



INEQUALITY AND ECONOMIC MARGINALISATION



Challenges of the inclusive city: Making urban spaces and places for all



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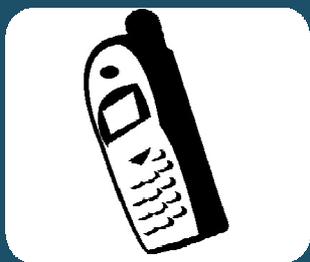
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For Urban LandMark

November 2008



TIPS
TRADE & INDUSTRIAL POLICY STRATEGIES

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ABOUT THIS RESEARCH

The 2007 Annual Report of the Accelerated Shared Growth Initiative of South Africa (AsgiSA) identified a need to focus on what was then called ‘the second economy’, and on mechanisms to ensure shared growth reaches the margins of the economy. The Second Economy Strategy Project was initiated in this context. It reported to the AsgiSA High Level Task Team in the Presidency, but was located outside government in TIPS.

A review of the performance of government programmes targeting the second economy was completed in early 2008. The project then commissioned research and engaged with practitioners and policymakers inside and outside government. A strategic framework and headline strategies arising from this process were approved by Cabinet in January 2009, and form part of the AsgiSA Annual Report tabled on 16 April 2009.

In South Africa, people with access to wealth experience the country as a developed modern economy, while the poorest still struggle to access even the most basic services. In this context of high inequality, the idea that South Africa has ‘two economies’ can seem intuitively correct, and has informed approaches that assume there is a structural disconnection between the two economies. The research and analysis conducted as part of the Second Economy Strategy Project highlighted instead the extent to which this high inequality is an outcome of common processes, with wealth and poverty in South Africa connected and interdependent in a range of complex ways. The different emphasis in this analysis leads to different strategic outcomes.

Instead of using the analytical prism of ‘two economies’, the strategy process placed the emphasis on the role of structural inequality in the South African economy, focused on three crucial legacies of history:

- The structure of the economy: its impacts on unemployment and local economic development, including competition issues, small enterprise, the informal sector, value chains and labour markets.
- Spatial inequality: the legacy of the 1913 Land Act, bantustans and apartheid cities, and the impacts of recent policies, looking at rural development, skewed agriculture patterns, and the scope for payment for environmental services to create rural employment.
- Inequality in the development of human capital: including education and health.

TIPS’s work around inequality and economic marginalisation is built on the outcomes of this strategy process.

The research undertaken under the auspices of the Second Economy Strategy Project continues to be relevant today as government explores policy options to reduce inequality and bring people out of the margins of the economy. This report forms part of that research.

A list of the research completed is available at the end of this report. Copies are available on the TIPS website: www.tips.org.za.

May 2012

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ABSTRACT

This paper unpacks from a spatial perspective, the duality of urban contexts in South Africa that is of unprecedented opulence on the one hand and remarkable deprivation on the other, as stated by Sen (1999: xi). Although focused on the second economy as required by the terms of reference and the targeted sector of this paper, the paper argues for a position where the binary of first and second economy, formal and informal, planned and unplanned and so on, in the minds of policy makers, technocrats and professionals in the built environment begins to collapse into a unified conceptual spatial imaginary of the city, the urban, the container that we all value as the space to respond to the needs and desires of urban society, both us and them, poor and non-poor.

It considers the contents of government policies and programmes in terms of a number of urban problems that continue to exist despite well-intentioned interventions, using a limited sector analysis approach and case studies and/or secondary sources, mainly based in Cape Town and the Western Cape. Five strategies are put forward including: 1) Take stock of the urban – make cities, not constructed landscapes; 2) Creating a soulful city; 3) Generating homes for all; 4) Designing a sustainable city; and 5) Moving towards urban economic interdependence. A direction for the role of government concludes the paper.

1. THE NATURE OF THE URBAN PROBLEM

“We live in a world of unprecedented opulence, of a kind that would have been hard even to imagine a century ago. There have also been remarkable changes beyond the economic sphere. The twentieth century has established democratic and participatory governance as the preeminent model of political organisation. Concepts of human rights and political liberty are now very much a part of the prevailing rhetoric... And yet we also live in a world with remarkable deprivation, destitution and oppression. There are many new problems as well as old ones, including persistence of poverty and unfulfilled elementary needs, occurrence of famines and widespread hunger, violation of elementary political freedoms as well as of basic liberties, extensive neglect of the interests and agency of women, and worsening threats to our environment and to the sustainability of our economic and social lives. Many of these deprivations can be observed, in one form or another, in rich countries as well as poor ones. Overcoming these problems is a central part of the exercise of development.” (Sen, 1999: xi)

Beall et al. (2002: 9) confirm the duality, as recognised by Sen, at an urban level, “Whether read from the macro, meso or micro-scales, cities are not only sites of economic development, vibrant centres of social and cultural creativity or sites of political innovation. They are also places of disadvantage and division and can be divided along a range of axes, including class, race, ethnicity, gender, generation and length of urban residence.” There is a desperate need to readdress an alternative development that aims to meet a balance between growth and access to opportunities, particularly among the urban poor.

Taking cognisance of South Africa’s past that resulted in dual cities as described by Beall, it is now crucial to understand spatial planning in relation to the economy. In many cities, the spatial and economic challenges are the same as those left by apartheid. Some of these issues have even been intensified; some have taken on new forms and characters (Christopher, 2001; SOCR, 2004; Watson 2003). These multiple urban challenges of South African cities are well known, with continuing current increases in socio-economic and spatial inequalities. It is widely recognised that a direction of change is required to radically transform previously fragmented apartheid cities in order to contribute to the making of compact, efficient, equitable, sustainable and integrated human-scale environments (Dewar & Uytendogaardt, 1991; Harrison, 2006; Pieterse, 2006; Watson 2003). This leads to the questions of why do we remain socially inefficient and spatially exclusionary in our current urban environments in South Africa?

Although there has been economic growth in recent years, it has proved impossible for the South African government to respond to the basic needs of all citizens. The Budget for 2008/9 year proposes large investments in different sectors¹. Yet, there is little understanding of how all these different sectors are integrated into a long-term and sustainable spatial vision for the South African city. Combined with these issues are the intensifying environmental concerns and the impact on depletion of valuable resources, in particular water and energy, of countries in Southern Africa².

¹ Projects such as the stadiums for 2010 and Gautrain project require large investment. For an understanding of the National Budget for 2008/9

<http://sarsis.onsite.hosting.co.za/budget/Budget%2020082009/Speech/Speech.pdf>

² A manifesto developed under the United Nations (Cocoyoc Declaration, 1974: 170-1) raised similar issues related to the global concerns in the 1970’s. The United Nations argued for alternative development with

However, such critical pressures give no reason for despair for the future of our cities. Perhaps this is no better time in South Africa than to seize the crisis as an “enabling moment” (Pieterse, 2006). Burdett and Sudjic (2007) argue that the future well-being of our cities lies in a more profound understanding of the interconnections of urban form and the social, political, cultural and economic processes that give rise to them. Consequently, this paper argues that the planning and design of the built environment, the distribution of density, the occupation of space and the subsequent impact on the quality of life of cities citizens’ should be at the forefront of South African policy.

Sen (1999: 7) emphasises that, “The freedom to participate in economic interchange has a basic role in social living.” There is a need to create human wealth, both spiritually and culturally, and to capture positive tangible assets, the basic fundamental needs (Friedmann, 1992), towards building sustainable and socially just cities, where people and their livelihoods are the central focus. Primary components focus on appropriate housing with secure tenure (emphasising access to land opportunities) and essential services; access to good education and health; safe, efficient and reliable public transport; and employment opportunities (both formal and informal). “The satisfaction of these tangible, material needs constitutes the foundation for our most fundamental right, the right to life” (Friedmann, 2006).

Many South African cities experience a physical landscape that monumentalises separation over inclusion, in which public space fails to perform its democratic potential as a place of exchange, tolerance and healing. The richness of the city and its people is directly related to the quality of its public domain. Public facilities, spaces and institutions’ location as structuring elements to urban form is therefore critical when attempting to address urban restructuring objectives which aim to improve social and economic integration; address the inequitable distribution of opportunities; and provide basic levels of access and convenience for a full range of people especially those who move on foot.

Sen (1999:5) states, “What people can positively achieve is influenced by economic opportunities, political liberties, social powers, and the enabling conditions of good health, basic education, and the encouragement and cultivation of initiatives.” Sen (1999: 11) further reasons that empirical connections reinforce priorities, where, “Political freedoms (in the form of speech and elections) help to promote economic security. Social opportunities (in the form of education and health facilities) facilitate economic participation. Economic facilities (in the form of opportunities for participation in trade and production) can help generate personal abundance as well as public resources for social facilities. Freedoms of different kinds can strengthen one another... With adequate social opportunities, individuals can effectively shape their own destiny and help each other. They need not be seen primarily as passive recipients of the benefits of cunning development programmes. There is indeed a strong rationale for recognising the positive role of free and sustainable agency – and even of constructive impatience.”

2. A POSITION ON THE SECOND ECONOMY AND WHAT THIS MEANS FOR CITY MAKING

To begin the debate, an important aspect is to understand the dynamics of what is currently considered the 'second economy'³, what it entails, its growth and change over time, space utilised, various components needed and the people involved in such an economy. This understanding of the workings of the second economy is crucial for appropriate policy formulation (McPherson, 1996) that is not separate from the first economy. Rogerson (2001: 115) states that, "Small enterprises have shifted from the policy periphery to occupy now an increasingly more central role in African development planning."

There is a need to question the distinction between the 'first' and 'second' economies. This paper argues that by separating the first and second economies into different sectors immediately reinforces the dual system of citizenship, where the wealthy are the privileged few and the rights and opportunities of the majority of the urban poor are excluded (van Donk, 2005). However, there are many complex, informal interrelationships and linkages that connect these two economies at various different intra-urban scales and among various activities. These two economies do not perform in delineated production patterns, but they rather integrate processes, reinforce spatial interaction and allow for informal behaviour which permeates into life cycle activities of the economy and the city. All aspects of the economy are linked. Formal sector employees live and interact with people who have and do not have access to formal jobs and/or informal jobs. Growth in the formal economy feeds down throughout the economy in terms of increased purchasing power (income), demand for labour and services. Similarly, opportunities in the second economy influence the supply of labour (both current and future in terms of education), the demand for products and so on.

Consequently, this paper proposes an approach that is about an inclusive and integrated 'interdependent economy' that begins to provide simultaneously, social upliftment and poverty alleviation. Clearly different policies are required for different aspects of an interdependent economy. Nevertheless, without significant current changes to the spatial environment, such positive motives to develop an economy that can lead to sustainable urban planning, will not succeed. This emphasises the need for a unified conceptual spatial imaginary of the city, the urban, and the container that we all value as the democratic space to respond to the needs and desires of urban society, including the rich, the poor and the people in-between.

