UITENHAGE TOWNSHIP ECONOMY STRATEGY

The Volkswagen Board-Based Black Economic Empowerment Initiatives Trust (VW B-BEE Initiatives Trust) commissioned the Sustainable Livelihoods Foundation NPC (SLF) to develop a strategy for stimulating the development of small businesses in Uitenhage townships.

This exhibition presents a summary of the background research and the 12 projects proposed to foster growth in township micro-enterprises.

The project was undertaken in two phases. In phase 1, SLF conducted a comprehensive survey of over 1800 businesses in KwaNobuhle, Kwalanga and Rosedale. In phase 2, SLF collaborated with UrbanWorks to identify projects with high potential for development impact. To refine the ideas, we engaged with township entrepreneurs, stakeholders in government and service businesses, and representatives of the Trust.

The 12 projects are suggestions for leveraging growth. We have selected projects in reflection of constraints and opportunities, and proposed a range of development interventions and investments. In order for the projects to achieve the intended impact on the township economy, we have suggested roles for both the government and private sector businesses.

This exhibition forms part of our recommended township economy development strategy. The intention is to stimulate thinking and encourage stakeholders to take action. Let this be a step in a process of developing township business.
Map indicating high streets and nodes with development potential in KwaNobuhle.
SLF recruited and trained 14 field researchers from KwaNobuhle and Rosedale. The researchers were taught how to conduct surveys and were trained to use tablets to gather data and GPS devices to record precise geospatial positions. Field research was undertaken in October and November 2018.

The research team sought to identify and interview each business. The researchers obtained information about the business owner, the nature of the business and its current status, and insights into business challenges. The identified micro-enterprises were classified into 36 categories of business. The data was used to analyse the state of business in the township and map the spatial distribution of the different activities.
The business census identified a total of 1888 micro-enterprise activities. South African entrepreneurs operate around 72% of these businesses. The spaza sector is dominated by non-South African immigrants. Men account for 58% of the total entrepreneurs. There are many women running businesses of a survivalist character, glass recycling and selling snacks and sweets.

The sectors with greatest potential for growth are automotive service businesses including mechanical repair and panel beaters; personal services such as hair care; businesses selling food and beverages; street-based traders; and professional services. Youth are poorly represented in township businesses, though have entrepreneurial interests in the creative and cultural industries.

The main challenges to growing township business are: crime; competition; inadequate business infrastructure and locations; a shortage of tools and equipment; and market access barriers. Most township businesses are unable to access investment capital from formal institutions.

The state is underperforming in its regulatory role. We found little evidence to indicate that businesses are benefiting from government programmes.
In order to recommend specific actions to grow business, SLF undertook a series of participatory engagement workshops with township entrepreneurs. Participants were mobilised from the survey database. Workshops were conducted with recyclers, hairdressers, young creatives, outliers and automotive mechanics and enthusiasts.

At each workshop, we refined our understanding of the development challenge. The participants then worked in teams to collectively identify development solutions, translating their ideas into plans and designs. An important output of this process was the development of a series of scale models, showcasing the need for improved infrastructure, equipment and services.
We propose 12 projects. While there are synergies and linkages between them, each project however, can be implemented as a stand-alone intervention or in combination with other projects.

There are five main elements to the development strategy. The specific project components have been finely calibrated to address real business needs, as recorded through the survey and the engagements.
The suggested infrastructure strategy is intended to enable incremental growth. Each element has been designed in a modular form. The strategy permits for infrastructure projects to be scaled up on demand through the addition of modular units. The units themselves are designed to be accessible to micro-enterprises and adaptable to changing needs.

The design process is participatory and responsive to real-world business challenges and opportunities for growth. The infrastructure strategy responds to the broader development need for place-making, reducing spatial exclusion and re-aligning infrastructure in ways which purposefully support entrepreneurship.
PEOPLE’S AUTOMOTIVE ACADEMY. A flagship project to bring together the communities of KwaNobuhle and Rosedale/Langa through providing infrastructure to enable training, skills development for automotive micro-enterprises and to support leisure uses of the motor vehicle. The Academy will comprise a learner driving track, a training studio, trading facilities for motor events, mechanical workshops, a track for drifting and spinning, and a car wash.
**HIGH STREET ACTIVATION.** A project to activate the high street economy of Mabandla and Matanzima streets in KwaNobuhle Township. These two major streets support a range of service businesses and have notable growth potential to become economic spines. Activation requires both infrastructure interventions and social interventions to secure the support of property owners and the participation of businesses situated along the street. Activation strategies include: land-use rezoning to obtain commercial rights, street paving and lighting, the installation of mountable kerbs, traffic calming and surveillance, and the provision of street trader facilities.
AREA ACTIVATION NODES. A project to enhance economic activities within transport and trading nodes through strategic infrastructure and social interventions. Infrastructure interventions are required to improve the useable space and infrastructure facilities for business activities, whilst enhancing the quality of the social space, including measures to improve safety and security.

