

**THE NATURE, EXTENT AND LOCATIONAL DYNAMICS OF TYGERVALLEY
BUSINESSES IN THE CAPE TOWN ECONOMIC INEQUALITY CONTEXT**

by

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*Thesis presented in fulfilment of the requirements for the degree Master of Arts in the Faculty of
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ABSTRACT

Inequality is a persistent problem in post-apartheid South Africa. This study responds to the inequity in South Africa's current pattern of spatial development and spatial trajectory, specifically the lack of spatial economic transformation in its cities. It aims to provide a deeper spatial understanding of economic inequality in Cape Town, specifically the continued lack of investment and economic growth in poor city areas compared to continued investment and growth in wealthy areas. The study provides insight into economic activity in Tygervalley, a wealthy business precinct in the northern suburbs of Cape Town, through a detailed analysis of the location of private investment and business.

Businesses in Tygervalley were identified and their features and locational decisions determined and analysed. Conditions conducive to business growth in the northern suburbs, the level and types of business activity the area, as well as barriers to business growth in the south-east of Cape Town were determined based on these findings. Quantitative and qualitative data were collected from businesses in Tygervalley and analysed using multivariate and thematic approaches respectively. The study had an embedded mixed methods design with positivistic, phenomenological and pragmatic philosophical underpinnings.

Findings could inform policies to address the city's uneven growth pattern and encourage job creation in south-eastern Cape Town. The results show that wealthy areas such as Tygervalley continue to reflect the characteristics that promote economic growth while poor areas such as south-eastern Cape Town do not. Since initial assessments 15 years ago, little has changed in altering barriers to development in poor areas of the city. Policies and initiatives operating during this period have failed to create a spatially more equitable city by creating conditions conducive to business growth in poor areas. Cape Town is continuing on a general inequitable economic trajectory with economic growth proliferating and being reinforced in northern wealthy areas with comparatively little growth in poor areas such as the south-east. This trend does not support urban integration to the economic benefit of poorer areas in Cape Town. There is still a great need for improved proactive (particularly local) governance directing investment to poor areas through public-private-civil partnership mechanisms.

KEYWORDS and -PHRASES: economic inequality, spatial development, Cape Town, business location, government

OPSOMMING

Ongelykheid is 'n hardnekkige probleem in Suid-Afrika ná apartheid. Hierdie studie is in reaksie tot die ongelykheid in Suid-Afrika se huidige patroon van ruimtelike ontwikkeling en ruimtelike koerse, veral die tekort aan ruimtelike transformasie in sy stede. Dit poog om 'n dieper ruimtelike begrip van ekonomiese ongelykheid in Kaapstad, spesifiek die volgehoue tekort aan investering en ekonomiese groei in armer gedeeltes van die stad in vergelyking met die volgehoue investering en ekonomiese groei in die welgestelde gebiede, te bied. Hierdie studie verskaf insig tot die ekonomiese aktiwiteit in Tygervallei, 'n goeie sakewyk in die noordelike voorstede van Kaapstad, deur middel van 'n gedetailleerde analise van die ligging van private investering en besighede.

Besighede in Tygervallei is geïdentifiseer en is hul kenmerke en liggingsbesluite vasgestel en geanaliseer. Gunstige toestande vir die uitbreiding van besighede in die noordelike voorstede, die vlak en tipe besigheidsaktiwiteite in die gebied, sowel as die hindernisse wat sakegroei in die suidoostelike gebiede van Kaapstad inperk, is volgens hierdie bevindinge vasgestel. Kwantitatiewe en kwalitatiewe data is van besighede in Tygervallei verkry en is geanaliseer deur onderskeidelik van veelvoudige en tematiese benaderings gebruik te maak. Die studie het 'n geïntegreerde ontwerp met gemengde metodes gehad met positivistiese, fenomenologiese en pragmatiese filosofiese ondersteuning.

Die bevindinge (van hierdie studie) kan gebruik word om beleide te skep wat die ongelyke groeipatroon van die stad kan aanspreek en die skepping van werksgeleenthede in die suidoostelike gedeeltes van Kaapstad aanmoedig. Die resultate dui aan dat goeie gebiede soos Tygervallei steeds die eienskappe wat ekonomiese groei bevorder, reflekteer terwyl dit nie in arm areas soos die suidoostelike gebiede van Kaapstad, voorkom nie. Sedert die aanvanklike waardebeoordeling 15 jaar gelede gedoen was, het daar nie veel verander om die hindernisse, wat in die weg van ontwikkeling in armer gedeeltes van die stad staan, uit die weg te ruim nie. Beleide en inisiatiewe wat in hierdie tydperk van toepassing was, het nie daarin geslaag om 'n stad te skep wat ruimtelik meer gelyk is deur gunstige toestande vir sakegroei in armer gebiede te skep nie. Kaapstad is op 'n algemene ongelyke ekonomiese koers waar in teenstelling met die min groei wat in die arm gebiede soos die suidoostelike gebiede plaasvind, ekonomiese groei in die noordelike goeie gebiede floreer en bevorder word. Hierdie tendens ondersteun nie stedelike integrasie tot die ekonomiese voordeel van armer gebiede in Kaapstad nie, Daar bestaan steeds 'n groot behoefte vir proaktiewe staatsbestuur (veral plaaslik) om investering in arm gebiede deur middel van openbare-private-burgelike vennootskap meganismes te bestuur.

SLEUTELWOORDE en –FRASES: ekonomiese ongelykheid, ruimtelike ontwikkeling, Kaapstad, sakeligging, regering

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CHAPTER 1 INTRODUCTION AND CONTEXTUALISATION

1.1 INTRODUCTION

The physical and social environment in which we are born and grow up is one of the most important determinants of every person's well-being and life chances. This environment has a bearing on access to opportunities, good schools, useful social networks, public services and safe environments. Separation between social groups, long distances between jobs and housing and poor public services exacerbate poverty and inequality. This is hugely significant for South Africa's society, economy and environment.

National Development Plan (NDP) (2012:234)

Inequality is a current, broad and complex issue strongly debated in academic, policy and lay circles. Inequality can be defined as a state of social organisation that does not enable or provide equal access to resources and opportunities to all the members of a society (May, 2000). A multifaceted concept, it includes aspects such as income inequality and the inequality of opportunity (World Economic Forum, 2016). Inequality is a barrier to true equality among people that undermines socio-economic development¹ and democracy (Keeton, 2014; Wolf, 2014; World Economic Forum, 2016). It affects developing and developed countries, is greatly influenced by the world economic system, and varies according to country category and world region (UNDP, 2013). Developing countries like South Africa reflect among the highest levels of inequality in the world, with disparities in the physical location of development being a major aspect (UNDP, 2013; The World Bank, 2015a).

In South Africa, discriminatory pre-apartheid and apartheid government policies and legislation reserved more than 80% of commercial land for whites (Mahlangeni, 2013; Republic of South Africa, 2014a). Poor black communities were, in terms of physical location, disconnected from areas experiencing economic growth on national, provincial and metropolitan levels (Morris, 1998; Turok & Borel-Saladin, 2013). Black people were located in areas such as rural homelands and urban townships with weak economic bases and infrastructure. Gross socio-economic public underinvestment occurred, and social and economic restrictions were applied in black areas, compared to major investment in white areas. This led to unbridled economic growth in white areas, the continued underdevelopment of black areas and, as a result, the spatial economic inequalities

¹ The process of social and economic development in a society.

present in apartheid South Africa. These inequalities continue to manifest in post-apartheid South Africa (Rogerson & Nel, 2016).

The African National Congress-led government, democratically elected in 1994, has made major social development strides over the last 22 years, including establishing an extensive social welfare system benefiting the poor (Republic of South Africa, 2014a). These strides represent attempts to redress the race-based poverty and inequalities that emerged as a result of apartheid. Despite many achievements, a large portion of the population, and in particular poor communities, remain disconnected from formal economic opportunity. This challenge, though recognised in key national development objectives, is particularly difficult to overcome given South Africa's re-entry into the economic global arena in 1994, and its largely neo-liberal macroeconomic agenda (Republic of South Africa, 2012, 2014a; Pieterse, 2009).

Post-apartheid urban centres are extremely important economically and demographically, reflecting stronger growth than rural economies and providing greater employment and income-related benefits (Turok, 2012; Republic of South Africa, 2014b). Since 1994, black urban areas have seen major investment in social infrastructure and services (Turok, 2012). Government has also made some progress regarding urban residential desegregation (Morris, 1998; Saff, 1998; Oldfield, 2004). The overall rate of urban racial desegregation has, however, been very slow and racial integration limited, particularly in relation to poor black communities (Christopher, 2001, 2005; Seekings, 2010; Republic of South Africa, 2014b). Post-apartheid urban centres continue to be characterised by largely mono-racial areas, class segregation and the disconnection of people from economic opportunity (Christopher, 2001, 2005; Pieterse, 2009; Seekings, 2010). These realities have driven the growth of urban poverty (Turok, 2012).

Cape Town remains one of the most segregated cities in South Africa, with little movement of poor people into better economic locations (Turok, 2001; Jenkins & Wilkinson, 2002; Lemanski, 2007, Parry & Van Eeden, 2015). The city's uneven and polarised pattern of development drives racial segregation and reinforces the socio-economic divide between poor black areas and middle-class and wealthy white areas. Under apartheid, the majority of black people in Cape Town were forced to reside in the peripheral south-east², which reflected minimal socio-economic public and private

² The south-east of Cape Town or the Cape Flats, is the south-east sector of the Cape Town metropole where the majority of black and poor people live. This arbitrary definition includes areas not located in the south-east 'core' that have historical, social, environmental, political and cultural similarities to and connections with the core of the Cape Flats.

investment compared to white areas. Since 1994, major public investment in social infrastructure and services has been made in the south-east. Public investment in economic infrastructure and services, however, lagged in comparison, occurring more in wealthy than in poorer areas. The limited economic public investment that has occurred in the south-east has also not translated into much economic development³ for the area (Turok & Watson, 2001; Lemanski, 2007; Sinclair-Smith & Turok, 2012). Private investors, businesses and jobs continue to gravitate toward the wealthy northern and western suburbs of Cape Town (Turok & Watson, 2001; Watson, 2002; City of Cape Town, 2003; Sinclair-Smith & Turok, 2012; City of Cape Town, 2016b). This is problematic given that the majority of Cape Town's population, including most of the urban poor, reside in the south-east (Turok, 2001; City of Cape Town, 2010; Sinclair-Smith & Turok, 2012). Members of the workforce in the south-east, the majority of whom are low-income earners, have to spend large proportions of their incomes on commuting to and from relatively distant economic centres (Turok & Watson, 2001; City of Cape Town, 2010). In addition, the south-east's area and population characteristics, the operation of neo-liberal economic forces, and lack of development support from financial institutions, hamper private investment and business development in the area. Investment strategies and urban-development schemes largely bypass the south-east. This situation is compounded by poor local government capacity to effectively facilitate development in the area.

The inequitable trajectory of Cape Town's economy is highly problematic given that national, provincial and local objectives focus on greater equitable and inclusive economic development in South African cities. Part of the solution to this challenge is to overcome shortcomings in urban-economic research and policy. This study aimed to assist in overcoming these shortcomings.

1.2 THE RESEARCH PROBLEM

According to Turok (2012), the geography of the economy has not been strongly considered or prominent in mainstream economic policy since 1994. The idea that physical location can affect business productivity and performance is not well understood. Specifically, spatial inequalities are

Suburbs comprising the area are Athlone, Atlantis, Bishop Lavis, Steenberg, Heideveld, Hanover Park, Bonteheuwel, Manenberg, Elsies River, Langa, Crossroads, Nyanga, Gugulethu, Khayelitsha, Lansdowne, Mitchells Plain, Philippi, Grassy Park, Retreat, Blue Downs, Delft, Belhar, Ocean View, Lavender Hill and Lwandle.

³ Whereas economic development is policy-based with the aim of improving the economic and social well-being of people, economic growth is linked to market productivity and rise in gross domestic product (GDP). Economic growth is one aspect of the process of economic development. GDP is the monetary value of all the finished goods and services produced within a country's borders in a specific time period.

largely attributed to historical factors only, with no acknowledgement that present-day forces may be worsening them. Spatial disparities are being linked to the issues of equity and distribution only, with no connections to economic production and efficiency.

The South African government is concerned about the form and functionality of South African cities. There has, however, been relatively little consideration of the spatial economy in urban development policies, despite the major effect the location of jobs and investment have on achieving more equitable and integrated urban settlements. The reasons for this spatial economic oversight include a lack of reliable data at a local scale, little demand for applied spatial-economic research, and academic and professional disciplinary divisions (Sinclair-Smith & Turok, 2012).

According to Turok & Borel-Saladin (2013: 34):

More research is required to understand and explain the changing spatial economy of South Africa, including the variable performance of different places, the costs and benefits of uneven development, and the obstacles to accelerated economic growth and a more balanced pattern of development. There is still a great deal that we do not know about fundamental issues concerning the degree of (in)efficiency and (in)equity in the country's current pattern of spatial development and its trajectory. Closer inspection of the process of economic and demographic concentration would be a good place to start.

Turok & Borel-Saladin (2013) and the Republic of South Africa (2014b) further highlight the need for economic information to develop a better understanding of the space economy, and greater knowledge and understanding of local economies and their dynamics. To achieve economic goals, urban municipalities require better information, and they need to use it effectively.

In Cape Town, an improved understanding of the causes and dynamics of economic change is needed to inform policies to address the city's uneven growth pattern and encourage job creation in the south-east (Turok, 2001; Sinclair-Smith & Turok, 2012). One mechanism to better understand economic change in Cape Town is to gain an improved explanation of Cape Town's northern spatial economic trajectory through a more detailed analysis of private investment and business locational decisions and their outcomes (Turok & Watson, 2001; Sinclair-Smith & Turok, 2012). Direct positive correlations exist between economic development, economic growth, private investment, business development and job creation. A study focusing on identifying the factors that make northern business precincts in Cape Town attractive to business as well as these businesses' perspectives on the south-east as a business location would be particularly useful and warranted.

1.3 THE RESEARCH PURPOSE

This study aimed to contribute to identifying, from a business perspective, conditions conducive to business growth in the northern suburbs, the level and types of business activity in these areas, as well as barriers to business growth in the south-east of Cape Town. This was achieved by identifying and analysing businesses' features and locational decisions in Tygervalley, including their perspectives on commercial development in the area and the south-east of Cape Town. Tygervalley is a wealthy business precinct in the City of Cape Town reflecting high levels of private investment and business growth. The study aimed to contribute to findings of previous studies which included consultations with business and public officials on the reasons for lack of business growth in the south-east. The findings can inform policies and interventions to overcome or bypass barriers to growth in the south-east and therefore contribute to enabling economic development in the south-east. Findings do not necessarily constitute solutions to the entire problem of underdevelopment in the south-east, which is highly complex and multifaceted.

The study improves the understanding of spatial inequality as a product of economic change within Cape Town. Spatial inequality in urban areas is based on the physical proximity to economic opportunity and jobs (Grant, 2010). This study focused on spatial transformation specifically emphasising a specific barrier to urban restructuring as outlined in the National Development Plan (NDP), namely continued lack of economic, specifically private and public investment, in poor areas compared to continued investment in wealthy areas. It builds on previous studies focusing on uneven development in Cape Town, in particular the work of Turok (2001), Turok & Watson (2001) and Sinclair-Smith & Turok (2012). The study scientifically tests (validates and/or refutes) the arguments and perspectives of the aforementioned researchers on why businesses locate in the (northern) suburbs of Cape Town; what barriers to development in the south-east of Cape Town are; and which parties are responsible for creating conditions conducive to economic growth and development in the south-east. The study determines if these researchers' arguments and perspectives are still valid in 2016.

According to Turok (2001), businesses locate in Cape Town's suburbs due to factors such as quality and business-appropriate building stock and infrastructure, the presence of highly skilled residents with high disposable incomes, and strategic access to road networks; barriers to development in the south-east include low disposable incomes and crime; and it is the responsibility of the private and public sectors and civil society to facilitate economic growth in the south-east of Cape Town.

Ultimately this study intends to determine if uneven development in Cape Town is occurring in accordance theories of spatial inequality and the principles recorded in empirical studies. This exercise aims to strengthen the scientific credibility of the study's findings.

1.4 RESEARCH AIMS AND OBJECTIVES

The aim of this study is to identify conditions conducive to business growth, and levels and types of business growth in the northern suburbs of Cape Town, as well as barriers to business growth in south-east Cape Town. This is achieved by identifying and analysing Tygervalley businesses' features and locational decisions, including their perspectives on business development in Tygervalley and the south-east of Cape Town.

The study's objectives are:

1. Establish the nature and extent of business activity in Tygervalley by constructing a database of all businesses located in Tygervalley and determining the nature of individual business locations, the extent of commercial development and the demand and supply of business premises available to rent and purchase in the area.
2. Ascertain the conditions present in the Tygervalley that attracted businesses to the area, and the conditions in their previous locations that motivated their move to Tygervalley.
3. Determine, from a Tygervalley business perspective, the conditions in the south-east of Cape Town that deter businesses from locating there, as well as the conditions to be created to attract businesses to the area and the parties responsible for creating them.

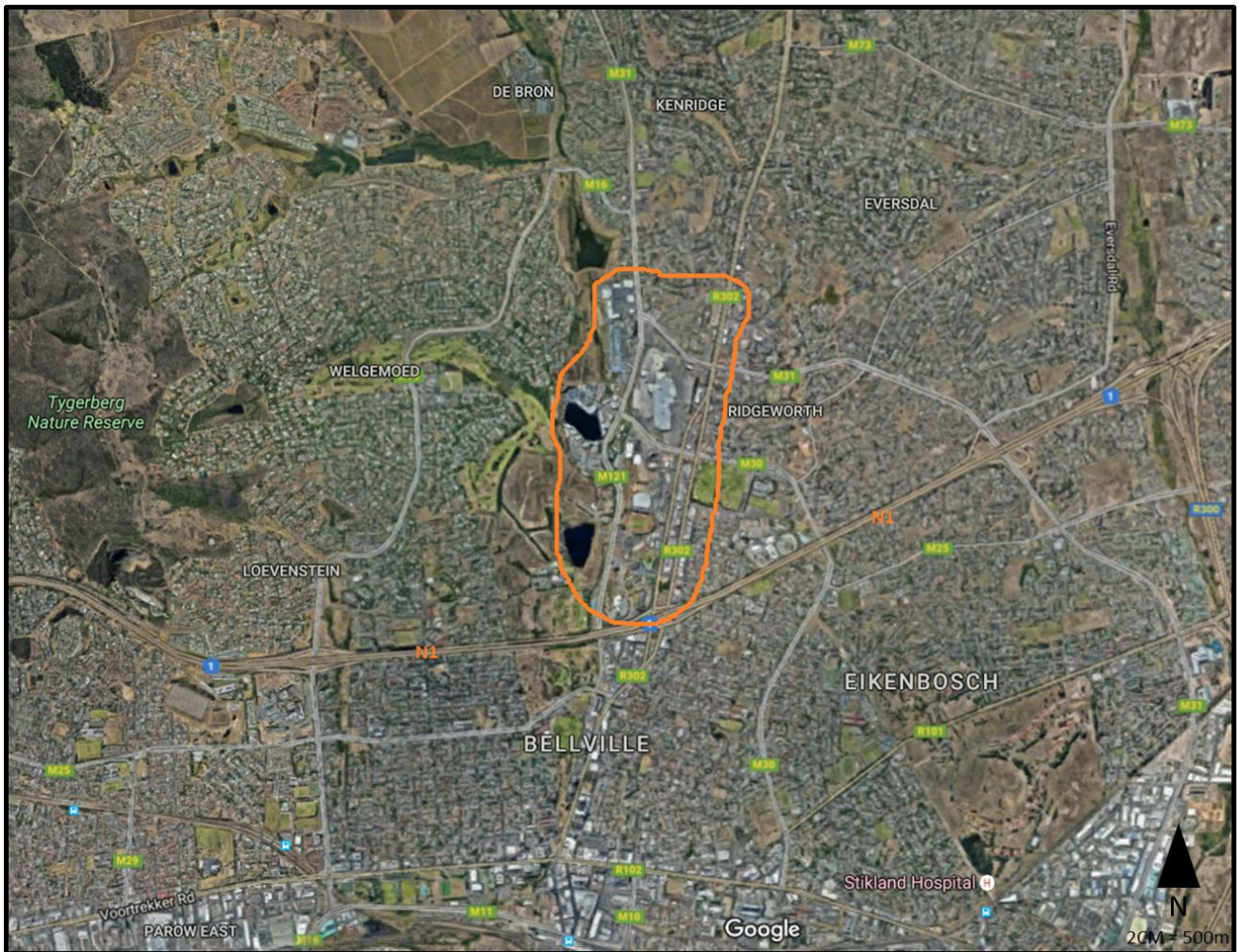
1.5 DEFINING THE STUDY AREAS

The primary study area is the Tygervalley area in Bellville, Cape Town, South Africa (Figures 1.1, 1.2 and 1.3). It comprises the area north of the N1 national road, south of Old Oak Road/M31 (including Willowbridge), west of and along Durban Road (R302), and east of and along Carl Cronje Drive (M121). It encompasses all businesses in Tygervalley located in areas zoned as General Business, Local Business and Mixed Use as per the Cape Town Zoning Scheme (City of Cape Town, 2016a) (Figure 1.4). The secondary study area is the south-east sector of the Cape Town metropole (Figures 1.1 and 1.5).



