

# Unlocking “Kasi Wealth”: Perceptions of Transformations through Spatial Planning and Local Economic Development in Soshanguve

*Trynos Gumbo, Nkalipho Mafela*

(Nkalipho Mafela, Graduate Student, Department of Urban and Regional Planning, University of Johannesburg, nkali\_m@yahoo.com)

(Prof Trynos Gumbo, Head of Department and Associate Professor, Department of Urban and Regional Planning, University of Johannesburg, tgumbo@uj.ac.za)

## 1 ABSTRACT

The buzz concept of inclusive economic growth has been receiving great emphasis in both academic and industry dialogues, thus placing the socio-economic transformation agenda on the spotlight not only in South African cities but also in cities across the African continent. Drawing from the urgent need to restructure the South African economy as well as the relevant institutions that support the economy as a whole; this study investigates the role of spatial planning and local economic development strategies in Kasi wealth transformation, using Soshanguve Township as the case study. It can be argued that, as an empowering strategy, effective strategic spatial plans need to be clearly expressed in LED policies. Using the social capital and the Right to the City theoretical lenses, the paper assesses the perceptions of black business owners in Soshanguve on spatial planning and the way it has shaped, or not, the viability of their businesses. The transformation of small-scale informal and semi-formal businesses into successful enterprises that have a fair share in the national economic space is investigated through perceptions. The paper also interrogates the influence of the interplay among spatial, economic and social dynamics in socio-spatial and economic transformation. A qualitative research approach was applied where data was gathered from twelve (12) small scale and informal business owners in Soshanguve using semi-structured interviews. Qualitative data was also gathered from four (4) key informants; who are professionals that actively participate in spatial planning and local economic development of Soshanguve Township. Content analysis was used to analyse the data, where categories were deciphered and used to create themes and GIS maps were produced to visualise the spatiality of the small businesses in Soshanguve. The paper argues that despite the City of Tshwane having LED initiatives, the clear and explicit relationship and expression between strategic spatial planning and LED remains blurred. In order to achieve inclusive and transformative growth, LED should find clear and precise expression in strategic spatial planning and property management to support township entrepreneurs. Pursuant to that, strategic spatial planning should be simplified in order to accommodate the informal economy and place emphasis on strong community relation networks between local authorities and planning policies. It is recommended that economic transformation needs to begin epistemologically and ideologically through the advancement of human development through sustainable planning practice and community building efforts. The study concludes that this can also be achieved through the development of stronger community networks (internal and external) that ensure township residents and business owners equally participate in the national economy and contribute to shaping its planning practice. From this perspective, the City of Tshwane has ground to cover in the coproduction of planning epistemologies and practice towards a platform for inclusive and transformative growth and social and economic justice.

Keywords : Inclusive economic growth; Economic transformation; Social Capital; City of Tshwane; Spatial Planning

## 2 INTRODUCTION

South African cities are dynamic and planning theory and practices are under pressure to respond to urgent challenges. The socio-economic transformation agenda has been on the spotlight in planning policy and practice particularly in South Africa and across the African continent. The planning of previously socio-spatially and economically marginalised areas like South African townships into sustainable entities remains a challenge. With the current emphasis of inclusive growth and transformation, governing policies and implementation strategies should align accordingly. Small, medium and micro enterprises (SMMEs) are crucial to economic development and growth in South Africa. Inclusive growth and socio-economic justice are intrinsically tied. The right to the city concept and social capital imaginings should be used more often as planning tools for planning theory and practice lined to spatial planning and LED. The paper urges for the clear expression of strategic spatial planning in LED policies in order to achieve the objectives of the transformation agenda. There is an urgent need to strengthen South Africa’s economy and the country’s

government institutions that support the economy and to effect change in its dismal economic growth. South Africa’s total economic growth rate was 1.8 percent in 2018 plunging to 1.3 percent in 2019, with a record high in unemployment rate at 27 percent in 2018 and 28 percent in 2019 – equating to about 16.5 million jobless people, in the country.<sup>1</sup> The South African economy is part of the five largest and emerging economies in Sub-Saharan Africa with a stagnant and stifled 0,4% economic growth compared to its sister Sub-Saharan African countries i.e. Angola, Nigeria, Sudan and Ghana with growth averages of 2% (World Bank, 2020); thus the economic growth agenda is intensified. An urgent need also exists to implement mechanisms that restructure the country’s failing economy, and which this paper addresses. Entrepreneurial activity mainly takes place in SMMEs which generate 35% of the country’s GDP (Nieuwenhuizen and Nieman, 2009). Meanwhile, SMMEs have been promoted since 1995 to boost economic growth and sustainability in areas where government has fallen short to create employment for citizens (Berry et al., 2002:1-2 and Rogerson, 2006:38). Alongside physical infrastructure investment in South African Townships such as Soshanguve, chosen case study, economic vitality is equally important. Musakwa (2008:24) highlights tangible and intangible locational factors such as access to roads and markets and quality of life which are invaluable to local economic development (LED) and important to generate business, ‘kasi’ [township], wealth.

The extent to which spatial planning, LED strategies, and encouragement of SMMEs as grassroots interventions, have enhanced the circumstances of black entrepreneurs and distribution of wealth in townships has been a subject of debate. It can be argued that, as an empowering strategy, effective strategic spatial plans need to be clearly expressed in local economic development (LED) policies. Using the social capital and the Right to the City lenses, the paper assesses the perception of black business owners in Soshanguve on spatial planning and the way it has shaped (or not) the viability of their businesses. The first section of this paper discusses the emergence and current status and debates of spatial planning and LED in South African cities. In addition, it discusses the role that spatial planning and LED plays in the spatial reengineering of the township space economy which are viewed as a vehicle and a viable mechanism to spur economic growth and strengthen South Africa’s economy by restructuring the country’s socio-economic development, and which is centred on a Kasi wealth transformation approach in the Soshanguve Township in the City of Tshwane of the Gauteng Province, South Africa. Second, the theoretical lenses adopted, i.e. social capital and the right to the city concept in the research and their integration with planning theory and practice are elucidated. It will continue to expand on the methodological approach adopted and the presentation and discussion of the four emerging themes namely; rethinking of functional business environment and local governance, business advancement and capacity building, socio-economic hardships and land and infrastructure investment as well as presentation, analysis, discussion of findings. We argue that despite the City of Tshwane having local economic development (LED) initiatives, the clear and explicit relationship and expression between strategic spatial planning and LED remains blurred. This paper, therefore, recommends that economic transformation ought to draw on both epistemological and ideological factors to advancing human development through a culture of sustainable planning practice. In concluding the paper, it is argued that the transformation agenda of socio-economic development of town planning, which is used as a vehicle can be achieved within a holistic approach that include: rigorous development of building stronger community networks with a view to ensuring that township residents and business owners equally participate in, and contribute to, the shaping and planning practice of strengthening the national economy towards restructuring of socio-economic development within township planning for inclusive economic growth.

