer use and design software
- Reducing the constraints of accessing equipment, workspace and studios
- Strengthening networks
- Profiling skills and services and products.

BENEFICIARIES

The project beneficiaries are:

- Women and men under 35 years who make, produce and design creative, unique and cultural products or provide creative and cultural services.
- Included in this scope are:
  - Musicians
  - Videographers
  - Graphic designers and artists, including tattooists
  - Theatrical performers
  - Writers
  - Crafters
  - Fashion designers

The Creatives Studio will directly benefit up to 30 crafters and 60 artists by year two. The design and printing facilities can be of benefit to all other 11 projects.

DEVELOPMENT IMPLEMENTATION

It is proposed that the Creative Studio be privately funded and implemented. The project will explore partnerships and build collaboration with non-state development programmes that foster creative industries, including preparing a funding proposal from the National Lotteries Commission. Informal linkages will be made with government programmes to assist creatives in accessing training opportunities. The project will also facilitate linkages to state funded enterprise development programmes, such as the Business Place, which assists township entrepreneurs to enter formal procurement systems.

The project will link with Projects 2 and 3, in respect of installing public art on the high street and within development nodes, and Project 11, VDUB'elopment, which seeks to foster a development vision which acknowledges the local automotive industry and nurture common automotive interest across the different communities.

RESOURCE REQUIREMENTS

An indicative budget of R5-R7 million over two years is required. Factors of scope and scale will determine the resource requirement.

11.9.2. RATIONALE AND JUSTIFICATION

The micro-enterprise census identified several cultural industries such as beadwork, dressmaking and tinsmithing, which produce craft and boutique products. These are largely marketed to customers within the township. Although there is high demand for cultural products within the township market, crafters are under pressure from import substitutes, with 'fake' beadwork and shweshwe dresses for example obtainable as cheap Asian made imports (i.e. non-authentic) from retailers in the shopping malls and on the Uitenhage town high street. Part of the challenge with the sector lies in the isolation of the crafters from up-to-date technical, design and business trends. There is little evidence of innovation in these businesses through, for instance, the infusion of new ideas, designs or materials into their craft ship. The wire VW beetle which is exhibited in this document was not purchased from a township market, but produced as a result of the participation of a creative at the workshop wherein we put out a challenge to the participants to make a wire car in 24 hours.

Most township crafters have access to a limited range of hand tools; few have access to even simple machines. The evidence indicates that none have access to, and indeed knowledge of, modern technologies such as 3D printers and materials. Under their current state of technological adaption, township crafters are held-back from innovating and improving their products. Furthermore, most have acquired their skills through informal knowledge exchange and trial and error. Almost none have benefited from technical training, design support and mentoring.

Among township youth, there is great interest in creative industries. Tapping into local social networks, we identified and engaged with a number of creatives in two workshop processes. The beneficiaries included graphic artists, performance artists, musicians, videographers, DJs, poets and writers, tattoo artists and graffiti artists. There is a wellspring of creative talent in the township, but few of these creatives have succeeded in deriving a sustainable livelihood from their art. There are numerous barriers to their advancement, including the following:

- The high cost of renting specialist equipment, including tools for the recording and mixing of audio-visual data
- The lack of a professionally furnished studio space

- In general, poor Information and Communication Technology (ICT) skills and equipment
- Weak access to professional networks and reliance on social networks for marketing
- Limited peer-to-peer engagement
- An absence of technical mentoring and advice

11.9.3. ASPECTS

The Creative Studio project will have 7 aspects:

I. The project will establish a Creative Studio. It is suggested that the Studio be set up in an existing building within Uitenhage Town Centre; this location would be accessible to all township communities and thus reinforce opportunities for networking. In identifying a suitable building, the project should aim to secure a rental agreement of no less than five years in duration. The studio will comprise, ideally, a teaching class room, a recording studio, a crafter workshop, individual workstations, ICT facilities and printers. The Studio will be equipped with appropriate machinery and equipment. It is proposed that the range of equipment will include colour printers, 3D printers, computer software, crafting hand tools, machines for cutting and fabricating materials, and audio-visual equipment. A project management team will oversee the operation of the Studio and fulfil the important roles of management, training and mentoring. The use of equipment and facilities will be made accessible to the project beneficiaries via an online booking platform, in accordance with practices of balanced benefits and obligations. Beneficiaries will be required to provide a counter-value in exchange for the opportunity to use the studio; the counter-value will be determined through a participatory engagement process, but could include fundraising, peer mentoring, performing maintenance and administrative tasks.

II. The project will mobilise beneficiaries. As the project aims to unearth new talent, potential beneficiaries will be identified through a series of talent scouting workshops that tap into social networks. All beneficiaries must have either an established and marketed product and or service or evidence of a serious hobby. Serious hobbies are activities in which individuals have made a sustained investment of effort, accumulated knowledge or skill, and acquired equipment or learnt new skills. Beneficiaries will be required to commit to participate in project social development processes, embrace training opportunities and engage in peer-to-peer learning and knowledge exchange.

III. Project beneficiaries will receive technical support (comprising design support, artistic mentoring, marketing advice, and business orientation and development) for a sustained period of two years, with the objective of translating their skills into a marketable product or service. Beneficiaries will be supported to grow the market for their products both within and outside the township environment.

IV. In order to foster the growth of hobbies, the Studio will facilitate open day events for emerging creatives and school children.

V. The project will facilitate linkages to state and non-state programmes targeting the growth of creative industries in the township economy to access (additional) training programmes, financial resources, technical services and networking. In advancing this component, the project will engage with the NMBM, the National Department of Arts and Culture, development programmes such as that of the Goethe Institute, and the National Lotteries Commission. The management team will develop and submit funding proposals to suitable donors. In addition, the project will develop synergies with existing enterprise development programmes (including the Business Place and Raizcorp) to provide beneficiaries with access to business technical and advisory services. It is anticipated that investments within the township economy, as part of the proposed development strategy or other programmes, will channel opportunities through the Creative Studio.

VI. The project will provide a tailored training courses on the use of personal computers and software relevant to operating a creative business, including MS Word, MS Excel, InDesign, Photoshop and internet searching. In this component, the entrepreneurs will be trained in online searching techniques to obtain new ideas, learn technical skills, and market their products and services.

VII. The project will establish a network of crafters and creatives. The network will function through monthly social events and via a web-platform. Through the network, the crafters and creatives will be afforded an opportunity to showcase their talent and market products or services to a broader audience. The network will be embedded within the studio with management support from a technical advisory team. The Studio will enable the beneficiaries to develop marketing information (posters, flyers, adverts), and provide space in which to conduct meetings with clients, and administrative services through which clients can contact creatives / crafters and for support in determining contractual agreements.