We call for a re-visioning of the South African city that provides accommodation for multiple ways of being, inhabiting and traversing the urban domain where the foreground spaces beat with the temporal dimensions of everyday motions. There is a need to make the city flexible and accessible to all citizens and to recognise that different activities across the scales of the economy are fundamental to the workings of a city. The idea focuses on the people being the agents of change and engaging in the diverse opportunities of cities.

The four key themes towards a spatial imaginary of the city include and question firstly, the changing nature of work and its impact on the physical form of the city; secondly, how public life and urban spaces of the city foster or inhibit acceptance and/or tension among different

³ The second economy is seen to include diverse levels of interrelated production types and patterns of investment and trade, intertwined with strong social networks and community engagement. It is inclusive of variations of, and amongst others, small to medium-scale activities (micro-enterprise), labour intensive production, the informal sector (from itinerant to more permanent activities), casual and mobile employment (particular to rural-urban migrants) and the unemployed (Werna, 2001). Production, sales or trade also occur within the household or commonly known as home-based enterprise (HBE) (Ewing, 2002). The informal sector has been widely researched and recognized (see de Soto, 1989; Hays-Mitchell, 1993; ILO/UNDP, 1972; Rogerson, 2001; Yankson, 2000).

communities; thirdly, how the design of settlements and neighbourhoods affect local communities and sustainable urban integration; and fourthly, the effects of mobility and transport systems on social cohesion and economic viability. Before the paper extends to these areas of debate, trends and policies are examined that are failing to respond to local needs resulting in a continuation of dysfunctional urban areas in South Africa.

3. THE FAILURE TO TRANSLATE POLICY INTO MAKING POSITIVE URBAN ENVIRONMENTS

Policy at National level informed by the progressive South African Constitution (1996), in particular the Bill of Rights (Chapter 2 of SA Constitution, 1996), has as one of its key concerns the social well being and development of the populace. The Bill of Rights protects the rights of citizens to housing and access to basic nutrition, water, shelter, basic health care and social services. In addition the United Nations Millennium Development Goals (MDGs), to which South Africa is a signatory, acknowledges the importance of socioeconomic goals⁴ (Ndlela, 2008: 223).

Nevertheless, municipalities have not focused on spatial solutions for local social and economic challenges. While national level policies and strategies promote increased levels of service delivery, the Constitution has put the onus on Local Government to attend to the economic and social development of communities. The Constitution requires Local municipalities to supply adequate municipal health facilities, child care facilities, local amenities, local sports facilities, markets and street trading, public spaces and parks, recreational spaces, municipal roads and transport, fire fighting services, municipal planning and building regulation amongst other things. Provincial authorities are largely responsible for health and education along with housing, while National level government directs subsidies to ensure the safety nets are in place. However both economic and social development remains fuzzy. The constitution does not define either of these clearly but it does define what the respective spheres of government are responsible for. This helps to understand what government perceives to be the key needs at local level. However, social and economic development are generally dealt with as specialised line departments such as 'Social Services' and 'Economic Development' allowing for little, if any cross-sectoral thinking and implementation to address the complex and multifaceted nature of poverty from an integrated perspective.

National level strategies have identified housing and 'service delivery' (the provision of water, power, solid waste removal and sanitation) as a core function of the state to address past inequities and addressing poverty⁵ (SOCR, 2004: 276). At the housing level, the key policy drivers, among others, in South African cities include:

- The Housing Act (Act 107 of 1999, as amended) which provides for 'the facilitation of a sustainable housing development process.'
- Breaking New Ground (BNG) (South Africa, 2004) which takes as its point of departure the constitutional rights of South African citizens to housing and has as its goal sustainable human settlements (SHS)⁶.

⁴ These include amongst others: the reduction in child mortality, the halving of HIV/AIDS by 2015 and the reversal of infection trends and ensuring all children have access to primary levels of education

⁵ Johannesburg produced one of the first strategies to acknowledge the complex nature of poverty and development in the form of a Human Development Strategy (HDS). The aim of the HDS was to address poverty through focusing on issues of both a social and economic nature.

⁶ To unpack the term *sustainable human settlements* (SHS) we refer to the Western Cape Sustainable Human Settlement Strategy (Department of Local Government and Housing, undated) interpreted in terms of Section 24(b) of the Constitution.

- The Social Housing Bill (2007) which provides for rental or cooperative housing options for low to medium income households at a scale that requires institutionalized management to be provided by social housing institutions or their equivalent in designated zones with the benefit of public funding as provided for in the Housing Act.

The imperative to deliver more sustainable forms of development is informed by the Sustainable Human Settlements strategies and the more recently developed National Framework for Sustainable Development (NFSD) (DEAT, 2006). The NFSD could influence outcomes at the local level. In view of the South African government's strong emphasis on investment in urban infrastructure, using Cape Town as a case study, Swilling (2006: 23-50) argues that sustainability and sustainable development options with respect to infrastructure planning, must inform future urban settlement.

The SHS strategies such as the Western Cape's have endeavoured to focus the state and practitioners on developing more sustainable environments by:

- Requiring that the housing challenge be considered more holistically rather than a demand-supply driven approach.
- Shifting to a resource conscious design and planning approach with specific focus on land as a resource to encourage the more centralised location of residential development.
- Looking at ways to generate social capital with specific focus on how to increase access to loan funding.

These policies and specifically the NFSD measure sustainability in terms of a set of targets which are quantitative and disregard the 'softer' issues of culture, heritage, and landscape among others. Development solutions focus on technology to provide a sustainable approach to urban infrastructural capacity issues.

Where land is concerned the key policy or legal frameworks that govern the question of urban land in South Africa include:

- Breaking New Ground (South Africa, 2004) which promotes access to well-located urban land and state or publicly-owned land in particular that should be developed in a sustainable manner and form and promote spatial restructuring while recognizing the existence of a property market that operates across both the first and second economies.
- The property clause in the South African Constitution which, among others, commits government to land redistribution on the one hand while protecting existing property rights, on the other hand (Ntsebeza, 2007:110).
- Legislation such as the Restitution of Land Rights Act (Act 22 of 1994) which promotes the principle of social justice through the restoration of land rights lost by displaced land claimants or communities.

This section obliges government and service providers to "secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development. In particular, the WCSHSS fully integrates the approach to sustainability articulated in the draft National Framework for Sustainable Development (NSDF)" (Department of Local Government and Housing, undated).

A policy or tool that sits somewhere between land and housing and applies only to Cape Town and Johannesburg in terms of urban development is the Urban Development Zone (UDZ) (CoCT, 2004)⁷. In the South African context, the aim of the UDZ is to reverse economic decline in inner cities; and maximize efficient utilisation of existing infrastructure. This is obviously a powerful policy tool with respect to inner city revitalisation the effects of which are clearly visible in the Cape Town inner city urban development zone. However, the negative effects include gentrification which essentially adds to the housing problem.

In regard to transport, the South African National Road Traffic Act (Act No. 93 of 1996) and the Road Traffic Signs Manual (adopted by SADC in 1996, approved SATCC in March 1999) with associated transport codes, standards and technical guidelines primarily support the construction of a vehicular road network⁸ with focus on vehicular mobility. Current thought on traffic management deals with ways of addressing commuter demand (mainly private) by building more highways to eradicate congestion (Tran:SIT, 2007). “In reality, the automobile – and the infrastructure that supports it – continues to warp the face of our cities and the structure of our lives” (Jones, 2006). Vasconcellos (2008) argues that road widths and technical demands radically impact negatively on the built environment as they generally do not relate to the social and economic requirements of the people.⁹

However, the transport laws and policies mandate us to challenge the technocratic planning which has a particular bias towards provision for the private vehicle:

- The National Transport Policy (White Paper on National Transport Policy, 1996) encourages the public to achieve a ratio of 80:20 between public transport and private car use. Therefore, all new urban development must reflect this split, especially in areas which are close to major transport routes and other amenities.
- The National Land Transport Transition Act (NLTTA) (Act No. 22 of 2000) not only prioritises modal integration¹⁰, but promotes the notion that land development and transportation cannot be considered in isolation from one another. The NLTTA identifies Non-motorised Transport¹¹ as a key consideration in transport planning.

⁷ An UDZ is an urban development tool used to shape and direct market driven development. It achieves this through the provision of a fiscal (tax) incentive which allows developers to write off selected expenses incurred while constructing, renovating or purchasing a building within a declared UDZ.

⁸ The Cape Metropolitan road network provides the existing road network and future road proposals to ensure that mobility is maintained in the long-term across the metropolitan area. The network is based on traffic modeling and proposes various higher order categories of roads, namely Classes 1 (freeways and expressways), 2 (primary arterials) and 3 (district distributors).

⁹ For example, a freeway that dissects a community from a school creates a high level of conflict as pedestrians try to access the facility ‘on the other side of the road’. In this instance, pedestrians are seen as secondary to vehicular-based transport systems.

¹⁰ Modal integration is defined as seamless travel between different public transport (PT) modes and services. This is achieved by creating a metropolitan PT systems consisting of a primary network supplemented by a secondary network. The primary network consists of corridor services where the PT operates in a separate right of way bus lane; the secondary network consists of feeder or community services that run throughout the metropolitan area and feed directly to main corridor at key nodal points for transfer.

¹¹ Many countries provide ‘traffic calming’ mechanisms to promote the safety of the pedestrian. However, more often than not, such measures do little to slow vehicles down and do not promote safe environments. The Dutch example of the ‘woonerf’, which means ‘street for living’, promotes integrating pedestrian and vehicular spaces, eliminating kerbs and placing amenities normally associated with the sidewalk in what would normally be the middle of the street. Drivers are forced to slow down, but they are also aware they are entering into a community space (Jones, 2006).

- The Provincial Vision for Public Transport and Five Year Strategic Delivery Programme¹² (PG: WC, 2003), Plan No.21 deals with the important aspect of the need to integrate pedestrian and cycling within an integrated network.
- The Provincial Strategy on Promotion of NMT Use (PG: WC, 2004) states that NMT must be incorporated into mainstream transportation planning where NMT is a required statutory component of development plans¹³.

While these policies attempt (in most instances) to address the needs of the most vulnerable sectors of the urban population, “poverty and inequality have been getting worse since 1994” (Ndelela, 2008: 223). Moreover, these policies do not acknowledge the necessity to deal with spatial patterns that exacerbate poverty.¹⁴ They are neither seen as an integral part of the broader forward thinking planning initiatives nor the larger housing and services rollout programmes which typically happen outside of any spatial framework.

Turner (1972) argued in the 1970’s, “Conventionally defined housing problems, stated in terms of quantitative deficits, arrived at by applying physical standards, concentrate attention on end products and simultaneously divert attention from deficiencies in the housing process itself.” Little seems to have changed in the housing sphere in the past 10 years in South Africa where there is still a mismatch between the peoples’ needs and desires and the delivery process. This disparity has been revealed in the protests and unrest experienced in Cape Town in 2005, 2006 and 2008 by back-yard shack dwellers and people living in poverty¹⁵ (Mammon & Ewing, 2005).