### 3 LITERATURE REVIEW

Literature surrounding local economic development (LED) and spatial planning is broad and multidisciplinary. This section provides an overview of scholarly work on the township space economy and to understand various factors involved in the possible transformation of black-owned business in South African townships. In addition, it conceptualises the background of South African townships with regards to spatial planning and LED. It carries on by discussing the theoretical integration of social capital and the right

---

<sup>1</sup> See Trading Economics data on South Africa’s economic disposition including growth rates and unemployment outlook <<https://tradingeconomics.com/south-africa/gdp-growth>>; and, <<https://tradingeconomics.com/south-africa/unemployment-rate>>, accessed 27 March 2019.

to the city concepts as pro-poor and sustainable planning tools towards LED and socio-spatial justice. The emergence and current status on spatial planning and LED in South African townships has evolved from segregationist tools to inclusive domains (van Wyk and Oranje, 2014). The planning theory shift warrants a focus towards the integration of both economic development and spatial planning mechanisms. Gumedé (2018:4) outlines that a renewed socio-economic development approach is warranted, especially in African cities and currently and previously distressed areas. Similarly, Walby (2018:45) posits that the rethinking of a new approach for economic growth is largely dependent on a sound and just socially inclusive strategy. With the current emphasis on economic progress of cities and regions according to the Global Entrepreneurship Monitor (GEM) (2016:6), South Africa's entrepreneurial activity compared to other developing countries like Ghana, Nigeria, Uganda, Ethiopia, Malawi, Zambia, Namibia and Botswana is worryingly low where low economic growth is almost impossible to achieve. The literature argues that South African townships are in desperate need to be economic growth engines (Mahajan, 2014). The creation of industries as a form of entrepreneurship is the backbone of economic growth and township economy (Nieman and Nieuwenhuizen, 2009).

Emerging economies in Africa such as Ghana where linkages between spatial planning and LED have been explored prove the need for sustainability and economic vitality. In England, Morphet (2010:16) emphasises that the economic role of spatial planning has not been adequately supported to have land identified for economic growth. The conceptual approaches of social capital and the right to the city can be juxtaposed to spatial planning and LED planning theories and practice. Social capital is a vital instrument in considering cooperative and collective ways in which economic enhancement can occur. Social capital, as a policy analysis tool, examines at its core, social relationships between people and how they generate positive outcomes (Szreter, 2000 and Solow in Dasgupta and Serageldin, 2001: 6-7). Abrahams (2003:196) agrees with the latter by stressing the fact that no matter how big or small, rich or depressed a community is, partnerships between role-players are essential in the LED process. Similarly could be said for, Healy (2002) where Social Capital is regarded useful in poverty reduction and sustainable development.

Knorringa and van Staveren (2007) in the attempt to unpack social capital employing a social economic approach, stress the fact that there are three mainstream perceptions to social capital such as first, utility function; second, an individual resource (Bourdieu), owned by firms and individuals and third, an instrument to reduce risks. Furthermore, social capital can be divided into two notions, firstly, bonding capital where strong social ties are based on a social identity such as organisational culture, ethnicity, religion, gender, and family whereas bridging social capital is described as weak social ties across society in which individual and organisational behaviour is held together by diverse group members who share common values. The complex economic, political and social processes that shape urban spaces and inform urban transformations can be understood through the Right to the City concept. The Right to the City concept has its foundations in Lefebvre's (1991: 27-28) ideas on the production of space where social actions are incorporated in a representational social space where social networks come into play. Agreeably so, Harvey (2008: 23) is of the opinion that the collective power of individuals to reshape and remake their cities and social space is the most neglected right. The Right to the City impetus came about not simply because of intellectual inquiry but through urban revolutions and demands of oppressed people desperate to change their socio-economic circumstances (Harvey, 2012: xiii). Linked to this, one can note that social and support networks as economic tools have been key to grant access to economic opportunities and active participation. Putnam suggests that social capital is lost when community networks decline and an individualistic agenda trumps (OECD), 2001: 102-105).

With regard to neighbourhoods in the City of Tshwane, Horn (2004:329) concluded that community consensus and social relations in both black and white areas was weak in the early 2000s. However, more needs to be understood about how social capital in this regard can be mobilised and linked to spatial planning and socio-economic livelihood initiatives. The effective use of land, understanding and cooperation between LED planning and black entrepreneurs in Soshanguve can create possible solutions for the current challenges black-owned businesses face and towards an inclusively owned township space economy.

#### 4 OBJECTIVES /RESEARCH QUESTIONS

The paper has twin objectives and these are;

- (i) To assess the perceptions of business owners in Soshanguve on spatial planning efforts

(ii) To examine how they view the role of spatial planning in shaping (or lack of it in) the viability of their businesses.

## 5 APPROACH AND METHODOLOGY

Data was collected from 3 main sources: interviews, policy documents and visual mapping. A qualitative research approach was employed to gather data from twelve (12) small scale and informal business owners in Soshanguve using semi-structured interviews. The small scale and informal business owners were purposively selected from the City of Tshwane’s SMMEs and Informal Traders database. The business owners were categorised to produce a mix of young and older, and male and female business owners. Small scale business owners were chosen from prevalent economic sector activities in South African townships like Soshanguve. The economic sector activities include construction and services, manufacturing applied to industrial production and retail amongst, agriculture with links to agro-processing, retail can also include spaza shops, services linked to business process outsourcing (BPO) and ICT, business services such as lawyers and medical practitioners, personal and household services such as plumbing and mechanics, transport and tourism. Geographical Information Systems (GIS) data was collected from the Geoinformatics department at the CTMM in order to produce high quality maps of the study area and geo-political factors using ArcGIS 10.2, a GIS computer programme for desktop analysis and mapping.