11.9.4. IN CONTEXT

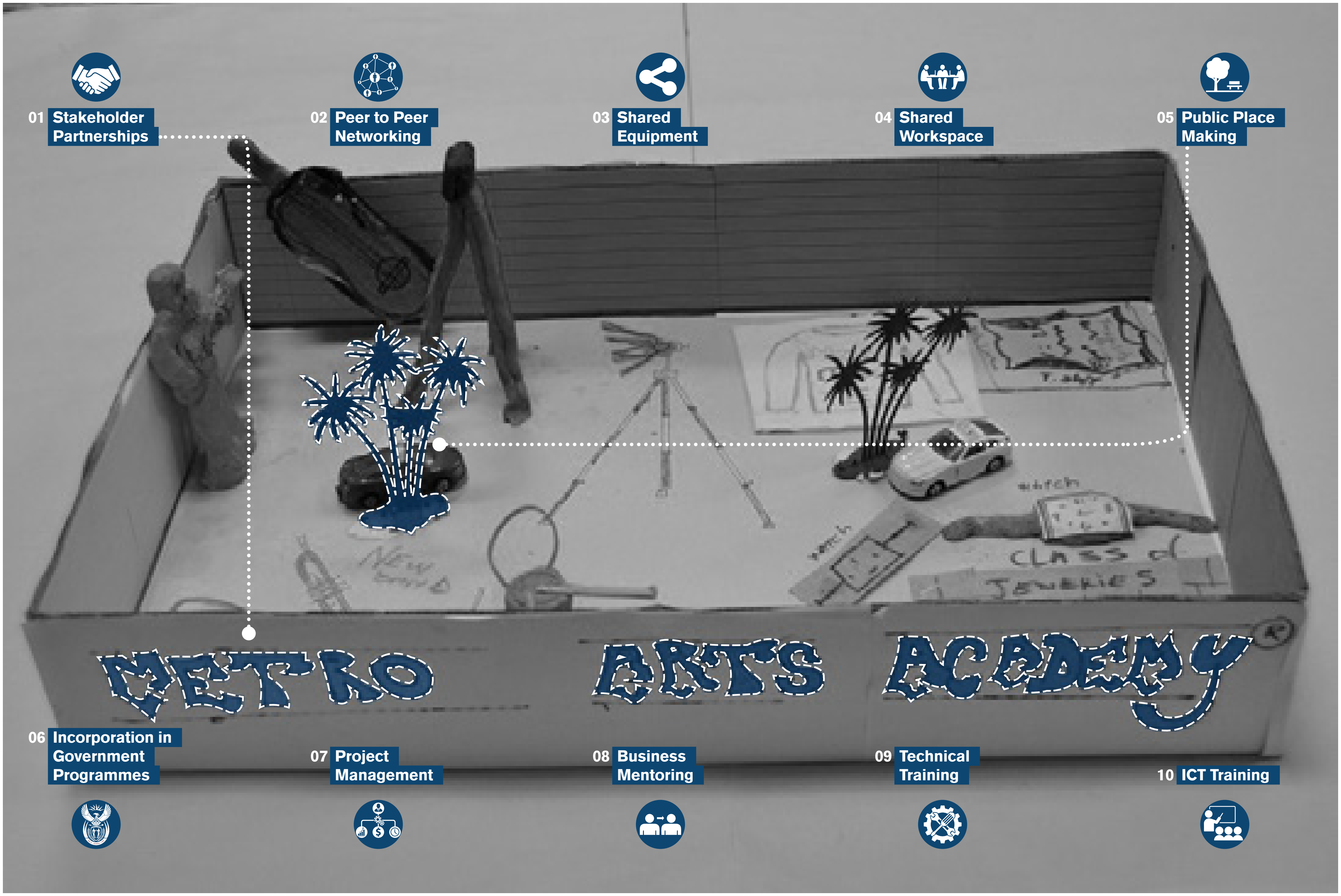
Countries around the world are increasingly recognising the importance of the creative economy and its role in inclusive development. This linking of culture and commerce can enhance global competitiveness. Music, the arts, design, fashion, film, photography, performing arts, advertising, graphic design, publishing and computer games are just some of the parts that make up the creative economy. The creative economy has the potential to promote and preserve culture, cultivate talent, create jobs and enhance job opportunities.

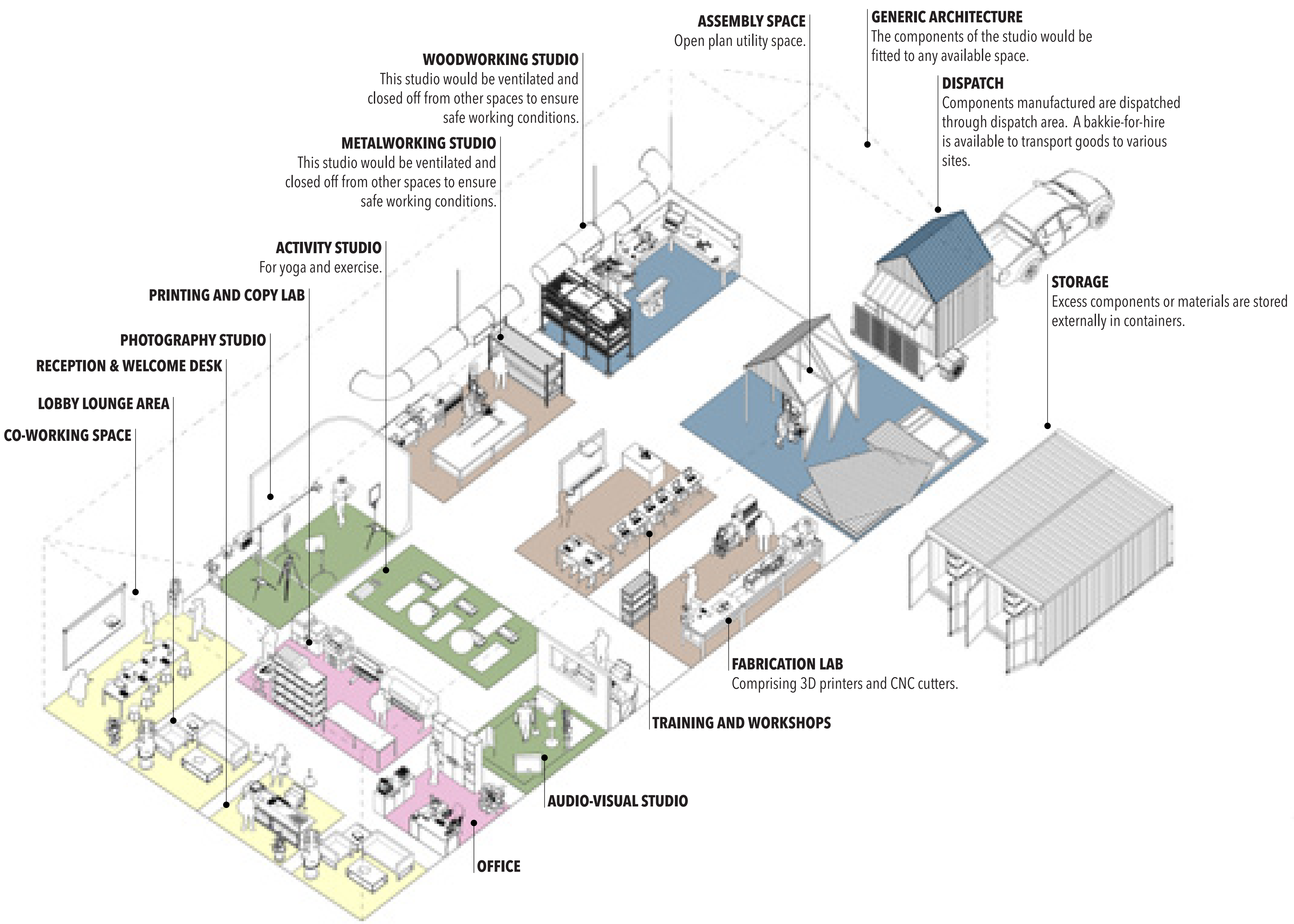
In South Africa's quest to develop its creative economy, the government established the South Africa Cultural Observatory (SACO) in 2014. SACO, which is based in Nelson Mandela Bay, plays an important role in research to better understand the role of the creative economy, and how it can lead to increased job creation and economic growth. Design focused artisanal production, including interior design, jewellery and fashion, were South Africa's biggest creative goods exports in 2014 . South Africa's film industry also plays an important role in the creative economy and has the potential to be an important regional influence.