Some of the main observations in terms of these legal frameworks relative to practice and implementation are that:

- While there is a strong case for sustainable development options with respect to infrastructure planning, in practice the majority of projects implemented are according to ‘business as usual’ model.
- One cannot divorce the land and SHS’s debate from an urban argument that promotes social justice, urban and social integration at all scales of city making. In practice, SHS’s are often only associated with sustainable technologies. The proponents of sustainability in the housing or built environment arena often limit their perceptions of the term to building technologies, energy efficiency and environment within a framework of economic feasibility, not urban or social feasibility.
- Relationships between the authorities and departments mandated to deliver particular aspects of the broader urban services package are crucial from several points of view. Not only do they need to support each other programmatically and allow for budgetary processes that are integrated, but they need to be able to co-

¹² The Provincial Vision for Public Transport and Five Year strategic Delivery Programme consists of 22 plans in total.

¹³ There are various bicycling initiatives that promote safe NMT environments: Shova Kalula is an initiative that promotes cycling as a low cost mobility solutions with associated benefits of skills transfer and job creation; Safer Journeys to Schools Strategy (2007) is an initiative by the Public Safety and Planning Department of the Cape Winelands District Municipality.

¹⁴ In his state of the Nation address, president Mbeki reinforced the Anti-poverty strategy, but this has little impact on the spatial inequalities of cities (*Sunday Times*, March 16, 2008).

¹⁵ Housing riots as experienced in 2005 – see *Cape Times* (May 26, 2005). More recent evictions and related housing riots in both Joe Slovo and Delft areas in Cape Town related to the N2 Housing Gateway Project – see *Cape Times* (February 20, 2008) and *Cape Times* (March 11, 2008) .

ordinate implementation on the ground in a manner that allows a systemic understanding of the urban spatial environment.

- The housing and land debates are conflated, which results in the significance of land as a primary resource to address urban poverty problems being undermined.
- There is an inherent tension between the operations of the urban land market and social justice when referring specifically to the poor in a burgeoning urban democratic complex.
- There is a tendency for government at all levels to lean towards the private sector with respect to the implementation and practice of policy.
- Although the focus of transportation policy highlights the need and importance of PT, NMT and the relationship to land development, many implementation projects are guided by outdated technical (traffic) codes. Consequently, new guidelines need to be developed so that projects on the ground relate to policy towards sustainable compact city form.

3.1. City making, public structure and celebration spaces

The role of public spaces in positive urban environments across all scales from the very local to the larger neighborhood is a social one. Public spaces “represent the primary, and arguably the most important, form of social infrastructure” (Dewar and Todeschini 2004: 69). There is generally a correlation between location and scale of public space; the larger spaces usually associate with the most accessible urban conditions. Public facilities, public spaces and institutions which form the backbone of any public spatial network provide venues to address critical issues such as health, education and social development collectively. Public facilities and institutions are venues for people to congregate, discuss, perform, protest and interact outside of the confines of their private domains. These are also important spaces for recreation and relaxation especially given the nature of the majority of the lower income areas where positive urban space is at a premium.

While it is imperative that local authorities contribute to the making of the public realm, combined with management and maintenance, they also need to be careful not to stifle the creative response of citizens in fulfilling their basic needs and desires. The public realm needs to provide a venue for the spontaneous and creative energy of urban dwellers to be expressed if any social meaning is to be afforded. This is an idea explored by Crane¹⁶.

Since the mid 1990s, policies have acknowledged that physical development needs to be focused on the making of more integrated living environments and goals broadened to include the delivery of community facilities, public amenities, sports and recreational opportunities and other elements considered to be essential urban services. In reality however, public transport, economic development opportunities and a quality public realm are generally not addressed. Although public transport stops and public spaces are now

¹⁶ Crane was an American city planner and architect who through a series of papers written in the 1960s developed the idea of the ‘capital web’. His writing explores the extent to which the state should intervene in the development of urban environments and the notion of the “City of a thousand designers”. His work focussed on the idea that the state should be restricted to the delivery of strategic and minimalist plans - a “context for private creativity” (cited in Southworth, 2003: 21-22).

included, they are typically provided retrospectively and provide meaningless connections to the surrounding sprawling suburban networks.

Larger metropolitan centres that are pressured to remain competitive in the global economy are increasingly pressurised to provide a one-size-fits-all solution to urban service delivery¹⁷ (defined here in the broader sense), but if we are serious about dealing with growing levels of inequality and socio-economic exclusion, they need to accommodate a range of opportunities and choices to allow broader inclusion. For example, delivery is focused on the household which is in turn defined in terms of a conventional nuclear family structure. Nuclear families are not typical in a social context which is significantly informed by migrancy patterns and the contemporary impact of social ills such as HIV/AIDS. Another example of the way present delivery strategies remain insensitive to the needs on the ground is the occasional delivery of economic infrastructure projects for informal and small-scale traders. These projects understand the problem to be a lack of formal infrastructure and focus on delivery of typically over-scaled units in fixed locations, managed and regulated by an agent answerable to the authorities. These do not address the needs of the most vulnerable operators who in many cases cannot afford rents set by the municipality and who rely on a daily tracking of the temporal flows of commuters.

At a national scale, it is also questionable as to whether Breaking New Ground (BNG) as an inclusive housing policy would solve existing housing backlogs against the enormous need. The housing backlog across the country was 2,399,822 in 2004¹⁸. In the Western Cape alone, the current housing backlog is 410,000 units. With funding of R2 billion per annum the backlog would only be eradicated by 2030 (Department of Local Government and Housing, undated: 7), unless a more creative and sustainable human settlement alternative to the one-size-fits-all (RDP) approach is adopted.

Notwithstanding the formulation and publication of BNG, urban environments still fail to address needs of the most vulnerable sector of the urban population as they continue to focus on an unsustainable approach to service delivery. Present spatial patterns of development and the service delivery rollouts do not allow for complexity of urban systems required to provide levels of choice that support the poor and wealthy simultaneously. These spatial patterns together with land occupation and development processes, do not allow functional overlaps, efficiency in resource use and responsiveness to fluid and dynamic qualities of a large proportion of the population. Present land use patterns and development processes are heavily regulated and make for static, unresponsive and inflexible solutions on the ground. Consequently, the urban poor are unable to find their own place within the urban centres combined with being socially and economically disempowered to direct their own futures.

Farm 451, Bardale Emergency Housing Project in Mfuleni¹⁹ provides useful insight into the problems encountered in delivering a sustainable human settlement. This is a development of approximately 5000 families in response to a need five years ago for the City of Cape Town (CoCT) to relocate families who had occupied land along the Khayelitsha railway line and more specifically inside of the rail reserve in an extremely dangerous environment especially for the younger members of the community. The development was largely

¹⁷ The role out of poorly constructed and badly located one-house-one-plot RDP settlements is not only relevant to the larger urban areas. Many small rural towns, such as Grabouw in the Western Cape, are experiencing detrimental effects of inappropriate mass housing roll outs (NM & Associates Planners and Designers, 2007).

¹⁸ <http://www.housing.gov.za/Content/Media%20Desk/Press%20Releases/2004/250504.htm>

¹⁹ Mfuleni is located north of the N2, north of Khayelitsha, and approximately 28km away from the Cape Town CBD. It is only accessible by vehicle unless one is prepared to traverse wilderness areas on foot from the external road network. The closest railway station is Nolongile Station in Khayelitsha approximately 3.5km south.

financed by the Municipal Infrastructural Grant fund and has more recently been topped up with an additional R1.5 million from the Upgrading of Informal Settlements Programme (UISP) Fund. These funds have been accessed from National level government to ensure appropriate servicing and infrastructure was delivered. As the project was emergency housing in nature and therefore not addressing the needs of those on a housing list, it did not attempt to deliver top structures in the absence of a housing subsidy.

Consequently, there were opportunities to think creatively about how to deliver services in a communal and sustainable way. Infrastructural standards however, directed a design response that is both suburban and inappropriate to the needs of a community who can barely afford to feed themselves let alone travel the extra miles required to access basic urban opportunities. The sites were serviced with a shared tap and toilet (1 per every 5 stands) arranged on a conventional road grid required by the municipal road engineers to comply with their geometric design standards for municipal refuse and emergency vehicles.

While this project was fortunate to be guided by mindful planning and design in terms of BNG, there was neither budget nor commitment from authorities to direct the making of a meaningful public realm in which residents would have the opportunity respond with the development of an economic base at key points, mixed-use housing and features such as space for urban agriculture, livestock keeping and so on. Plot sizes were standard across the site with no opportunity for a range of housing types to be developed over time. The layout includes a number of sites for schools, facilities and a couple of strategically located sites for formal businesses. The CoCT committed to the planting of approximately 1000 trees but there is no promise, as yet, to build on sites earmarked for public facilities. Social networks formed through an incremental development process typical to informal settlements from which this community were relocated, will in all likelihood be disrupted. Further, the sterile and unproductive nature of the public realm will not allow for a cultural and spiritual layering which is central to functional urban environments. The new communities will therefore find themselves in a situation where they become increasingly economically vulnerable, falling further into the poverty trap and no richer from a social, cultural or spiritual perspective.

The Dignified Urban Spaces (DUS) programme run by the Urban Design Services Department of the CoCT has over the last while been focused on the delivery of approximately 30 public space upgrades on the Cape Flats where historically little investment in the public realm has occurred. These projects have generally taken what has been perceived to be well located and 'undignified' spaces/places and implemented landscaped and architectural solutions with a view to promote small scale entrepreneurs, trading and social interaction. The DUS projects were often implemented with little consultation with the operators on site to understand their levels of need. In most cases the locations were selected for their potential over time to structure the urban environment but without the necessary thresholds, which are often associated with major public transport services. The projects may have received political sanction, but they did not fully realise the potential to empower immediate communities where the people become the agents of change. They could be viewed as a top down delivery process, which although had good intentions, has not made a radical impact on the life of the people. An example of a project which has suffered from this approach is the Philippi Lansdowne Public Space Project²⁰, which since completion in 2002, has remained unoccupied.

There are numerous lessons some of which should be noted here for their relevance in the broader debate of how to create more integrated, responsive and flexible public environments. It appears firstly that without being informed from the bottom up, processes

²⁰ See du Toit and Perrin in Association, 2003.

of intervention within the public realm remain flawed and wasteful unless they respond to existing desires and dynamics on the ground or the potential associated with very high threshold spaces. The second major lesson is that the programmes associated with these spaces need to be very broad as they have to accommodate a range of opportunities and urban operators. Experience has shown that at a local scale very little attention has been given to facilitate trading for entrepreneurs who desire to build an asset base that is somewhere between a formal shop and an itinerant trading facility²¹. Access to secure commercial tenure is critical to establish an asset base and promote entrepreneurship. There needs to be an acknowledgement in planning of the complexity of relationships and critical understanding to provide for the diversity of economic actors at this scale.