Merrel and Tisdell (2015:164) state that the use of this information emanates from the researchers industriousness – which will geographically display business land parcels and location of business owners. Qualitative data was also gathered from four (4) key informants; who are professionals that actively participate in spatial planning and local economic development of Soshanguve Township. Content analysis using ATLAS.ti 8.0 was used to analyse the data where a code system was built and codes were assigned to transcriptions. Assigned codes were further categorised into code families and categories were deciphered and used to create themes. In addition, GIS maps were produced to visualise the spatiality of small businesses with relation to mixed use vacant land parcels in Soshanguve earmarked for mixed land uses and strategic investment. The City of Tshwane Metropolitan Municipality’s (CTMM’s) Integrated Development Plan (IDP) and the Regional Spatial Development Frameworks (RSDFs) for Region 1, where Soshanguve is situated, the Spatial Planning and Land Use Management Act (SPLUMA), By-laws and LED policies such as the National Small Business Act have been reviewed to gain a sense of the status quo of LED policies in Soshanguve integration of LED and spatial planning policy and practice.

## 6 RESEARCH ANALYSIS AND FINDINGS / RESULTS

An inductive approach was used with the transcriptions where the data was first level and open coded using ATLAS.ti 8.0. From the long list of codes produced, categories were constructed and were named and given definitions. The process where the researcher prepares the data and conducting different analyses, classifying and the interpretation of linguistic or visual material and moving into a deeper understanding and representing the data to inference larger meaning of data is called data analysis (Creswell, 2013 and Merriam and Tisdell, 2015). A total of 79 codes were generated and sorted and categorised into 9 categories which were given definitions and scaled down to four emerging themes. Code groups were created and further reduced to the overarching emerging theme. Figure 1 below depict the first level codes that were in the abstract level which were analysed and lifted into their respective categories (i.e. SUPP Calls for effective business support structures) and generated emerging themes as listed in Table 1 further below (i.e. Theme: Business advancement and capacity building and other emerging themes that are rethinking the functional business environment and governance, land and infrastructure investment and socio-economic hardships). Figure 1 below, is an example of how themes were derived from categories subsequent to derived codes from transcriptions.<sup>2</sup>

The study area map provided in Figure 2 below, illustrates the location of participant business owners in the ‘Soshanguve Crossing node’ along Ruth first Road, and Aubrey Matlala Street. This specific location is a node with activity streets and proposed specialised activity areas. According to the RSDF (2013) this node should stimulate strategic investment not only for retail developments but for commercial areas which will

<sup>2</sup> A total of 79 codes were generated and sorted and categorised into 9 categories which were given definitions and scaled down to four emerging themes.

stimulate the local economy. The vacant land parcels across Soshanguve crossing mall, south, belongs to private developers where the location of informal business owners trade. Across the Soshanguve crossing mall, east, land is zoned for medium-high residential developments but along the activity street (Aubrey Matlala), small scale and informal businesses are booming, also where the location of participant informal business owners trade. To the north of the shopping mall is the research, education and technology centre for Soshanguve, the Tshwane University of Technology (TUT), primary and secondary schools; these institutions are described as strategic investment areas and need integration with a view to achieving inclusive cities and economies (RSDF, 2013: 15, 39-40). Befittingly so, this is where most businesses locate themselves – close to the community and infrastructure which will be discussed in depth in section 9.4.