In support of creative industries, the need to establish creative hubs is recognised. Such hubs enable creatives to focus on their passions and be supported to develop their skills. In the EU, 76% of creative hubs support their local creative economy and make art and culture more accessible
.
The Philippi Music Project in Cape Town is an example of a creative hub. The project provides a studio in a container where musicians can meet, play, hire equipment, and record and mix/master music. Equipment and studio hire is subsidised, and free services include music workshops and events, communication and promotion and mentorship. This project acts as a hub where creatives can meet, develop their skills, and be a part of a supportive network.

2.6 PROJECT 9: CREATIVE STUDIO

01 Stakeholder Partnerships
02 Peer to Peer Networking
03 Shared Equipment
04 Shared Workspace
05 Public Place Making
06 Incorporation in Government Programmes
07 Project Management
08 Business Mentoring
09 Technical Training
10 ICT Training





ASSEMBLY SPACE
Open plan utility space.
GENERIC ARCHITECTURE
The components of the studio would be fitted to any available space.
WOODWORKING STUDIO
This studio would be ventilated and closed off from other spaces to ensure safe working conditions.
DISPATCH
Components manufactured are dispatched through dispatch area. A bakkie-for-hire is available to transport goods to various sites.
METALWORKING STUDIO
This studio would be ventilated and closed off from other spaces to ensure safe working conditions.
ACTIVITY STUDIO
For yoga and exercise.
PRINTING AND COPY LAB
STORAGE
Excess components or materials are stored externally in containers.
PHOTOGRAPHY STUDIO
RECEPTION & WELCOME DESK
LOBBY LOUNGE AREA
CO-WORKING SPACE
FABRICATION LAB
Comprising 3D printers and CNC cutters.
TRAINING AND WORKSHOPS
AUDIO-VISUAL STUDIO
OFFICE

10/ TAXI FORMALISATION

11.10.1. PROJECT SUMMARY

CONCEPT

A project to facilitate the formalisation of informal sedan taxis operating short distance routes within the townships as a means to improve public transport safety.

The project will improve the taxi system through:

- Instituting vehicle registration and licensing
- Enforcing public driving licences
- Creating a mechanism for taxi identification
- Introducing incentives and dis-incentives which can contribute towards safety-oriented behavioural change
- Exploring possible strategies for incorporating the informal sedan taxis within an e-hailing platform
- Promoting the participation of women, via branded women-only taxis

BENEFICIARIES

The project beneficiaries are:

- The drivers and owners of sedan taxis
- Women taxi commuters

The project will benefit up to 100 taxi drivers and 15,000 commuters.

DEVELOPMENT IMPLEMENTATION

Provincial and local government should finance and implement the taxi formalisation project. As the licensing of taxis is a dual institutional competency, both tiers of government should collaborate in this project, with the NMBM as the lead agency. Since the project will advance a third taxi system, it is proposed that the project establish links to private donors to finance and operationalised some of the experimental components.
The project has direct linkages to Project 1, the People's Automotive Academy with respect to the provision of a learner driving track and advance driver training courses, and Project 8, support for automotive micro-enterprises.

RESOURCE REQUIREMENT

An indicative budget of R3-R5 million over two years is required. These resources are required to facilitate engagements and to pilot the sub-project of initiating a women only taxi-drivers.

11.10.2. RATIONALE AND JUSTIFICATION

We identified three taxi systems in the Uitenhage township economy: i) the minibus system, ii) registered private (non-minibus) sedan taxis and iii) unlicensed taxis (known as Jikeleza taxis) which operate in KwaNobuhle. The informal taxis operate alongside minibuses.

The minibus system is based on rank permits, and adheres to specific routes. For example, the KwaNobuhle taxi route, known as Route 304, is a circular route which operates along both Mabandla and Matanzima streets (high streets), though starts and ends at the Uitenhage town centre taxi rank. In order to operate a taxi on this route, the taxi owner must belong to a taxi association, which have been organised within cooperatives under the NMBM BRT system. The main taxi association operating in Uitenhage are: i) the Uitenhage Taxi Association, ii) the Uitenhage and District Taxi Association, iii) the Uncedo Service Taxi Association and iv) the Port Elizabeth and District Taxi Association. NMBM has legal authority to establish taxi ranks and issue taxi rank permits. A letter of recommendation is needed from the relevant taxi association in order to apply for a taxi rank permit.

Registered private (non-minibus) taxis operate in and around the Uitenhage area. One such example is Star Cabs. These sedan taxis operate on a combination of metered and set rates. Bookings are made online or via phone. Jikeleza taxis only operate in KwaNobuhle. These taxis are unlicensed taxis and are not a part of the minibus taxi associations, according to a spokesperson for the Uitenhage and District Taxi Association. The evidence indicates that the jikaleza taxis have no organisational structure. Though illegal, the min-bus taxis operators allow the jikeleza taxis to operate in KwaNobuhle, fulfilling an important role of ferrying people from their homes to the informal mini-bus taxi ranks, to the shopping centre and high street stores, and fetching and carrying school children. It is unlikely that all of the jikeleza operators are in possession of a valid driving licence, though drivers are required to have Professional Driving Licenses (PrDPs), which is obtainable from the Uitenhage Traffic and Licensing Centre.

Apart from operating illegally, the jikeleza taxis operate in a lawless manner. Some of the vehicles appear to be un-roadworthy and in poor mechanical condition. The taxis drive about, constantly sounding their horns to attract customers (and hence creating a noise disturbance) and stopping at any point along the road to pick up or drop off customers. Unregulated taxis present heightened risks to customers. These risks include the risks of car accidents and driver abuse (language abuse, sexual abuse etc.). Unlike the min-bus and metered taxi systems, drivers are unaccountable to a higher order organisational bodies. The absence of regulation has opened the market to immigrant entrepreneurs who now control a growing share of the jikeleza activities. The research found no evidence of women drivers. Although there are current high risks associated with jikeleza taxis, these taxis do make an important contribution to the township economy. Through regulating these taxis, their economic role can be

maintained and enhanced.
Regulation would mean that drivers have the appropriate licences, vehicles are licenced and roadworthy (and as a result automotive businesses have greater demand for their services), and excluded groups (such as women drivers) can be afforded preferential market entry.