Social interventions will be supported to facilitate the entry of new businesses into these developed hubs. The project will enable beneficiaries to obtain strengthened land-use rights and participate in precinct management.
A. TRANSPORTABILITY
The modular trading unit is designed to allow for easy transportation via a trailer. This allows the structure to be relocated to different locations in response to changing business opportunities.

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

C. INCREMENTALISM
The modular structure can be adapted and enlarged to meet the growing demands of an operator.

D. EXPLODED STRUCTURAL DIAGRAM
Diagram illustrating the conceptual approach to the assembly of the structure.

01. Concrete périn, temporary trading material.

02. Concrete périn, temporary trading material, steel frame and roof cover (full module), enclosure and shop front.

03. Concrete périn, temporary trading material, steel frame and roof cover (full module), enclosure and shop front, roof overhang (half module).

04. Concrete périn, temporary trading material, steel frame and roof cover (full module), enclosure and shop front, roof overhang (half module).

05. Concrete périn, temporary trading material, steel frame and roof cover (full module), enclosure and shop front, roof overhang (full module).

06. OPEN / CLOSE
The structure allows for the containment of material when closed as well as the display of goods when opened.

WALL
The enclosure of the structure is made of corrugated metal sheeting.

FRAME
The interior frame is comprised of easily accessible flat-pack steel elements. These are then attached to form the frame.

SHOP FRONT
Where necessary the wall can be made to be a shop front with varying degrees of interface with the outside.

SIGNAGE & OPENING

CONCRETE FLOOR
A hard concrete surface bed provides a flat area to trade from and support the shop structure.

INTERNAL FURNITURE
Internal modular furniture comprises of storage, shelves and work spaces.

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

Local artisans will be engaged to construct the infrastructure. Social and business interventions will be undertaken to ensure the sustainable use of the infrastructure and enhancement of business activities.
RECYCLING STOKVELS. A project to enable waste collectors (recyclers) to better access current markets and obtain regular income from selling recyclable materials by working in self-selected groups. The project has twin objectives: (1) to redress the current market barriers which hinder income-generation for recyclers, and (2) to minimise the environmental threat of uncollected recyclable materials within the township economy, where plastic, in particular, is increasingly entering fragile river systems.
HAIRDRESSERS AND BEAUTICIANs. A project to enable local hairdressers & barbers and beauticians to upscale their businesses, establish linkages to product suppliers, improve their branding and marketing, and access better infrastructure and/or high potential sites.

The project will support the beneficiaries to become social entrepreneurs, filling a role in the communication of social messaging, on topics such as health, gender-based violence and employment readiness.
“Practice isn’t the thing you do once you’re good. It’s the thing you do that makes you good.”

— Malcolm Gladwell, *Outliers: The Story of Success*
AUTOMOTIVE SERVICE BUSINESSES. A project to support informal businesses in the township automotive sector to improve their businesses through strengthening business systems, enhancing their quality of service and transitioning towards specialisation.

The project targets auto-electricians, mechanics and panel beaters. The project will provide skills training and facilitate accreditation, assist businesses to access specialist equipment, mentor the beneficiaries to improve their business systems, marketing and branding, and build peer-to-peer networking.
CREATIVE STUDIO. A project to establish a creative studio with design, production and audio-visual equipment and workspace. Within the studio, the project will introduce programmes to unearth and nurture creative talent. Training and mentoring will be provided to assist young crafters and artists to professionalise products and service offerings.

The project will reduce the constraints of accessing equipment, workspace and studios, and specialist tools and equipment. The project will enable beneficiaries to strengthen their professional networks and more effectively market their skills, services and products.
TAXI FORMALISATION. A project to facilitate the formalisation of informal sedan taxis operating short-distance routes within the townships as a means to improve public transport safety. The project will improve the taxi system through: instituting vehicle registration and licensing; enforcing public driving licences; introducing a system for taxi identification; providing incentives and disincentives towards safety-oriented behavioural change; exploring possible strategies for incorporating the informal sedan taxis within an e-hailing platform; and promoting the participation of women in the sector, via branded women-only taxis.
VDUB'ELPMENT. A project to facilitate public engagement for a development vision in which automotive-related activities foster socio-spatial-economic integration in Uitenhage.

Through participatory engagements and one-on-one engagements, the project will facilitate public input on a development vision for Uitenhage which draws on the manufacturing legacy and synergistic linkages to the automotive sector, and Volkswagen’s interests in particular.

The vision will aim to identify catalytic opportunities, such as the VDUB festival, VW rally, or events at the Peoples Automotive Academy, to spur economic development in ways that foster social, spatial and economic integration across the Uitenhage communities.
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