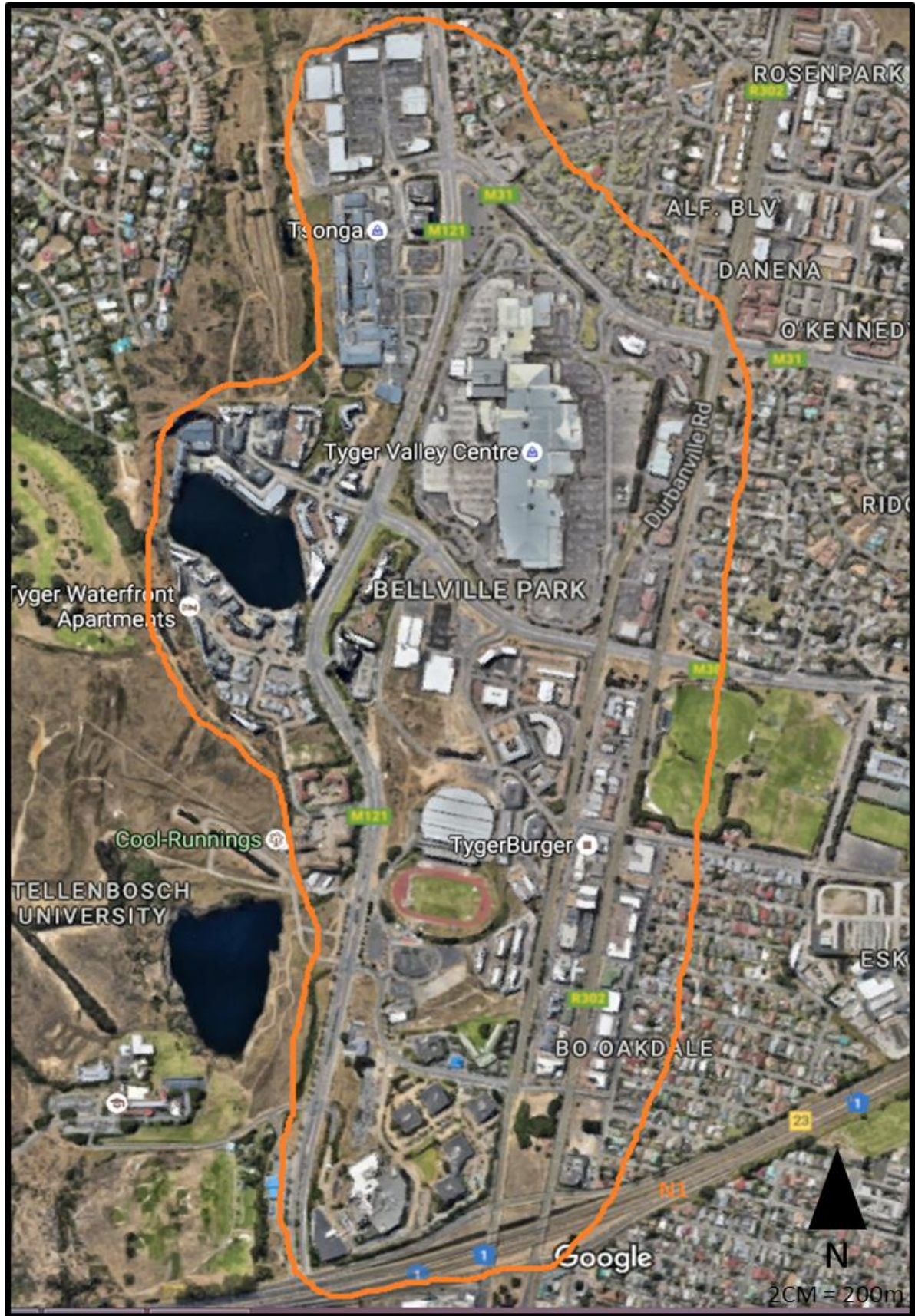
Source: Google Maps™ (2016)

Figure 1.1 Location of Bellville and south-east Cape Town



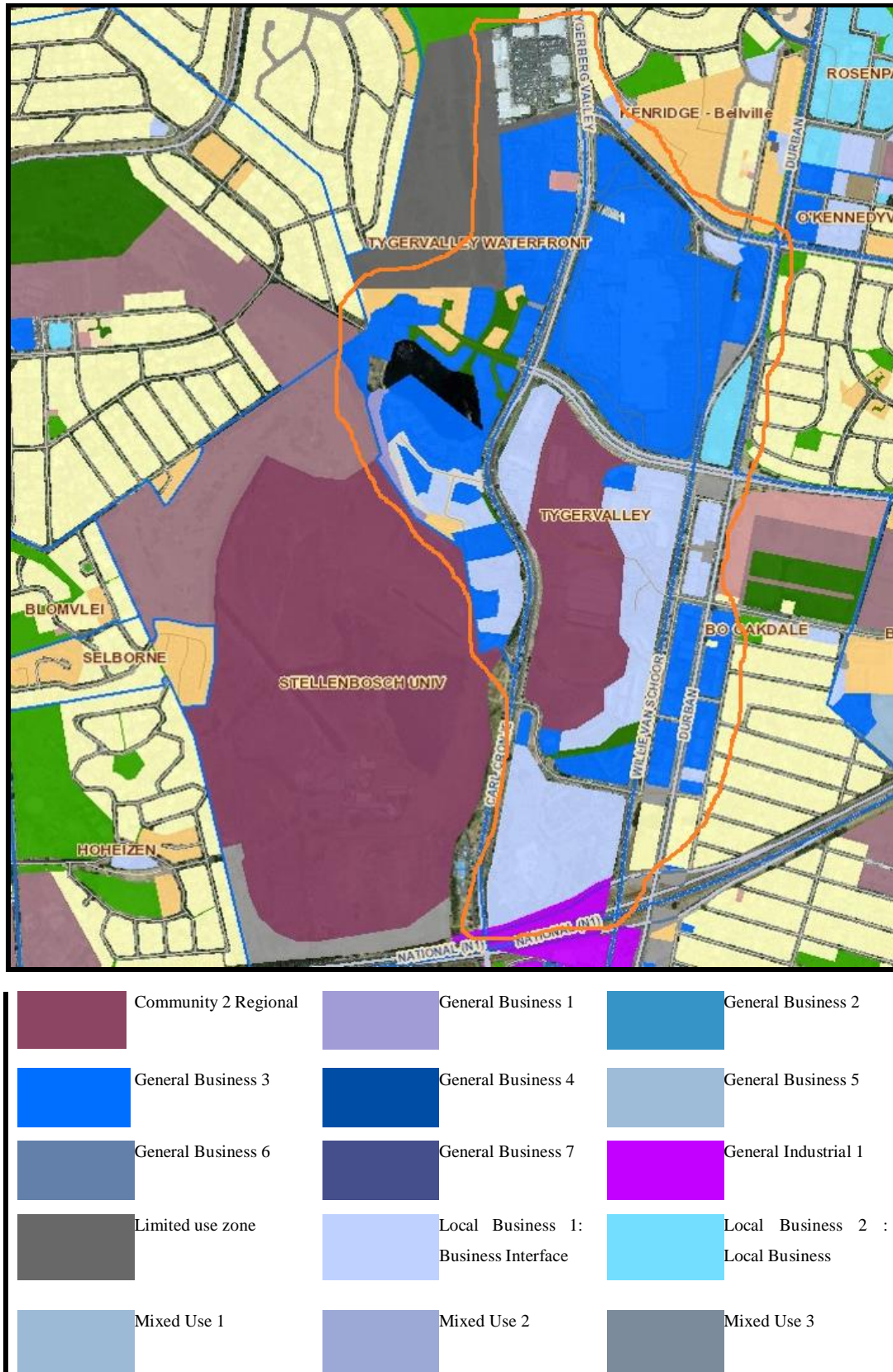
Source: Google Earth™ (2016)

Figure 1.2 Location of Tygervalley in Bellville



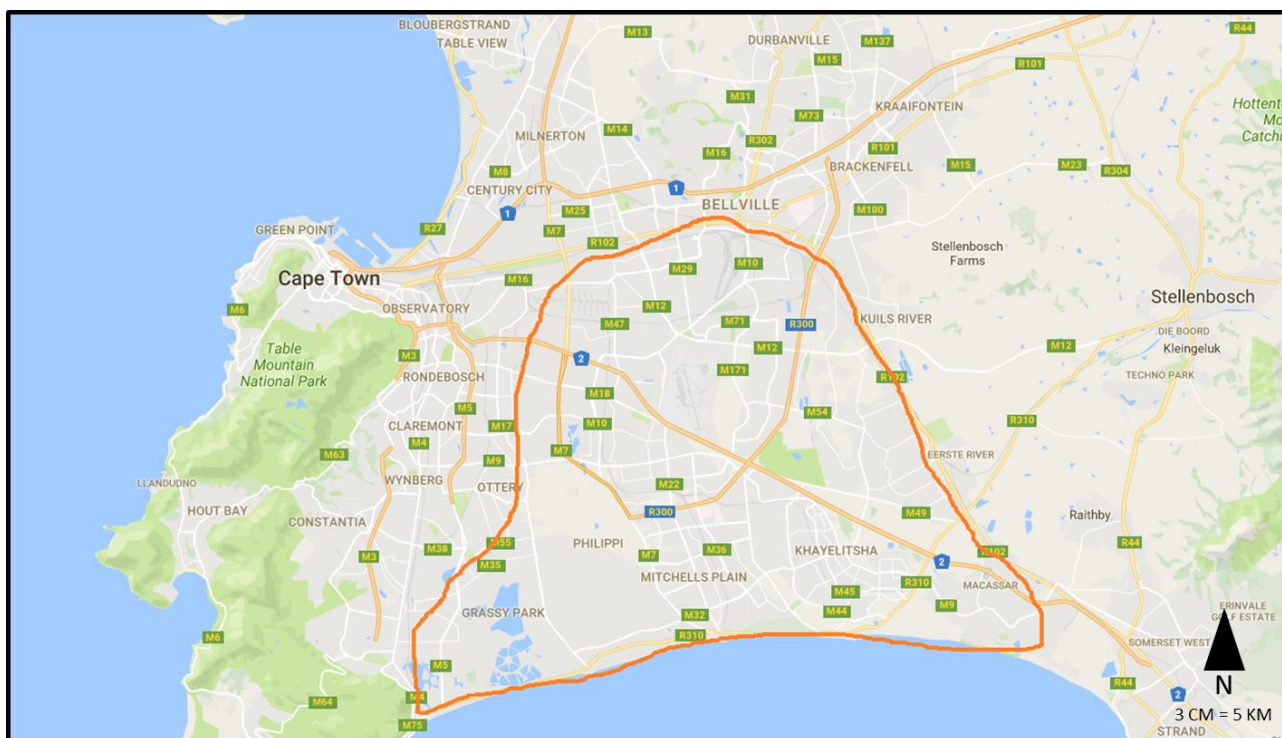
Source: Google Earth™ (2016)

Figure 1.3 Tyger valley study area indicated by orange boundary



Source: City of Cape Town (2016a)

Figure 1.4 Zoning designations in Tyger Valley study area indicated by orange boundary



Source: Google Maps™ (2016)

Figure 1.5 Extent of south-east Cape Town (Cape Flats) indicated by orange boundary

According to City of Cape Town (2010) and Sinclair-Smith & Turok (2012), the economic centre of Tygervalley, after the Cape Town central business district (CBD), experienced the highest level of economic growth (in terms of company turnover) between 2001 and 2005. Tygervalley also experienced the highest level of economic growth, after the Cape Town CBD, in the finance, business and professional services sector. Finance, business and professional services is the largest and fastest growing sector in Cape Town's economy, in comparison to the other two main economic sectors, namely, manufacturing, and retail and wholesale (Sinclair-Smith & Turok, 2012).

Tygervalley reflects high levels of private sector investment. Since 2005, 21.8% of office development in Cape Town took place in Tygervalley, more than in the Cape Town CBD and surpassed only by Century City at 25.5% (City of Cape Town, 2014a). Economic growth in Tygervalley between 2005 and 2013 is generally viewed as high to very high based on growth indicators tracked by the City of Cape Town as listed in Table 1.1.

Table 1.1 Key growth indicators for Tygervalley

Indicator	Growth phase
Office rental growth 2005-2014 (m ²) nominal	Very high
Street front retail rental growth (100m ²) MEAN	Very high
New office buildings 2005-2013 (m ²)	Very high
New shopping buildings 2005-2013 (m ²)	High
Submissions for new offices 2012-2013 (m ²)	High
Submissions for building re-development 2012-2013 (m ²)	High

Source: City of Cape Town (2016b)

Note: The data on which these rates are based is confidential

Office vacancies are low in Tygervalley (City of Cape Town, 2016b). In 2015 Tygervalley had 454 574 m² of commercial space with a 7.7% vacancy rate (Capitol Commercial Properties, 2015). Tygervalley generally reflects high market performance and business location potential (City of Cape Town, 2016b). The amount of commercial space in Tygervalley continues to increase. Recent developments in the area include expansion of the Sanlam headquarters. The Galleria urban hub in Tygervalley, a new mixed-use urban development, which includes A-grade⁴ commercial office development, is currently underway. Although any business precinct in the northern suburbs that reflect high levels of private investment and business development could have been chosen as the study area, Tygervalley was chosen because of the high density of business activity and relative ease of access to businesses in the geographical area; the researcher's familiarity with and residential proximity to the area; and on account of time and financial constraints.

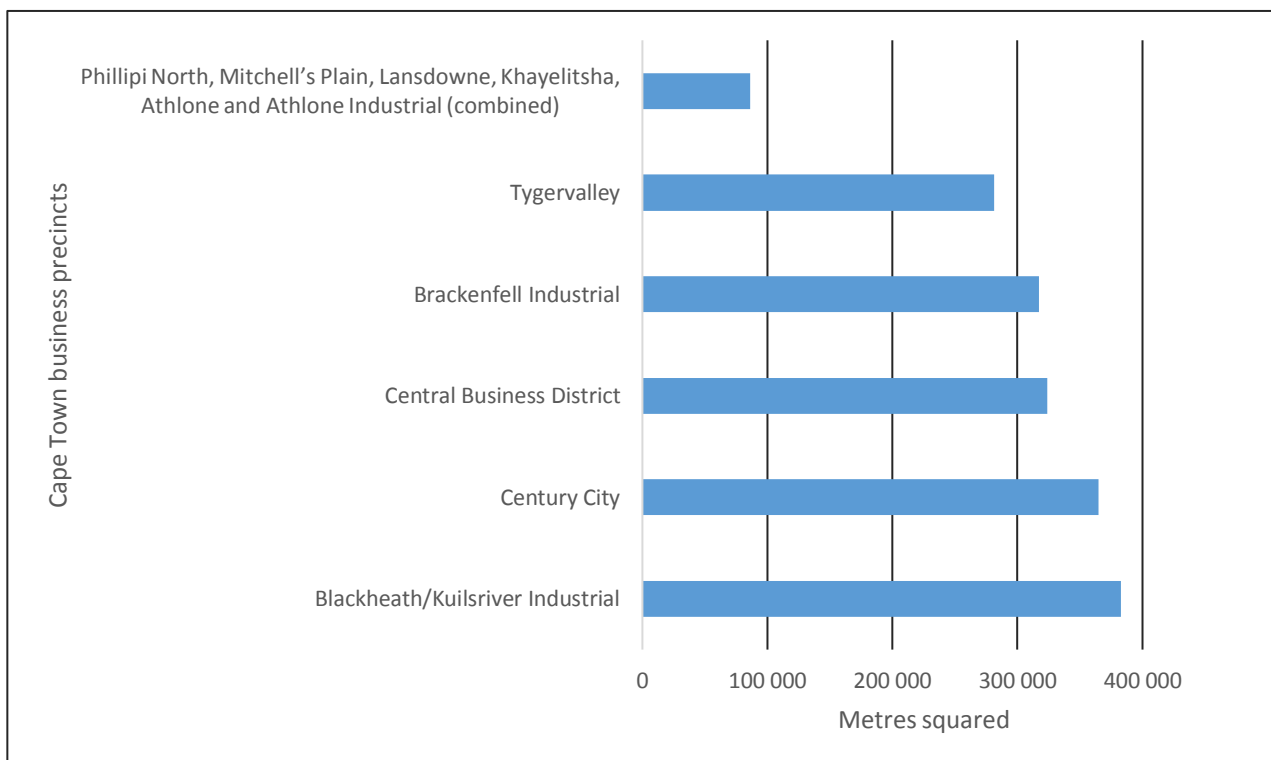
In contrast to Tygervalley, south-east Cape Town reflects low levels of private investment and business development (City of Cape Town, 2016b). The number and scale of formal private and community-based commercial property developments in the south-east are small compared to the size of the area and its population⁵ (Turok & Watson, 2001; Lemanski, 2007; Sinclair-Smith & Turok, 2012).

⁴ The highest-quality office spaces on the market are considered Class A. Generally speaking, these spaces are newly constructed and have been outfitted with top-of-the-line fixtures, amenities and systems.

⁵ Property development is an important indicator of urban change because it reveals where physical capital, employment and a range of other resources and opportunities are increasing (Turok, 2001).

Since 2005, the City of Cape Town (2016b) has been tracking and routinely assessing the market performance (against indicators such as planned and completed buildings, rentals, rental growth, building vacancies and commercial property sales) and location potential (against indicators such as size of commercial space, room for future commercial growth, accessibility, infrastructure, security and catchment of disposable income, educated workers and commuters) of business precincts across the metropolitan region.

The data specifically shows (as illustrated in Figure 1.6) that non-residential new building completions and redevelopments in business precincts in south-east Cape Town (such as Phillipi North, Mitchell's Plain, Lansdowne, Khayelitsha, Athlone and Athlone Industrial) have been minimal when compared to precincts that have reflected the highest levels of new completions and redevelopments. These latter precincts are the Cape Town CBD and Canal Walk, Tygervalley, Brackenfell Industrial and Blackheath/Kuilsriver Industrial in the northern suburbs. In addition, the city's data shows that the market performance of business precincts in the south-east is poor, while the potential of south-east precincts as business locations varies from poor to above average.



Source: City of Cape Town (2016b)

Figure 1.6 Completed non-residential building developments and redevelopments in selected business precincts in Cape Town 2005 to 2013

1.6 RESEARCH METHODOLOGY AND METHODS

This section outlines the research methodology used in the study, including the motivation for selecting it. This is followed by a brief overview of the philosophical basis of the methodology and a detailed description of the research methods, also covering the motivations for using the methods and relevant information on their implementation. Finally, the data preparation and analysis procedures are set out.