11.10.3. ASPECTS

The Taxi Formalisation project will contain 5 major aspects:

I. The project will spearhead a strategy to institute a taxi licencing system to formalise the role of township sedan taxis. This will require legal and technical input from both municipal and provincial authorities. As the NMBM is the designated authority for issuing taxi permits, the component will require a process of legal reform and the codification of specific licencing conditions through the promulgation of a municipal by-law. This process will require public consultations and engagement with the existing taxi associations. As the objective is to formalise an existing informal system, it is proposed that the changes are initially restricted to KwaNobuhle and extended to other townships through consultation with stakeholders including the metered taxi operators. As the process of instituting legal institutional changes can be slow, it is proposed that the NMBM introduce a graduated system which focuses on ensuring that all informal drivers have valid PrDPs. In a second phase, the process of formalization should register all current taxis and ensure that all vehicles comply with roadworthiness tests. Registered vehicles should be uniquely identified and contain markings to render the sedan taxis visible to commuters. This will help to reduce the use of horns to attract customers. In support of the process of formalisation, the NMBM will need to conduct regular road checks on drivers and vehicles as a means of adding pressure on drivers and vehicle owners to comply with regulatory requirements. It is recommended that operating licences be awarded on an owner-operator basis alone. This will help to reduce the concentration of power with the hands of a few individuals, whilst democratising economic opportunities.
II. The project will provide driving instructing courses at the People's Automotive Academy to assist current operators and new entrants (in specific target groups) to obtain driving licences and subsequent PrDPs. This aspect of the project will specifically target unemployed, young women.
III. The project will engage a cohort of drivers and municipal authorities to engage in a process of participatory design. The purpose is to develop an appropriate system for identifying and marking taxis. The outcome should be trialled. As part of this process of engagement with drivers, the project will seek to raise social awareness on the 'dos and don'ts' of operating a taxi with the aim to reduce risks of accidents and driver abuse.
IV. The project will initiate a private sector funded pilot project of women-only taxis. These taxis are to be driven by women drivers and are restricted to women customers and their accompanying children alone. In order to stand out, the taxis will be unique in their identification whilst compliant with the proposed numbering system. The drivers will have valid PrDPs and the vehicles will be licened. The project will facilitate the establishment of dedicated taxi pick-up points at major retail centres and points of community social infrastructure (clinics and schools). The project will facilitate linkages to private companies (including insurance and women specific products) to endorse the pilot though funding, advertising, training support and other means. The project will document and evaluate the pilot to enhance success and provide guidance for the replication of the initiative in other townships.
V. In order to align the township transport system with the 4th Industrial Revolution, the project will engage with e-hailing services (such as Uber and Taxify) to investigate operational opportunities and/or to pilot the introduction of e-haling services with the formalised sedan taxis. It is proposed that such an alignment be undertaken when formalisation is fully implemented, or piloted with the women-only taxi vehicles.