Philippi Transport Interchange in Cape Town initiated a spatial response to some of these conditions, focusing on making a positive public realm to support different trading options²². The economic potential of the operators at the lowest end of the economy has been highlighted in the case of Warwick Triangle in Durban which generated some R1 billion annual turn over contributing significantly to the economic base of the city in an inclusive manner (Dobson and Lees, 2008). At the same time this case study provides a platform that allows the operators to continue their initiative and grow to their own pace and momentum. In contrast, it would appear that a more formalist approach to spatial planning even though it contains the appropriate urban ingredients relies too much on external actors, including government, to make it happen. In almost all instances the urban plan remains unfulfilled or is set up for failure for example, the Cato Manor case study (Harber, 2008).

3.2 Urban Land, Housing and Sustainable Human Settlements

The land-sustainable human settlement (SHS) debate applies to settlement at two levels in the second economy. The first level refers to spontaneous informal settlements and settlements created by government through site and services schemes. The second level refers to formally planned settlements and housing for different income bands in the market for example, government assisted social housing, affordable or GAP housing, rental and subsidized housing. From a city-making perspective, both these present an opportunity for urban regeneration, economic development and integration, the key component of which is urban threshold – developing world cities rely on thresholds to make them thrive and who but the less well-off can guarantee thresholds in great numbers and increase their economic potential at the same time by having direct access and proximity to urban opportunities.

There is a perception as articulated in the brief of this paper that the problem with informal settlements ‘has proved to be an intransigent problem which has not so far responded to well-intentioned state (and, to a lesser extent, private sector) interventions’. It can be argued that while this may be perceived to be the case, informal settlements do respond well and make a much better and faster contribution to urban development and the housing problem than formal state or private sector attempts²³. Rakodi (2006) asserts that, “between half and three quarters of all new housing in sub-Saharan African cities is built on land that has been supplied through processes that, in one way or another, do not comply with formal legal requirements related to subdivision, transfer and development control.” Although the IDPR

²¹ There has also been little in terms of asset or finance assistance, training or skills development for local entrepreneurs involved in small to medium scale production, trade and economic activities. There are numerous studies from around the world based on financial aid (see Rogerson, 2001), for example the development of Grameen Bank and women’s lending programmes in India and Bangladesh.

²² See Thorsten *et al.* (2006: 79-81) for ‘Philippi Public Transport Interchange, Cape Town, Western Cape’ by du Toit and Perrin in Association (see also du Toit and Perrin in Association, 2002).

²³ It is not at all suggested that informal settlements are a desirable response to the delivery of land and accommodation. In fact, some informal settlements occur in the worst located areas that are unfit for human habitation (see Rakodi, 2006:127).

research edited by Rakodi (2006) shows that these informal channels of land supply are highly successful in some African cities, they have very few conflicts and provide a reasonable degree of security of tenure, governments continue to disregard these processes as undesirable and insist on formalising land and housing delivery processes.²⁴

Also, it needs to be acknowledged that often informal settlements are transitional spaces, regarded mainly by migrants from rural to urban as a means to an end – the end being the return to the rural area that is conceptually and ultimately, home. What is termed ‘informal’ is to some, often a stepping stone to the opportunities of the big metropolis and to others, it may well be home.²⁵ Against this background, at what level should a second economy strategy grapple with the mechanisms and interventions required for a roll out of informal settlement upgrading as required by current state policy? (See section 4, Strategy 3)

In addressing the second level of land-housing delivery referred to as affordable housing for the purposes of this paper, there is a real opportunity to engage publicly-owned land in inner city areas, close to urban nodes and within urban transport corridor bands. While the policy intent is there, the greatest deterrent to this happening at a reasonable rate of urban development for participants in the second economy is the operation of the urban land market against these participants, coupled with government’s need to dispose of well-located publicly-owned land in the open land market to obtain the highest return.²⁶

Generally in an urban context and from a classical economic perspective, land is the basis for economic activity. The argument goes that agglomeration economies in cities can only be achieved if land is used efficiently i.e. spatial patterns are generally supportive of productive cities, where the costs of production and service provision (social and other services) are generally affordable, and land uses are reasonably proximate to facilitate ease of access to raw materials, production sites, service providers and markets. According to Dowall and Clarke (1991:10) the opposite is also true. Poor spatial patterns can have the reverse effect on cities where “diseconomies of agglomeration costs cancel out the beneficial effects of agglomeration economies.”²⁷

In terms of this economic understanding of cities, the framework within which we can begin to understand urban land is that of a free-market and fair value or price system concerned with land primarily as a commodity that can be transacted and invested to enable efficient and profitable use of land as a resource base to an individual or corporation/enterprise. The question that arises is where do the poor find their place in this notion of the land market?

There is an inherent tension between the workings of the urban land market and the fundamentals of social justice that support the second economy. On the one hand, the urban land market operates on a competitive basis which excludes the majority of the poor from access to land or decent housing with secure tenure in well located urban areas in South Africa. On the other hand, social justice through urban land reform and redistribution

²⁴ In the South African context Royston (2006: 1) claims that, “informality is an expression of both market and state failure”. The *Mail & Guardian*, 15 to 21 February 2008, published an article by Colin Marx and Mark Napier who attest to an active urban land market in informal settlements. This article also records that between 15% and 38% of houses change hands every five years. Not only is this figure comparable to the formal property market but it also indicates a highly mobile urban dweller in terms of occupation of informal settlements.

²⁵ *The Mail & Guardian*, 15 to 21 February 2008.

²⁶ Government argues that it requires funds from the disposal of public land assets for investment in social infrastructure such as hospitals and other public facilities. For this reason strategic public land assets were put out to tender for outright disposal with reserve prices or on a 99 year leasehold basis. Examples respectively include: a series of key land parcels in Cape Town advertised in the *Cape Times*, 10 December 2007 and the Somerset Hospital Precinct (RFQ document published in 2007) valued at approximately R87.5 million in 2006 (City of Cape Town, 2007b). Yet, government budgets are under-spent. For example, the provincial health budget in the Western Cape was under-spent by R57million in one financial year (2006-2007) Parliamentary Monitoring Group (2007).

²⁷ Diseconomies include factors such as traffic congestion, pollution, land degradation, land underutilization or disuse all of which impose external costs on enterprises that also bear the increased costs of production.

demands the location or resettlement of less well-off citizens closer to urban opportunities and amenities typically on more expensive land.

Ordinarily the poor cannot hope to enter this land market without external assistance especially in the inner city of Cape Town where land prices are exceptionally high. For example, in the latest valuation by the City of Cape Town as at July 2006, the 40ha of land earmarked for resettlement by the District Six claimant community was valued at approximately R966 million (City of Cape Town, 2007b). Wingfield, a partially restitution site and also earmarked for social – mixed use housing in the inner city, was valued at R311 million (City of Cape Town, 2007b).

- One of the weaknesses of urban land reform policies is that it assumes that all citizens or households are at the same level of economic development and in a position to act and transact in a competitive land market. It can be argued that the majority of the urban poor:
- Neither own enterprises that benefit from agglomeration economies nor live in the inner city where these opportunities present themselves most optimally.
- Suffer economic set backs when agglomeration diseconomies obtain in a city because enterprises that they form the labour force of move to cheaper land on the outskirts of the city or down-size or close down, changing travel patterns which usually means making travel more expensive, or people become unemployed as a result²⁸.
- Carry some of the external costs when the cost of living increases as a result of inflationary tendencies caused by externality costs, among other things.
- Are reliant on the state and external resources to not only enter the urban land market but also restore their dignity by ensuring their integration into the main stream of the city.

It can be argued that the majority of the poor will continue to be excluded from access to urban land against the weakness on the part of the state to promote and facilitate urban resettlement and redistribution in the spirit of social justice²⁹. Linking the concept of economic growth to urban land markets, Marx (2006: 3) argues firstly, that “economic growth acts as the primary referent for urban land markets” and secondly, that “policy makers assume economic growth to be the outcome of competitive urban land markets.” Thus, the poor are by their very status excluded from access to valuable land assets if it was left to the urban land market supported by government as policy makers and as agent of market forces to determine the location of their settlement patterns.

3.3 Sustainable Urban Transport, Equity and the Environment

A viable and functioning public transport (PT) system is an important public asset and should therefore be maximised in terms of return on investment as well as optional usage and opportunities for all citizens. Vasconcellos (2001: 232) argues that, “Transport is a vital

²⁸ *Cape Argus*, January 12, 2006.

²⁹ In the case of urban restitution since 1994, 65 642 urban claims (23.5% resettlement, 72.7% financial compensation and 3.8% alternative means), have been settled in the country as at 31 March 2007 It can be argued that through delays and frustrations to prepare sites for resettlement, claimants were forced to settle mainly for financial compensation, missing a major opportunity for urban, race and class integration (refer to http://land.pwv.gov.za/restitution/settled_restitution_claims).

component of any society. It ensures communication, integrates space and activities, induces or guides investments and urban development, and is an essential input into the economy.” A few forward thinking cities across the developed and developing world have invested in public transport infrastructure and systems that have not only had successful economic spin-offs but also substantially increased the public’s access to the wider urban environment, education and social opportunities³⁰.

The traditional transport planning approach in the modernist paradigm in South Africa paid very little attention to human-scale pedestrian environments, social needs and economic opportunities relative to urban movement patterns. Transport planning focused on a ‘describe, predict and demand’ approach which relied on the technical expertise of road engineers to provide for the needs of the car (Mammon & Ewing, 2006). Consequently, the spatial planning had to retro-fit the needs of the people into the road structure.

In most South African urban centres there has been insufficient change post apartheid to improve or restructure inefficient and unsustainable transport and related urban development (Dewar & Todeschini, 2004). Current analysis on transportation patterns on the ground show that the focus predominantly remains on prioritising the private vehicle with large investment in ‘roadways for movement’, as opposed to promoting public and non-motorised transport (NMT³¹). This is evident from the limited information available on PT and NMT usages, quantitative accident data and so on (CoCT 2003: 53-54). South African cities that provide for the vehicle also experience increased pollution of carbon emissions³², pedestrian accidents, rambling retail districts, long commute times (both public and private transport) and unsustainable housing developments (of all income levels). Combined with this, is the distance and expense³³ that the urban poor have to travel to access economic opportunities, employment, health centres and educational institutions.