1.6.1 Research methodology

Exploratory and descriptive research questions were asked and mainly quantitative primary (numeric and textual) data was gathered. Supplemental qualitative data, specifically primary (textual), and quantitative as well as sets of qualitative secondary (numeric and textual) data were also gathered to support the achievement of the objectives and strengthen the study's results. The study therefore has an embedded design which is quantitatively dominant with a supporting or supplemental qualitative strand (Figure 1.7). The embedded design is a mixed-methods approach in which different types of data, both quantitative and qualitative, were used in a research design that combines quantitative and qualitative approaches (Creswell & Plano Clark, 2007, 2011). Based on Bryman's (2006) outline of reasons why researchers choose mixed-methods research designs, this study benefits from a mixed methods design in the following ways:

- Completeness: a more comprehensive account of the area of inquiry is provided;
- Credibility: the integrity of the findings is enhanced; and
- Enhancement: findings are augmented.

The mixing or point of interface of the qualitative and quantitative data in the embedded design is at the design level (Figure 1.7) and this is apparent in the presentation and interpretation of the study's results in Chapters 4 and 5.

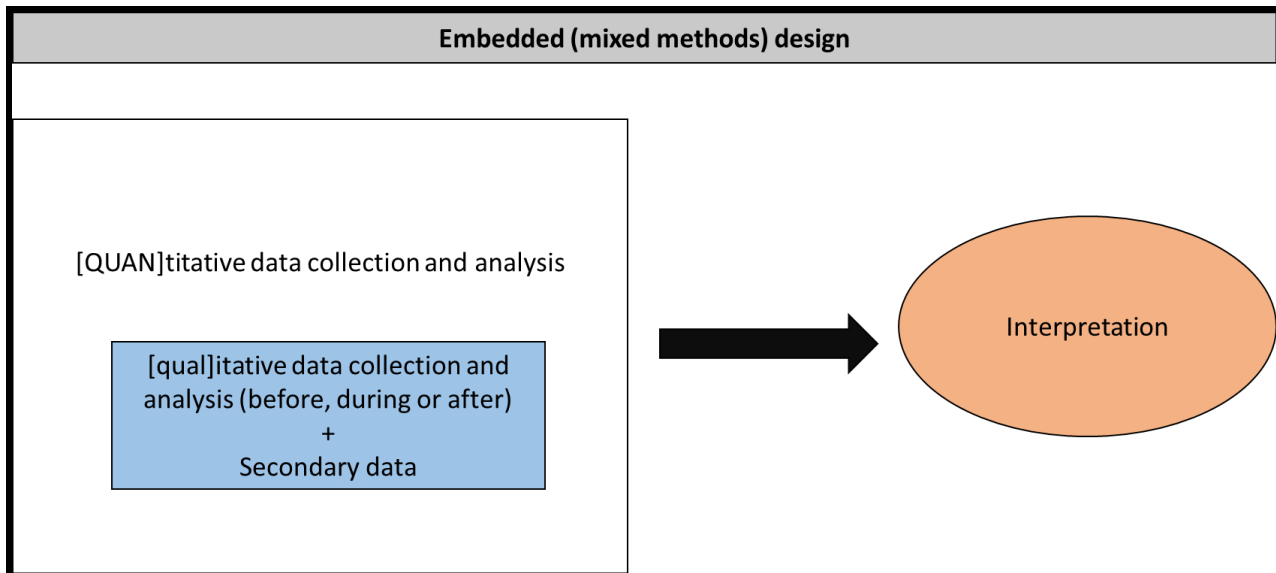


Figure 1.7 Study's research design

Data was collected and analysed within a dominant quantitative design which, according to Creswell & Plano Clark (2003), entails studying a representative sample of a population to establish statistically significant conclusions about that entire population. The population consists is the entire group being studied—every individual that fits the description of the group being studied. A dominant quantitative design was well-suited to this study because the research population was relatively large ($N = 998$) and resource constraints, including time and financial, made it too challenging for an in-depth qualitative study to be undertaken of such a large population.

The qualitative element of the study has phenomenological design elements. According to Creswell (2007), phenomenology describes the meaning for several individuals of their lived experiences of a concept or a phenomenon. The study took an inductive direction, that is, it involved observations to identify patterns to develop tentative hypotheses and general conclusions, and confirm or refute existing theories, perspectives and arguments. The study is cross-sectional as it was undertaken at one particular point in time. Cross-sectional studies fit well with exploratory and descriptive studies where information is examined on many cases at one point in time (Neuman, 2011). The study was limited to current and not past business behaviour and characteristics. The mixed-methods methodology of the study was based on three key philosophical approaches to epistemology in the social sciences as set out in the next section.

1.6.2 Philosophical underpinnings

For the research aims and objectives to be met, empirical evidence (knowledge acquired by means of the senses) needed to be gathered through observation (the active acquisition of information from a

primary source). The use of empirical evidence combined with a dominantly quantitative research design, positioned the study largely within a positivistic philosophical approach to knowledge generation and validation (epistemology) in the social sciences. Positivism is based on empiricism which involves information acquired through the senses (specifically through direct, systematic observation) and interpreted through reason and logic as the absolute source of all valid knowledge (Macionis & Gerber, 2010). Social and natural phenomena are similar enough to justify similar methodologies (Babbie & Mouton, 2001). The quantitative, positivist paradigm (which was the dominant research approach in the 1950s and 1960s) posits that the quantitative procedure involves selecting indicators, that is empirical concepts and/or measurable responses which are acquired via mechanisms such as surveys, interviews and observations. Scale indexes are developed from these mechanisms which serve as summative measures of the relevant constructs (behaviour, beliefs, attitudes, values).

In contrast, the qualitative element of the research design is positioned in the interpretivist philosophical approach. Interpretivists argue that knowledge is generated subjectively between people through the meanings and understandings they develop via social interaction and experience. Knowledge is generated through mutual consultation and dialogue and is specific to the situation being investigated. Researchers use their own social skills to understand how the study participants understand their world (O' Donoghue, 2007). Phenomenology is an aspect of methodology within the interpretivist philosophy. Methods used in qualitative research include personal documents, unstructured interviews and participant observation (Babbie & Mouton, 2001).

This study has a mixed-methods design and for practical (expedient) reasons it is pragmatic in nature aimed at prediction, problem-solving and action. Pragmatics advance that epistemological philosophies are perceived through their practical uses and successes and emphasise the practical application of ideas through testing in the human experience (Guttek, 2014). Pragmatism is a feature of the research methods chosen used within this study within the relevant quantitative and qualitative research paradigms. These methods are described below.

1.6.3 Research methods

Data collection in this study faced major challenges principal of which was to ensure the participation of the units of analysis and maintain a high level of accuracy regarding the characteristics and behaviours of businesses in Tygervalley. The research population constituted all the businesses located in Tygervalley and the units of analysis were individual businesses located in there. The

quantitative methods used are described in detail in the next section, followed by an account of the qualitative and the other methods employed.

1.6.3.1 Quantitative methods

The three quantitative methods used were database construction, sampling and surveying. Because no database of businesses in Tygervalley could be found in an extensive desktop search, a desktop search was conducted for and consultations were mounted with businesses and business-related organisations (such as the Tygerberg Business Chamber) located in Tygervalley and/or with professional interests there. All these exercises were to no avail, so necessitating the compilation of a database by the researcher through observation in Tygervalley.

The resulting database is attached as Appendix A. The construction of this database entailed walking and driving through the entire study area to record business names on relevant signage and tenants' nameplates on their premises. The same procedure was followed inside buildings. In some instances buildings could not be entered due to security restrictions. Building receptionists, business staff and security personnel were also consulted if willing where buildings could not be entered and/or signage and nameplates were unavailable, confusing, poorly maintained or incomplete. The names of retail stores and other businesses in the Tygervalley shopping mall (known as Tygervalley Centre) were retrieved from the centre website which listed all the tenants. The final database comprised the names of 998 businesses.

A representative sample (see Appendix B) was drawn from the database.. The sample was drawn using a probabilistic sampling method, namely systematic random sampling to ensure that the sample is representative of the entire research population on the premise that all population members have an equal chance of being selected. Probability samples are still the primary method for selecting large representative samples. Furthermore, probability sampling ensured a more representative sample than non-probability sampling because it avoided the selection biases faced by the latter's techniques such as snowball and quota sampling.

Systematic random sampling was applied to the database of all businesses in Tygervalley. Every k th element was systematically selected from a random start. Because systematic random sampling can introduce bias if the listing is arranged in any particular order, the data was recorded and listed in the database as randomly as possible. In some instances, data was listed according to building storeys. Buildings housing specialist or certain types of business activities only, for example, medical practitioners were few so that grouping was kept to a minimum. The tenant listing for Tygervalley Centre was used as provided, that is, per retail category.

The desired sample size (number of respondents required) was dictated by a number of factors, namely the objectives of the study, the nature of the research population, the time and effort required from study participants, and the challenges of collecting data from the research population. This resulted in a relatively small sample size determined by applying the following formula, which is suited to random sampling methods:

$$\text{Sample size} = (\text{Z-score})^2 * \text{StdDev} * (1 - \text{StdDev}) / (\text{margin of error})^2$$

A confidence level of 95% (a most common and a research industry standard) which correlates to a Z-score of 1.96 was used. This refers to the level of confidence that the actual population mean (average of a group characteristic) falls within a selected margin of error, namely 10% (0.1). This margin of error determined how much higher and/or lower than the population mean the sample mean would fall. A margin of 10% was chosen because a lower margin would have delivered too large a sample size. The study is inductive and aimed to determine broad patterns and conclusions based on the inputs of the respondents, so the chosen margin of error is tolerable. Standard of deviation is the extent to which variance is expected in responses and the standard, safest and most forgiving number (0.5) was used. This equates to a 50% response distribution where 50% of respondents say yes to a particular question, while 50% say no.

The above formula determined that a minimum of 96 responses was needed for the survey, although online statistical tools and tables of sample size indicated that the minimum number of respondents was 88. The higher minimum target of 96 produced by the formula was used according to an optimistic projected online survey response rate of 30% (SurveyGizmo, 2015). To attain at least 96 responses, a minimum of 320 businesses needed to be contacted in the research population. Thus every third business in the database was selected following a random start. Selection of every third business in the database produced 333 cases, the contact details of which were sourced through an online desktop search.

A number of quantitative data collection methods were available including social experiments and surveys, the latter being chosen due to time and financial constraints. According to Mouton (2001), surveys are well-suited to quantitative studies to provide an overview of a representative sample of a large population regarding their beliefs, opinions, characteristics and behaviours. An online survey method was chosen using SurveyGizmo online survey software. Data was collected from 100 businesses via a structured questionnaire between 9 September 2015 and 1 June 2016, within the authorised ethical clearance period of 8 May 2015 to 13 June 2016 (see Appendices C, D, E and F).

Not all 333 sample-selected businesses were requested to participate. The location-based method of collecting business names produced inaccuracies, for example some listed businesses had moved out of the study area or moved to another location in the study area (resulting in duplicates in the database) or they had closed down their offices. Some businesses had more than one location in the study area (resulting in further duplications in the database). Certain businesses could not be contacted via telephone, e-mail or face-to-face engagement due to lack of contact details or the researcher's inability to access their offices due to security measures or their unavailability. Ultimately, 298 businesses were contacted to participate in the survey. With 298 businesses contacted and 100 survey respondents, the survey response rate was 33.5%. With 100 respondents, the survey's margin of error decreased from 10% to 9%.

The short questionnaire contained clear, simple, unbiased and a mixture of open- and closed-ended questions. The questionnaire was tested prior to use and also improved during the early stages of implementation based on feedback from respondents. The questionnaire was unimode to facilitate mixed modes data collection (online, telephonic and/or face-to-face), however it became apparent during the survey process that online data collection was sufficient, effective and preferred by most respondents. All the sampled businesses had the information and communication technology (ICT) capability to participate in the online survey. Ninety-nine respondents provided inputs online and only one respondent provided input via e-mail due to difficulties experienced (from their side) with the online survey software. Because most business people operated under serious time constraints, the online survey was convenient. Potential respondents could consider whether or not to participate, think about their responses if they made the decision to participate and complete the questionnaire when they had time to do so. The questionnaire was short and relatively quick to complete, taking approximately 15 minutes. The online method had the added benefit of eliminating interviewer bias.

A major disadvantages of online surveys is low response rates. The challenge to improve response rates faced this survey. When the first general call for participants was done via e-mail using a generic request format to many businesses simultaneously the response was poor and yielded only 17 completed questionnaires. To improve the response rate, customized individual requests to participate were made via e-mail and/or telephone (see Appendix C) and appropriate businesses representatives were identified to complete the questionnaire. This tactic yielded 83 additional respondent businesses. The response rate was also improved by sending e-mail reminders; providing potential respondents with sufficient time to consider and respond to the request; and good timing of requests and reminders, namely contacting businesses during the middle of the work week and not on busy business days,

specifically Mondays and Fridays, and contacting them between 10:00 and 15:00 (not early in the morning or late afternoon) and not during lunch hour (13:00-14:00).

1.6.3.2 Qualitative and other methods

The primary qualitative methods were a non-probabilistic judgement sample drawn from the database and a desktop search to select 11 potential interviewees to participate in the study. According to Babbie & Mouton (2001), judgement sampling is used when it is appropriate to select a sample on the basis of the purpose of the study, its elements and aims. Potential interviewees representing businesses and organisations were selected for the nature of their business or work and their knowledgeability about the topics related to the study's second and third objectives. More specifically, potential interviewees were sought who had knowledge about commercial development trends in Tygervalley, as well as information on the status of commercial property ownership and rentals in the area.

Eventually, nine semi-structured interviews were conducted in May 2015. The sessions were supported by an interview guide outlining the interview themes (see Appendix G). Only nine of the intended 11 interviews took place because some potential interviewees declined the requests to be interviewed or did not respond to requests and recommended other businesses better suited to participate. Interviewing was seen to be a way to source information quickly and to the extent required. The interviews adhered to good practice principles as outlined by Arskey & Knight (1999). Hence they were conducted in a friendly and polite manner after interviewees had been given an overview of the study, its significance and potential benefits and were assured that their inputs were highly valued. The interview procedure, its duration and coverage were explained; interviewees were allowed to ask questions; commitment to research ethics was confirmed; guarantees of confidentiality and anonymity (where required) were given; and interviewees signed informed consent forms. The interviews were audio recorded by permission and at the end of the interviews interviewees were thanked for their participation. During the interviews it emerged that participants showed unexpected interest in the study and they provided insights into other topics relevant to the study as well as its objectives.

Furthermore, relevant data was sourced, reviewed and used from secondary sources in support of the study's objectives. This includes data from the City of Cape Town on non-residential building developments and redevelopments in business precincts in Cape Town; office vacancy and development rates in Tygervalley; and growth indicators for Tygervalley (see Section 1.5). Following the collection of data using all the methods outlined, data was prepared and analysed.

1.6.4 Data preparation and analysis

The online survey information and data were analysed using SurveyGizmo online survey software which coded and presented numeric inputs per questionnaire question. Numeric survey data was coded and multivariate analysis undertaken using Microsoft Excel generating descriptive statistics, frequencies and cross-tabulations. Textual questionnaire inputs were interpreted directly by the researcher. Audio recordings of interviews were transcribed (verbatim) to text. Thematic analysis was undertaken on transcriptions which involved coding, searching for and reviewing themes (in relation to existing interview themes) and the identification of new themes.

1.7 RESEARCH PROCESS AND THESIS STRUCTURE

1.7.1 The research process

The research process is outlined diagrammatically via Figure 1.8 below:

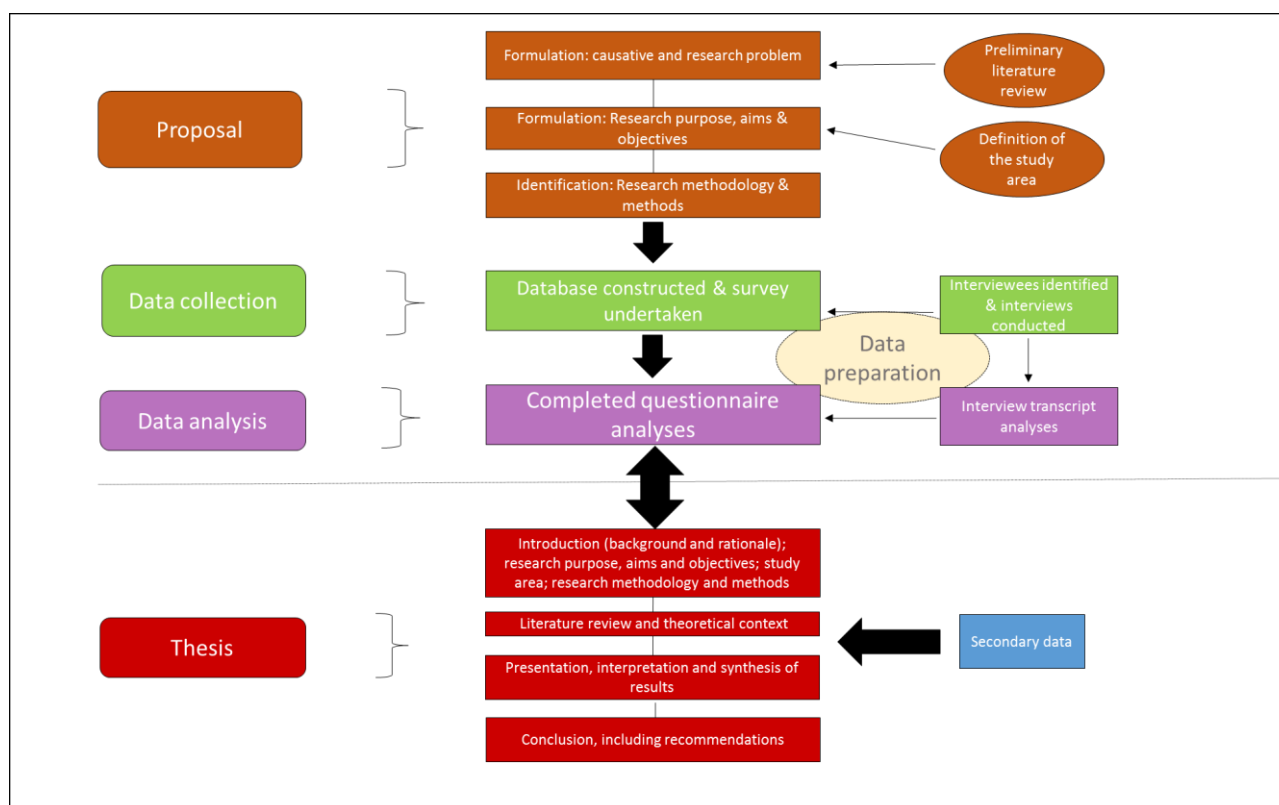


Figure 1.8 Research process followed through the course of the study

1.7.2 Thesis chapter structure

Chapter 1 introduced the rationale and background of the study, formulated its purpose, research problem and aims and objectives and delineated and described the study areas. Furthermore, the philosophical and methodological approaches to the study were described and justified and the data

collection, preparation and analysis procedures described. The research design and process were also illustrated.

Chapter 2 encompasses the study's theoretical framework that is the theoretical basis of the study. The field of study within which this study is embedded is discussed and the relevant academic literature underpinning the study considered. The conceptual point of departure in relation to the literature is indicated. The themes discussed in the Chapter are the concept, nature, definition and causes of spatial inequality, spatial inequality in developing countries and within urban contexts and spatial inequality in South Africa. Chapter 3 focuses on the theoretical context within which the realities of spatial inequality operate specifically the linkages between spatial inequality, the new economy and globalisation. The themes discussed are the emergence of the new economy, globalisation and key development theories, cities as sites of world/global city research, South African urban policy and the characteristics of and policy implications for Cape Town as a global city.

Chapter 4 presents, interprets and synthesises study results and presents key findings on businesses in Tygervalley specifically the nature and extent of business activity in the area and businesses perspectives on Tygervalley as a business location. Chapter 5 presents, interprets and synthesises study results and presents key findings on the south-east of Cape Town as a business location specifically its challenges and potential and the mechanisms required to attract and stimulate business growth there.

The thesis concludes with Chapter 6. This chapter commences with a review of the study aims and objectives achieved. This is followed by discussions on the study's main theoretical and empirical findings as well as its significance and limitations. Recommendations for future research are then made. The chapter is concluded with closing remarks.