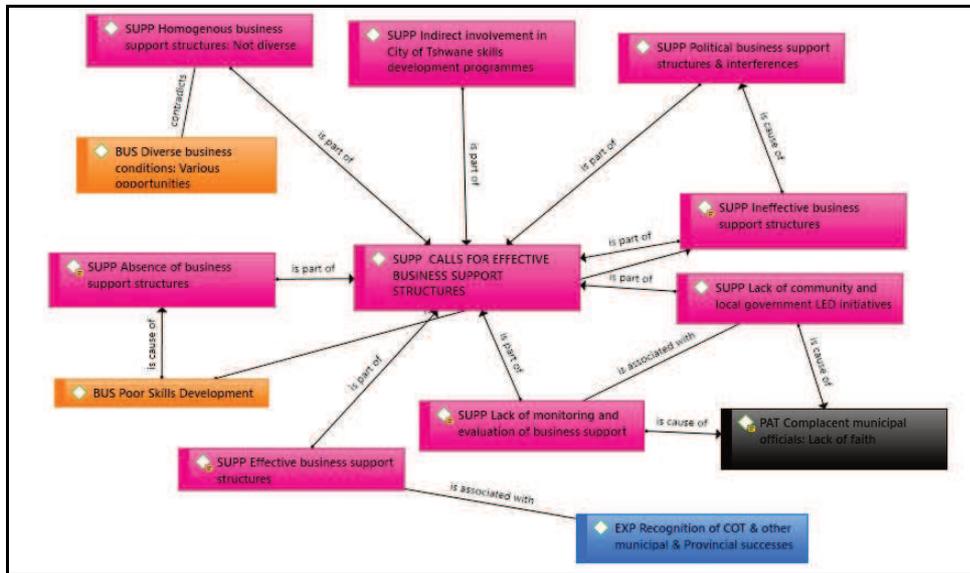


Figure 1: Example of deriving themes from first code levels and categories

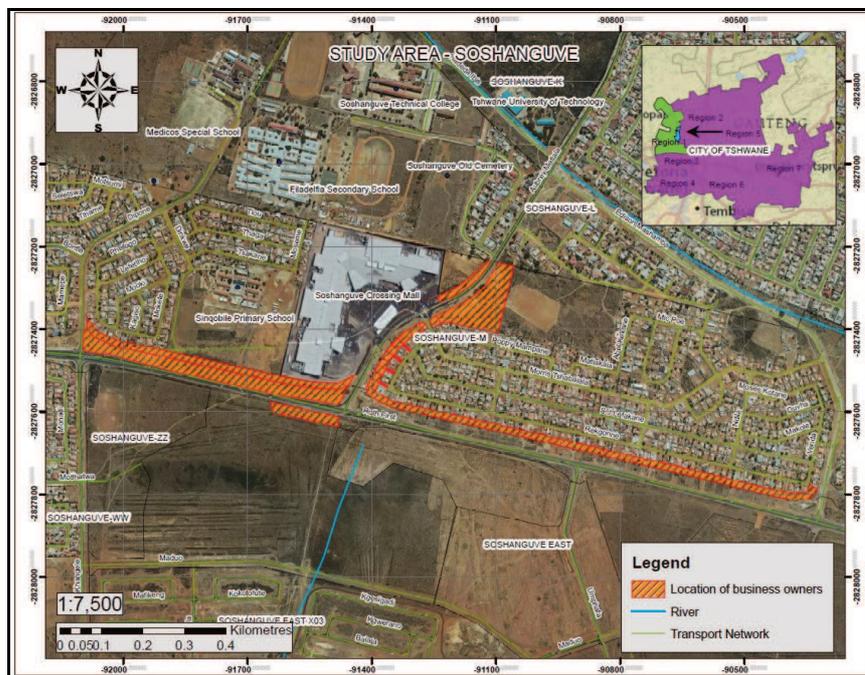


Figure 2: Study area depicting location of business owners – Soshanguve crossing node

The RSDF (2013) does cater for non-residential land uses like small scale business by means of the rezoning of the properties. However the properties to be rezoned should meet the minimum requirement of measuring 500m<sup>2</sup> in extent as indicated by the town planner of the ward. The average property size in Soshanguve and most townships in South Africa ranges between 200 m<sup>2</sup> and 250 m<sup>2</sup> (COT Soshanguve, Approved township layouts – average property size). This clearly indicates that the local spatial and economic development not only do they not speak to each other but frustrate and are a hindrance to the development of small black

enterprises. In addition, such hindrances places much needed spotlight on the inability to secure tenure through private or public funded (e.g., lease to own, alienation of council property or the sale/purchase of council property) means. Local development proposals and projects are often frustrated by land requisition processes, which further heightens the current land debate in South Africa. Local business owners struggle to submit, finalise and pay towards land development applications because of cash flow issues coupled with lack of planning policy information, guidelines and processes. Metropolitan and local municipalities like City of Tshwane and City of Johannesburg are now challenged to align their planning and enforcement by-laws with the proposed enactment of the Township Economic Development Act by provincial government. The Act is a piece of legislation that is set to unblock many of the business enterprises’ developmental and growth challenges.

The map overleaf, Figure 3 (mixed used vacant land parcels), was created through desktop analysis of strategic land parcels and their respective ownership. The land parcels abuts the R80 Mabopane Highway to the east and intersects with mobility roads Ruth First road, to the north, Umphafa road, to the west, and Hebron road to the south. The vacant land parcels are largely owned by both local and provincial government. This also illustrates the need for co-operative governance in the realisation of transformation goals. This is evident in the majority of business owner participants having a clear expectation from the City of Tshwane Metropolitan Municipality to create a conducive business environment, which emerged strongly in the study. The alignment of national, provincial and local government capital projects has always been a point of contention where implementation is concerned. National development goals such as the three highlighted in the National Development Plan (NDP) namely 1. Eradication of poverty 2. Inclusive and accelerated economic growth and 3. Sustainable communities should ultimately trickle down to local implementation projects through the government hierarchy. One the one hand, the importance of business sites and location are associated with co-operative governance and on the other hand, is contradicted as well because of the precarious position informal business owners find themselves in operating their businesses along road reserves between 5 to 15 metres from the main mobility roads.

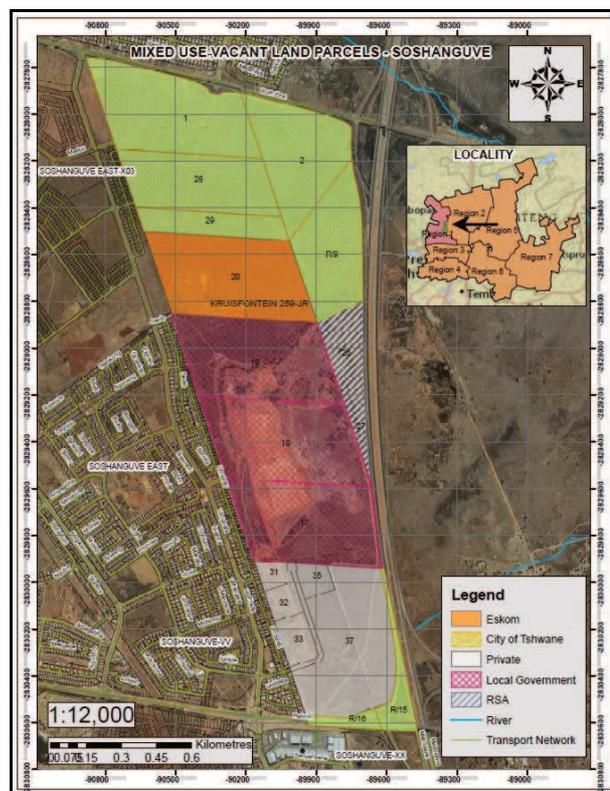


Figure 3: Map depicting ownership of mixed use vacant land parcels in emerging node

This heightens and deepens the urgent need to access to land which is visible as well as close to social and physical infrastructure. Proposed residential township developments are largely owned by private developers as private investment projects and in some instances in collaboration for the Department of Human Settlements through the Reconstruction Development Programme (RDP) houses. Local government is under

pressure to plan for and implement for economic centres and activities for areas that were previously excluded like Soshanguve, a predominantly black residential township. What are the economic trade-offs and land use negotiations between private developers, communities and local government. The desktop analysis of Figure 3 (mixed used vacant land parcels), was inspired by the possible implementation of one of the sustainability principles of the Spatial Planning and Land Use Management Act (SPLUMA), the optimal use of existing infrastructure towards the transformation of our cities for inclusive growth. Below is an extract from the City of Tshwane's RSDF, 2013, Figure 4, where the north-western vacant land parcel owned by the City of Tshwane (Portion 1 of the farm Kruisfontein 259-JR) as depicted in Figure 3 (mixed-use vacant land parcels) is a cemetery which constitutes only 21% of the land. In addition, it illustrates the current development trajectories informed by the City of Tshwane's spatial development strategy where economic development and growth are crucial. Figure 5 is a replica of Figure 4 only illustrating the future development strategy where the land parcels that are blue notated which abut the Mabopane Highway (R80) are earmarked for mixed land uses specifically commercial uses associated with promoting businesses.