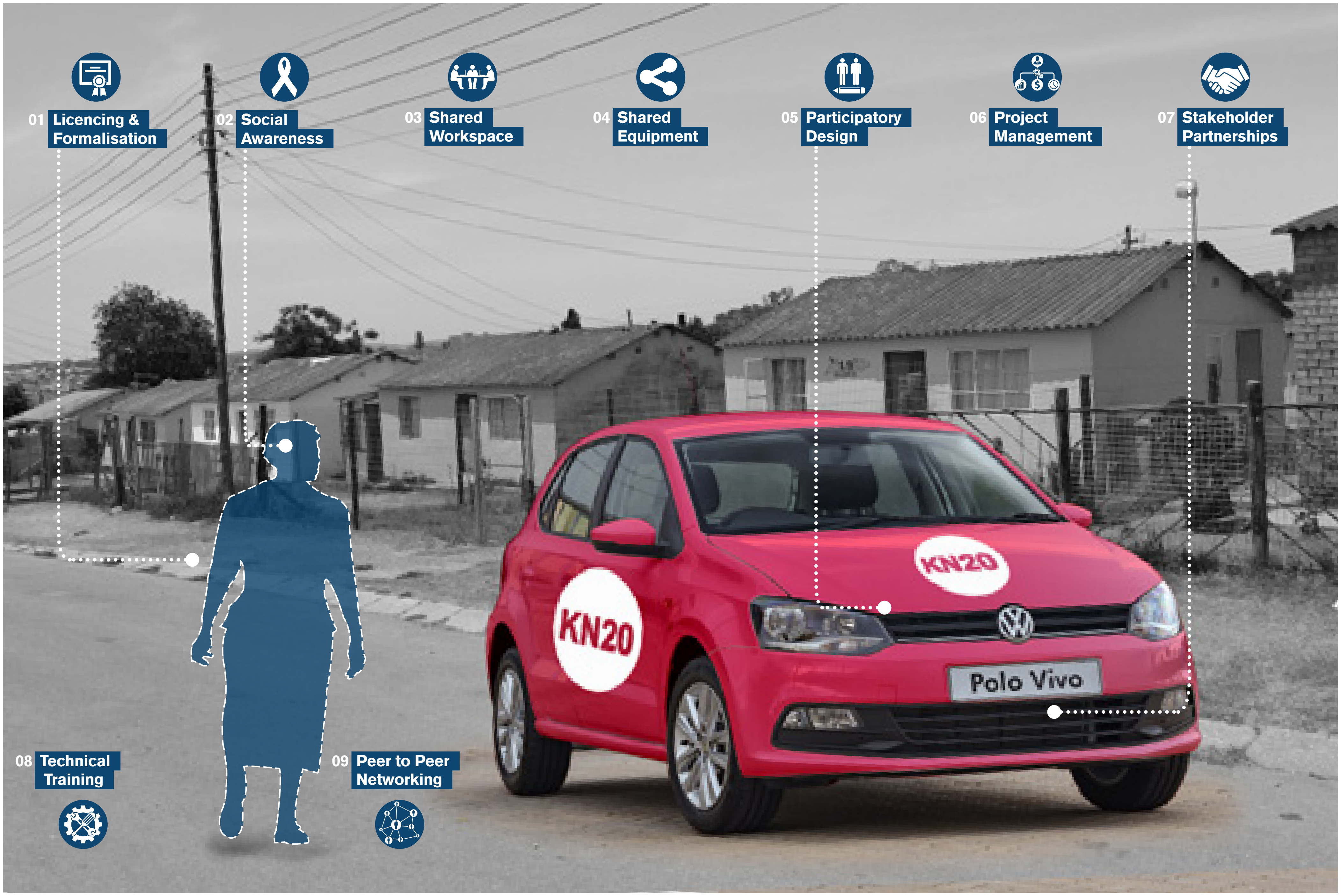
11.10.4. IN CONTEXT

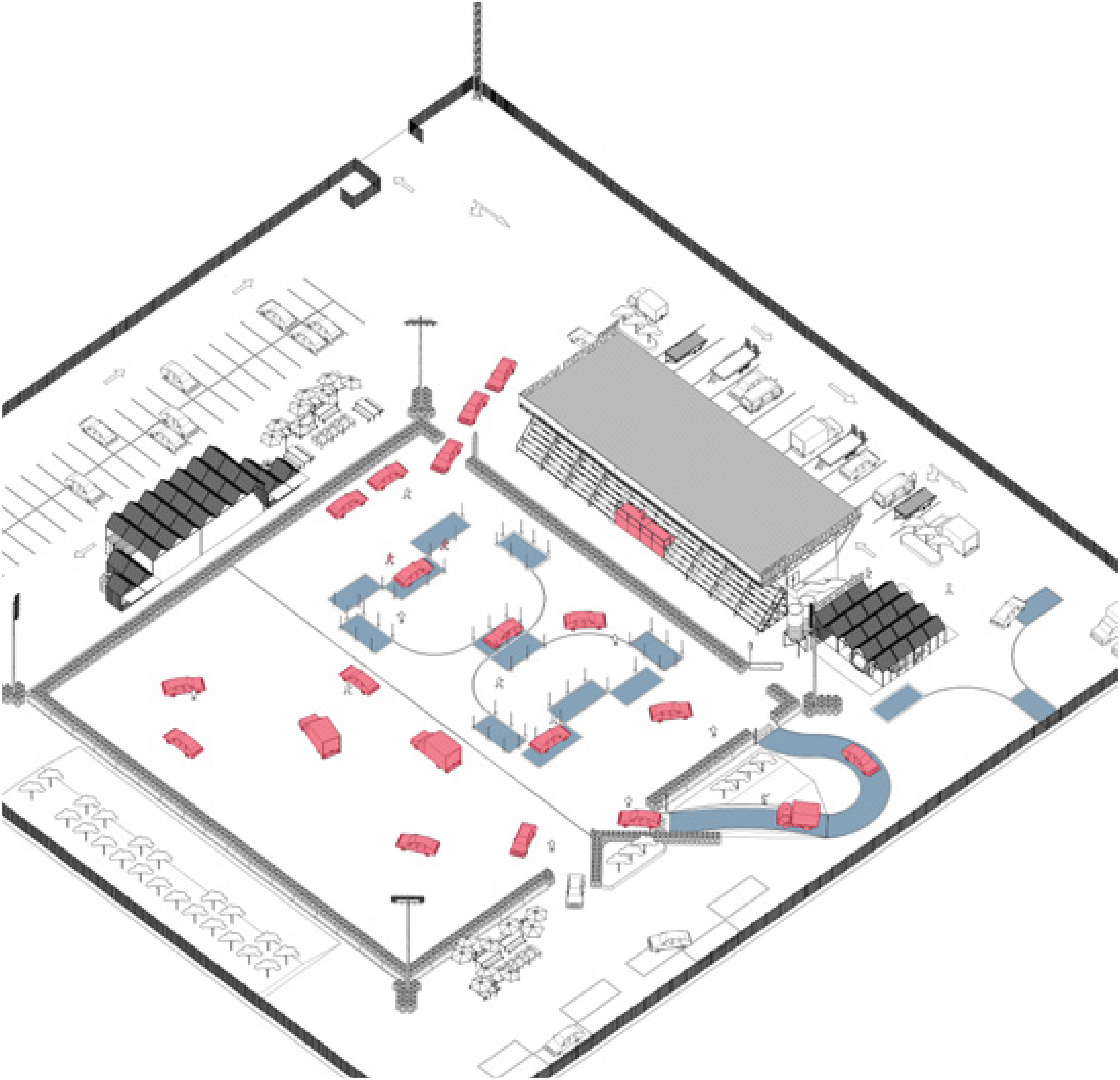
In Windhoek Namibia, a system of licenced sedan taxis operates alongside minibus taxis. Several thousands of these taxis operate across the city. Each taxi is clearly identifiable and marked using an alphanumerical system. As the Namibian sedan taxis are clearly identifiable, drivers have no need to constantly beep their horns to attract customers. The contrast to KwaNobuhle is striking. The taxi system operates on a set fare basis (equivalent to R10 for short trips and R20 for trips into the city centre) with each passenger charged independently. This means that taxis can collect several different passengers at once. The regulated nature of the system ensures that the vehicles are in a roadworthy condition, the drivers have valid licences and the vehicles are clean. For customers, the regulated business provides a measure of accountability against driver abuse and irresponsible behaviour. As a result of the regulatory 'pressure', township business benefit from printing identification decals, replacing tyres and providing wheel alignment services, mechanical services and car wash services, to list some of the benefits.

The proposed project calls for new regulation. It should be acknowledged that municipal and provincial authorities are underperforming in their current regulatory duties, including the issuing of taxi rank permits and PrDps. During the Public Passenger Transport Enquiry in 2018, submissions made in Port Elizabeth and East London in relation to the taxi industry highlighted challenges in respect of competition, capacity for regulation, working conditions and conflict. The major complaints about competition were in relation to the BRT system (and subsidised businesses) and the competition between associations over mini-bus routes. In order to avoid competition with minibuses, it is proposed that regulated sedan taxis be confined to the township geography and continue to operate as a feeder to minibuses. The inability of the municipality to fulfil its regulatory responsibilities is a major concern which will require political will to address (which will, in turn, require change a reprioritisation in law enforcement and enhancement in resources), in addition to the current efforts of national government to stamp out corruption across all three tiers of government.

2.7 PROJECT 10 TAXI FORMALISATION

01 Licencing
02 Social Awareness
03 Shared Workspace
04 Shared Equipment
05 Participatory Design
06 Project Management
07 Stakeholder Partnership
08 Skills Training
01 Peer to Peer Networking





11/ VDUB'ELOPMENT

11.11.1. PROJECT SUMMARY

CONCEPT

A project to facilitate public engagement for a development vision in which automotive related activities foster socio-spatial-economic integration in Uitenhage.

Through participatory engagements and one-on-one engagements, the project will facilitate public input on a development vision for Uitenhage which draws on the town's manufacturing legacy and synergistic linkages to the automotive sector, and Volkswagen interests in particular. The vision will aim to identify catalytic opportunities, such as the VDUB festival, or VW rally, or events at the People's Automotive Academy, to spur economic development in ways that foster social, spatial and economic integration across the Uitenhage communities.

The outcomes will be made available through:

- A video narrative
- A series of public displays, conversations, music and dramatic performances
- A public artwork which reflects on the role of automotive manufacturing in Uitenhage: past and future
- An action plan to bring a major automotive event to Uitenhage

BENEFICIARIES

The project beneficiaries are:

- Citizens of Uitenhage, inclusive of the township residents
- Business leaders and leaders of automotive manufacturers
- Civil society organizations
- The NMBM
- Residents of Uitenhage, inclusive of the townships

DEVELOPMENT IMPLEMENTATION

This project should be privately funded and implemented. As the project will engage with the automotive manufacturing sector in Uitenhage, it is sensible the project be either corporate funded and or funded through an industry entity for development. The project will forge linkages with NMBM and the PGEC, who will be required to participate in the engagement process and support the action plan. The project will explore the scope for state entities such as the MBDA to spearhead implementation on aspects of the VDUB'elopment vision, including the hosting of a major automotive event in Uitenhage.

The project will directly synergise with Project 1, the establishment of the People's Automotive Academy, as well as indirectly synergise with Project 8, enterprise development for township automotive businesses, and Project 9, the establishment of a Creative Studio.

RESOURCE REQUIREMENTS

An indicative budget of R2.5-R3.5 million over 18 months is required. Factors of scope and scale will determine the resource requirement.

11.11.2. RATIONALE AND JUSTIFICATION

The town of Uitenhage is inextricably connected to the automotive sector and the Volkswagen manufacturing plant. In this respect, the AutoPavillion makes an important contribution in recording the history of manufacturing at Volkswagen. The automotive sector is a major employer and supports a host of small and medium size enterprises through supply chain economic multipliers. Yet the legacy of automotive manufacturing and the Volkswagen brand itself is neither prominently featured within spatial-economic development plans nor evident within Uitenhage's projected socio-cultural identity. Apart from providing jobs and creating opportunities for suppliers, current spatial and strategic development plans give scant acknowledgement to the potential of the automotive sector to facilitate broad-based economic growth into the surrounding townships. Similarly, whilst the municipality has (rightly) memorialised major political events, there is little recognition of the towns' historical and current connection to automotive manufacturing in public spaces, artworks or cultural events. The town remains stubbornly divided in space and race. Yet there is a common interest which runs through these communities. This is the connection to automotive suppliers and the Volkswagen brand in particular.

During our research in both KwaNobuhle and Rosedale, we observed and listened to people speak about their passion for 'VDUBs'; a passion which is evident in car ownership, car restoration and even tattooed body art. Through these conversations we learnt that people in Uitenhage travel far and wide to attend 'VDUB' events. 'Why could such events not be brought home?' was a recurrent question we were asked.