CHAPTER 2 THEORETICAL FRAMEWORK

2.1 INTRODUCTION

Chapter 2 considers the existing academic literature underpinning the study, including definitions, ideas, concepts, theories, key perspectives and critiques, and findings of related studies. This study is embedded in the field of development geography. It is concerned with the quality of life and standard of living of people in relation to the location and distribution of economic activity. The literature will therefore be approached from a development geographical perspective, with spatial inequality as a point of departure. Key definitions, concepts and theories in other fields are given attention as they relate to the overarching approach and, specifically, to the concept of spatial inequality.

This study focuses on intra-urban spatial inequality in Cape Town, South Africa—a city in a developing country in the global South. To this end, this Chapter commences with an analysis of the theoretical concepts of inequality and spatial inequality, including definitions, concerns and causes. This is followed by a focus on policy and empirical work regarding spatial inequalities in developing countries as well as the theory, empirics and policy implications applicable to intra-urban spatial inequality. Finally, inequality and spatial inequality are discussed in the South African context, more specifically the literature pertaining to spatial inequality in South African urban areas, including the literature on intra-urban spatial inequality and uneven development in Cape Town.

2.2 THE CONCEPT OF INEQUALITY

Inequality is a current and controversial subject of much discussion and debate by governments, civil society and academia, and one that receives global attention in the media. The World Economic Forum (2016) highlights inequality as “one of the key challenges of our time.” Deepening income inequality is ranked number one on the Forum’s list of the top ten trends of 2015. The controversial and much-debated book, *Capital in the Twenty-First Century*, on wealth and income inequality in the United States of America (USA) and Europe, by world-renowned French economist, Thomas Piketty, is a bestseller. The book’s success is largely attributed to the timing of its authorship and publication, coinciding with the increasing global, and particularly US consciousness of income inequality (*The Economist*, 2014). Even the United Kingdom’s (UK) vote to leave the European Union is largely attributed to existing and growing income inequality in the UK (The Equality Trust, 2016). Academically, the study of inequality is becoming increasingly prominent, as evidenced by an explosion of publications and the establishment of academic centres and degree courses dedicated to

the subject at universities across the world (SALDRU, 2016; Stanford University, 2016; Cornell University, 2016).

Inequality has been defined simply as a state of social organisation that does not enable or provide equal access to resources and opportunities to all the members of a society (May, 2000). But it is a broad and complex issue. Income inequality, an inequality of outcomes linked to the material dimensions of human well-being, is a visible aspect of inequality. Inequality also entails the inequality of opportunity which is critical to enable equitable outcomes and encompasses other aspects such as gender, ethnicity, disability and age. Inequality affects developing and developed countries with the poorest half of the global population often controlling less than 10% of global wealth (UNDP, 2013; World Economic Forum, 2016).

Why should we care about inequality? Wolf (2014) has asserted that increasing economic inequality is irreconcilable with the attainment of true equality among citizens of countries. Keeton (2014) argues that inequality prevents an economy's most talented workforce from attaining full potential, which further retards social and economic development. The World Economic Forum (2016) agrees with this and further highlights the dangers of ignoring inequality. Disenfranchised people, especially youth, lacking opportunity and operating outside mainstream economies and society, become easy conflict fodder. Inequality undermines sustained economic growth, social cohesion, social security and democracy. Inequality is a challenge that needs to be addressed on a global scale.

According to The World Bank (2009), 'place' is the most important determinant of individual welfare. People's place of work will largely predict their income, more so than their level of education or the professional networks they form a part of. It is therefore important to note and understand that levels of inequality are greatly influenced by the world economic system and vary according to country category and world region. Developing countries reflect among the highest levels of income inequality. Between 1990 and 2010 income inequality in developing countries increased by 11%. The majority of households in developing countries are now living in societies where income inequality is greater than it was in the 1990s (UNDP, 2013). Africa is one of the poorest and most unequitable regions in the world. In 2015, six out of the 10 most unequal countries were in sub-Saharan Africa (The World Bank, 2015a). Given the geographical disparities in development, it is important to understand what the concept of 'spatial inequality' means and entails.

2.3 SPATIAL INEQUALITY: DEFINITION, CONCERNS AND CAUSES

According to Shatkin (2007), inequality has a number of manifestations including social (employment and income) inequality and uneven spatial development. Kanbur & Venables (2005:11) view spatial inequality as one aspect of inequality defined as “inequality in economic and social indicators of well-being across geographical units within a country.” There are two main reasons why spatial inequality should be of concern, particularly to policy makers. First, regional inequality (inequality between regions) within a country is one component of overall national individual inequality. The other component is individual inequality (inequality between individuals) within regions or geographical units. Increases in spatial inequality correlate directly with an increase in national inequality, with all other influencing factors remaining equal. Second, regional inequality has the potential to become a major concern when geographical regions align with existing social divisions, including political, ethnic, language and religious divisions (Kanbur & Venables, 2005). Social and spatial inequality are inextricably linked (Shatkin, 2007).

Economic geographers have provided various explanations about the causes of spatial inequality (Kim, 2008). According to Krugman (1998), the study of spatial economics or, in other words, the location of productive activities, has a long history. This history is marked by many significant ideas like Johann von Thünen’s (1826) analysis of land rent and use; the location analysis of Alfred Weber (1909); the central-place theory of Walter Christaller (1933) and August Lösch (1940); the regional science of Walter Isard (1956); and the urban systems theory of John Henderson (1974). The model developed by Paul Krugman in 1991 is widely acknowledged to represent the origins of so-called new economic geography. New economic geography’s central argument is that many economic activities are concentrated geographically and that the economy is characterised by centripetal forces (that pull economic activity into a location) and centrifugal forces (forces that push economic activity out of a location) that tend to promote or oppose geographical concentration, respectively. Examples of centripetal forces are large local markets and dense labour markets, while centrifugal forces include high land rents and the location of immobile factors such as natural resources, workers and consumers (Krugman, 1998). According to Kanbur & Venables (2005), new economic geography emphasises powerful forces of agglomeration that enable the concentration of economic activity, thereby amplifying the natural geographical advantages of regions. Spatial agglomeration assists with economic efficiency and growth by enabling economic returns to scale. Global economic openness, a further source of economic efficiency and growth, can also lead to spatial agglomeration.

In general, spatial inequality is the outcome of the interaction of forces of economic concentration (centripetal forces) and economic dispersion (centrifugal forces). This spatial inequality is generated by the locational decisions of firms and households. Firms' location decisions are based on profit maximisation while household location decisions are based on maximising job market utility and outcomes (Kim, 2008). According to Kanbur & Venables (2005), understanding the difference between first and second nature geography is useful in aiding an understanding why spatial disparities occur, in particular in developing countries. First nature geography indicates that some regions are advantaged by their proximity to geographical assets such as borders, rivers and ports. Second nature geography highlights relationships between economic actors, especially the increasing economic returns enabled by agglomerations and interactions. As the sites of economic agglomeration and intense economic interactions cities, in particular, tend to reflect high levels of economic productivity, with agglomeration enabling cycles of self-reinforcing development.

2.4 SPATIAL INEQUALITY IN DEVELOPING COUNTRIES

The location of development is vitally important for developing countries (World Bank, 2009). According to Kim (2008), spatial inequality is a feature of many developing countries that increases with economic growth. Evidence on the nature and extent of spatial inequality in developing contexts is limited with little scientific data on trends between 1985 and 2005. This has severely limited progress toward improving our understanding of spatial inequalities in developing countries (Kanbur & Venables, 2005). Overman & Venables (2005) have called for more empirical evidence on regional and urban inequalities. Evidence from developed countries is limited regarding its usefulness because patterns of development in developed and developing countries seemingly follow different courses. Kim (2008) points us to an increasing number of academic works on spatial inequalities in various forms across Africa, Asia, Europe and Latin America.

Kanbur & Venables (2005) offer an important work on inequality in developing countries. They analysed evidence on the extent of spatial inequalities in over 50 developing countries, including African countries such as South Africa. Peer-reviewed papers have been published through the United Nations University World Institute for Development Economics Research (UNU-WIDER) Project. Findings show that spatial inequalities in developing countries are generally high. Disparities in inequality exist between urban and rural areas, and also between areas that reflect geographic advantage and relative disadvantage. Spatial inequality has two main causal factors: infrastructure and openness to international trade. The existence or lack of public infrastructure provide key explanations for the nature and extent of inequalities. In countries such as Mexico, the Czech Republic, China and Indonesia spatial inequalities are rising. While the concentration of economic

activity in urban centres and coastal districts leads to gains in economic efficiency, there are corresponding regional inequalities that exacerbate overall inequality. These disparities intensify when aligned with existing social divisions. Empirical studies support the idea of a linkage between openness to international trade and inequality.

Policymakers are concerned that development can worsen spatial inequalities because quick economic growth is frequently linked to uneven regional and urban development (Kim, 2008). Policymakers must consider the nature, extent and trajectory of spatial inequality as well as the possible impact of global trade and political institutions on spatial inequality (Kim, 2008). However, there seems to be little agreement on the causes of spatial inequality and how policy makers should respond to its growth (Kim, 2008). Despite the improved understanding of the causes provided by economic geography, the knowledge available remains inadequate in many respects (Kim, 2008). Moreover, the empirical evidence available is difficult, if not impossible, to analyse and evaluate (Kim, 2008). Individual studies present a wide range of foci and measurement methods which are often incomparable (Kim, 2008). Developing countries with major data and information constraints face the greatest challenge (Kanbur & Venables, 2005; Kim, 2008) Policy discussion generally occurs, if at all, in an analytical void (Kanbur & Venables, 2005).

Kanbur & Venables (2005) have presented a policy response to spatial inequality in developing countries. The first aspect of the proposed strategy is the removal of barriers to the deconcentration of economic activity. These barriers can include political and institutional obstacles. The approach requires economic and social infrastructure to be developed and used to facilitate deconcentration, particularly to poorer regions that can benefit from engagement in the global economy. These types of investments can start growth poles. New economic centres can develop and grow in scale to the point where they benefit from agglomeration. The second aspect of the strategy involves not impeding but facilitating the migration of individuals and households into areas reflecting high and growing levels of economic activity. Overall, this policy response has the greatest likelihood of success in garnering the most benefits from the economic efficiencies of agglomeration and trade openness.

Scientific evidence on the causes, nature and extent of spatial inequality and relevant policy responses is not only applicable in relation to the contexts of developing countries and regions but also to urban environments. The analysis of intra-urban inequality is constrained by a lack of scientific data. These issues and others are discussed next.

2.5 SPATIAL INEQUALITY IN URBAN CONTEXTS

Section 2.5 deals with the relationship between urbanisation and economic growth and spatial inequality in urban areas. Specifically the theory, empirics, characteristics and causes with regard to the latter.

2.5.1 Urbanisation and economic growth

There is ample evidence that urbanisation contributes to economic growth and development (Spence, Anezz & Buckley, 2009; UN-Habitat 2016; World Bank, 2016). Countries that have achieved rapid growth and attained high per capita incomes are characterised by substantial and often rapid urbanisation (Spence, Anezz & Buckley, 2009). The evidence of a direct positive correlation existing between urbanisation and per capita income is incontrovertible. All the instances of high and sustained economic growth in countries, urban manufacturing and services drive the growth process. Urbanisation contributes to growth in two ways, namely through higher urban productivity compared to rural productivity and by the more rapid changes in productivity in cities (Spence, Anezz & Buckley, 2009). The transition from mainly rural to mainly urban employment contributes greatly to growth. As cities grow, quicker gains in urban productivity operate on a larger scale and dominate economic growth. For countries that want to grow rapidly, making urbanisation work well is something that they must learn to do (Spence, Anezz & Buckley, 2009). Two key mechanisms make urbanisation work (Spence, Anezz & Buckley, 2009). The first is for developing countries to enable the growth of high-productivity activities that benefit from economic concentration and economies of scale in their cities. The second mechanism, managing the effects of urban economic success, is discussed later in this section.

The economic benefits of urbanisation are largely credited to the benefits of economic concentration or agglomeration (Turok & McGranahan, 2013)⁶. Turok & McGranahan (2013) further indicate that two key concepts form the basis of the understanding of the advantages of economic concentration—the division of labour and economies of scale. The division of labour explains how specialisation leads to greater productivity and therefore growth. Firms assemble around particular products or tasks, so generating economic efficiencies⁷ and enhanced skills. In cities firms derive benefits from

⁶ Localised economic activity in which a large number of companies, services, and industries exist in close proximity to one another and benefit from the cost reductions and gains in efficiency that result from this proximity.

⁷ Economic efficiency implies an economic state in which every resource is optimally allocated to serve each individual or entity in the best way while minimising waste and inefficiency. When an economy is economically efficient, any changes made to assist one entity would harm another.

focusing on a function or group of functions, for which a particular city has inherited or built a distinct advantage.

Two facets apply to economies of scale—internal and external (Turok & McGranahan, 2013). Internal economies of scale (which are internal to the firm) are linked to the economic efficiencies or lower costs that result from production on a larger scale. External economies of scale (or agglomeration economies) are the gains for firms as a result of close proximity to other firms. Close proximity reduces costs (such as transport and communication) and enables gains from networking, such as information sharing. Agglomeration economies include nearness to a large labour pool, suppliers, customers and competitors within the same industry (localisation economies) and to firms in other industries (urbanisation economies).

The development contributions of urbanisation and the extent of agglomeration economies are variable, including in Africa (Turok & McGranahan, 2013). There is no simple direct link between urbanisation and economic growth nor between city size and productivity. The ability of urbanisation to further economic growth most likely depends on the extent to which infrastructure and institutional settings are conducive to growth. The recognition that urbanisation affects social and economic development is important given the neglect of cities in national and international development discourse in recent decades (Beall & Fox, 2009). The increasing concentration of the global population in urban areas in developing contexts has also resulted in the relationship between urbanisation and development becoming a major policy concern (Turok & McGranahan, 2013).

2.5.2 Theory and empirics on spatial inequality in urban areas

The second mechanism that makes urbanisation work entails managing some of the effects of urban economic success, including inequality as well as high land and housing prices (Spence, Anezz & Buckley, 2009). It is important to effectively manage the divisive impacts of successful urban economic growth, so that the benefits of economic productivity can be spread widely and evenly.

The concept of inequality had until the advent of the new millennium not received much attention in economic geography specifically in urban and regional studies (Amin & Thrift, 2000). However, a forum for analysing social and spatial divisions, including those in urban contexts, was created by the works of sociologists and economists on the New Economy⁸ (Perrons, 2004). Inequality is a growing challenge experienced by cities in the New Economy and increasingly in the global South (Burgers & Musterd, 2002; Sassen, 2012). Burgers & Musterd (2002) assert that the two most important

⁸ The New Economy is the result of the transition from a manufacturing-based economy to a service-based economy.

explanations of urban inequality in advanced economies are those presented by William Wilson and Saskia Sassen. Wilson (1996) argues that growing inequality arises out of the emergence of underclasses that are too poorly educated to meet the increasing knowledge and skills-driven demands of the New Economy and they are located far from the jobs they qualify for. Sassen (1991, 2012) contends that urban inequality is characterised by growing work-based polarisation. Cities are sources of both high-end and low-wage jobs and this occupational structure results in the economic or social polarisation of populations in advanced economies. Writing on Cape Town, Crankshaw (2012) concluded that scholars enquiring into racial inequality agree that the shift from manufacturing-driven economies to service-driven economies has generally resulted in the growth of high-income jobs requiring skilled labour and the decline of middle-income jobs requiring unskilled or semi-skilled labour.

The literature in economic geography on spatial inequality distinguishes between regional inequality and urban inequality. Generally, there is no spatial location theory that uniformly combines regional and urban location decisions. Instead, the field of economic geography is divided into regional and urban economics, which developed separately (Kim, 2008). Spatial inequality in urban areas is based on the physical proximity to services, infrastructure and jobs and the development over time of distinct areas of urban deprivation (Grant, 2010). Nearly all theory and empirical work on urban inequality revolves around the rural-urban economic divide and interactions, and inequalities between cities or urban areas (Kim, 2008). Studies emphasise national and regional inequalities within an urban context, with little attention to inequalities within cities. This anomaly is apparent in the many studies on various cities in developing countries, including African and South African cities (Naudé & Krugell, 2003). Analysis of intra-urban inequality analysis suffers from a great lack of data compared to intercountry, inter-territory and urban-rural analyses, particularly in low- and middle-income countries (Kilroy, 2007). In developing countries in particular, census data is seldom sufficient, appropriate or available to use in gaining a better understanding of spatial inequality, including disparities in urban areas (Kim, 2008). To understand why distance to economic markets can result in major spatial disparities in urban contexts, analysis is required at individual, household and community levels.

Inadequate attention has been paid to the development, persistence and self-perpetuation of intra-urban spatial inequality, particularly so-called urban spatial poverty traps (Kilroy, 2007; Grant, 2010). Inequalities can represent development barriers as a result of the micro-level obstacles households face in accessing and availing themselves of economic opportunity (World Bank, 2005). Relative poverty can damage a household's development outcome, for example health and education

outcomes, thereby transferring poverty to future generations and forming poverty traps. When these inequalities are expressed spatially, spatial poverty traps are perceived, through which spatial inequalities become self-perpetuating and can worsen over time (Kilroy, 2007). Despite the dearth of available data, it is known that intra-urban spatial inequality has certain characteristics and is influenced by a number of forces. These are examined next.

2.5.3 The characteristics and causes of intra-urban spatial inequality

In a background paper to the *World Development Report* of 2009 “Reshaping Economic Geography”, Austin Kilroy (2007) analyses available quantitative data and outlines the characteristics and forces pertaining to intra-urban spatial inequalities. Intra-urban spatial inequalities occur as a result of income inequalities between households (Kilroy, 2007). Standard urban economic theory supposes that residences are predominantly clustered by income. Residential location is determined by the desirability of a location and residents’ ability to afford land in a location. High-income residents simply pay for access and ownership of the most central and convenient locations. Income therefore declines inversely as distance from the economic centre increases. In rapidly growing cities the poor are concentrated in settlements on the urban periphery. The spatial separation of different income groups is one of the reasons why intra-urban spatial inequalities can self-perpetuate: poor areas reflect lower consumer spending and therefore cannot benefit from economic agglomeration. Academic discussion and evidence on the linkages between household income inequality and spatial inequality is very limited (Kim, 2008). Theoretically, increasing income inequality does not have to correlate positively with increasing spatial inequality, but this only applies on an intra-regional level. Practically, increasing spatial inequality will most probably contribute to increasing income inequality.

Another trend in the growth of intra-urban spatial inequality is that jobs have begun to move away from city centres (Kilroy, 2007). Firms do, however, still cluster in city centres to reap the benefits of agglomeration economies. But high levels of congestion and crime as well as high land prices in city centres have prompted businesses (and therefore jobs) to move to the suburbs, creating multiple sub-centres sometimes reflecting different economic mixes. The location of jobs in cities is further influenced by global economic activity.

Globalisation is probably worsening intra-urban spatial inequalities. The global economy is largely articulated through cities, giving rise to the concept of ‘global cities’—the locations of the global elites (corporations and people) and their places of work. These elites create low-paid jobs in service industries (Kilroy, 2007). A polarisation of income occurs as a result of the impact of global elites on

local job markets and government policy (Fainstein, 2003). Self-reinforcing high-income growth is apparent among high-income earners, together with the growth of low-paid service jobs and/or the complete exclusion of workers from the labour market. These realities are facilitated by government policy and not only by the presentation of low-paid employment. Low-paid employment is one factor driving the growth of urban poverty, the latter having a number of characteristics.

The establishment and proliferation of slums is characteristic of urban poverty. A slum is a household that reflects the absence of any one or more of the following characteristics: access to clean water, access to sanitation, security of tenure, durability of housing and sufficient living space. There is a strong linkage between urban growth rates and slum growth rates most likely because cities experiencing rapid growth require an equally rapid expansion of public service provision. This largely does not occur in low-income countries where sufficient state capacity is absent (Kilroy, 2007). In developing countries, slums are found not only in city centres, but also on urban peripheries and in scattered slums between formal housing (UN-Habitat, 2003a).

Intra-urban spatial inequalities frequently have ethnic features. On occasion, ethnic segregation has been enforced via legal restrictions and ethnic discrimination in the allocation of land. Under apartheid, only white South Africans were allowed to reside close to the city centre, relegating the black South African labour force to the urban periphery. In post-apartheid South Africa, these realities have not been undone under market-driven conditions (Kilroy, 2007). Major factors limiting economic opportunity include disconnection from geographic job concentrations; poor access to social networks present in disadvantaged areas; economic constraints imposed by ethnic segregation; spatial concentrations of crime and violence; decreasing economic exchange across income groups; and lack of access due to the locational disadvantages of urban form (Kilroy, 2007).