A case in point is that of the South African National Roads Agency Ltd (SANRAL) who has plans in place to toll the N2 in the Western Cape from the R300 to Botriver. Despite vehement public opposition to this project during the environmental impact assessment process, the project will continue for road safety purposes, ease of traffic movement, among many other reasons. The point to make, however, is that the design of this toll road has major economic and spatial implications for participants in the first and second economies living in Elgin-Grabouw, affecting mainly the urban area, Grabouw. The proposals include grade separated intersections at all three entrances or gateways to the town. These will effectively, not only sever the town from passing trade but will also severely influence the economic situation of the town inhabitants, farmers and farm workers by forcing much longer and expensive transport trips to places of employment, markets, schools and other

³⁰ Transportation systems have undergone radical improvements in sustainable transportation systems in numerous developing cities, including Bogotá, Curitiba, Pereira, Guayaquil, Jakarta, Seoul and Quito. Cities such as Curitiba and Bogotá have taken bold steps to implement public transportation capital investment programmes that have had significant impacts on employment creation, economic growth and development, improved quality of life (Minter, 1997). Bogotá has successfully implemented a bicycle network that provided improved accessibility to the urban poor, combined with re-establishing the informal transport sector into a viable and functioning business model. Curitiba placed great emphasis on regeneration of public places and parks.

³¹ *Non-motorised transport (NMT)* is defined as any form of movement that does not rely on battery and/or fuel combustion driven mechanisms to be propelled. Examples include walking, cycling, per-ambulating, using donkey, horse or human-drawn carts/trolleys, rickshaws and so on.

³² According to Tran:SIT (2007b) in South Africa the second largest emitter of CO₂ is transport (inclusive of private, freight, and PT vehicles) which accounts for 25% emissions. The transport sector consumes approximately 20% of global energy reserves and up to 90% of oil reserves.

³³ Travel journeys to work continue to be expensive for Black (traditionally classified as Indian, Coloured and African) people historically located on the outskirts of cities. They continue to spend an average of 30 to 40% of their gross monthly income on travel costs and an average of 1 hour 5 minutes travelling per trip to and from work (de Saint-Laurent, B. 1998 as cited in Xhali, 2003). Compared to an international norm for cities in developed countries where ‘between 8 and 16 % of urban household income is typically spent on transport, although this can also rise to more than 25% for the poorest households in very large cities’ (World Bank, 2002: 5), 30 to 40% is high.

facilities. Together with hikes in the fuel and other energy prices, this type of spatial intervention impacts substantially on the poor and severely retards their chances of social and economic advancement and integration. This case study supports the argument that decisions in favour of the 'first economy' most often take preference over any other considerations. Furthermore, it can be argued that this proposal will affect the city-regional economy given its significant extent and the impact on other towns in the Western Cape that are dependent on direct access off the N2.

The choice of modal split in South Africa is generally based on income, with the urban poor dependent on NMT³⁴ (although cycling is not as apparent as in other African cities) and PT and the middle to high income having access to private vehicles (Tran:SIT, 2007). Nevertheless, private vehicles require increased road space and infrastructure at great expense as compared to the space required to move passengers on a bus, cycle paths or pedestrian walkways. PT also utilises a low value of fuel whilst carrying a high volume of passengers creating fewer pollutants, in comparison to high value of fuel and low (often single) passengers transported by private vehicle (Vasconcellos, 2008³⁵). Hook (2003) states that by introducing cycling alone (not NMT in general) into the movement network as an option for travel, costs savings are enormous over time. A case study from Tanzania, Morogoro, shows that cycling has significant potential to become a main mode of urban transport especially in terms of cost savings on the part of the user when compared to the car as a main mode of urban transport³⁶.

In most South African cities bus and train systems provide the most efficient forms of transport in terms of energy per commuter kilometre. However, many people prefer to use mini-bus taxis or private vehicles due to the inconvenience of unreliable train and bus systems, safety concerns (mainly on the trains) along with the perceptions that trains and buses are slower³⁷. Combined with different transport modes, land uses associated with transport interchange areas are often not realised or undermined when it comes to supporting the second economy.

In 2004, a local trader³⁸ at Khayelitsha Station, Ntlazane Street, Khayelitsha in Cape Town was looking for a large and secure trade and storage space to expand his very successful fruit and vegetable business that employed approximately five subsidiary traders. There was no shortage of will, entrepreneurial quality and (access to) funding. This trader was ready to climb the small business ladder, yet the Local Authority could not support him. There were also other traders in the area that needed to be relocated as a result of a new railway line extension that was to be installed. However, despite a survey conducted on traders' requirements and a design intent that catered for a range of requirements from very small to larger traders (NM & Associates Planners and Designers, 2004a), the project did not receive any commitment from government.

³⁴ Approx. 23% of South Africans walk to work (National Household Travel Survey [NTHS], 2003). Approx. 12 million or 76% (of total) of learners across the country walk to their place of learning, of which approximately 550 000 children spend more than two hours a day walking to and from school (Futerman, 2006). This is generally due to the expense and/or lack of PT.

³⁵ Vasconcellos (2008) argues that the middle to high income population in São Paulo spends 9-14 times more than the low income resulting in a high inequality in mobility.

³⁶ The Morogoro (Tanzania) study shows that for a network of cycle paths and bicycle lanes per kilometer, the costs were USD 4200 including maintenance. "The costs per kilometer for a road are three times higher. The capacity of the car lane is 60 000 persons per day, while that of the 2-meter wide cycle path is 9000 per day, and that of the bicycle lane 5000. Per vehicle, the investment costs of the car are lower in the case of maximum use, but the costs for the car user are actually 20 times higher. That means that the total costs per driven kilometer for cyclists are 1.3 to 1.6 dollar cents, for a minibus 4.9 cents and for a car 10 cents. Investment in cycle routes is low risk and the yield in Morogoro is 35%" (I-ce and Habitat Platform Foundation, 2000:18).

³⁷ Tran:SIT (2007a) argues that approximately 40% of South Africans use PT (National Household Travel Survey [NTHS], 2003), of which 25% of all commuters use mini-bus taxis.

³⁸ The local trader, named Tshoko Mbulelo, had been trading in the fruit and vegetable industry for 15 years in 2004. His market around the Khayelitsha station was only one of his main trading areas.

A bit more 'up market' from Khayelitsha Station is the case of the proposed redevelopment of Cape Town Station (CTS) where existing (formal and informal) traders operate on the station deck and foreground on two sides of the station street entrances at a reasonable rental. These traders clearly rely on the flows generated by this major PT interchange (long distance and local bus, rail and taxi) and have positioned themselves accordingly. In the medium to long term, their livelihoods are directly threatened by a number of conventionally driven approaches to spatial planning and design. The first is that the proposal will disconnect the station from the city by sinking rail tracks, forcing pedestrians to negotiate vertical circulation before encountering the city. The second is that a key reason for sinking rail tracks is to free up land for urban redevelopment which attracted keen interest from the developer market, mainly foreign interest. The third is that the public land to be freed up will be disposed of on the open market to earn the revenue necessary to pay for the rail line and station upgrade. The potential impact on the traders is that: they are crowded out as a result of inevitable increased rentals and/or they are repositioned away from the high threshold areas which they essentially rely on for the success of their business. It appears that we are trying to resolve new urban challenges with old planning, design and management models, forgetting that the city's heart beats to the tempo of a vibrancy created by a range of people and activities, not only urban land economics.

This is not to diminish the reality of crime and grime associated with trading which is the key concern of the landlords and administrators of the site. However, CTS is the only 'peripheral' public and people space where a significant number of second economy citizens feel free to filter through and disperse into the urban fabric of the old historic city which they either directly or indirectly identify with. To allow economics to dictate the terms of these citizens' participation is not desirable. CTS is inherently linked to the Grand Parade, another highly underutilised key public space, which was previously appropriated by ordinary citizens for trade, gospel, hanging out and protests. This primary public space is now used predominantly as a car park.

Consequently, there is an urgent need to address the current crisis in South Africa by moving towards a more sustainable transport practice³⁹ that is intimately linked to land use. The barriers to achieving sound policies require a major paradigm shift when it comes to implementation projects. To begin with, transportation networks need to be integrated, properly managed and regulated. The technical guidelines will need to radically address placing the pedestrian as priority with focus on Universal Access. NMT must be included into transportation surveys and modelling. PT and NMT projects will require major upgrades and improvement in terms of equipment (vehicles, stations, terminals, exclusive bus ways, cycle facilities, and adequate pedestrian sidewalks), quality of service, education and awareness programmes, safety and reliability to encourage people out of their cars and onto the bus⁴⁰.

There are presently moves afoot in some South African cities (Nelson Mandela Metro, Cape Town and Johannesburg) where road based bus-rapid transit systems (BRTs) are in the planning and conceptual design phase to restructure subsidised PT and improve mass public transport. In addition, the South African Rail Commuter Corporation and Metrorail have embarked on a turn-around strategy that will begin to promote rail as a viable form of PT. This together with the restructuring of city-wide road based PT scheduled services including

³⁹ "Sustainable transport practice looks at supporting those lifestyles and movement patterns which depend the least on non-renewable and polluting energy sources. It encourages walking, cycling, and public transport use over private vehicle use and it supports integrated planning approaches which move towards sustainable cities" (Tran:SIT, 2007a).

⁴⁰ There are also various other ways to encourage movement away from the car dependence society and reduce road congestion known as Travel Demand Management (TDM) inclusive of strategies such as high occupancy lanes; park and ride schemes, inner city congestion charges etc. TDM strategies can only be successful in alternatives are put in place for the commuter (Tran:SIT, 2007).

the taxi recapitalization strategy will effectively reintroduce PT as a viable alternative to increased car dependence. However, some of these projects for example, the Klipcor (Klipfontein Corridor project that traverses communities totaling over 1 million people and stretches some 27km in length) between Cape Town central business district and Khayelitsha, have been in the planning phase for nearly five years and consistently face threats of removal of funding for implementation.

The National Department of Transport has reportedly only spent a limited percentage of its capital expenditure⁴¹ budget for 2007/2008 financial year, as a result of poor planning and lack of management. One may question when there is such a need for positive delivery of integrated sustainable transport that government is not only under-spending but also driving expenditure in the wrong direction⁴². There is also a clear mismatch between the types of delivery being implemented that are geared towards the private vehicle and the strong policies to promote PT and NMT. This problem needs to be urgently reviewed as this has fundamental impacts on all levels of economic opportunities.

3.4 Towards a reformist policy approach

Clearly South Africa's policies and legal frameworks from a sustainable (public structures, housing, land, transport and infrastructure) development perspective are grounded in a socially just approach to urban development yet at the same time has a liberalist/ neo-liberalist tendency with respect to the operations of the urban land market. Is it not more appropriate to find an approach that takes a less liberalist and more reformist approach to sustainable urban development?

A reformist approach is based on commensurability not extraction. The urban system and particularly, spatial system is viewed from a holistic perspective. Investment and public investment in particular, must be viewed as commensurate with the level of development required by citizens in South African society to promote the principle of equity. It must not be extractive in the sense that resources earmarked for participants in the second economy are drained (often by the first economy) under the guise of (developmental) urban development.