11.11.3. ASPECTS

The VDUB'elopment project will contain 4 major aspects

I. The project will conduct a series of public engagement workshops with residents of Uitenhage, reaching all communities, to stimulate thinking and hear the ideas of ordinary residents on how the automotive sector in its widest sense could contribute towards overcoming current socio-economic-spatial obstacles to achieving the NMBM spatial development vision. As part of the workshop process, the participants will co-produce a visual narrative (using a medium of their choice) of their VDUB'elopment vision.

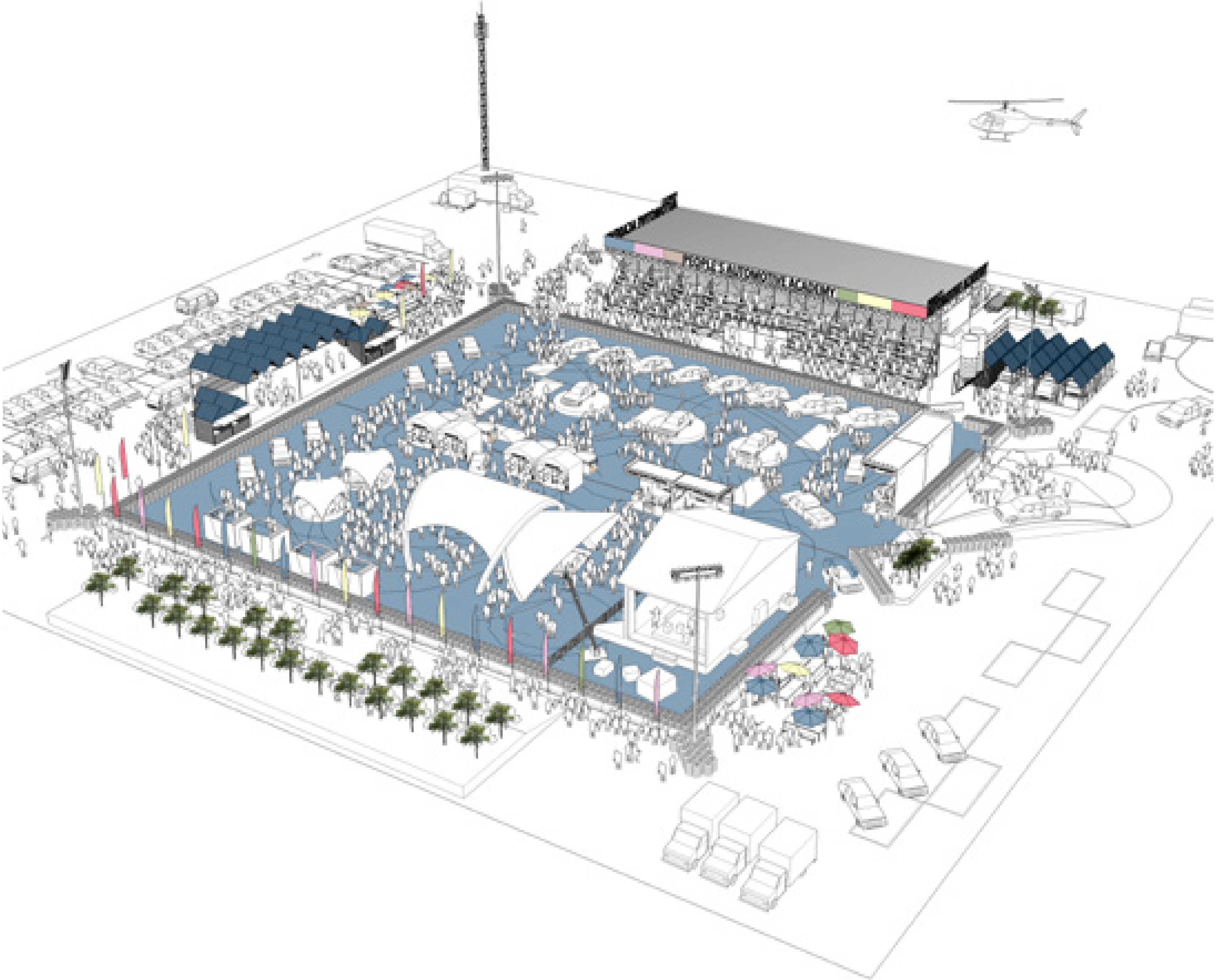
II. The project will undertake one-on-one video interviews with industry leadership, civil society leadership, politicians, and thought leaders (including academics) to gain their insights on the potential role of the automotive sector in catalysing change. The interviews will be edited and form the basis of a documentary.
III. The project will engage with a group of township creatives, through the Creative Studio ideally, to produce public artworks (and other forms of cultural expression) which celebrate the history of automotive manufacturing in Uitenhage and look towards a future in which common interests help to overcome past divisions. These artworks and creative outputs will be exhibited as public displays, and communities will be afforded an opportunity to engage with these cultural expressions through a series of events.
IV. The project will engage with VW enthusiasts (including club structures), motor event organizers, government stakeholders and private sponsors to identify the scope and requirements for bringing major automotive events to Uitenhage. The project will consider a wide range of such events, from 'show 'n shine' festivals, to rallies, to drifting and spinning events. Part of this process will entail a series of engagements with the NMBM in respect the legal requirements for hosting, as well as exploring the interest of the MBDA in partnering on the implementation of automotive events. On the basis of stakeholder input, the project will develop an action plan for staging an important event in Uitenhage. The plan will specify ways in which the event could be undertaken to maximise the benefit for township residents (including the communities in Despatch) and support opportunities for township micro-enterprises.

11.11.4. IN CONTEXT

South Africa, like much of the rest of the world is home to a large subculture of motoring and car enthusiasts. VDUBs in particular have attracted a large dedicated following, from those who enthuse over veteran cars such as Beetles, to car clubs that rebuild cars, engines, sound systems and modify vehicles for enhanced motoring performance and racing. There are various scheduled festivals across the South African calendar every year, some of which attract many thousands of attendees. For example, the "VDUB Camp Festival" attracts an audience of up to 14,000 patrons in its annual two-day event, with related social media reportedly attracting a further 12 million viewers.

Other events include the annual South African Festival of Motoring and the VDUB Festival. Furthermore, the VW Club of South Africa (over 20,000 followers on Facebook) recently announced their social calendar with 12 monthly scheduled events for 2019 across Gauteng, KwaZulu Natal, Mpumalanga and Eastern Cape. The social media impact of Volkswagen enthusiasts is also considerable. For example, the "VW Owners SA" Facebook page has over 65,000 members who post and follow on related car topics. Similarly, the "VW MK1 Owners of South Africa" Facebook page has over 98,000 followers.

Little local research has been conducted to consider the economic impact of such events in the host communities, but overseas examples demonstrate that such impacts are considerable. For example, the 110,000 exhibitors and spectators at Canberra's annual Summernats car event in Australia are estimated to contribute over R300 million per year into the local economy . Assuming that even 10% of this (based on patron numbers at the VW Camp Festival) is a R30 million injection of business into the Uitenhage community.



12/ DEVELOPMENT FACILITATION

11.12.1. PROJECT SUMMARY

CONCEPT

The project will provide technical support services to advance the 11 projects into implementation. The scope of services includes:

- The development of project implementation plans
- The mobilisation of private investment
- The facilitation of partnerships between private sector investors and government institutions
- The provision of advisory support to enable NMBM to secure public investment grant funding
- Technical assistance in the mobilisation, identification and screening of project beneficiaries
- Project performance and impact monitoring

BENEFICIARIES

The project beneficiaries are:

- Private partners and investors
- Public agencies (NMBM and National Treasury)

DEVELOPMENT IMPLEMENTATION

It is proposed that the private sector fund the project and engage a suitable private entity to implement the project components. The project will build linkages, facilitate partnerships and secure agreements for funding and component implementation with private stakeholders and public institutions.