A disconnect between the location of poor residents and jobs may be evidence of a 'spatial mismatch' leading to long commuting distances and high commuting costs. This is particularly the case if the cost of private transport is high, public transport infrastructure and delivery is poor or the cost of job search is high (Moser, Winton & Moser, 2003; Rospabe & Selod, 2006). Intra-urban transport costs can make up a relatively large proportion of household expenditure of the urban poor (Kilroy, 2007). Many therefore choose walking or cycling as commuting options, further shrinking the geographic extent of their employment reach. Poor urban transport services, which is costly in terms of time and money, further fractures the urban economy by prohibiting households from accessing the job market, therefore causing higher unemployment rates. Geographic distance can also negatively impact on the ability to locate and attain employment, especially if low-skilled positions are filled via word of

mouth or local advertisements. Spatial income inequality also decreases the likelihood that social interaction will occur across income groups, thereby limiting access to social networks that could provide economic opportunities (Kilroy, 2007). It also compartmentalises urban economies so decreasing the accessibility of these economies to the urban poor and thereby decreasing income flow into poor areas.

These arguments have strong theoretical linkages to the spatial mismatch hypothesis proposed by John Kain in 1964. Kain (1994) argues that major restrictions on black residential choice, combined with the steady movement of jobs from central cities to suburbs, are responsible for the low employment and income rates of black workers in the USA. This is due to the increased costs of commuting and job search.

In Cape Town, when job location is related to ethnic location, whites reside closer to jobs, while black people are located farther from job locations (Rospabe & Selod, 2006). Data on 1870 working individuals in Cape Town, showed that a higher than average commuting distance significantly decreased the likelihood of gaining employment (Rospabe & Selod, 2006). Physical urban structure dictates movement patterns in cities, with consequences for public transport and economic locations (Rospabe & Selod, 2006). A greater diversity of destinations, particularly with a dispersed economic structure, increases the price of public transport and/or decreases service levels, forcing more commuters to use private transport. Urban dwellers without access to private transport or who cannot afford taxis become excluded from economic activity.

Recent work by Shefer & Antonio (2013), focused on spatial inequality within and between cities in Israel⁹. Fifty-five locations, each with a population size of over 20 000, provided evidence that central areas, when compared to peripheral areas, reflect greater economic efficiency due to inherent advantages. Centripetal forces increase these inequalities. Globalisation and trade liberalisation reduces spatial inequality between countries and furthers spatial economic concentration nationally. However, greater inequality is reflected between country regions and between areas in urban locations. Peripheral locations reflect lower income, lower levels of education and self-employment, and greater unemployment. Incomes grew faster in central areas compared to the periphery. A negative correlation existed between income and distance from central areas over time. The hypothesis that economic growth exacerbates regional and local urban inequality was confirmed.

⁹ Israel is classified (relatively recently) as a developed country but reflects the highest poverty rate of any developed country. It is largely seen as straddling emerging and developed economic markets.

Kilroy (2007) avers that spatial income inequality has a high likelihood of coinciding with spatial inequalities related to human development and welfare. However, spatial disparities in welfare are not only caused by spatial income disparities. They are worsened by declining public funding. This is caused largely by fragmented public institutions that resist the transfer of public funding from wealthy to poor areas. Higher-income groups attract greater public investment in services and amenities compared to low-income groups and the unemployed. Public funding in wealthy areas is augmented by private funding, further advancing physical and social infrastructure in these areas. Political institutions specifically the distribution of fiscal and political power between the different tiers of government, can greatly impact spatial inequality, including urban spatial inequality (Kim, 2008). Different government tiers can reflect different political incentives and priorities that impact on and lead to variations in the use of public resources. Empirical evidence suggests that strong national and local governments may enable greater spatial equality compared to countries with a strong federal presence (Kim, 2008). Political institutions are more likely to contribute to urban inequality in developing countries (Kim, 2008). In Latin America, for example, strong federal and weak local governments may have contributed to excessive urban inequality.

Defective urban institutions and a lack of intra-urban information are barriers to the development of policies that reduce spatial inequalities and related effects (Kilroy, 2007). The majority of cities in developing countries cannot develop effective urban policy due to a lack of relevant and useful information available to inform policy (UN-Habitat, 2003b). Governments cannot effectively assess urban problems, and the impact of change interventions cannot effectively be measured. Data measuring the spatial structure and economy of cities, and the distribution of economic activity is in many instances not collected (UN-Habitat, 2003b).

2.6 SPATIAL INEQUALITY IN SOUTH AFRICA

Section 2.6 focuses on development location in South Africa, intra-urban inequality in South Africa and spatial inequality and uneven economic development in Cape Town.

2.6.1 The locus of development in South Africa

The World Bank (2015b), based on 2011 data, ranks South Africa as the most unequal country in the world. Thomas Picketty presented the Nelson Mandela Annual Lecture 2015 where he highlighted that 60% to 65% of South Africa's wealth is concentrated in the hands of just 10% of the population, compared to 50% to 55% in Brazil, and 40% to 45% in the USA. The wealthy section of the population is also predominantly white, reinforcing the structure of racial inequality in the country

(Nelson Mandela Foundation, 2015). In 2011 South Africa's Gini coefficient¹⁰ was approximately 0.65 based on expenditure data and 0.69 based on income data. These high levels are only slightly lower than the Gini coefficients recorded in 2006. The shares of national consumption or income between the richest and poorest remain static (Statistics South Africa, 2014).

In South Africa, discriminatory pre-apartheid and apartheid government policies and legislation, such as the Natives Land Act of 1913, Urban Areas Act of 1923 and the Group Areas Act of 1950, stringently controlled land ownership, population movement and settlement according to racial group. According to Mahlangeni (2013) and the Republic of South Africa (2014a), these combined legal mechanisms effectively reserved 87% of South Africa's commercial land for whites. Poor black communities were located far from areas experiencing economic growth at metropolitan, provincial and national levels (Morris, 1998; Turok & Borel-Saladin, 2013). The majority of the South African population was disconnected from economic growth zones. Black people were relegated to settle in areas such as townships, homelands and informal settlements with weak economic bases and infrastructure (Morris, 1998). Public investment in area infrastructure and services took place according to racial group with major investment in white areas. Gross underinvestment occurred in black areas including the provision of an inferior training and education system via legislation such as the Bantu Education Act of 1953, and restrictions on black business and employment enabled by legislation such as the Group Areas Act. This led to unbridled economic growth in white areas and the continued under-development of black areas and, as a result, the spatial economic inequalities present in apartheid South Africa. These inequalities continue to manifest in post-apartheid South Africa (Rogerson & Nel, 2016).

The African National Congress-led government, democratically elected in 1994, has made social development strides over the last 22 years. These strides represent attempts to redress the race-based poverty and inequalities that emerged as a result of apartheid. According to the Republic of South Africa (2014a), major achievements between 1994 and 2014 include: the construction of 2761 new schools; the construction of more than 1500 new healthcare facilities; the construction of 18 new hospitals; the provision of approximately 3.7 million subsidised housing opportunities (including houses and serviced sites) to the very poor, providing a home to about 12.5 million people; an increase in access to a basic level of sanitation from 50% of households in 1994/95 to 83% in 2011/12; an increase in access to a basic level of clean water from 60% of households in 1994/95 to over 95% in

¹⁰ The Gini coefficient (commonly expressed as a ratio) is a measure of statistical dispersion intended to represent the income distribution of a nation's residents, and is the most commonly used measure of inequality. A Gini coefficient of zero expresses perfect equality, while a coefficient of 1 expresses maximum inequality.

2011/12; and an increase in access to electricity from 50% of households in 1994/95 to 86% in 2013/14. An extensive social welfare system benefiting the poor through social grants was also established.

Despite these important achievements, South Africa remains a country plagued by poverty and inequality, with a large portion of the population disconnected from formal economic opportunity. Key national development objectives therefore include efforts to overcome existing spatial patterns established under apartheid that continue to socially and economically divide South African society (Republic of South Africa, 2012, 2014a). This objective presents a major challenge given that South Africa re-entered the economic global arena in 1994 after years of relative economic isolation. The country is subjected to global neo-liberal economic forces that reinforce economic inequality and spatial divisions, with particularly negative consequences for the poor and working classes (Pieterse, 2009). Private investment and economic development gravitate towards high-income, largely white areas, with little investment and development in poorer black areas (Turok, 2012).

According to Pieterse (2009), the South African government has embraced the neo-liberal global economic system¹¹. The Reconstruction and Development Programme (RDP), a macro socio-economic policy framework for South Africa initiated in 1994, focused on both economic and welfare-driven, social development objectives. Under the auspices of the RDP, many social objectives were met but economic development lagged in comparison. At the same time, a growing neo-liberal agenda emerged driven by the influence of the International Monetary Fund (IMF) and the World Bank (Spoceter, 2016). Over time, social development objectives were replaced by neo-liberal economic objectives. In response to the need for greater economic growth and increasing neo-liberal pressures, the RDP was eventually replaced in 1996 by Growth, Employment and Redistribution (GEAR). While GEAR as a macro-economic strategy enabled the growth of the economy, it was criticised for not attaining many social objectives, including poverty reduction, greater employment and wealth distribution. GEAR was followed by the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) and the New Growth Path, which emphasised poverty reduction as well as reduced unemployment and inequality. In 2013, the National Development Plan (NDP) was launched which aims to reduce inequality and eradicate poverty by 2030. The NDP retains a dominant neo-liberal approach which prioritises economic growth over economic distribution (Mazibuko, 2013). Neo-liberal economic forces have reinforced spatial inequality in South African cities.

¹¹ The neo-liberal global economic system entails the adoption of economically liberal policies such as free trade, privatisation, deregulation and fiscal austerity.

2.6.2 Intra-urban inequality in South Africa

The current global urban population of approximately 3.5 billion people is projected to reach 5 billion by 2030, with two thirds of the global population living in cities (World Bank, 2016). As the world's economic centre of gravity shifts southward and eastward, cities, rather than countries, are becoming the focal points of rapid global economic growth, including rising incomes and declining unemployment and poverty (City of Cape Town, 2013). According to the World Bank (2016), 80% of global GDP is generated in cities. By 2025 the 600 largest cities in the world will account for 60% of global growth in GDP (City of Cape Town, 2013).

South Africa is highly urbanised. In 2015, 64% of South Africans lived in urban areas (The World Bank, 2015b). Like other developing and African countries, South Africa is continuing to urbanise. The United Nations estimates that by 2030, 71.3% of the South African population will reside in urban areas, with nearly 80% of the population urbanised by 2050 (Republic of South Africa, 2014b). The Council for Scientific and Industrial Research (2013) recorded that the national average growth for South African cities and towns from 1996 to 2011 was 2.87%, 1.81% for small towns, 1.85% for the country as a whole, and only 0.58% for areas outside towns.

It is reported that post-apartheid urban centres have become increasingly important to the South African population and economy, including individual income and employment (Republic of South Africa, 2014b). Generally, urban economies are stronger and more self-sufficient than rural economies (Turok, 2012). Urban centres dominate the South African space economy, where over 80% of the national gross value added (GVA)¹² is produced. In addition to playing a crucial role in addressing basic needs and rendering services, urban areas provide residents with greater employment possibilities and higher average incomes compared to national levels. Between 1996 and 2012 employment in metropolitan areas grew twice as fast as elsewhere, accounting for three quarters of all net jobs created in the country (Republic of South Africa, 2014b).

Under apartheid, black people's ability to settle in urban areas was limited and they were relegated to settle in largely rural areas such as the former homelands. Even once black people were allowed to settle within cities, white people were allocated the majority of urban territory and the prime locations

¹² Gross value added (GVA) is the measure of the value of goods and services produced in an area, industry or sector of an economy. In national accounts GVA is output minus intermediate consumption; it is a balancing item of the national accounts' production account.

(Cooper et al., 1985). Black people were consigned to poor townships on the urban periphery (Morris, 1998).

Since the advent of democracy in 1994, improvements have been made to black urban areas including the provision of housing and other services such as potable water, sanitation and electricity (Turok, 2012). The South African government has emphasised the importance of overcoming segregation patterns intrinsic to the apartheid city (Parry & Van Eeden, 2015). Race-based urban integration, involving black people moving to better locations, has been evident. In some instances, certain sites have completely transformed. In Johannesburg in the early 1990s the inner city was rapidly transformed from being predominantly white to predominantly black (Morris, 1998). In Cape Town, low-income black neighbourhoods were established in middle-class areas, for example, Imizamo Yethu and Masiphumelele in Cape Town (Saff, 1998). The development of lower-middle-class private housing enabled racial integration. Summer Greens in Cape Town is a prime example (Broadbridge, 2001). Government also created mixed neighbourhoods by allocating new houses in one area to people of different racial groups. Examples include Delft in Cape Town (Oldfield, 2004). Integration among the wealthy, largely as a result of the emergence of a black elite, has also been substantial (Seekings, 2010). Though it should be noted that a significant number of the black middle-class choose to remain within township communities (Donaldson et al., 2013), thereby reinforcing the economic stratification of township communities established under apartheid (Wale, 2013).

Despite these achievements, the overall pace of urban racial desegregation has been very slow and racial integration therefore very limited, particularly in relation to poor black communities (Christopher, 2001, 2005; Seekings, 2010; Republic of South Africa, 2014b). This can be attributed to the poor technical and financial capacity, and limited power and commitment of local government to enable spatial integration (Morris, 1998; Turok, 2012).

Another factor slowing the pace of desegregation is the inflated prices of land and houses in white areas. Black people, including those who are economically upwardly mobile, face severe economic obstacles in moving into white areas (Turok & Watson, 2001; Besteman, 2008; Turok, 2012). This could provide an explanation of the pockets of black middle-class and wealthy residents in poor communities, initially established as a result of apartheid restrictions, persisting in democratic South Africa. A trend that perpetuates a class structure within largely mono-racial areas (Seekings, 2010). Even in areas where black people are able to move into affordable better-located areas, such as inner city areas, business has a tendency to follow white high-income earners out of the area, leading to decline and decay (Turok, 2012).

Another check on integration is the general location of low-cost housing. The majority of low-cost housing projects are being implemented on the urban periphery because of the access to cheap and available land on the periphery together with the pressure on government to deliver housing as quickly as possible (Seekings, 2010; Turok, 2012). Other reasons are the constitutional protection of property rights, including property prices and area amenity and investment value in well-located middle- and high-income areas; reactive and outdated spatial planning that does not promote integration; conservative location preferences and established building practices of private property developers; and the tendency of profit-driven private property developers to target high-income households (Berrisford, 2011; Turok, 2012). Compounding the problem is the prescriptive idea of providing people with social services such as housing which creates problems because it involves the provision of housing that is unaffordable to service or maintain. It is therefore not an economic enabler, quite likely the opposite (Turok, 2012).

South Africa's generally ineffective and inefficient public transport policy and systems do not enable urban integration nor substantially cut the costs of commuting from the urban periphery to places of work (Turok, 2012). Moreover, it can be argued that the subsidisation of public transport for the poor enables and perpetuates segregation by encouraging complacency with segregated residential location (Turok, 2001).

The endeavours of profit-seeking private property developers highlight the neo-liberalism widespread in South African cities and hamper integration efforts (Seekings, 2010). South African cities provide suitable spaces for global capitalism to bypass possible national political restrictions (Seekings, 2010). The inequalities generated under apartheid are therefore being reproduced and reinforced specifically because government no longer actively regulates markets. Furthermore, the poor have been denied basic social and economic rights through the privatisation and commercialisation of municipal services and related cost-recovery mechanisms (Seekings, 2010). This argument, however, ignores post-apartheid policy which allows for the subsidisation of services in poor areas by ratepayers and taxpayers in wealthy areas (Seekings, 2010).

A number of writers, for example, Christopher (2001, 2005), Pieterse (2009) and Seekings (2010), have drawn attention to the post-apartheid city being morphed into a neo-apartheid city which continues to be characterised by largely mono-racial areas and increasing urban sprawl and class divisions. Post-1994 efforts have unintentionally strengthened the apartheid status quo, making it harder to reverse apartheid geographies now than it was in 1994 (Republic of South Africa, 2014b). South Africa's urban areas continue to represent a legacy of racial and class segregation, race-based

poverty and exclusion from social and economic opportunities (Republic of South Africa, 2014b, Rogerson, Kotze & Rogerson, 2014). The spatial legacy is one of sprawl, low densities and functional segregation between home and work (Morris, 1998; Republic of South Africa, 2014b). The low-density, fragmented form of South African cities has harmful social, economic and environmental consequences, most importantly, it creates poverty traps on the urban periphery (Turok, 2012, Rogerson, Kotze & Rogerson, 2014). The spatial economy of South African cities is selectively deconcentrating that is, certain economic functions are shifting from central locations to the suburbs so leading to a more dispersed economic development pattern (Sinclair-Smith & Turok, 2012). This trend worsens unemployment and inequality, disables economic efficiency and complicates the delivery of public services (Sinclair-Smith & Turok, 2012).

South Africa's cities continue to reflect a First World and Third World dichotomy, where people from these two worlds live in close proximity and shifts between the two worlds occur in many city spaces (Lemanski, 2007). Many of the South African metropolitan areas have relatively prosperous economies which are connected to the global economic system (Hindson & Vicente, 2005). Despite the relative economic prosperity of metropolitan areas in comparison to many smaller municipalities, there are areas in cities that remain poor (Hindson & Vicente, 2005; Triegaardt, 2009).

Evidence from the 2001 population census confirms that although South Africa's cities are brimming with economic activity, the number of urban people living in poverty is high (SACN, 2006). According to Statistics South Africa (2014), the 2011 level of individual poverty in urban areas was 30.9% and household poverty 22% and the stark reality is that urban poverty and inequality in South Africa is increasing. The urban elite and middle-class have prospered (Seekings, 2010) but unemployment remains a pressing and increasing problem, particularly for the poor. Employment levels have not kept up with the growth of the working population (Morris, 1998; Sinclair-Smith & Turok, 2012; Turok, 2012) and rural-to-urban migration, together with rising unemployment rates, has increased the poor urban population (Seekings, 2010). The crux of the problem remains poor communities' access to few economic opportunities and the resulting economic marginalisation of a large portion of the urban population (Morris, 1998). Growing urban poverty characterises Cape Town (City of Cape Town, 2014a).

2.6.3 Spatial inequality and uneven economic development in Cape Town

Cape Town experienced little movement of disadvantaged communities into better locations (Turok, 2001)¹³ and it is one of the least spatially-altered cities in South Africa (Turok, 2001; Jenkins & Wilkinson, 2002; Lemanski, 2007, Parry & Van Eeden, 2015). The city has been characterised as a polarised city with wealthy suburbs in the CBD, south, east, north and north-east with overcrowded and impoverished areas in the south-east. Robins (2002) claims that the social and spatial legacies of apartheid are continuing. Cape Town's poor black townships have become more segregated and disconnected from the predominantly white middle-class and wealthy parts of the city. The city reflects an uneven and polarised pattern of formal development (Turok & Watson, 2001). The city's pattern of development reinforces the socio-economic divide between rich white and poor black areas established prior to and during apartheid (Turok & Watson, 2001). This pattern of development may contribute to higher property prices in wealthy areas, further complicating the provision of public transport and worsening unemployment (Sinclair-Smith & Turok, 2012).

Under the Group Areas Act, the majority of black people were forced to reside in the peripheral south-east of Cape Town. This urban manipulation by the apartheid government included the forced removal of black people from areas such as District Six which became designated white areas (Hart, 1988). Even prior to apartheid, townships such as Ndabeni Location and Langa were designated for black people under legislation such as the Urban Areas Act of 1923 (Muchaparara, 1993). Minimal social and economic investment was made in the south-east, compared to white areas, by the public and private sectors (Turok, 2001). The area inevitably became impoverished relative to wealthy white areas.