Figure 4 (left): RSDF map depicting allowable land uses in emerging and current nodes (RSDF, 2013). Figure 5 (right): Future, local and community nodes and corridors (Draft RSDF, 2017)

The manner in which participant business locate themselves was found to be influenced by close proximity to infrastructure such as: roads, shopping centres, social amenities, housing developments, and among others and to be equally visible to community members, pedestrians and motorists. The importance of business sites are found to be a cause of the potential for businesses to grow economically. In addition, it is able to stimulate healthy competition among business which can result in economic growth. Notwithstanding the presence of retail developments, which are perceived as mixed positive and negative outlooks and where some participants interviewed in the case study, concerns with their presence while others had not. The importance of business sites and location, and the urgent need to access to land are key findings discussed later on in this paper.

The categories derived from codes and translated into emerging themes are tabulated below with the category definitions. It links with Figure 1 described earlier. The four main emerging themes include: i) rethinking of functional business environment and local governance; ii) business advancement and capacity building; iii) socio-economic hardships; and iv) land and infrastructure investment.

## 7 RESEARCH CONTRIBUTION

Inclusive growth and socio-economic justice are intrinsically tied. The right to the city concept and social capital imaginings should be used more often as planning tools for planning theory and practice lined to spatial planning and LED. It will also urge for the clear expression of strategic spatial planning in LED policies in order to achieve the objectives of the transformation agenda.

## 8 RESEARCH LIMITATIONS

This paper is a glimpse of a master's dissertation. The use of Computer assisted qualitative data analysis (CAQDAS) requires more technical support. The study ensured trustworthiness through triangulation where multiple data sources were used to build a complete picture of a phenomenon. Opoku, Ahmed and Akotia (2016:40) proffer that the usage of multiple data collection methods grants the researcher the opportunity to 'triangulate their findings to provide more solid evidence and a better representation of the social world'.

## 9 DISCUSSIONS AND CONCLUDING REMARKS

The findings are based on the perceptions of business owners in Soshanguve of how they view spatial planning efforts and the way it has shaped (or not) the viability of their businesses and discussed and expanded below.

<p><b>1. Theme: Rethinking of functional business environment and local governance</b></p> <p>Categories: Expressions about relations between business and government <b>Definition:</b> Opinions on relationship between business owners and municipal officials. Patronage in local governance <b>Definition:</b> General comments about municipal official corruption and impacts on business development. Need for more localised and community based planning <b>Definition:</b> Common views about the need to include the community when drafting planning policy.</p>
<p><b>2. Theme: Business advancement &amp; capacity building</b></p> <p>Categories: Calls for effective business support systems <b>Definition:</b> General remarks concerning business education and management. Positive and negative business trajectories <b>Definition:</b> General comments about business potential. Business inputs and social impacts <b>Definition:</b> Range of comments about social ills affecting labour force and business performance.</p>
<p><b>3. Theme: Socio-economic hardships</b></p> <p>Categories References to poverty <b>Definition:</b> Overall complaints about current economic conditions.</p>
<p><b>4. Theme: Land and infrastructure investment</b></p> <p>Categories Land and infrastructure availability <b>Definition:</b> Overall comments about accessing space and infrastructure for business activities.</p>

Table. 1 Findings themes and categories – Research Study Findings

### 9.1 Rethinking of functional business environment and local governance

As part of policy document analysis, it is only natural to consult the regional spatial development framework (RSDF) as the strategic spatial planning tool for South African municipalities. This is also true for the integrated development plan (IDP) as a local economic development (LED) tool for economic growth. The location of business owners was imperative at the outset for the holistic approach adopted in the paper. Businesses of interest were ones that were along economic activity streets and informally along mobility roads as well as around strategic land uses. Soshanguve is a historically black residential area where economic activities lacked and had limited social services (Naidoo, 2011; Mngadi, 2013). With the current emphasis on sustainable development and self-sufficient communities, transforming the economy and spatial challenges is at the forefront. The township economy is dynamic and boasts a plethora of black-owned businesses. Small scale and informal businesses are the heart of the township economy and are faced with numerous challenges that stifle growth. Figure 5.2 is a map depicting the location of the 12 small scale and informal business owners. The businesses are located within the ‘Soshanguve Crossing’ node which is shown as the study area and are located south and east of the ‘Soshanguve Crossing Mall’ shown on Figure 5.2. The study area is strategically located to strategic land uses such as the Tshwane University of Technology (TUT) (RSDF, 2013). Businesses should locate within nodes where mixed uses, retail and offices are envisioned along activity streets, in specialised areas for strategic investment (ibid). Figure 5.3 is a map that tells a story of the investment potential for vacant land parcels with respective stakeholder ownership. The perceptions of the business owners that seek for a transparent and effective government system emerge strongly from the study. Example of need for community cohesion:

“The thing is we don’t get invited to such things, yah you know the schooled people will tell you that it is above your pay grade as they put it. But we don’t get invited to such things even when it comes to the town planning of this area, it would be nice for the City of Tshwane to engage with people who will be buying and selling and staying in those areas; even the town planners to be honest they failed to plan for this area, the VV’s. Because there is too much congestion at the traffic lights.”<sup>3</sup>

In addition, not only is the relationship between business owners and local government important but more so between the business owners as a community. This was linked and associated with a form of community support as co-operation between business owners in the sights and hopes to create possible consortiums.