A typical example is the government's housing subsidy which is structured around a subsidy award per household of approximately R43 506.00 as projected for 2008/2009 to assist with the top structure, site servicing and professional services. Approximately 41% of this amount may be spent on infrastructure (internal services) should it not be possible to obtain funding from another source (Department of Local Government and Housing, 2008). Given the technical norms and standards prescribed for the upgrade of informal settlements, the result

⁴¹ An article published in the *Cape Times* (14 March 2008) stated that the Department of transport has spent only 6% of the budget so far. However, the Department of Transport has since refuted this statement, stating that the "Budget of the Department of Transport is R 16.5 billion of which R 15.8 billion is Capital and Transfers such as Roads, Rail and Bus subsidies etc. The total expenditure for capital and transfers in 2007/08 amounts to R15.435 billion which is 97, 6%. This budget constitutes operational expenditure, operational capital and, capital and transfers...It is therefore not true that the Department has spent 6% of its capital budget. What could have been said is that the Department has spent 6% of 0.26% of its capital budget. The DA has only referred to an item on the operational capital budget which refers to the Sani Pass, Overload Control, computers and furniture amounting to 0.26% of our total budget of Capital and Transfers." (<http://www.transport.gov.za/frames/ps140308-f.html>). However, budgets are currently being directed to 'big projects', at great expense and to ease traffic congestion. A further article in the *Cape Times* (March 26, 2008) states that the CoCT attributes 'under-spending' of the transport allocated budget due to funding delays from Provincial Government. This clearly shows the conflicting political management structures and budget allocation is highly problematic.

⁴² Projects such as the stadia for 2010 and Gautrain project require large investment. For the Gautrain, approximate current daily expenditure on the projects is R 3 mil per hour amounting to R 30 mil per day and forecast expenditure for 2008/9 year is R6.5 billion (excluding previous expenditure for the past couple of years). (<http://www.transport.gov.za/frames/ps140308-f.html>)

is that large sums are extracted for engineering services rather than benefiting the subsidized.

4. STRATEGIES FOR URBAN SPATIAL, LAND USE AND ECONOMIC POTENTIALS

The second economy encompasses a diverse range of enterprises which undoubtedly have the potential to make critical contributions towards the goals of economic growth, employment creation and poverty alleviation. However, separating the two economies only leads to confusion in the application of these concepts to specific spatial contexts which are different from policy.

The challenge for policy makers is to avoid segregating, undermining or overlooking small to medium scale enterprises by programmes that may be weighted towards objectives of enhancing growth or projects that have high political will, global attention and strong marketing profiles.

A more holistic method to employment creation, inclusionary development, poverty alleviation and the enhancement of growth is required from policy levels through to implementation and management application with serious attention afforded to the spatial marriage between long term sustainable urban visions and the integration of the second economy into the workings of these large projects.

STRATEGY 1: Take stock of the urban – make cities, not constructed landscapes

There are three fundamental aspects to this proposed strategy, firstly the repeal of legislation that would hold government, technocrats and professionals accountable and pave the way for the enforcement of good urban practice; secondly, the shifting of minds of those who control the spatial realm and continue to promote modernist ideas in the public spatial domain; and thirdly, the need to acknowledge the role of design in planning for more functional and sustainable urban environments.

a. Repeal legislation that stifles poor urban performance and making cities for all

It can be argued that a lot of apartheid and modernist based legislation is of the past and there is no reason to spend more time legislating instead of getting on with 'business unusual' or an 'alternative development' approach. When faced with implementation of spatial strategies that promote cities for all, one can find many reasons why legislation has to be repealed. Transport and land use legislation for instance, still promote urban fragmentation by placing private vehicles and road space first, not people and public transport. Sustainable city making legislation and the promotion of good urban performance must become the new economic driver from a first and second economy perspective. The law must allow freedom within a framework of legal constraint.

b. Shifting minds that influence the performance of cities

As experience shows, having good policy and legislation in place does not guarantee good city making and a sensibility on the part of government, technocrats and professionals that the most vulnerable category of citizens form a significant part of the city and have to be included. It must be remembered that the benefits gained by built environment professionals in public and private practice during the apartheid planning period have never been recognised. The discomforts and diseconomies that they brought to bear on society were also never formally acknowledged through submissions to the Truth and Reconciliation

Commission. Some of these practitioners are presently the leaders in the 'reconstruction and development' of the South African city, carrying on the same 'spatio-economic agenda' (Low, 2008: 015) as in the apartheid era.

If the minds and hearts of those who hold power in the public domain do not shift, we have no hope of creating the inclusive city. To ensure that the large infrastructure budget earmarked for investment in PT, services and large projects (housing, stadia etc.), contribute to making the sustainable and inclusive city, it is imperative that those who hold decision making power over these budgets as well as the implementers of projects are mindful of directing these budgets appropriately.

It is therefore proposed that an independent Urban Areas Commission be established whose primary terms of reference will be to play an oversight role in the planning, design and implementation phase of large scale infrastructure projects to determine to what degree the project will contribute to the making of the sustainable city for all; what are the implications for the second economy and how will this economy meaningfully participate in such investment; and who is held accountable for ensuring that the public elements of these projects uphold good city making values and standards. This Commission should be comprised of caring professionals in the built environment whose concern is primarily with the public spatial elements of city making, along with appropriate urban economists, social anthropologists and geographers.

c. Acknowledging the role of design

Design is unfortunately in many cases treated as an afterthought and perceived as a luxury in our context where resources are scarce and basic needs dire. However, it should be remembered that the act of design in the planning domain is a vehicle through which the economy can be maximised. It is also a means to ensure that built solutions are responsive and appropriate. The act of design requires a designer to operate within a framework informed by the constraints and opportunities inherent in the physical landscape and social, economic and cultural contextual realities. Holistic and appropriate design is particularly successful at the local area scale where contextual issues can be fully understood and acknowledged.

Design within the planning domain ensures that the urban environment performs from a programmatic perspective. In other words, the ingredients that comprise a functional urban environment such as health and education institutions, different housing types and forms of service provision, work and recreational opportunities are sufficient enough to serve a particular number of people. However, design in the planning realm has an even more important role to play to ensure that these ingredients relate to one another in such a way that they perform as a coordinated urban system. Design must focus on the nature of the void between these elements and in particular the interface which mediates between the public and private domains of the city. If the design approach is appropriate and successful, the public realm will allow the temporal flows to be focused and supportive of the individual urban components and at the same time tap into the inherent possibilities of these flows.

It is this aspect of design that is generally lacking in our cities. Integrated design has a significant effect on the lives of urban dwellers, in particular the urban poor. Strategies that facilitate the development of skills in the field of design (related to architecture, planning and engineering) are crucial. More importantly, it is the adoption of a particular integrated approach to planning that sees the role of design as a vital component of the urban delivery process.

STRATEGY 2: Crafting a Soulful City

The public environment – those spaces beyond the boundary of the private domain need, to allow for the opportunities presented by agglomerations of people – social interaction as a necessity for personal development and societal healing, the development of social networks beyond those of the immediate family and outside of immediate race and cultural groups, the operation of viable access networks and services; and access to a range of markets. This is where social capital is produced and economic opportunity created. If we cannot create a spatially coherent and productive public realm we are failing those at the bottom of the economic ladder.

A positive urban environment comprised of a network of public transport focused routes connecting a hierarchy of institutional nodes provides venues for a range of economic operators. This network will by default “define places of lesser and greater accessibility or exposure” (le Grange, Dewar & Louw, 2004: 20), which in turn provide a range of opportunities. Le Grange, Dewar and Louw (2004: 20) argue that in positive urban systems, open space is but one element of public structure. Other elements of the public structure include green productive space (for recreation, cultural ceremonies, and urban agriculture), movement corridors for all modes, urban space, social institutions and facilities, utility services and emergency services. When these are brought into association with each other they create an ‘accessibility surface’ or ‘accessibility network’.

There are a number of spatial components within this strategy that in conjunction with a-spatial programmes can begin to enable dialogue and active engagement that can facilitate reconciliation and social deconstruction. These include:

- The re-assertion of the public realm through reclamation of significant public spaces for public purposes, not for cars or private use. This will require substantial investment in maintenance and management of public spaces to revitalise their main public structuring role in the city.
- An emphasis on the role of the public realm in urban place-making, specifically investing in the role of culture and memorialisation relative to public and institutional spaces. It is in these spaces that the ‘latent’ (le Grange, 2003) memories are expected to be expressed. It is also in these spaces that we can more positively memorialise and integrate the past through dialogue, debates, celebrations etc. Engaging all citizens in this way will allow in time for the deconstruction of (socially constructed) class, racial, ethnic and identity barriers in our city.

STRATEGY 3: Generating homes for all

To return to the question asked earlier, that is, at what level should a second economy strategy grapple with the mechanisms and interventions required for a roll out of informal settlement upgrading as required by current state policy and relative to urban development, the following strategies are proposed.

- d. Recognising that land is a primary resource in addressing urban poverty and creating opportunity

Land in informal settlements, not housing is what counts most to participants in the second economy at this level of settlement. Informal settlements must therefore be managed as though they are transitional housing areas. The destruction of existing shack or informal

settlements to make way for upgrading or formalising areas results in the wiping out of shelter, work and value as created and invested in by the inhabitants of such settlements, sometimes with great ingenuity to the extent that the layouts of these settlements often resemble elements of urbanity that formally planned areas lack.

Rather than erasing these areas to make way for formality or upgrade, they can be managed as transitional housing areas with secure tenure provided that the areas occur on state land and are located on habitable ground. This will require existing and new arriving households in informal settlements to be profiled, registered and participated into a legitimate community structure to begin to feel part of a 'new' community. Together, between state and community these settlements and informal structures should be managed so as to address issues of basic needs such as, vulnerability to disease; fire, storm water management and other hazards due to exposure; and access to basic services for example, through communally based managed services such as ablutions, water points and refuse collection/recycling. Perhaps, settlements of the urban poor should rather be viewed as Turner (1972) defined them where this kind of housing is not seen as a problem so much as a solution. Turner's (1972) argument stated that housing is not about the material object, but the process of being housed. It is a combination of user participation and the interaction of the dweller with the daily activities of life and the dwelling.

Strategically located public land in cities must be used to facilitate access to urban opportunities, not only housing. Government needs to invest in the establishment of a model whereby it does not dispose of such land but rather uses its landholdings to temper the urban land and housing markets. The urban poor must be the primary beneficiary of public land development programmes. This will ensure that government becomes a major player in the urban land market which should result in a reduced crowding out effect with respect to the less well-off. Lastly, a nominal, very affordable land tax should be payable excusing the indigent and special needs cases.

e. Urban public investment support structure for informal settlements

In recognition of the ingenuity of the urban poor in informal settlements and placing the participants in the second economy and inhabitants of informal settlements at the centre of urban restructuring, it is proposed that policy shifts occur away from informal upgrade to an urban public investment support structure. The following key elements form the basis of this strategy:

- Investment in public structure – Redirect investment to key public facilities that have a locational logic and are informed by existing settlement patterns that relate directly to accessibility networks at three scales: a) the scale of settlement or site; b) the scale of the local area or neighbourhood and c) the scale of the metropolitan area (see section 3.2).
- At the scale of the site, investment needs to be directed or retrofitted to key points or localised nodes where public or social infrastructure are clustered and within acceptable walking distances. PT and NMT routes will respond accordingly.
- At the scale of the local area, this logic is extended except the node or cluster grows and contains a larger, more formalised list of facilities.
- At the scale of the metropolitan area, the area's accessibility is increased via public transport networks so as to access higher order public facilities and work opportunities.

f. Housing provision within an urban framework

There are three key actions that can be pursued in terms of this strategy. The first is to recognise sustainable city making imperatives in creating human settlements, which has been made clear throughout this paper. The second is that the Social Housing Bill (2007) obliges government and institutionalised management to give the poor access to decent housing in good urban locations. The third is to focus on the remainder of restitution claims to be settled by the end of 2008.