The public sector has, since 1994, been the main agent of development in the south-east, largely due to the weakness of private investment (Turok, 2001). Public investment is a prerequisite for economic development in the south-east because the area lacks the basic resources that enable economic production (Turok, 2001). Public spending has been largely influenced by the need to address the historical inequalities in social infrastructure and services between the south-east and more prosperous areas of the city (Turok, 2001). The largest public investment in the area has been the provision of subsidised low-cost housing (Turok, 2001; Pieterse, 2009). Public investments have also been made in bulk infrastructure such as roads, electricity and water provision as well as in social

¹³ Turok (2001) represents the formative work on uneven development in Cape Town and strongly influences further academic developments.

infrastructure and services, including the provision of schools, clinics, libraries, community centres and recreation facilities (Turok, 2001).

Despite these achievements, public investment continued to occur in line with established patterns of service delivery in wealthy areas (Turok, 2001). Public investment in 'hard' infrastructure, a precondition for economic development, occurred less in the south-east than in other city areas (City of Cape Town, 2003). Public infrastructure investment patterns have therefore reinforced the disparities between wealthy and poor areas of the city (City of Cape Town, 2003). There was a poor response to the needs and circumstances of the south-east. Policies and plans did not translate into the sustained development and implementation of robust development programmes (Turok, 2001).

The south-east's characteristics hampered formal development progress as the area struggled to attract private investors (Turok & Watson, 2001). Private businesses and investors were wary of accessing poorer areas of Cape Town, dominated by the south-east due to apparent continued economic and social deterioration and dearth of major development in these areas (Lemanski, 2007). Investment strategies and urban development schemes largely bypassed the south-east (Robins, 2002). Local authorities in many instances found themselves under pressure to approve commercial projects in high-income areas, against spatial equality objectives, due to the municipal rates, tax, employment and investment benefits they provided (Turok, 2001). The need for quick delivery in the south-east resulted in a lack of appropriate, durable and integrated development in the area (Turok, 2001). Lack of policy coordination across different government departments was also problematic, as well as the poor linkage of capital and operating budgets to spatial frameworks (Turok, 2001). This reflected poor integration of planning, implementation and financial procedures (Turok, 2001).

Many projects in the south-east were retail and residential in nature, and did not represent new investment in productive economic activity (City of Cape Town, 2003). Between 2001 and 2002, four development projects were completed in the south-east (WESGRO, 2002). Thirty development projects were scrapped for a range of reasons, the most prominent of which were no private sector interest, incomplete planning, incomplete infrastructural investment and lack of municipal promotion capacity (WESGRO, 2002). Private sector investors in the south-east highlighted financing as the biggest obstacle to private investment in the area institutions (City of Cape Town, 2003). Despite the buying power of the large population in the south-east, the area was effectively red-lined by financial institutions (City of Cape Town, 2003). Large institutional landowners in the area (Old Mutual, Investec, Sanlam and Metropolitan Life) made little investment (City of Cape Town, 2003). It should, however, be noted that projects undertaken under special purpose vehicles or development companies

were able to create and build on economies of scale and they were more successful at accessing finance (City of Cape Town, 2003). In addition, finance institutions tended to fund larger projects or consortiums of projects suggesting a need for a financing focus on large powerful developments rather than scattered small projects (City of Cape Town, 2003). These financing mechanisms do, however, seem to support the high-level capitalist corporatisation of development in the south-east, which generally prioritises economic growth above distribution and tends to skew the benefits of development toward wealthy investors and not toward the poor it may employ. The South African government has greatly emphasised the need for the development of new, small and medium and local enterprise development as a mechanism for development and economic growth. Consequently, government is proposing the use of mechanisms like the NDP to further a spatial transformative approach which encompasses more than urban restructuring. This approach is discussed further in Section 3.4.1.

In addition, little attention was given to the role of neo-liberal economic policies in fuelling poverty and therefore crime and violence in the poorer areas of Cape Town (Robins, 2002). According to Turok (2001) and the City of Cape Town (2003), global economic forces reinforced spatial divisions in Cape Town, with a particularly negative impact on the poor population. Neo-liberalism made Cape Town one of the most unequal cities in the world (McDonald, 2008). Market forces enabled increasing investment and self-reinforcing development in wealthy areas (Turok, 2001). Investors and businesses continued to be attracted to and move toward the historically white, well-resourced areas of the city (Turok, 2001). Cape Town's engagement in the global economic arena has led to the development of new class divisions that relate directly to the geography of Cape Town as an apartheid city, and corresponds to the old geographical division between middle class suburbs and working class public housing estates and townships (Crankshaw, 2012).

Not much has changed economically for the south-east since the advent of democratic South Africa. Private sector investment and job creation continues to occur mainly in the prosperous northern and western suburbs of Cape Town, with little economic investment in the poorer south-east (Turok & Watson, 2001; Watson, 2002; City of Cape Town, 2003; Sinclair-Smith & Turok, 2012; City of Cape Town, 2016b). The lack of economic opportunities in the south-east of Cape Town comes at a great social and economic cost, particularly because it houses the majority of Cape Town's (poor) population (Turok, 2001; City of Cape Town, 2010; Sinclair-Smith & Turok, 2012). Economic disempowerment¹⁴ is a reality for the majority of the south-east's residents. The area is characterised

¹⁴ To deprive of economic power/authority.

by low average household incomes, high levels of unemployment, low residential and commercial property values and poor infrastructure compared to other city areas. The population is poorly skilled, highly dependent on informal economic activities and subject to high levels of crime, insecurity, stress and poor health. This situation is exacerbated by natural population growth and in-migration from rural, provincial and international areas (Bekker, 2002; De Swardt et al., 2005). Given the location of economic investment in Cape Town, the majority of formal workplaces in Cape Town are in the central, southern, western and northern business precincts. As the northern precincts grow, commuting distances from the south-east and related costs are increasing. Members of the workforce residing in the south-east therefore have to travel long distances to their employers and spend large portions of their incomes on transportation (Turok & Watson, 2001; City of Cape Town, 2010). This further fuels poverty in the area.

2.7 SUMMARY

Inequality has a number of manifestations including spatial inequality and social inequality which are inextricably linked. Defined as disparities in the social and economic well-being of people in a particular geographical unit, spatial inequality affects national and regional inequalities across countries. From the perspective of economic geography, spatial inequality is generally the result of centripetal and centrifugal economic forces that influence the decision-making of firms and households with regard to location. Spatial inequality is influenced by forces of economic agglomeration that occur in areas that present natural geographical advantages and in zones of existing economic activity characterised by international trade both of which enable economic interaction, returns to scale and efficiency. Spatial inequality is high in developing countries where it is fuelled by two main causal factors: lack of infrastructure and international trade. It is worsened if it exists in tandem with social inequalities. Very little scientific data exists on the causes and nature of spatial inequality, particularly in developing countries, making the development of policy extremely challenging. Policy responses include two key aspects, namely the facilitation of economic and social investment in poor areas and facilitating and not impeding the movement of poor individuals and households to better economic locations (Kanbur & Venables, 2005).

Urban growth is linked to economic growth and the economic benefits of urbanisation are, in turn, attributed to the advantages derived from economic concentration or agglomeration. There is a dearth of scientific data on the nature and causes of intra-urban spatial inequality as well as on regional and national spatial inequality. Prior to the new millennium, geographers did little work on spatial inequality compared to sociologists and other academics. These scholars attributed spatial inequality to labour market restructuring that essentially disadvantaged the poor and unskilled in urban areas.

The advent of service-driven economic dominance and globalisation has resulted in the professionalisation and polarisation of the workforce due to the minimal growth of low-wage, low-skill jobs in comparison to a higher number of high-income jobs requiring high levels of skill and education. Urban spatial inequality studies tended to be focused on divisions between rural and urban areas and between different urban areas. Intra-urban spatial inequality is based predominantly on the physical proximity of people to jobs, infrastructure and services. More research is required at the micro-level, especially on the persistence of urban poverty traps. Intra-urban spatial inequality is caused by income inequality between households and is worsened by economic globalisation. This is evidenced by the existence of peripheral urban slums, often with ethnic features, compared to the more centrally located middle-income and wealthy areas. Often, the dispersal of economic activity to suburbs in cities does not benefit poor areas. Inequality increases as people, particularly the poor, become disconnected from economic opportunity as a result of poor proximity and access to areas of economic opportunity. This is caused by, among others, poor public transport systems. The disconnect of the poor from economic opportunity is exacerbated by low public investment in poor areas compared to wealthy areas and ineffective policy responses as a result of poor institutional capacity and a lack of relevant scientific data on inequality.

In South Africa, discriminatory pre-apartheid and apartheid government policies and legislation reserved 87% of commercial land for whites. Poor black communities were, regarding physical location, disconnected from areas experiencing economic growth on national, provincial and metropolitan levels. Gross socio-economic public underinvestment occurred with social and economic restrictions being applied in black areas compared to major investment in white areas. This led to unbridled economic growth in white areas and continued underdevelopment of black areas that resulted in the spatial economic inequalities present in apartheid South Africa. These inequalities continue to manifest in post-apartheid South Africa.

The South African government has made strides in social development over the last 22 years. Unfortunately, despite many achievements, a large portion of the population, particularly poor communities, remain disconnected from formal economic opportunity. Overcoming this disconnect is a major challenge given the government's global economic engagement and largely neo-liberal macro-economic agenda. Since 1994 black urban areas have seen major investment in social infrastructure and services. Government has also made some progress regarding urban residential desegregation. The overall rate of urban racial desegregation has, however, been very slow and racial integration limited, particularly in relation to poor black communities. Post-apartheid urban centres continue to be characterised by largely mono-racial areas, class segregation and the disconnection of

people from economic opportunity. These realities have driven the growth of urban poverty and inequality.

Cape Town remains one of the most segregated cities in South Africa with little movement of poor people into better economic locations. The city's uneven and polarised pattern of development further drives racial segregation and reinforces the socio-economic divide between poor black areas and middle-class and wealthy white areas. Under apartheid, the majority of black people in Cape Town were forced to reside in the peripheral south-east, which reflected minimal socio-economic public and private investment compared to white areas. Since 1994, major public investment in social infrastructure and services was made in the south-east. Public investment in economic infrastructure and services, however, occurred more in the wealthier than in the poorer areas. In addition, the south-east's characteristics, prevailing neo-liberal economic forces and the lack of development support from financial institutions, hampered private investment and business development in the area. Investment strategies and urban development schemes largely by-passed the south-east. This situation was compounded by poor local government capacity to effectively facilitate development in the area.

The limited economic public investment in the south-east has also not translated into much economic development for the area. Private investors, businesses and jobs continue to gravitate toward the wealthy northern and western suburbs of Cape Town which is paradoxical given that the majority of Cape Town's population, including most of the urban poor, reside in the south-east. Members of the workforce in the area most of whom are low-income earners, have to spend large proportions of their incomes on commuting to and from relatively distant economic centres.

These realities do not operate in a theoretical vacuum. The next chapter therefore outlines the theoretical context within which the study is positioned, specifically focusing on the theoretical linkages between spatial inequality, the new economy and globalisation.

CHAPTER 3 THEORETICAL CONTEXT—SPATIAL INEQUALITY, THE NEW ECONOMY AND GLOBALISATION

3.1 INTRODUCTION

As countries have become more exposed to global competition, economic globalisation has further influenced the geographical distribution and growth of economic activity (Bernstein, Bloch & Meiklejohn, 1996) with geographic unevenness becoming an attribute of development not only internationally but also regionally, nationally and locally (World Bank, 2009). The theories and empirics regarding the relationship between trade and spatial inequality testify to the relationship being ambiguous with both positive and negative correlations being present (Kim, 2008). Kanbur & Venables (2005) contend that the increasing inequalities in developing countries are partially due to the uneven impact of trade openness and globalisation. Openness to trade is most likely an important aspect of economic growth for developing countries (Kim, 2008). Hence, careful analyses of the impacts on domestic inequality levels is warranted.

Cities in developing countries are emerging as ‘global cities’ (Giddens, 2006). Globalisation presents an economic market platform for developing countries to attract investment (Grant, 2004). There is widespread agreement that cities in developing and developed countries are competing globally to develop their local economies and improve or maintain their global economic positions (Duffy, 1995; McIntosh, 1997; Vidler, 1999; Bernstein, Bloch & Meiklejohn, 1996). At the same time, cities have become a major driving forces for economic development (Grant, 2010). Inequalities within global cities are therefore to be expected as service-driven economic growth generates large profits but excludes the poor so juxtaposing acute poverty with affluence (Giddens, 2006).

South African cities like Cape Town engage with the global economy. Attention to the emergence of the New Economy and economic globalisation and their impacts on development, including spatial inequality on various geographical scales, is therefore warranted in this chapter. This chapter gives attention by discussing the world/global city hypothesis which provides vital insights into the causes of inequalities in cities that engage with the global economy (Section 3.2). Engagement with the global economy has significant implications for national, regional and local policy in countries and cities (Section 3.3). This chapter further examines the relevant development and spatial policies, tools and programmes followed nationally, provincially and locally (city levels) in South Africa to overcome the challenges of intra-urban spatial inequality (Section 3.4). Finally, in Section 3.5, the

characteristics of and policy implications for Cape Town as a global city are explored with special attention paid to spatial inequality.

3.2 THE EMERGENCE OF THE NEW ECONOMY, GLOBALISATION AND KEY DEVELOPMENT THEORIES

After the Second World War the developed capitalist economies transitioned from being manufacturing-driven to service-driven, the latter having a particular emphasis on the development of financial and business services (Knox, Agnew & McCarthy, 2008). This transition occurred as a result of an increasing demand for services due to rising per capita incomes, particularly in developed economies; rising demand for health and education services; the increasing size and role of the public sector as an employer, regulator and legislator; service exports within and among countries; an increasing tendency for firms to subcontract work to other firms; and an increasingly complex division of labour, including more complex and extended production (manufacturing) processes and the creation of new types of service occupations (Stutz & Warf, 2007). The development of ICT further fuelled this so called 'new economy', characterised by the dominance of knowledge-intensive and technologically-dependent economic activity (Bernstein, Bloch & Meiklejohn, 1996). In the new economy, ICT is intrinsic to managing and sustaining economic activity (Garcia, 2002). The capitalist market system depends on information exchange to allocate resources and disseminate knowledge needed for innovation and economic growth (Garcia, 2002). ICT developments resulted in people and places becoming increasingly connected through the organisation of work, the flows of goods and services, and the exchange of ideas (Perrons, 2004).

The term post-Fordism is used to describe this shift in national and international economies from mass production to service- and technology-dependent production (Suresh, 2010). Post-Fordism is characterised by craft production, the emergence of the corporate firm, monopoly capitalism, flexible techniques of production and new types of consumption with the emphasis on consumer types; the post-industrial shift to service and technology-based economic activity; and changes in the nature of the workforce including the emergence of the white-collar service worker, flexible working hours, an increasingly female workforce and an increasing decline in trade union power (Suresh, 2010). The most important characteristic has been the globalisation of the capitalist world economy (Suresh, 2010).

ICT enabled economies to globalise, that is, expand and become increasingly integrated on a global scale. Economic globalisation is the global expansion of the world market economy, including the global integration of markets of goods, capital and services (Bernstein, Bloch & Meiklejohn, 1996).

It is driven by transnational organisations, which have, in place of the state, become the primary agents of international trade (Stutz & Warf, 2007). Economic globalisation is characterised by interrelated economic processes, namely intense global flows in capital, labour, goods and services; global innovation through the dispersion of research and development facilities across the globe; the deregulation and denationalisation of financial markets and instruments, leading to the free flow of capital and, subsequently, people across national borders; and the explosion of global consumer culture, including international tourism (Bernstein, Bloch & Meiklejohn, 1996). Economic globalisation further involves the development of major financial markets; global market development for highly specialised corporate services; high levels of foreign direct investment, mainly from North America, Western Europe and East Asia; global specialisation in the location of production; globalisation of office functions; and increasing global wealth produced and distributed via the global networks of companies (Bernstein, Bloch & Meiklejohn, 1996; Stutz & Warf, 2007; Sassen, 2012).

The colonisation of countries in Oceania, the Middle East, Asia, Africa and the Americas by European nations produced an economic division between developed and less developed countries (Stutz & Warf, 2007). According to Knox, Agnew & McCarthy (2008) colonialism was associated with the global expansion of Western European capitalism, commencing in the 16th century until the middle of the 20th century. The main purpose of pre-capitalist colonialism was the extraction of tribute from local subjects through mechanisms such as political-territorial control. At a later stage, the capitalist economic objectives of sovereign states became central to colonialism, focused initially on the exploitation of raw materials of the colonies and later on the development of markets for manufactured goods of the sovereign states in the colonial states. These objectives involved using economic mechanisms like the enslavement of local and other peoples, the elimination of indigenous peoples and European settlement in colonised states. Colonialism forced colonial states to focus outward on the growth of the economies of their sovereign states, which was inevitably to the former's economic detriment. Unequal trade exchange was a symptom of the relationships between sovereign states and their colonies, to their economic benefit and detriment respectively. Eventually, this led to the development and emergence of developed and developing countries, an economic division that has persisted past the end of the colonial era.

The resultant inequalities led to the rise of dependency theory as a development theory. Dependency theorists emerged in the 1960s and they argued that the international socio-economic inequalities between developed and developing countries were induced and that developed countries depended on the underdevelopment of less developed countries in order to flourish economically (Knox, Agnew

& McCarthy, 2008). Dependency theorists further claimed that Europe and North America, particularly in the nineteenth and twentieth centuries, depended on the exploitation of less developed areas through unequal trade exchange which benefited them and disadvantaged other countries. Europe and North America further depended on the use of unskilled and low-paid labour in and the extraction of profits from less developed countries (Stutz & Warf, 2007). The behaviour and impacts of the globalised world economy is highly uneven with world economic growth rates fluctuating over time. Economic growth rates also vary greatly between different world regions, further entrenching the economic disparities between countries created during colonial times.

The world economy therefore creates great differences in economic structures, standards of living and quality of life between rich and poor countries (Stutz & Warf, 2007). This unevenness is highlighted in Immanuel Wallerstein's world systems theory, which expanded dependency arguments. World systems theory is a development theory postulating that the world economy is an evolving market system that creates an economic hierarchy of countries. This hierarchy encompasses the core: developed countries that are characteristically wealthy, industrialised, urbanised and democratic; the semi-periphery: countries with characteristics of both core and peripheral countries; and the periphery: least developed countries that are characteristically rural, impoverished and agriculturally-based with authoritarian governments (Stutz & Warf, 2007; Knox, Agnew & McCarthy, 2008). World systems theory accepts economic inequality but does not adhere to the proposition that core countries exploit peripheral countries.

Despite these challenges, national developing economies are increasingly integrating into the global economy although the rate at which different countries integrate into the world economy differ. Countries in sub-Saharan Africa, for example, lag significantly behind those in East Asia. Despite the inequalities and other challenges it creates, the world economy nevertheless has important implications for developing countries. It improves economic opportunities and prospects, but at the same time makes economic management difficult. A major challenge facing developing countries is to ensure that they have competitive and effective economic policy regimes to attract investors (Bernstein, Bloch & Meiklejohn, 1996).

Many developing countries are integrating into the world economy according to the principles of Max Weber's modernisation theory. Modernisation theory is a development theory that proposes that for less developed countries to grow economically and become wealthy or developed, they need to adopt western values, market relations and government institutions. Countries must transition economically from being dependent on agriculture and manufacturing to being service-driven; become increasingly

urbanised with cities as the centres of economic activity; and drive the development of a middle class and an educated and informed nation. Modernisation theory further advocates free trade for countries to secure significant investment and assumes that ideas and technologies flow from core countries to peripheral countries (Stutz & Warf, 2007). Western nations became the blueprint for economic progress and growth.

According to Stiglitz (2002) the adoption of western economic practices by developing countries is further encouraged and enabled by world economic institutions that govern economic globalisation, namely the International Monetary Fund (IMF), the World Bank and the World Trade Organization (WTO). These organisations are governed by and serve the economic interests of wealthy countries, and provide funding to countries requiring monetary support in aid of economic development. Countries which loan money do, however, have to adhere to largely western economic prescriptions such as capital market liberalisation. Evidence shows that financial liberalisation can be damaging to developing countries and can lead to economic destabilisation, including financial crises (Arestis & Demetriades, 1999). More specifically, Weller & Hersh (2004) have shown that the deregulation of capital and current accounts hurt the poor. Stiglitz (2002) further argued that the IMF, World Bank and WTO have failed to meet their initial objectives of enabling global economic development and stability and have, instead, contributed to global and national economic crises and instability, leaving poor countries with increasing national debt, and so exacerbating existing poverty situations. These weakened financial states were not only reflected nationally in developing countries, but also in their cities. This is taken up in the next section.