<sup>3</sup> Confidential interview

Community cohesion is also largely dependent on strong networks and links where the lack of planning policy information can be attributed to weak active citizenry and participation. These effects can also be strongly felt with political inferences impacting service delivery with the change in political leadership in the city. This has been also evident in the importance and functioning of municipal customer care centres, which form part of business support structures on the one hand but contradicts lack of information about land parcels (business premises) on the other hand. Haferburg (2013) argues that African cities should be premised on relational webs and that development should be steered by the shared role of government and local institutions as well as businesses where trust and social consensus are present. An example of ground covered include the Townships Economic Development Act (National Treasury, 2017) where the act will nullify municipal planning by-laws, which are bureaucratic “red tape” in nature and hinder economic growth and prioritise business enterprises to grow in the local economic and industrial space. With that said community transformation cannot occur in isolation in cities and regions, it has to be accompanied by institutional transformation. Institutional transformation with one of the pressing issues is the synchronicity, alignment and effectiveness of all South African government spheres: national, provincial and local through where Pereira et al (2017) posit that cities globally are positioned to identify, adopt and implement transformational solutions. This paper argues that deepened community-based and collaborative planning is essential in the planning and implementation of planning policy and theory.

## 9.2 Business advancement and capacity building

The overall outlook on business trajectories was found to be largely positive. The factors affecting business advancement and transformation could be attributed to low education levels and lack of skills development training especially for the youth. While on the one hand, this may be attributed to the lack of community and local government LED initiatives and more so the lack of information dissemination and it doesn't get filtered down the right channels. On the other end, local government has been recognised for the business programmes they do roll out but the lack of monitoring and evaluation of business also emerged. With that being the case, the overall impediment to business advancement and growth was found to be the urgent need for access to land where sentiments of land ownership were shared to better equip business owners with resources by means of financial institutions. The other side affecting business outputs are the actual inputs (labour) affected by social impacts such as prevalent youth substance abuse which can be attributed to aggravated unemployment conditions and the unskilled youth. Other social aspects that emerged were references to oversupply of similar businesses by foreign nationals which warranted a negative outlook on the future and stimulated feelings of worthlessness. The potential for business growth was unwavering by the presence of retail developments while other business owners felt retail developments have competitive pricing models due to their large scale existence. While the business support structures were criticised to lack diversity but diverse business opportunities were perceived. Example of business inputs (labour) affected by lack of business management skills:

“The thing is when it comes to looking for funds my challenge mostly is that there are a lot requirements. They want a lot of things you end up being confused, they want business plans, financial statements and reports. Everything should be in order, and you remember I told you that if your management skills are lacking you won't be able to compile all of this you see. So now when you read there you see they want this and that you can't comprehend and you see which means I have to fix my business plan, when it comes to financial projections you can't do them.”<sup>4</sup>

This need for a conducive environment and support systems for local businesses is clear where local businesses should capacitate themselves if they are to transform, grow and eventually build wealth. They need to be cognisant of various development opportunities through education and support of local government. What do we mean by wealth creation, Kelly, McKingley and Duncan (2016) state that ‘wealth’ is building an economy that is inclusive and locally held by the community. Friedmann (2007) agrees with the latter and continues to state that the true wealth of a city-region vests in ‘human, social, cultural, intellectual, natural, environmental and urban assets’. This would enable a sustainable city where a region is able to invest in tangible assets and reduce dependency on outside capital. Social capital of black communities is paramount in the realisation of community building goals. Social capital can only work and be efficient when collaborations are sound and mutual trust exists and the ability to depend on each other.

<sup>4</sup> Confidential interview

The development of cultural capital is paramount which is equally as important as social capital. This paper argues that black communities see no value in unity and thus lack individual agency as well as collective agency to change and ultimately build wealth for their communities. In addition, the value system amongst black communities has diminished where intangible qualities such as integrity, organisational skills, individual agency and trust, which are central to community and wealth building, are absent or difficult to find. The continued absence and overlooking of the latter community characteristics will see the continued impoverishment of black communities and no real or tangible transformation.

### 9.3 Socio-economic hardships

The reference to persistent poverty emerges strongly from the situation on the ground where there are a proliferation of informal businesses and informal settlements who somewhat possesses an individualistic agenda purely because of they are survivalists in nature. The unemployed labour force, all ages, become precarious to social ills such as prevalent youth and substance abuse linked to reduced business inputs in the advancement of businesses. The current socio-economic hardships experienced may be linked to perceived lack of tangible improvement since democracy. This is supported by Naidoo (2011) she revealed that small portions of people in one of her selected areas in Tshwane, Soshanguve claimed that their lives became in the socio-political transition of those areas. An example of perception on tangible improvement since democracy:

“You see that there’s nothing that the government is really doing to assist us, count from the year 1996 till now 2018, 22 years of nothing.”<sup>5</sup>

In addition it emerged that the false pretence of hardship and poverty could be attributed to the precarious business environment, informal business owners find themselves in. As well, the lack of community and local government LED initiatives espoused feelings of abandonment by the municipality whose sole mandate, they believe, is service delivery to previously disadvantaged areas. The latter coupled with the presence of foreign nationals creating competition evoked perceptions of worthlessness. Arendse and Patel (2014:10) provide insight on the importance for the strong and ongoing support from local government to further strengthen community efforts as well as develop clear local-local and local-external connections. In the urgent need for poverty eradication and growth of local business, communities should learn from each other. This spirit of efficient networks should be instilled in a way a business is run as well collaborations with various local government departments as well as community members.