- Investment in social housing in terms of the Social Housing Bill (2007) can be very effective if strategically located public land is earmarked for this purpose. Coupled with the imperatives of the UDZ, as discussed in Section 3, significant impacts can be made on building urban thresholds, integrating urban society and providing access to opportunities in the mainstream of urban life. An incentivised, urban performance based land use management system with social housing at its centre would need to be put in place for this strategy to be successful.
- Every effort must be made to avoid financial settlement of the last urban land claims. Resettlement must be encouraged and facilitated in a genuine spirit of restitution specifically where claims are in inner city areas for example, District Six in Cape Town. Appropriate urban, social, institutional and financial models must be sought to ensure that the processes are driven by claimants and their legitimate representatives with support from government at all levels.

STRATEGY 4: Designing the sustainable city

This strategy is underpinned by a planning and design-oriented approach to the sustainable city while at the same time acknowledging that urban systems are very complex and must be understood in context. The strategy motivates for a compact city form which some may argue, assists to increase land prices (Bertaud, 2004:8). However, it is understood that by government intervening in the urban land market in one way or another mechanisms to temper land prices will be created. Often in cities where densities are relatively low, existing infrastructure investment and land development potential is not maximised in areas close to urban opportunities or central business districts. This implies that with limited additional infrastructure investment, dwelling unit and people densities can still be increased substantially by introducing a range of citizens into these locales. Yet, current approaches continue to focus densification (of poorer areas in particular) away from the urban centres and mainstream opportunities in South African cities⁴³.

The strategy is supported by what Kenworthy (2006:68-69) terms 'ten key dimensions for sustainable city development', a key one of which is the return to 'a compact, mixed use urban form that uses land efficiently and protects the natural environment, biodiversity and food producing areas'. Public transport, walking and cycling become key components of the

⁴³ For example, the population size in 2003 of Upper Table Valley (comprising Vredehoek, Gardens, Tamboerskloof and Oranjezicht), a wealthy area in Cape Town's inner city located within walking distance of the Cape Town Central Business District (CBD) and covering a land surface area of approximately 114ha (City of Cape Town. 'Density by Suburb' 2003 – available from the City of Cape Town (CMC Administration) Data Base) was approximately 23 857. The N2 Gateway human settlement programme intends to enable approximately 20 000 to 22 000 households to be housed / re-housed where about 18 000 people (3600 households) of this total will be accommodated on approximately 29ha of land (to be serviced) in Joe Slovo, Langa in Cape Town located approximately 14km from the Cape Town CBD, on 25% of the land surface area of Upper Table Valley to accommodate the equivalent of approximately 75% of the Upper Table Valley population.

city and large freeway and road infrastructure investments are de-emphasised. (Kenworthy 2006: 68).

Two aspects are unpacked here for further consideration at a more detailed level. The one focuses on the potential of mobility and land use as an interrelated potential to sustain the city over time; and the other on an approach to sustainable infrastructure design.

g. The potential of mobility and land use

Central to the vision for a sustainable urban transport system is that mobility and land use activities cannot be disassociated from one another. The planning of sustainable public transport systems must therefore be undertaken in parallel with settlement that promotes commercial development, densification and infill housing, the accommodation of appropriate public places and adequate space for NMT, where people are encouraged to interact and engage in civil society. Public transport is not only seen as an end to development, but as a form of social justice, providing access and opportunity to many (Burdett & Sudjic, 2007). Viewing mobility and access in a more holistic way is crucial by acknowledging that sustainable urban transport can be seen to have a threefold functional role in urban centres (Mammon & Ewing, 2006).

- Restructuring the spatial aspects of the city - The first role of sustainable transport is to restructure the spatial structure of the city. One of the primary requirements of a functional city is a transportation network that allows a full range of city dwellers to access a broad range of opportunities including those which are critical for survival on a daily basis. This requires the integration of land use planning and transport planning activities. In order to use transport as a catalyst in this process of conscious regeneration and restructuring, appropriate planning intervention strategies should focus on urban corridors and their associated activity nodes. Furthermore, non-motorised, road and rail-based public transport and private transport should be planned in an integrated manner, emphasising investment in the modes most typically used by the majority of a city's patrons, and calling for integrated access network planning.
- Economic Growth through integrated public transport and land planning - Secondly, sustainable transport networks promote economic growth⁴⁴. This is concerned with establishing increases in the economy's productive capacity and output. It can be argued that investment in transportation infrastructure would increase the economy's productive capacity and output given the nature and scale of such investments, predominantly during the construction phase of a public transport project (Department of Transport, 1993: 2-2) which will reflect as an increase in gross domestic product (GDP)⁴⁵. This multiplier effect will continue while expenditure is

⁴⁴ It is important to define and distinguish *economic growth* and *economic development*. Economic growth 'is concerned with establishing increases in the economy's productive capacity and output' whereas 'economic development is concerned with improvements in the quality of life of the people living in the area' (Nattrass, cited in Department of Transport, 1993: 3-1).

⁴⁵ Gross Domestic Product (GDP): a calculation method in national accounting defined as the total value of final goods and services produced within a country's borders in a year, regardless of ownership. It may be used as one of many indicators of

being incurred and for some time after construction, after which “it will eventually disappear and the national income will revert to its former level” (Department of Transport, 1993: 2-2). Hence, first advancing, and then retarding or levelling off economic growth. This need not be the case, however, if certain provisions are made to support and reinforce the investment in (public) transport infrastructure with the long-term development, maintenance and management of public land, public facilities and public amenities, calling for an integrated public transport-public land planning intervention focus.

- Ensuring Economic Development - Thirdly, the relationship of sustainable urban transport and economic development is concerned with improvements in the quality of life and social upliftment. By enabling a full range of city dwellers to gain access to a broad range of opportunities easily and efficiently, we can substantially improve the capabilities and overall quality of life of the citizens. This paper does not only view investment in (public) transport infrastructure by its contribution to GDP as a means of measuring economic growth but also takes account of other quality of life benefits that would accrue as a result of the investment.⁴⁶ For example, how does one explain the fact that while the South African and Western Cape economies have been growing steadily the circumstances of the poor have not improved substantially in proportion to this growth⁴⁷?

Economic development can be ensured through targeted investment in transportation oriented developments or TODs, the North American term used to define nodes or villages associated directly with urban high points of a transportation nature for example, rail stations or higher order bus termini. In the South African urban context, these points are signified by transport interchanges (rail, bus and taxi) where flows are greatest and temporal patterns vary regular specifically during peak periods. Significant economic opportunities are attracted to these urban generators of large flows and movement. Economic development potential is also possible in the irregular tempos of the city where business hours are dictated mainly by participants in the second economy (off peak times) even though not always recognised and officially recorded in public transport record keeping. Together these regular and irregular urban flows, patterns and tempos create wonderful opportunities for NMT at certain times more intensively than others.

the standard of living in a country (<http://www.en.wikipedia.org>). GDP growth in South Africa was 5% in 2007, it is projected to decrease to 4% in 2008, rising to 4,6% in 2010 (average over the period: 4,3%), South Africa Budget review by Felicity Duncan, 20 February 2008: <http://www.moneyweb.co.za/mw/view/mw/en/page32837?oid=194761&sn=Detail>. The Budget speech also mentions that Statistics SA will be releasing an ‘official poverty line’ for South Africa (*Sunday Times*, March 23, 2008). However, there has been minimal public participation in its decision-making process on how to measure poverty, which is highly problematic understanding poverty by statistics and not the quality of life.

⁴⁶ GDP is often seen as an *individual indicator* of development related to industrialisation, the rise in personal income, technological advance, social modernisation and so on. This view may be argued as an unrealistic perspective of development (Sen, 1999).

⁴⁷ Economic growth rates at a national level have been increasing consistently over recent years with South Africa experiencing its longest period of sustained economic growth. Between 1995 and 2001, the Western Cape economy grew at an average annual rate of 3.3% and the growth for 2004 was estimated at 4% (Smith 2005: 19). The result of this relatively low economic growth rate and the concentration of this growth in the more skilled sectors of the economy means that unemployment levels in Cape Town have continued to increase from 16.5% in 1999 to 23.2% in 2003 (Labour Force Survey cited in Smith, 2005: 24).

These economic potentials must be explored with a view to stimulating economic development. For example, prioritised investment in NMT should be promoted on urban corridors and main streets (as part of a city's transport network) that lead to or are themselves urban markets or high points where bicycle vans carrying goods and services or pedestrians using head cartage can safely and comfortably transport between places of production/collection (often home) and market places.

Informal trade associated with PT interchanges or high threshold areas is often based on its own logic with respect to location relative to flows. This results in conflicting situations in terms of creating 'orderly' urban patterns. There needs to be a level of tolerance and deeper understanding of informal trading patterns relative to urban flows and thresholds so as to facilitate this sector appropriately without compromising its business potential and economic value.

h. An approach to sustainable infrastructure design

A lot of attention has been given to green infrastructure and building design with an emphasis mainly on green technologies to obtain the zero waste, zero carbon scenario. Sceptics claim, however, that some of this is mere rhetoric giving little attention to landscape design which is more about the whole and acknowledges the role of culture in settlement making and occupation.

From a spatial perspective and in the interest of good urban performance, sustainable infrastructure design should really be about making and maintaining the compact city, focusing on larger sustainable bulk services for example, energy and waste water systems. Together with the compact city idea, mindful resource use and designing with nature at the city scale are key fundamentals of an approach to planning and design. While there is merit in exploring the role of green infrastructure in city making especially on the basis of tried and tested technology and sound research, the target sector of this paper may find some of this overwhelming from an economic perspective. Upfront costs associated with green technologies are much higher than conventional materials, although it is argued that savings are made in the long term or cannot be equated to monetary value, but rather radical improve in quality of life for the urban citizens.

The best strategic direction lies in the promotion of a resource use conscious society and to promote urban systems thinking among built environment professionals in the public and private sectors. This would require considerable education and training of citizens in general and specifically the technical planning and engineering professions who would need to be re-educated in systemic thinking with respect to landscape and human settlement design. This would require that the intrinsic nature of landscapes remain intact and are reinforced by design intervention that recognises the economic sense of designing with nature. For example, storm water management could be a lot less expensive when natural flows are undisturbed, carefully treated and hard infrastructure simply responds and reinforce these patterns rather than changing them.