3.3 CITIES AS SITES OF WORLD/GLOBAL CITY RESEARCH

Cities have emerged as important and strategic sites for global economic activity and they are the engines of economic growth helping countries and regions attract the skilled and talented people required to participate effectively in knowledge-based economies (Bernstein, Bloch & Meiklejohn, 1996; Sassen, 2012). The productivity of cities is directly linked to national growth and development objectives (Bernstein, Bloch & Meiklejohn, 1996). In essence, cities drive the economic development of countries. Cities have become places where large numbers of different people, institutions and processes converge in a manner that calls for detailed study (Sassen, 2012). Cities have emerged as objects of study and sites of research and theory generation on a broad array of major processes including economic interaction and inequality.

The original ‘world city hypothesis’ outlined by Friedmann & Wolff (1982) and Friedmann (1986), postulates that seen from an economic perspective, a tiered global hierarchy of cities has emerged.

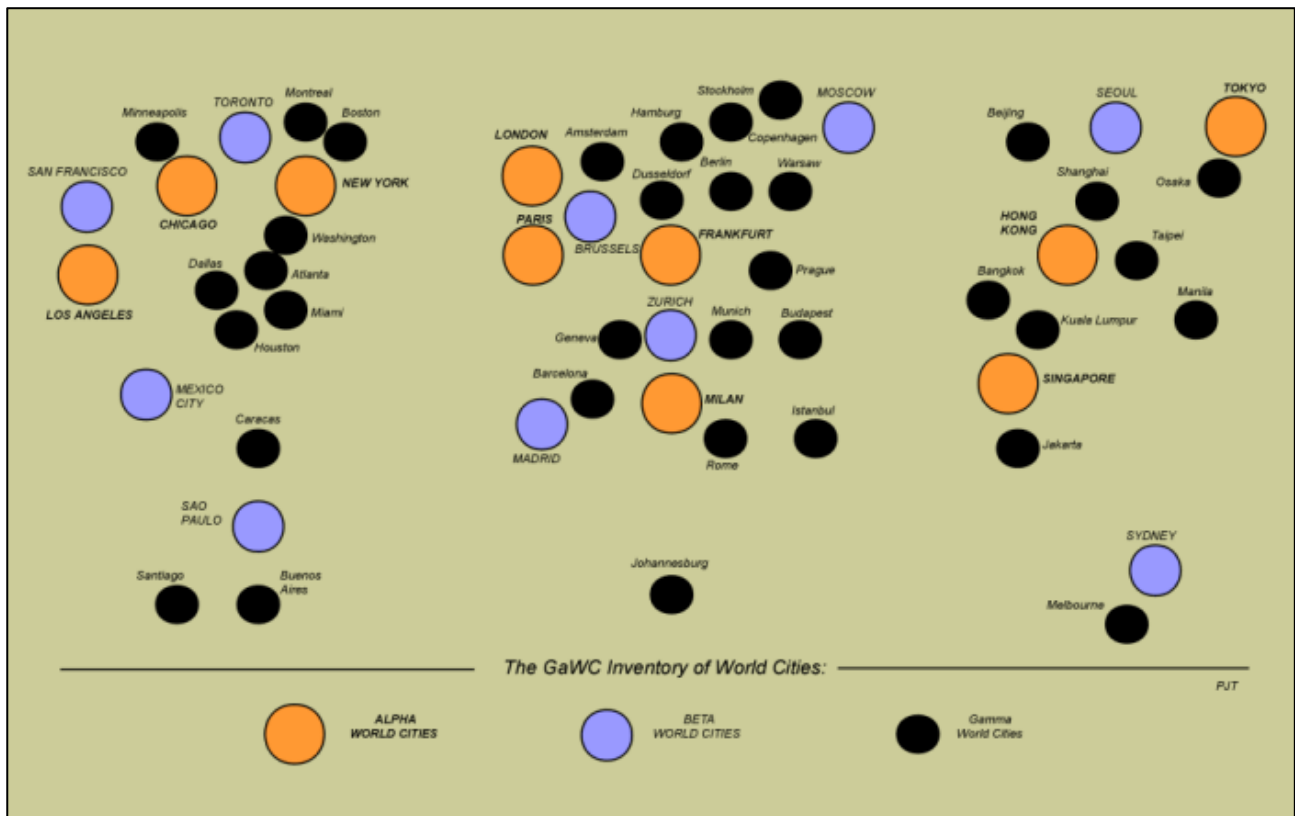
As economic growth has become global in scale, cities have become conduits of global growth that have an effect on the development of national urban systems. The primary force influencing urban growth patterns in the world-city system is the order and location of transnational corporations. The physical forms of cities, metropolitan functions and labour markets are mainly affected by transnational capital flows, production, control (management) and employment structure. These economic forces are modified by internal pressures such as national economic policies and social conditions, such as apartheid in South Africa, that exert a major influence on urban process and structure. The hierarchy promotes the social and spatial polarisation of cities on a global, regional and metropolitan scale (Friedmann, 1995). Friedmann (1995) indicates that these 'world cities' can be viewed as centres that organise the global economic system of capital accumulation; articulate international, national and regional economies into the global economic system; are major urban areas that reflect intense social and economic activity; can be arranged in a hierarchy in line with the extent of economic power they possess; and can rise or fall in the hierarchy or drop from the order entirely. Cities not previously classed as world cities can also rise into the hierarchy. World cities possess a controlling social class characterised by a consumerist ideology, cosmopolitan culture and an interest in the smooth function of the global accumulation system.

In his critique of the world city hypothesis, Storper (1997) argued that it is not clear whether the hypothesis can stand alone as an explanation of growth and change in the global hierarchy of cities, particularly in the top tiers. Whereas the headquarters of some transnational corporations are located in major cities like New York, London and Sydney, there is no empirical evidence that they are responsible for the bulk of economic growth or that they are the main drivers of urban growth. The hypothesis underplays the role of national and local forces in economic development, urbanisation and the location decisions of transnational corporations because the role of the global is exaggerated in these instances.

Simon (1995) had already argued that greater thought was required on whether the notion of the world city had any meaning for different groups of world city inhabitants, particularly the urban poor. There is also a need to be conscious of the limitations of world-city constructs. There is evidence that researchers working on the world city notion have made all-encompassing assumptions about the uniqueness and global relevance of their constructs. This is problematic because if taken to extremes these constructs can displace other modes of analysis, lead to disagreement on social conditions and processes and lead to an inability to take social action based on analysis. Caution is needed when imposing world-city universal truths based on European and North American experience and research.

Largely viewed as an extension of the world city hypothesis, ‘global cities’ has emerged in the academic discourse under the banner of world city research. Jenkins & Wilkinson (2002), Lemanski (2007) and Sassen (2012) all maintain that global cities function as important control nodes supporting and expanding the integration of global economic activity, including the global distribution of offices, service outlets and factories and worldwide information integration. Sassen (2012) has added that global cities are the crucial sites for financial and services transactions, financial markets, advanced corporate service firms, banks and the headquarters of transnational corporations. Global cities are the command points for the organisation of the world economy; key locations and marketplaces for finance and specialised services firms; and major sites of production. Certain key cities, for example, London, Tokyo and New York, dominate this nodal network (Sassen, 2012). Global cities also exercise control over world affairs regarding population size as well as political, economic, social and cultural infrastructure. Prestige and improved resource access for countries at city and national economic levels coincide with global city status (Lemanski, 2007).

The Globalisation and World Cities (GaWC) research network established by scholars such as Manuel Castells, John Friedmann, Saskia Sassen and Nigel Thrift has produced an index of connectedness reflecting the relative economic power of different cities (Figure 3.1). According to the GaWC (2012), the world is a city-centred world of flows in contrast to the more familiar state-centred world of boundaries. Alpha cities are important world cities that link major economic regions and states into the world economy. Beta cities are important world cities that are instrumental in linking their regions or states into the world economy. Gamma cities are world cities linking smaller regions or states into the world economy or important world cities whose major global capacity is not in advanced producer services.



Source: GaWC (2016)

Figure 3.1 The GaWC inventory of world cities 1998

Inequality in global cities is attributed to increasing income polarisation between a shrinking middle class and a growing number of low income earners driven by the demand of a growing number of high-income earners for cheap, casual service-based labour as well as cheap immigrant-driven ‘sweatshop’ manufacturing (Fainstein, 2003; Sassen, 2012). The global cities paradigm has come under intense scrutiny from a number of scholars.

Storper (1997), in a critique of the 1991 global cities work of Saskia Sassen, argued that global city theory says little about the urbanisation process, the internationalisation process, processes of agglomeration and the degree and nature of socio-economic polarisation and inequality. McDonald (2008) concurs with Storper contending that global city literature only helps to describe and partially understand urbanisation in cities. McDonald (2008) further claims that the extent of global city literature does not provide the analytical mechanisms needed to understand urban inequality or the role of the capitalist economic system in reinforcing unstable urban development patterns. The literature does not clarify understanding of the socio-spatial inequalities in cities or the interventions needed to address inequalities and related challenges. Current thinking in the literature can even have the opposite effect of reinforcing the policies that construct global city inequalities.

In her critique of global city theories and discourses, Lemanski (2007) moved that the concept of the global city is based on western approaches and western criteria of economic success. Thus, the concept is not based on an international model of urban success, but it is rather positioned in a specific economic and geographic domain. Instead of recognising the relative achievements of cities in Third World countries, the concept highlights global cities in First World countries as the benchmark for success. The categorisation of global cities therefore reinforces the economic divide between the global North and the global South in which First World countries remain economically dominant.

Many cities in the global South do not house leading global economic firms and, despite their importance to the world economy, have been classified as failures when assessed using global city criteria (Robinson, 2002). This would suggest the irrelevance of global city criteria for many cities in the global South (Gilbert, 1998). Many cities not considered to be global cities serve as financial, political and infrastructural hubs for their regions (Gilbert, 1998). There is therefore a need for new models and theories based on the experiences of cities in the global South (Gilbert, 1998). Shatkin (2007) has more recently agreed with Gilbert (1998) and has proposed that discussions on global city development be reframed, moved away from Western dogma and that adaptable frameworks be adopted that are more suited to location-specific circumstances.

Other scholars have also treated the construct of global or world cities. For example, Scott (2003) has offered the concept of 'global city-regions' where the global city is viewed in an urban-regional context instead of a local context. Inequality and poverty in global city-regions is mainly attributed to exclusion from the labour force rather than a major increase in numbers of working poor as touted by Sassen's global city theory. Fainstein (2003) attributes the severity of urban poverty to government policy, specifically the response of governments to global economic policy that involves the deregulation of financial markets, privatisation of industry and deregulation of labour markets.

Another concept considered under the world cities research banner is the 'Informational City' as presented by Manuel Castells (1991) where, in an urban context, the new economy can be perceived as a network or space of informational flows. Business operations are organised around the dynamics of their sources of information with different tasks assigned to different spaces within cities, countries or across the world. The entire operations process is integrated by a communications system. Information technology is used by the capitalist socio-economic restructuring process, providing the material basis required for the fulfilment of the process. Castells put forward the idea of a 'dual city', in which he adopted a similar perspective on the causes of inequality to those outlined in Sassen's global city theory. The impact of techno-economic restructuring has caused the labour force in cities

to become segmented and polarised with characteristic spatial manifestations. Jobs and labour are being reallocated in complex patterns that involve the development of new highly-paid jobs in the advanced service and high technology sectors, declines in mid-level manufacturing jobs and in protected jobs in the public sector together with an expansion of low paid service and manufacturing jobs. Concurrently, the informal economy is expanding, rates of formal unemployment are high as a result of the demand for formal employment exceeding supply and the criminal economy is flourishing. Castells put forward two analytical schools of thought, as communicated via the discussed urban inequality explanations of Wilson (1996) and Sassen (1991, 2012), as the explanations of these trends in inequality.

In sum, under the world city research banner, Peter Taylor (2004) has put forward the concept of world city networks; Allen Scott (1988) has focused on the concept of a post-Fordist urban economy; and Michael Storper (1997) has concentrated on the processes of reflexive production in post-Fordist urban economies. Regrettably, these concepts provide little or no useful insights into the causes of intra-urban inequality.

Proponents of 'post-modern urbanism' aver that the global cities paradigm with its focus on the functional global economic role of cities, largely ignores the evolving spatial form of cities that aspire to become world class (Murray, 2004). Theoretically, the global cities paradigm is limited and functionally and economically biased and it does not fully appreciate the spatial dimensions of urban life (Murray, 2004). The built environment is a site and source of social and economic power that regulates the nature and extent of social interaction (Murray, 2004).

Post-modern urbanists do draw attention to the developing patterns of spatial restructuring associated with cities having multiple centres and a fragmented form (Murray, 2004). Post-modern urbanism centres on the changing structure- and form-based characteristics of the urban landscape with prominence given to the use, management and regulation of urban space. It stresses spatial features such as unhampered urban sprawl, the urbanisation of the periphery, the growth of large urban centres on the outskirts of cities and the emergence of the 'fortification aesthetic' which involves the development of enclosed office complexes and shopping malls, as well as gated communities (Murray, 2004).

Seen through a post-modern urban lens, inequality in urban spaces is driven by global competition between cities. Cities divide spatially with rewards and privileges awarded to areas that link themselves to transnational capital and finance. It sees cities trying to attain world-class status and favouring urban regeneration strategies that facilitate linkages to global corporations. This enables

the creation of sites of luxury entertainment and leisure that exclude poor and working class urban residents (Fitzsimons, 1995; Loukaitou-Sideris & Banerjee 1998; Murray, 2004). Social and spatial segregation is visible and organised according to fortified enclaves legitimised by the fear of crime (Murray 2004; Caldeira 1996, 2000). New patterns of urban segregation have emerged through the creation of new social spaces that do not relate to the ideals of universality and commonality (Murray 2004; Caldeira 1996, 2000). These new spaces operate on the principle of separateness that sees social groups interacting internally and reflecting no interaction with persons deemed as threatening, unwanted and different.

Post-modern urbanism is associated with the Los Angeles School of Urbanism with members such as Allen Scott and Michael Storper. The School spotlights micro and macro urban linkages. Jan Nijman (2000: 135) proposed the idea of a ‘paradigmatic city’, a research analytical model that displays “the fundamental features and trends of the wider urban system.” The city is viewed through the spatial organisation of capitalism and is deemed exceptional in relation to the extent that it reflects general and fundamental urban trends (Nijman, 2000). Los Angeles is viewed as paradigmatic due to its role in capitalism and its social consequences (Nijman, 2000). Similar to some critiques of the global cities paradigm, Murray (2004) points out that many scholars warn against solely using post-modern urbanism as a theoretical mechanism to assess spatial forms in cities. They contend that the causes of urban spatial inequalities can be attributed to local politics, local occurrences and path dependencies and not only globalisation.

Whether perceived from a global cities or a post-modern urban theoretical perspective, it is obvious that the global city hierarchy has a significant impact on the urban policy decisions of governments. The dominant international global city hierarchy sees many cities in the global South striving to attain Western standards, to the disadvantage of large parts of their populations. In an effort to become world class, many poor cities therefore tend to spend scarce resources on global economic promotion projects at the expense of domestic requirements (Lemanski, 2007). Robinson (2002, 2005) has argued that the drive to meet the global city standard can result in city authorities investing in small city segments that in many cases are already well-resourced (to attract international firms) while poorer areas stay under resourced and become increasingly marginal.

Two good examples of socio-economic promotion projects in the global South are the 2010 FIFA World Cup staged in cities in South Africa and the 2016 Rio de Janeiro Olympics staged in Brazil. Emerging powers, such as South Africa and Brazil, show an established preference for bidding for the largest and most expensive world sports competitions (Cornelissen, 2010a). Their intention is to

showcase economic and diplomatic stature and ability, as well as international influence. The internal weaknesses of developing countries hinder these kinds of goals (Cornelissen, 2010a). South Africa and Brazil, for example, top international rankings of income inequality. Public authorities and the public sector regard sport mega-events as capital creators and conduits in a competitive international environment (Cornelissen 2012). Concerns have, however, been raised about the social and environmental impacts, as well as the commercialisation and ownership of and power relations in mega-events. Questions have also been asked whether these events will make any meaningful differences and whether economic gains will be broadly distributed or whether they will solely benefit political and economic elites (Lenskyj 2000; Boykoff 2011). Sports mega-events can be perceived as part of an attempt by transnational corporations and international sport federations to construct new global markets. In line with this attempt, the corporate structuring of these events is considered to be dominated by a few large firms that tend to protect their commercial ‘turf’. While events are promoted as facilitating equality among people through sport, in reality they are unequal and shielded in their corporate proprietorship (Cornelissen, 2010b). This has resulted in much civic protest and demonstration against world sport events in emerging economies (including South Africa and Brazil) where events are used to highlight perceived state inefficiencies in addressing pressing social needs (Cornelissen, 2012).

According to Murray (2004) divergent socio-spatial outcomes of global circuits of trade and investment are most apparent not in cities at the top of the global hierarchy but in regionally significant cities like Johannesburg and Sao Paolo that are striving to become world class. They are late developing sprawling cities experiencing major growth over the last 50 years and are distinguished by extreme inequality in relation to income and economic opportunity (Murray, 2004). They reflect distinct post-modern urban features created by global, local and historical factors (Murray, 2004). In these cities property developers have been given free rein to destroy old infrastructure and make way for new developments. Special interest groups such as local government and property developers, have amassed considerable power and have shaped urban landscapes in line with their own building practices and views on location and design. As a result Johannesburg and Sao Paolo reflect First World structures such as international office complexes and gated residential estates alongside poor and marginalised urban slums (Caldeira 1996, Caldeira 2000, Murray, 2004). The obsession of property owners with security has organised the built environment into isolated and fortified pockets of affluence and privilege with security forces intent on keeping out the criminalised poor (Caldeira 1996, Caldeira 2000, Murray, 2004).

Irrespective of the theoretical perspective adopted, it is clear that the drive to become a globally competitive city, that is to climb the global hierarchy, has a major impact on the urban development policies of countries. This drive has major import for the South African urban policy environment.

3.4 SOUTH AFRICAN URBAN POLICY

South Africa has since 1994 developed and implemented a range of urban policies aiming to deal with the challenge of intra-urban spatial inequality. The relevant urban policies on national, provincial and metropolitan level are reviewed and their effectiveness is briefly assessed in this section.

3.4.1 National urban policies

Despite the significant economic contribution of South African cities to the national economy, Turok & Borel-Saladin (2013) claim that the country's development gains from urbanisation are limited but the reasons for this failure are a subject of speculation and requires further investigation. The economic prosperity of cities compared to the relative weakness of rural economies has widened spatial inequalities and reinforced the existing misalignment between jobs and population in South Africa (Turok, 2012; Turok & Borel-Saladin, 2013). Turok (2012) argues that despite the dominant economic role of cities regarding job creation and as attractors of foreign investment, they are not performing to their full potential or benefiting fully from agglomeration. This is largely due to shortcomings in education, skills, water and energy infrastructure, as well as transport congestion (Turok, 2012). South African cities are also characterised by employment, income and spatial inequalities (Crankshaw, 2012).

South African cities re-entered the global economic arena in the early 1990s following the abolition of apartheid and are thus relatively late entrants to the global economy. Globalisation has, however, had a major impact on the way South African cities are planned and managed (Bernstein, Bloch & Meiklejohn, 1996). This is important because the drive by South African cities to achieve global city status has the potential to reinforce and increase the inequalities that resulted from apartheid policies (Lemanski, 2007).

In 2012 the GaWC measured the strength of the links between the offices of 175 firms supplying advanced producer services in 526 cities across the world. Three South African cities, namely Johannesburg, Cape Town and Durban, have made it onto the 2012 GaWC index of city economic power. Johannesburg is classified as an alpha city, Cape Town as a beta city and Durban as a gamma city.