### 9.4 Land and infrastructure investment

Some parts of Soshanguve’s vacant land parcels are undevelopable because they are underlain by wetlands. The trend to create parks for residential areas is prominent and proof of that. A few of the land parcels earmarked for mixed uses are categorised as ecological support areas but still largely transformable to mixed land uses. The mixed use potential vacant land parcels owned by the City of Tshwane illustrated in Figure 5.3, the north-western part at the intersection of Ruth First and Umphafa roads are currently used and shown in the future RSDF, Figure 5.4 (RSDF, 2013) and 5.5 (RSDF, 2017), as a cemetery for Soshanguve. One can also note that although this land is currently used for a cemetery, it only constitutes 21% of the vacant 105 hectares owned by the local authority. Figure 5.4 and 5.5 illustrate the current development trajectories of Region 1 of the city. It is a result of strategic investment efforts in the area through bulk infrastructure services and retail opportunities through private investment. The overall consensus emerging from the analysis is that there indeed is an urgent need for access to land and infrastructure for business activities. This is justified by the willingness of the participants to rent municipal or private land:

“The most important thing is a shelter and/or storage, even if they say we should rent from them but I know Tshwane they won’t charge us rent of more than R100, it normally would be R100 or less around R80 especially there around Mabopane Station, the storage there, they pay around R80 and in Ga-Rankuwa there is storage there as well for the same price. If it is expensive and maybe the price has gone up, I don’t think the rent would be more than R120.”<sup>6</sup>

<sup>5</sup> Confidential interview

<sup>6</sup> Confidential interview

Although the willingness of business to acquire municipal or private owned land is justified, the tendency for both private and the municipality to retain land and not lease or sell emerged during the research undertaken for this paper. This then, in turn contradicts the urgency of access to land and the expectation from business owners to the city to provide a conducive environment towards an inclusive economy. The fact that the city is more likely to sell prime land to private developers for capital injection in the city's budget is paradoxical towards community building efforts. The informal businesses are located along street reserves, Ruth First road and Aubrey Matlala Street and the uncertainty of conducting business is daunting although a 85% positive outlook on the future. This could also be related to the capacity building and advancement of businesses where they are required to comply but hold negative views about having access to land. As strong as the perceptions of the land question, the fact that the majority of strategic land parcels available for development and are privately owned. This study is showcasing the potential for the efficient use of relational webs and social networks through the right to the city concept and, social capital respectively to achieve inclusive growth on the transformation agenda. Our urban centres are tasked to be resilient in undertaking urban challenges through the optimal use of infrastructure and through investment in order to install the necessary infrastructure required to support local businesses. Development paradoxes appear visibly when businesses are expected to comply with municipal by-laws and maintain safety and order yet there is a clear indication of the perceived lack of business premises and inability to acquire such premises as a result of strained finances and lack of institutional support:

“I can say maybe due to financial issues because if I can get that land, I won't be able to build or develop the land.”<sup>7</sup>

Space is a place or an area where things can happen. In the absence of space, there is a multitude of hindering factors to the growth of a business. The average residential property size in Soshanguve is 200 m<sup>2</sup> where favourable business sites are expected to larger than 500 m<sup>2</sup>. One would argue that spatial planning hasn't been robust enough to see the rectification of historical imbalances in society. In addition, one may argue that although there are blurred lines between theoretical socially just planning policies versus the implementation thereof; perhaps, spatial planning has been given a new façade. The urge to challenge the current status quo exist as well as pushing new knowledge frontiers. Growth in the Sub-Saharan African region is expected to firm to 2.9 percent in 2020, and accelerate further to an average of 3.2 percent in 2021-22; In South Africa, growth is expected to firm to 0.9 percent in 2020, before strengthening to an average of 1.4 percent in 2021-22 (World Bank, 2020: 143). With cities, regions and municipalities as engines for economic growth, the investment potential of such regions/spaces have to align themselves accordingly. Types of investment in Soshanguve are largely residential and retail developments and industrial and/or manufacturing developments take a backseat. Surrounding the currently ongoing and heated South African land debate, it is befitting that this was the most expressed theme. The paper has highlighted the importance of economic infrastructure, access to land and investment in township economies and their symbiotic relationships.

This paper has provided an understanding of the perceptions that black business owners possess in Soshanguve towards the possible transformation of the township economic space local businesses operate in. It drew a picture of the current phenomenon unravelling in the ‘Soshanguve Crossing node’ surrounded by the latest extensions of Soshanguve have inefficient economic investment to diversify economic opportunities (RSDF, 2017: 15-34). The scarcity, therefore, inhibits the adequate development of informal township economies to enhance entrepreneurial development towards wealth creation and self-reliant communities. Stronger community networks should be fostered and conscious effort in strengthening those networks by various stakeholders especially the community themselves is possible. The most pertinent issue black communities need to realise is that there are far greater and more powerful external forces such as market forces where the export momentum is forecasted to be hindered by weak external (global) demand for products and goods (World Bank, 2020: 144-5). The internal forces thus need to be significantly reduced through trust, collective agency, pooling of financial, and human resources to create a conducive business environment. Notwithstanding the role and responsibility of local government and institutions to facilitate such an environment through the relief of frustrated business processes. The transformation of township space economies has yet to be ticked off as one of the transformation and economic growth agendas. The

<sup>7</sup> Confidential interview

paper concludes that significant strides have been taken, from policy perspective, for township economies to grow but the implementation and robustness lacks. In addition, participant business owners have revealed that spatial planning efforts haven't catered for the viability of their businesses to grow or transform and ultimately generate wealth. The paper further concludes by urging the City of Tshwane (local government) to realise that they have ground to cover in the coproduction of planning epistemologies and practice towards a platform for inclusive and transformative growth and social and economic justice. From this perspective, the City of Tshwane has ground to cover in the coproduction of town planning epistemologies and practice towards a platform of achieving inclusive and transformative growth and social and economic justice.

## 10 ACKNOWLEDGEMENTS

In the production of this study, the research participants who shared their fears, hopes and dreams are acknowledged and thanked. This study also acknowledges the Ernst & Ethel Eriksen Trust for the financial support and the Department of Sociology and Town and Regional Planning, University of Johannesburg for their continued support.