At the local scale, Harber (2008: 047) asks the question, "Why have rigid drains when it has been proven that a small, on-site digester enables flexible small bore sewers and suggests that we work on 'our laudable basic services allocations'" (see section 3.2). The question is whether local authorities are ready to drive this agenda together with policies that begin to challenge directly the conventional ways of doing business from a sustainable cities and settlements perspective. It requires tremendous courage and political will as was the case in Curitiba in the 1970s (Minter, 1997: 7-11).

STRATEGY 5: Moving towards economic interdependence

Rather than viewing the second economy as dependent (Blumenfeld, 1992⁴⁸) and reliant on tailored policies and programmes for investment, an interdependent economy, should be sought where the benefits are mutual⁴⁹. Interdependence is not an exclusive relationship. There are social, spatial and economic influences that allow for flux between the part (the country, the city or local neighbourhood) and the whole (continent, the country, or city).

Interdependence is inherently interlinked between urban concepts of density, complexity, proximity; urban governance; and security, growth and welfare (Beall, 2008). It is about reaching a balance, moving away from dual societies, cities and economies. The unbalanced and often disruptive growth experienced by developing countries poses severe limits to urban planning and development. Cities should be places of innovation and spaces for democracy that promote all levels of engagement and encounter. They are environments that strive for freedom and autonomy at a local scale. This leads to the proposal for a socially just city that responds to the poor to address the cycles of poverty and a new spatially-based economic approach at two levels.

i. The reduction and eradication of income poverty

The first is to reduce and eradicate income poverty. Urban planning and design can begin to give structure, form and function to spaces associated to high threshold areas such as urban corridors and related corridor nodes. From a land use perspective there may be an opportunity for vacant and underutilised industrial buildings to be used for small scale businesses and manufacturing coupled with financing programmes under-written by government's SMME incentive schemes. Large industrial sheds that can also potentially double up as live-work spaces are often located in inner city areas close to PT.

j. Overcome asset poverty and create asset value

The second level is to overcome asset poverty⁵⁰ and create asset value⁵¹ among the urban poor. The poor or second economy participants with the ability for 'know-how' need to be updated and up-skilled to have:

- The resources, energy, confidence and capability to act and transact.
- The expertise to participate in and understand the land and property market mechanisms;

⁴⁸ The intention is to not get caught up with terminology, but a basic outline will guide the debate. Blumenfeld (1992: 63) recalls Dos Santos' (1970: 231) definition is that **dependence** is "a situation in which the economy of certain countries is conditioned by the development and expansion of another economy". Blumenfeld (1992: 63-64) continues to state, "The development of countries at the 'centre' of the international political economy is believed to take place at the expense of the 'peripheral' countries...the periphery is not simply exploited by the centre, nor merely hindered in its development aspirations, but that it is in fact further – and inescapably- improvised." That is underdevelopment of the 'dependent periphery', or the creation of a hierarchy of centre-periphery relations resulting in fractions of capital, sometimes complimentary and sometimes competitive. Urban centres hold on to their capital whilst exploiting the periphery with dependent economic relations. This may be understood not only in economic terms, but spatially, socially and politically.

⁴⁹ Although Blumenfeld (1992: 88) refers to relationships between states, he acknowledges the term **interdependence** is often seen as widely utopian, due to the fact that mutual dependence or reciprocal benefits will be very difficult to be divided equally without conflict. However, positive conflict is seen to act as a social catalyst (as acknowledged by Beall, 2008), increasing in complexity and character.

⁵⁰ **Asset poverty** refers to either having no access to investment to build an asset base; or having very limited access to investment in residential or other property or built structure/s in areas where opportunities for adding economic value to such investment are lacking for various reasons including: the perception of crime or lack of decent infrastructure for example, public facilities, services, and commercial facilities adding no or little recognisable value to peoples' investment.

⁵¹ **Asset value** in a market based system is directly linked to location which can be interpreted in two ways: firstly, relative to traditional land uses (in the form of large investments) that assist cities to be the generators of economic growth; and secondly, proximate to the natural assets of a place that have inherent value for example, coastal zones and are therefore considered to have high economic value.

- The networks of support to persuade key role-players of their own informal systems of operation as alternatives to the conventions in a free market system.
- Their capabilities recognized at a level where they can reach their full potential as human beings within a support structure and framework that allows genuine economic development (as freedom) to occur.
- The right to be socially included in the fabric of city life and participate in the urban realm at all scales of the city.⁵²
- The opportunity to access strategically located public land assets and facilities for live, work, play, trade and so on.

⁵² Social exclusion happens when communities and individuals are no longer able to participate in community life and activities. Social exclusion in urban areas at the local and city scales in South African cities is a condition that prevails within poorer urban areas because of the lack of facilities and access to resources to reinforce the social and communal fabric of communities. It also prevails among urban areas between richer and poorer areas.

5. ROLE OF GOVERNMENT IN APPROPRIATE GOVERNANCE

A first step towards achieving integration of the second economy or small to medium-scale enterprises into mainstream economic thought is to accept that “the continent’s entrepreneurs can be agents of change, albeit that they cannot do it alone” (Rogerson, 2001: 116). In understanding the idea of livelihoods⁵³, the central concept that concerns extreme poverty of the urban poor, is based on a people-centred approach (Rakodi, 2002, Beall et al. 2002). This approach recognises that people are fundamental players in urban strategies. Rakodi (2002: xx) identifies, “It is an approach that aims to put people and their households in which they live at the centre of the development process, starting with their capabilities and assets, rather than with their problems.” It concentrates on the local context in which the second economy is a significant force and begins to set in place a reformist approach to sustainable urban development.

Critical Review Role: A key role of the South African government is to identify the current trends and policies that are failing to respond to local needs or interconnections that have resulted in a continuation of dysfunctional urban areas in South Africa. From a spatial perspective, these are mainly apparent in the implementation of transportation, land, housing and public structure investment that continues to promote exclusion and the fragmented city. There is a need to unravel the conflicting political structures and role confusion relative to these sectors and recognise that appropriate policy, coupled with key planning proposals and technical guidelines are critical to be able to create truly sustainable cities.

Redirecting investment: South Africa is in a position to redirect its considerable economic power towards the development of more compact and integrated environments. Such an enabling framework must be driven at the local level in order to allow entry for all citizens at differing levels of income. Local municipalities can achieve this through acting on policies and local actions that prioritise PT (especially rail based PT in the larger metropolitan areas); investment in appropriate infrastructure, some of which already exists in the inner periphery of the metros; provision of community facilities (in particular education and health) and social spaces, specifically in the outer periphery where most informal settlements and the urban poor are presently located.

Enabling Role: The design of the built environment, the distribution of urban density, mixed-use, well connected pedestrian networks, streets for living and their impacts on social inclusion, economic opportunities and cultural healing must not only be at the forefront of political discussions, but actively implemented on the ground. Traditional top down delivery approaches to mass housing and infrastructure need to become more balanced and interdependent. Government therefore, becomes an enabler of the spatial and structural framework rather than a provider of mass housing and infrastructure. Government must recognise that all people are ‘city-makers’ and make space for the creativity and initiative of city dwellers.

Oversight Role: Government needs to recognise at a metropolitan, neighbourhood and household scale, that compact urban development provides the only sustainable answer to urban growth. This not only leads to a reduction in urban sprawl, but also decreases energy use, pollution and the need for expansive infrastructure and services. Government must play

⁵³ *Sustainable livelihoods approach* has been used and implemented by various organisations in the past. These include: CARE International (emphasis at household level- focusing on ‘secure livelihood’); Oxfam (rights to sustainable livelihood); Canadian International Development Agency (CIDA); Department for International Development (DFID)(emphasis on support to assets and improved access to them by the urban poor); The Swedish International Development Cooperation Agency (Sida); World Bank and United Nations Development Programme (UNDP) (emphasis on technology with ‘adaptive strategies’) (see Rakodi, 2002).

an enforcement and oversight role in establishing an efficient and affordable PT system as well as sustainable infrastructure provision. It must remain ahead of the problems associated with urbanisation, including mass movement of people, energy use, sustainable water and waste recycling programmes and therefore needs to be proactive, engage in critical research and value meaningful participation.

Interventionist Role: “According to StatsSA, the poorest 10th of the nation get just 20c of every R100 that flows to households. Families in the richest 10th get R51” (Sunday Times, March 16, 2008). This very telling statistic obliges government to vigorously pursue the integration of the first and second economy. A key step is to redirect public investment to incorporate the second economy as part of an interdependent economic strategy by focusing on locally based public investment and development. In this way, resources will be reinforced in local economies and distributed more equitably. Current government programmes such as EPWP could be re-conceptualised to begin to stimulate local economic development and growth for all urban citizens.

6. CONCLUSION

The time is right for reshaping the cities like no time before. Over 50% of the global population live in cities, with over 75% expected by 2050 (Burdett & Sudjic, 2007). Key to understanding changing cities in South Africa is the people; the land they occupy, how much energy they use, how their PT is organised, where they are housed and where they recreate. The profound spatial interconnections of cities must be understood between: social cohesion and built form; sustainability and density; PT and social justice; public space and tolerance; and between good governance and cities for citizens⁵⁴.

This paper is not about an anti-poverty strategy or new set of policies, it is more about reinforcing a spatio-economic agenda that begins to shape the South African city into an inclusive urban domain which requires bold strategies and actions from those who hold the means to effect appropriate change for a democratic city and society. This agenda requires government to play a fundamental role as agents of change and mediation between the first and second economy relying on strategic directions that are about ‘business unusual’. A key concern with respect to this agenda is the conventional manner in which the second economy is currently approached within the domain of the first economy.

From a spatial perspective, the role and purpose of these directions would begin to shape a city that inter-weaves a number of urban surfaces as part of the same urban system - the city core with its inner and outer perimeters and slowly the one will influence the other in a dynamic manner. Through the successful implementation of strategies such as generating homes for all, the majority of people will move closer to the heart of the city, merging the ‘formal’ themes of tourism, entertainment, commerce and finance at the global level with the perceived informality and arbitrariness of the new participants - the steady and fast pace of the former intermingling with the ad hoc, sometimes lethargic, sometimes vibrant tempo of the latter, each contributing to the 18 to 24 hour compact city.

Slowly but surely, in time we will ‘transcend habitual binaries such as: formal/informal, organised/unorganised, legible/illegible, codified/uncodified, and so forth’ (Pieterse, 2005: 53); and in the context of this paper, integrate the first and second economies.

⁵⁴ Burdett & Sudjic (2007) identified that the Urban Age projects by the London School of Economics and Deutsche Bank’s Alfred Herrhausen Society, recognise urban connections between social, spatial and economic sectors within 6 global cities: New York, Shanghai, London, Mexico City, Johannesburg and Berlin.

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