RESOURCE REQUIREMENTS

An indicative cost of R4-R6 million is required over two years.

11.12.2. RATIONALE AND JUSTIFICATION

The development strategy has been conceptualized as 11 major projects. A number of the projects are inter-linked, (such as the connection between Project 1, the People's Automotive Academy and Project 8, support for township automotive enterprises. Other projects are indirectly connected and require the facilitation of linkages to build synergies. Each of the 11 projects can feasibly be implemented as stand-alone interventions, though there are substantive cost savings and operational efficiencies from implementing a cluster of projects. The precise strategy of development implementation for each project would need to be determined. These strategies would be framed by the availability of public and private resources for specific projects, spatial development considerations, opportunities for technical and programme partnerships, and the willingness of public stakeholders to take up and drive implementation (such as accommodating projects within spatial development and enterprise development plans), to list some of the major planning considerations. In order to advance the proposed township development strategy, a process of technical support or development facilitation is required to elevate the 11 conceptual project proposals into development plans. These plans will specify partners and stakeholders, delineate activities, detail budget requirements, assess risks, secure provision agreements and statements of support and determine timeframes for project implementation.

11.12.3. ASPECTS

The Development Facilitation project will contain five major aspects

I. The project will secure the availability of capable project management services with experience in implementing development projects.

II. The project will mobilise financial and technical support for specific projects from private sector donors, partners and stakeholders. This project will refine the project concepts in response to opportunities and partner needs, developing project specific plans, budgets and securing partner agreements. It will further secure stakeholder agreements with government entities for linkages and endorsements. It is important to ensure that projects are legally compliant and align to existing industry or government development frameworks and objectives.

III. Where private funding can be secured, the project will then oversee implementation of projects, either directly or in partnership with specialist service providers. As part of this role, the project will mobilise beneficiary participation and secure community level political endorsement. Furthermore, the project will build synergies between different projects in the scenario that are separately funded and implemented. In projects under direct implementation, this project will define procurement requirements and oversee the contracting of appropriately qualified and costed services or inputs.

IV. The project will provide technical support to the NMBM to refine those projects with a tangible linkage to national objectives of neighbourhood economic development. These include Project 2, activation of the high street, Project 3, establishment of area development nodes, and Project 4, improvement in street infrastructure. Part of this role will be to support the NMBM to access NT and other sources of funding for implementation through the preparation of grant proposals. The project will also advise the municipality on suitable strategies for implementation, including the formulation of appropriate precinct management plans.

V. The project will document the processes of implementation. At regular intervals within the project lifespan, the project will undertake performance assessments of the implementation process and conduct evaluations to determine impact. It is necessary to assess impact at both the beneficiary and community wide level. Impact evaluations shall assess the economic change within the beneficiary businesses and on the broader township economy, and the influence of projects on fostering new business opportunities and bringing new entrepreneurs into the market.

12
RESOURCE REQUIREMENTS

The total resource requirements for the 12 projects would range between R74.5 million and R112 million. Factors of scope and scale will determine the resource requirement. Cost efficiencies can be achieved through implementing projects in series, thus benefiting through the sharing of management expertise, office resources, training facilities and business mentorship programmes. Project implemented by the public sector could have substantially higher costs as a result of preferential procurement requirements. The cost of infrastructure project is subject to the availability of cost considerate and appropriate land and propriety. All project budgets would need to be reassessed in consideration of stakeholder financial commitments (and requirements) as well as the availability and terms of donor funding.

	Project	Low	High
#1	Peoples	R15,000,000	R25,000,000
#2	High Street Activation	R25,000,000	R35,000,000
#3	Area Activation Nodes	R5,000,000	R10,000,000
#4	Street Business	R2,000,000	R3,500,000
#5	Recycling Stokvels	R2,500,000	R3,500,000
#6		R2,500,000	R3,500,000
#7	Outlier	R4,000,000	R4,000,000
#8		R4,000,000	R6,000,000
#9	Creative Studio	R5,000,000	R7,000,000
	Taxi	R3,000,000	R5,000,000
#11		R2,500,000	R3,500,000
		R4,000,000	R6,000,000
		R74,500,000	R112,000,000

13
ALIGNMENT WITH DEVELOPMENT PLANS

13.1. SPATIAL DEVELOPMENT PLANS

The NMBM Draft 2015 Metropolitan Spatial Development Plan Framework (MSDP), the Built Environment Performance Plan 2017/18 – 2019/20 (BEPP) and the 2017/18 – 2021/22 Integrated Development Plan (IDP) were examined to determine alignment with the proposed projects. The Uitenhage CBD and surrounding townships are recognised as priority developmental areas. In spatial terms, the proposed strategy aligns with the MSDP and BEPP in that the projects bring direct benefit to the townships and link residents to opportunities. Furthermore, the strategy is intended to contribute towards spatial and social restructuring, spatial efficiency and quality, improved communications and the densification of spaces. In addition to enhancing economic opportunities, three key areas of alignment are: i) the development of activity nodes and spines that support densification, ii) support for the creative economy and iii) interventions to facilitate social cohesion.

13.2. ACTIVITY NODES AND SPINES

Projects 2, 3 and 4 are situated along main movement routes, wherein the projects aim to transform these spaces to maximise economic opportunities, enhance the social environment to be more functional, vibrant and valued for people living in the area. These projects support the densification of activities, and the creation of viable activity nodes and spines in places where there is marked development potential. Furthermore, these projects align with the vision of NMBM as a Safe City, as they aim to provide infrastructure that improves the safety of communities, with enhanced street lighting, traffic calming measures, and sidewalk paving. The proposed strategy, especially the aspects of skills development and capacity building, aligns with the goal of transforming the NMBM into an Opportunity City. The proposed development strategy aligns with the emphasis on growing the informal economy, though also recognised the need for enterprise formalisation.

13.3. CREATIVE ECONOMY

These development plans express the need to diversify the economy beyond the automotive sector to include an array of sectors, such as the cultural and creative industries. The need to revitalise leisure, entertainment, and cultural activities in the townships is recognised. In these development plans, the NMBM calls for the development of local arts, culture and the creative industries due to their potential for social cohesion and nation building. Building spaces such as a creative studio (Project 9) is aligned to this need. The proposed Studio would enhance access to opportunities for township crafters and artists. Projects 6, 8, and 9 will provide beneficiaries with specialised training in computers and software, thus increasing communications provision within the township and aligning with a key priority.

13.4. SOCIAL COHESION

The NMBM notes the importance of shifting from the existing pattern of development, a result of segregation based planning, in order to promote social cohesion. Creating safe spaces where people from different communities can connect, network, share knowledge and socialise, is one approach to creating meaningful social cohesion. NMBM has set the goal of becoming an Inclusive City, thus prioritising spatial and built environment developments which promote integrated neighbourhoods and inclusive communities. Project 1, the People's Automotive Academy, speaks to these identified needs and priorities to revive Uitenhage through, inter alia, creating accessible entertainment opportunities. It can play a role in shaping the identity of the area, which may increase tourism opportunities. The NMBM also states that with additional housing developments in the wider area, additional social facilities and amenities will be needed. The People's Automotive Academy will provide a much needed multipurpose facility to the Uitenhage communities. Our proposed township economy development strategy aligns to the call for social restructuring in that projects specifically promote racial and social interactions, whilst reducing barriers to people historically excluded from participating in the socio-cultural and recreational opportunities.