## 11 REFERENCES

- Abrahams, D. 2003. Local economic development in South Africa: A useful tool for sustainable development, *Urban Forum*, 14(2-3): 185-200.
- Arendse, W. and Patel, Z. 2014. 'No Messing in Bonteheuwel': the role of social capital and partnership building in sustainable community development. *Stads-en Streeksbeplanning= Town and Regional Planning*, 2014(65):1-11.
- Berry, A.; von Blottnitz, M., Cassim, R., Kesper, A., Rajaratnam, B. and van Seventer, D. E. 2002. 'The economics of SMMES in South Africa'. *Trade and Industrial Policy Strategies*, 1: 1-116.
- City of Tshwane Metropolitan Municipality. 2013. Draft Integrated Development Plan 2013. Accessed 24 April 2017, <http://www.tshwane.gov.za/sites/Departments/City-Planning-and-Development/Draft%20RSDF%202012/RSDF%20Region%201.pdf>
- City of Tshwane Metropolitan Municipality. 2017. Draft Regional Spatial Development Framework 2017/21. Accessed 24 April 2017, <http://www.tshwane.gov.za/sites/Departments/City-Planning-and-Development/Pages/Draft%202017-RSDF.aspx>
- Creswell, J. W. 2013. *Research design: Qualitative, quantitative, and mixed methods approaches*. Los Angeles: Sage publications.
- Dasgupta, P. and Serageldin, I. (editors). 2001. *Social capital: a multifaceted perspective*. Washington D. C: The International Bank for Reconstruction and Development (The World Bank).
- Department of National Treasury. 2017. Township economic development: A framework for the development of metro strategies. Township Economies Series #5 – Cities Support Programme, available at: [https://csp.treasury.gov.za/Resource%20\\_Centre/Conferences/Documents/CSP%20Tools/Economic%20Development/Township%20Economies%20Series%20Paper%205.pdf](https://csp.treasury.gov.za/Resource%20_Centre/Conferences/Documents/CSP%20Tools/Economic%20Development/Township%20Economies%20Series%20Paper%205.pdf) [accessed: 03 March 2020].
- Evans, M. and Syrett, S. 2007. Generating social capital? The social economy and local economic development. *European Urban and Regional Studies*, 14(1): 55-74.
- Friedmann, J. 2007. 'The wealth of cities: towards an assets-based development of newly urbanizing regions'. *Development and Change*, 38(6): 987-998.
- Global Entrepreneurship Monitor (GEM). 2016. "GEM South Africa 2016-2017 Report – Can small business survive in South Africa?" Accessed 30 September 2017, <http://www.gemconsortium.org/country-profile/108>
- Gumede, V. ed. 2018. *Inclusive Development In Africa: Transformation of Global Relations*. Pretoria: Africa Institute of South Africa.
- Haferburg, C. 2013. 'Townships of to-morrow? Cosmo City and inclusive visions for post-apartheid urban futures'. *Habitat International*, 39:261-268.
- Harvey, D. 2008. 'The right to the city'. In LeGates, R.T and Stout, F. (editors). *The City Reader*. New York: Routledge.
- Harvey, D. 2012. *Rebel cities: From the right to the city to the urban revolution*. New York: Verso Books.
- Healy, T. 2002. 'The measurement of social capital at international level'. *Social Capital: The Challenge of International Measurement Series of the Organisation for Economic Co-operation and Development (OECD)*. Paris. Accessed 15 April 2017, <https://www.oecd.org/dataoecd/1/60/2380281.pdf>
- Horn, A.C. 2004. 'Reflections on the concept and conceptualisation of the urban neighbourhood in societies in transition: The case of Pretoria (South Africa)'. *Dela* (21): 329-340.
- Kelly, M, Mckinley, S and Duncan, V. 2016. 'Community wealth building: America's emerging asset-based approach to city economic development'. *Renewal*, 24(2): 51-68.
- Lefebvre, H. 1991. *The production of space (Vol. 142)*. Oxford: Blackwell.
- Merriam, S. B. and Tisdell, E. J. 2015. *Qualitative research: A guide to design and implementation*. San Fransisco: John Wiley & Sons.
- Mngadi, M. T. 2013. 'The role of integrated development planning in the integration and transformation of former apartheid townships in South Africa'. Master's dissertation, University of Kwazulu-Natal.
- Morphet, J. 2010. *Effective practice in spatial planning*. London: Routledge.
- Musakwa, W. 2008. 'Local economic development as a poverty alleviation tool: A case study on the urban renewal program in Kwamashu, Durban'. Master's dissertation, University of Kwazulu-Natal.
- Naidoo, K. 2011. 'Poverty and socio-political transition: Perceptions in four racially demarcated residential sites in Gauteng'. *Development Southern Africa*, 28(5): 627-639.
- Nieman, G. and Nieuwenhuizen, C. 2009. *Entrepreneurship: A South African Perspective*. Pretoria. Van Schaik Publishers.

- Opoku, A., Ahmed, V. and Akotia, J. 2016. *Research methodology in the built environment: A selection of case studies*. London: Routledge.
- Organisation for Economic Co-operation and Development (OECD). 2001. *What is Social Capital? OECD Insights: Human Capital*. Accessed 26 April 2017, <https://www.oecd.org/insights/37966934.pdf>
- Pereira, G.V., Cunha, M.A., Lampoltshammer, T.J., Parycek, P. and Testa, M.G. 2017. Increasing collaboration and participation in smart city governance: a cross-case analysis of smart city initiatives. *Information Technology for Development*, 23(3), 526-553.
- Rogerson, C.M. 2006. Pro-poor local economic development in South Africa: The role of pro-poor tourism. *Local environment*, 11(1):37-60.
- Van Staveren, I and Knorringa, P. 2007. Unpacking social capital in economic development: How social relations matter. *Review of social economy*, 65(1):107-135.
- Van Wyk, J. and Oranje, M. 2014. 'The post-1994 South African spatial planning system and Bill of Rights: A meaningful and mutually beneficial fit?' *Planning Theory*, 13(4): 349-369.
- Walby, S. 2018. Policies for inclusive economic growth. *Soundings*, 69(69), 32-49.
- World Bank. 2020. *Global Economic Prospects, January 2020: Slow Growth, Policy Challenges*. Washington, DC: World Bank, available at: <https://www.worldbank.org/en/publication/global-economic-prospects> [accessed: 05 March 2020].