14 PROJECT MANAGEMENT

The development strategy has been conceptualised as a constellation of independent projects. The projects could be implemented as stand-alone interventions. Alternatively, the projects could be implemented as a cluster of interventions. We have suggested specific modalities for the implementation of each project. We have recommended that Projects 1,4,5,6,7,8,9,11 and 12 be funded and implemented through the private sector, whereas Projects 2,3,4, and 10 be funded and implemented by the public sector. We recognise, nevertheless, that private entities, government and public institutions will have strategic interests across all 11 core projects. For this reason, we have proposed a project of Development Facilitation (Project 12), whose activities include the harmonisation of projects, the formation of partnerships (including public-private partnerships), the mobilisation of funding, and securing stakeholder endorsement.

In advancing the strategy towards implementation, it is recommended that a project of Development Facilitation be initiated. Such a project can disseminate the strategy to all key stakeholders to engage potential partners for the 11 projects and sources of funding. Part of this role will be to identify suitable lead development agents to implement the projects. The development facilitators will then need to support the identified agencies to formulate implementation plans and detailed project costings. In a situation where there is sufficient support to implement a cluster of projects, the planning process will need to identify cost-sharing measures and operational synergies in areas such as business support, skills training, access to shared space and equipment and the provision of technical services. If partnership are required, the planning process will need to secure agreements of intention or memoranda of agreement before project commencement. Where infrastructure is to be established, the development facilitation process will need to fulfil a role in identifying suitable land and/or premises and conducting a due diligence with respect to legal requirements and spatial planning alignment.

In project implementation, it is important that projects meaningfully engage with prospective communities and beneficiaries. We have recommended that processes of co-development, participatory design, and beneficiary empowerment be included in project plans and fully embraced in implementation. As a development intervention, we recommended that local businesses and artisans be contracted wherever possible. As part of an inclusive approach, all beneficiaries should be committed to contribute a counter-value towards the project, which could include mandatory participation in project planning, training, and monitoring processes. It is also important for beneficiaries to fulfil a role in the transfer of skills and experiences to other members of the community as peer trainers.

All projects should institute performance and impact monitoring systems. In project plans, indicators of achievement for all major activities should be defined and, in addition, the plans should indicate means for verifying these benchmarks. At the level of the entrepreneur beneficiary, the evaluation process should measure, inter-alia, changes to: business profitability; state of skills development; access to and availability of infrastructure; the legal status of the business including land use rights; the extent of engagement in business networks; the availability of shared opportunities and contribution of these opportunities to the businesses; the state of market access and options; and contribution of the business to social good. At the area wide level, the evaluation process should consider the overall impact on the township economy. These valuations are central to the role of development facilitation. The 2018 business census of township micro-entrepreneurship provides a baseline against which to measure change and assess broader-scale trends in township micro-entrepreneurship. Additionally, area-based evaluations should consider the influence of projects on: public safety and security; people's sense of place and access to public facilities; and trans-community interactions and attitudes. It is important to also assess the contribution of the projects to changing the current status of government institutional performance and programme investments. The proposed development strategy should be seen as a means to catalyse a process of change by providing appropriately calibrated, targeted, integrated and planned development practice. Over the medium term, government programmes need to uptake the lessons learned and amplify the scale of interventions.

It is proposed that the development strategy be implemented over a period of 36 months with the predominant enterprise development projects undertaken over 24 months.

15 ACKNOWLEDGEMENTS

We acknowledge Volkswagen South Africa (VWSA), the Chairman and Managing Director Mr Thomas Schäfer, and the VWSA Board for recognising the need for township economic development and funding the project through the VW B-BBEE Initiatives Trust. We thank the trustees and management team, Ms Nonkqubela Maliza, Mr Frans Nortje and Mr Siphamandla Ndawonde; the trade union representatives; and stakeholders from government and businesses for providing advice and guidance. The KwaNobuhle LoveLife Y-Centre supported the project team with a logistical base and the use of their facilities. We thank the township entrepreneurs for participating in the survey. We also acknowledge the contribution of the entrepreneurs in the participatory workshops whose ideas and suggestions have influenced the proposed projects. We recognise the hard work of the researchers from KwaNobuhle and Rosedale, namely: Nomaxabiso Vumazonke, Nosipho Flepu, Sanele Rayisa , Glendelene Sinyai, Zoleka Kubashe, Fredelien Hendriks, Germaine Plaatjies, Sinazo Mdlalo, Xolani Todolo, Desmond Mpuntshe, Amber September, Pumeza Mangcaka, Nokuthula Ngxoni, and Siseko Mahola.

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18
ANNEXES

18.1. List of Stakeholders

Surname	Name		Entity
	Xolelwa		Uncedo Taxi
Adams	Tyrone	Ward 48 councillor	DA
Allon	Raiz	CEO	Raizcorp
Booi	Nomsa	Ward 44 councillor	ANC
Booi	Fezeka	Offwice of the MEC	DEDT
Damons	Raul	Motor sport enthusiast	Mechanic
Davis	Dave	Business Mentor	Raizcorp
Dlamini	Andile	Head of Group	VWSA
Els	Leon	Provincial Regional Director	DEDET
Gabela	Kolosa	Office of the HOD	DEDTn
Goliath	Janice		Love Life Centre
Guma	Pendulwa	Office Manager	Provincial Office
Holland	Sihaan	Unionist	Numsa
Hota	Nelisa	Business Mentor	Raizcorp
Jerry	George	Manager	MBDA
	Gugu	Branch Supervisor	The Business Place
Kosi	Mlungisi	Regional manager	DEDET
Maliza		Director Corporate &	VWSA
Matikinca	Andile	Ward 44	
Mbambosi	Lungile	Ward 44	
Meintjes	Renier	Town Planner	NMBM
Mfama	Pakamisa	Ward 42 councillor	ANC
Michaels	Marius	Motor Sport enthusiast	Mechanic
Mxenge	Lulama	Director	DED, NMBM.
Naidoo	Vernon		VWSA CT
Ndawonde		Trustee	VW B-BBEE Initiatives Trust
Ngqeza	Lindelwa	Business Mentor	Raizcorp
	Tanduxolo	Assistant Director	DED, NMBM
Nortje	Frans	Trustee	VW B-BBEE Initiatives Trust
Ntshiza	Simpiwe	Ward 43 councillor	EFF
Pilcher	Cheston		Motor Sport
Plaatjies	Simpiwo	Ward 45 councillor	ANC
Poswa	Singatwa	Projects Officer	MBDA
Qukubana	Lindelwa	Ward 46 councillor	ANC
Skweyiya		Ward 47 councillor	ANC
Solomon	Harry	Client Liaison Officer	MERSETA
Sundkvist	Tracey	Business Mentor	Raizcorp
Swartz	Dominic	Centre Manager	Ikwezi Lomso Educare
Tailor	Guy	Branch Manager	Raizcorp
Tobias	Grant	Regional Manager	The Business Place
Tshayana	Xolani	Unionist	Numsa
Van der Linde	Franay	Ward 49 councillor	DA
Van der Watt	Leon	CEO & Owner	Cannibal Recycling Co.
Weyers	Maartje		Route2EC
Zokufa	Remington	Unionist	Numsa