Spatial inequality in South African cities has been neglected academically and regarding policy. The African National Congress (ANC) perceives South African cities as sites of historic privilege requiring less attention than rural areas (Republic of South Africa, 2014b; Turok, 2014). Some current national policies, such as the New Growth Path, therefore focus on rural development and others on industrial development zones in coastal regions (Turok, 2011). Analysis of spatial inequalities has been neglected by South African economists so that analyses that have been done are through social and sectoral lenses. Academically, perspectives on spatial inequality are highly polarised, either pro-urban or pro-rural. Academic and policy debates about spatial development in South Africa are therefore locked in an urban-rural dichotomy (Turok, 2011). The post-apartheid government has generally responded to urban problems in an unintegrated manner (Republic of South Africa, 2014b; SACN, 2014). Macro-economic policy has dominated micro-economic policy on development. Specific initiatives targeted at townships or degraded inner cities have aimed at poverty alleviation and physical renewal, rather than at economic and employment growth. There is a need to use technical capacity, long-term thinking and political endorsement to elevate the position of urban policy along with a strengthening of the municipal systems of spatial and integrated development planning. Little public consultation has taken place. The implied assumption exists that if government aims for a coordinated planning, careful regulation and a targeted incentives approach, the market will follow and urban restructuring will take place (Turok, 2016).

The South African government aims to overcome the legacy of spatial fragmentation in cities by favouring pro-poor urban integration addressing service delivery and responses to international and local migration, while urging cities to act as global connectors which attract foreign investment and highly-skilled workers. There are, however, justified concerns that the latter goal undermines the former (SACN, 2006). There is a need to assist South African cities to attain the correct balance between being competitive globally while dealing with social challenges such as poverty (Bernstein, Bloch & Meiklejohn, 1996). The South African government has used spatial planning as mechanism to try and overcome the challenge of spatial segregation (Watson, 2002). The Urban Development Framework of 1997 and the National Spatial Development Framework (NSDF) of 2003 were created but failed to make an impact (SACN, 2006).

Government policies have been too short-sighted and sector-specific to enable settlement restructuring (Turok, 2012). Some pro-poor policies have reinforced economic exclusion by subsidising peripheral living costs rather than supporting people to make better location decisions (Turok, 2012). Nevertheless, efforts by the state to overcome urban challenges, including spatial inequality, have continued and these may enable more logical and consistent urban development

(Turok, 2012). The endeavours include an improved housing policy, the devolution of public transport functions to local government to enable integration and investment in physical infrastructure and compact development.

The 2003 NSDF was updated in 2006 to a more decisive intervention by the State to ensure greater economic growth, buoyant and sustained job creation and poverty eradication. The National Spatial Development Perspective (2006) highlights the urgency of attaining the space economy required for a better life for all. It provides a framework for deliberating the future development of the national space economy and recommends mechanisms to bring about optimum alignment between infrastructure investment and development programmes within localities.

The National Development Plan (NDP) (2012) represents positive action by government toward urbanisation, including a strong motivation for spatial transformation in cities. The NDP outlines three key urban restructuring elements: housing, jobs and transport. Urban restructuring can be undertaken by improving public transport to reduce travel costs; locating housing in closer proximity to economic opportunities; and increasing investment and therefore job creation in and around townships in peripheral locations. The NDP also encourages government to spatially target investment to enable development in certain areas (Turok, 2016). Government is aware that the transformation of space is also linked to the structural transformation of institutions, capacity development and the reconfiguration of societal power and influence (Williams, 2000). The NDP therefore underscores the need for spatial transformation which implies more than urban restructuring.

The Draft Integrated Urban Development Framework (IUDF) (2014) is a national policy framework that responds to chapters in the NDP, specifically chapter eight, namely 'Transforming human settlements and the national space economy'. Among other objectives, the framework aims to guide the development of inclusive, resilient and liveable urban settlements while addressing the unique conditions and challenges facing South Africa's cities and towns. Its vision is to enable the creation of liveable, safe, resource-efficient cities and towns that are socially integrated, economically inclusive and globally competitive. The IUDF strategic goals, namely access, growth, governance, and spatial transformation inform the priority objectives of eight levers. The levers address the urban structural status quo in South Africa with an emphasis on integration and coordination. The eight levers are: integrated spatial planning, integrated transport and mobility, integrated sustainable human settlements, integrated urban infrastructure, efficient land governance and management, inclusive economic development, empowered local communities and effective urban governance. National

urban policy, particularly the NDP has greatly influenced provincial and metropolitan urban policy as overviewed in the next sections.

3.4.2 Provincial urban policies

Provincial and local governments have adopted a number of development policies and programmes which include spatial tools. The policies and tools of the City of Cape Town and the Provincial Government of the Western Cape serve as study-relevant examples.

The Western Cape's Provincial Spatial Development Framework (PSDF) (2014) embraces the NDP's spatial objectives and gives effect to provincial development objectives. The NDP's human settlement targets are: an increasing number of people living closer to job locations; an improvement in the quality of public transport; and a greater number of jobs in closer proximity to townships. To meet these objectives, the NDP advocates strong measures to halt further housing development in marginal areas; an increase in urban density to support public transport; provision of incentives for economic activity in and close to townships; and working with the private sector on the housing market.

The PSDF is being implemented to enable the long-term economic vision and plan for the Western Cape called OneCape 2040. Provincial Government of the Western Cape (2014: 10) outlines the goal of "creating a resilient, inclusive and competitive Western Cape with higher rates of employment and growing incomes, greater equality and an improved quality of life." It explores the spatial aspects of this envisaged future including the changes and implementing mechanisms needed to attain it. In an urban-economic context, the PSDF responds to certain challenges. Peripheral residents struggle to access opportunities in the urban space economy and this has created poverty traps. Housing projects on the periphery generate high travel cost for residents and despite initial cheap land costs eventually reflect high land and servicing costs. Eighty per cent of Western Cape households cannot afford to access the formal urban land market thereby putting pressure on state housing programmes and prompting the development of informal urban land markets (backyard dwellings and informal settlements) and overcrowding in formal housing. In overcoming the settlement challenge, the Western Cape is focused on: transforming apartheid dormitory-style townships into integrated and sustainable human settlements; acknowledging and managing informal settlements; and managing urban growth. Current urban growth patterns are expensive and undesirable.

The PSDF also aims to facilitate greater productivity, opportunities, inclusivity and competitiveness in space economies; improved protection of spatial assets (e.g. cultural and scenic landscapes and natural and built environments); and more effective governance of areas. This will be achieved by capitalising on the knowledge economy; consolidating investment in areas reflecting economic

vibrancy; connecting regional economic infrastructure; and clustering public investment in economic infrastructure. The PSDF acknowledges that government cannot facilitate the development of the economy on its own. Government can provide and maintain regional business infrastructure and organise economic activities in space. These impact on people's access to opportunity. OneCape 2040 sees the Western Cape attain its economic vision by positioning its economy in the global economy and in the national space economy through investments in: nodes of competitiveness such as the Cape metropolitan region; special intervention areas linked to job creation and economic growth management; green economic zones; resources vital to economic activity; and economically lagging rural areas. Provincial policies do, however, need to consider the contexts of metropolitan governance.

3.4.3 Metropolitan urban policies

The Constitution defines the structure and the responsibilities of local government (City of Cape Town, 2012). Local government's main responsibility is to promote social and economic development (City of Cape Town, 2012). The Municipal Systems Act of 2000 requires municipalities to prepare five-year integrated development plans (IDPs), a principal strategic planning instrument which guides and informs all planning and development and outlines strategic and budget priorities. IDPs include the municipalities' development vision, transformation requirements, operational strategies and key performance indicators and targets. Spatial development frameworks (SDFs) are components of IDPs. Cape Town's SDF (CTSDF) (2012), replaces previous municipal spatial development frameworks (MSDFs) of the City of Cape Town such as the MSDF of 2001. These frameworks were deemed outdated and unable to meet the city's development requirements. The development of the CTSDF commenced in 2006 and it informs and is informed by a cross-sectoral, city-wide strategy, the City Development Strategy (CDS), which directs and coordinates public investment spatially through the IDP.

The CTSDF (2012) is a 20-year plan which guides and manages urban growth and change, balancing competing demands on land use by providing a logical development path that spatially shapes the form and structure of Cape Town. The spatial future of Cape Town is guided by a draft vision, developed as part of the CDS and being considered by the public. Its purpose is:

To, by 2040, turn Cape Town into one of the world's greatest cities in which to live and learn, work, invest and discover – a place of possibility and innovation, with a diverse urban community and all the opportunities and amenities of city life, within a natural

environment that supports economic vibrancy and inspires a sense of belonging in all (City of Cape Town, 2012: 9)

Spatially, this vision is to be attained through the creation of a sustainable and equitable city (City of Cape Town, 2012). A city with a sustainable economy reflecting inclusive and equitable shared economic growth to reduce poverty and income inequality. The CTSDP enables this vision by indicating areas best suited to urban development; providing investors with a clear idea of where they should invest; guiding public investment in infrastructure and social facilities; and allowing for the assessment of applications submitted by property developers.

The IDP (2012-2017) sees Cape Town becoming an ‘opportunity city’ that creates an enabling environment for economic investment, growth and job creation while providing support to those that need it most. This objective will be attained by actively contributing to the development of its environmental, human and social capital; offering high-quality services to its residents, businesses, visitors and tourists; and through effective and efficient governance. Key secondary objectives are being an entrepreneurial city region; hosting twelve months for tourism, sports and events; becoming a creative outsourcer to the world; optimising the oceans; providing niched services for Africa; and being recognised as an innovation-friendly city region. The City of Cape Town (CCT) will be investing in a number of major infrastructure projects, as highlighted in the IDP. These include the expansion of the Cape Town International Convention Centre (CTICC); the redevelopment of the Bellville Velodrome (located in the study area of this research); the extension of municipal services to backyard communities; service upgrades in informal settlements; the broadband infrastructure project; the rehabilitation and reconstruction of roads; the extension of the MyCiTi bus service; and bulk water, waste water and upgrades of waste management infrastructure.

Together with the IDP, economic and social growth strategies form part of the CDS. The main objective of the Economic Growth Strategy (EGS) (2013) is to grow the economy and create jobs in response to the high number of unemployed and poor. The EGS’s five strategic areas are based on research into globally competitive cities. These strategic areas are building a globally competitive city through institutional and regulatory changes; providing the right basic services, transport and ICT infrastructure; using work and skills programmes to promote growth that is inclusive; leveraging trade and sector development functions to maximum advantage; and ensuring that growth is environmentally sustainable in the long-term.

The Social Development Strategy (SDS) outlines the social development goal of the CCT to improve and enhance the quality of life of all people, especially the poor or marginalised. The CCT will focus

on addressing poverty, inequality and social ills while enabling the participation of people in their own development. Social and economic development is viewed as being inextricably linked—social development helps people to engage in economic activity, while economic growth furthers social development. The SDS outlines five high-level strategic objectives, namely maximise income generating opportunities for people who are excluded or at risk of exclusion; build and promote safe households and communities; support the most vulnerable through enhancing access to infrastructure and services; promote and foster social integration; and mobilise resources for social development. In maximising income generating opportunities for people who are excluded or at risk of exclusion, the City aims to: create job opportunities through the Expanded Public Works Programme (EPWP); develop the skills of people excluded or at risk of exclusion; and support entrepreneurial activity in the formal and informal sectors. While all the above policies drafted on national, provincial and metropolitan level might have been done with the best of intentions, it is important to consider whether they have been effective in changing the status quo regarding intra-urban spatial inequality.

3.4.4 The impact of various urban policies

The array of spatial and development policies, plans and programmes implemented at various geographical scales by different levels of government present some formidable challenges, principal of which are policy alignment and coordination of implementation, which are essential to enabling real change. It remains to be seen whether national policies such as the NDP and IUDF, with their improved foci on integration and coordination, can effectively result in targeted pro-active efforts to reduce spatial inequity nationally, provincially and locally. National policies have roles in reducing spatial economic inequality but they have their limitations for as the United Nations Centre for Human Settlements (1996: 107) has alerted “governments often react to what appear to be spatial inequalities with spatial programmes when it is the inequality in the distribution of income or of government resources for social programmes that underlies these inequalities.” The policies discussed above seem to view spatial inequality in a spatial silo and little mention is made of other mechanisms to support reductions in spatial inequality.

Besides the failure of previous national spatial frameworks, Turok & Watson (2001) recall that the Cape Town MSDF of 1996 presented a spatial vision for Cape Town but did not suggest how to achieve it nor where investment should be strategically directed or prioritised. Abbot (2000) pointed out that the 1996 Cape Town MSDF presented no clear strategy on how the high living costs of the disadvantaged would be reduced other than through spatial restructuring and improving access of the poor to job opportunities. The City of Cape Town (2003: 52) in their reference to multiple (spatial) policies applicable to the Cape Metropolitan Area noted: “There is no evidence of a coordinated

strategy to address spatial inequities.” Similar non-fulfilment of aims have occurred on a municipal level. Despite good policy connections between the different government policy levels regarding rationales and higher level strategies, provincial and municipal policy rationales and higher-level objectives appearing to drive a largely pro-poor agenda do, however, seem disconnected from lower-level objectives and plans (which apparently focus predominantly on the economic growth agenda) as well as national objectives. It remains to be seen whether activities undertaken under the auspices of these provincial and municipal policies and spatial frameworks will attain their pro-poor objectives. These discrepancies signify the struggles of municipalities and provinces to reconcile the pro-poor and pro-growth economic agendas.

National Treasury’s Cities Support Programme (CSP) aims to support cities with their pro-poor economic restructuring objectives (Turok, 2016). It remains to be seen if concrete results will be delivered. Some of the CSP efforts revolve around aligning national transport, housing, planning, infrastructure and economic development policies and budgets (Turok, 2016). The essential component is to encourage metropolitan areas to stimulate economic growth and promote spatial transformation by providing financial and technical assistance to implement catalytic urban projects (Fuzile, 2015). The CSP’s initiatives entail high density, mixed-use and mixed-income development in strategically located integration zones. Using a combination of public funding, these initiatives will aim to attract private and household investment. These projects are experimental and aim to test new development approaches and demonstrate the benefits of urban restructuring through partnerships. Municipalities are required to align capital investment programmes with clear plans for targeting new spatial development. Another objective of the programme is to encourage metropolitan areas to engage more closely with potential development investors. For example, a two-day conference on urban investment partnerships in August 2015 saw city municipalities present their development strategy and project proposals to private investors and development banks. There was broad agreement that cities and investors would engage more frequently to build trust and mutual understanding of the hindrances to private investment in urban areas. Private investors emphasised the need for a clear long-term policy framework and coordination across public infrastructure programmes to improve investor confidence, reduce investor risk and enable moves out of established modes of development (Turok, 2016). National, provincial and metropolitan policies have impacted on cities, including Cape Town, as evident in various development trends. But these impacts are not always in line with key policy objectives.

3.5 CAPE TOWN AS AN UNEQUAL GLOBAL CITY–CHARACTERISTICS AND POLICY IMPLICATIONS

Cape Town is South Africa's oldest city and its legislative capital. After Johannesburg, the Cape Town metropolis makes the second largest contribution to the South African economy (Wilkinson, 2000). According to Lemanski (2007), Cape Town is a city striving for global distinction signified by its shift towards international investment and as a key location for global service and finance firms. This section addresses the Cape Town's status as a global city, its unequal and polarised nature and policy review and suggestions for its economic growth and development.

3.5.1 Cape Town as a global city

To achieve global status, Cape Town has undergone a process of urban renewal. In 1999 the Cape Town Partnership was established with the aim of regenerating the CBD and promoting Cape Town as a destination of global business and investment. The partnership is a non-profit project between the private and public sectors developed with the specific intention of launching Cape Town into the global economic arena. Since implementation the CBD has been significantly changed with major private investors supporting upgrades, new developments and new lease agreements (Lemanski, 2007).

Cape Town is displaying global city characteristics through its burgeoning business, tourist and real-estate economy (Gibb, 2006). The changes in the composition of the City's economy involving major growth in the financial, commercial and service sectors with the stagnation of the manufacturing sector, signifies its growing global status. Although stagnant, manufacturing remains a major component of the Cape Town economy. Its decline since the 1980s, although not caused by the city's drive to become more global but of changing employment trends, was furthered when the economy entered the global arena (Lemanski, 2007). Cape Town's economy re-integrated into global markets in the 1990s and this process initiated a period of economic restructuring, most significantly the lowering of protective tariff barriers (Jenkins & Wilkinson, 2002). The city then faced increasing competition from Asian producers and this led to some major downturns in the manufacturing sector, specifically textiles, clothing and food processing (Cape Metropolitan Council, 1998). At the same time other sectors, such as financial services and information technology, reflected high growth potential in the competitive global economic environment. Cape Town's economy has continued to move steadily away from the productive sectors (agriculture and manufacturing) toward specialised service sectors like finance and business services and transport and logistics (City of Cape Town, 2014a). The city is also displaying other global city characteristics, for example, the establishment of

the Cape Town Partnership also accentuates Cape Town's trajectory to a global city. The increasing role of the private sector in urban matters and the increasing tendency of local government to partner with private actors to pursue development objectives, is a change process common in global cities (Shatkin, 2007).

McDonald (2008) has averred that Cape Town can be classified as a global city because it has a service-driven economy; firms in the city are spatially concentrated in specialised business nodes meaning that firms in the city benefit from agglomeration economies; the city is continuing to attract and retain service sector head offices; it is competing with other urban centres for foreign investment; it is networking with other urban centres; and despite the uniqueness of the natural setting, political and cultural infrastructure, its business and leisure activities are similar to those in other global cities.

McDonald (2008) has advocated for a more critical interpretation of international economic development and how this has manifested in South Africa: a view that sees cities such as Cape Town adopting a global approach but remaining unequal in their nature. McDonald (2008) draws on the Marxist analytical tradition to better position the city in relation to contemporary capitalism and one that helps determine if globalisation is a positive or negative development for Cape Town. McDonald further argues that it is only when Cape Town is perceived as a capitalist city, that the full nature of its inequalities can be understood for Marxism indicates that urban inequality is inherent in the capitalist economic system leading to uneven development. Global cities are a new manifestation of older capitalist trends and not a response to globalisation (McDonald, 2008).

3.5.2 Unequal, polarised Cape Town

Cape Town is a global city in that it reflects spatial and socio-economic inequalities and is one of the most unequal cities in the world (McDonald, 2008). Cape Town's increasing global strength has not alleviated poverty or segregation nor have the benefits of globalisation been equally shared. The drive to achieve global city status enables inequality in Cape Town in two ways: first, spatially which sees investment in a few key areas and little to none in other areas; and second, through the increasing population polarisation which sees the growth of income disparities between wealthy urban professionals and the urban poor (Lemanski, 2007). The next two sections (3.5.2.1 and 3.5.2.2) address the causes and characteristics of intra-urban spatial inequality in Cape Town, namely changes in the labour market and the trajectory of its space economy.

3.5.2.1 Changes in the labour market

The key outcome of Cape Town's re-entry into the global economic arena is the significant changes to the local labour market (Jenkins & Wilkinson, 2002). Employment growth in the Cape Town

metropolis dropped significantly in the late 1990s and it is unlikely that they have recovered to the point where they can match the growth of the economically active population, despite the significant growth of Cape Town's economy. Job losses in manufacturing and the resulting unemployment increases have hit the semi- and unskilled labour force the most (Jenkins & Wilkinson, 2002). The changes in the city's economy have resulted the dominance of industries that require a few highly-skilled professionals compared to a few industries requiring a large number of semi- and unskilled labour (Lemanski, 2007). This has contributed to the economic polarisation of the workforce.

However, Cape Town has experienced a greater professionalisation of the workforce than polarisation (Borel-Saladin, 2006). Based on an analysis of 2001 census data, Borel-Saladin (2006) found that Cape Town has experienced greater professionalisation with a greater increase in the number of highly skilled workers than unskilled workers indicating that the workforce is professionalising. The population is therefore professionalising and not polarising. Lemanski (2007), however, has presented data provided by the South African Cities Network on the growth of skills levels in Cape Town that shows that the numbers of highly skilled workers and unskilled workers have increased between 1995 and 2004, while employment of the semi-skilled has dropped. This indicates further polarisation of the workforce. Lemanski (2007) also found that there is increasing polarisation between the large number of unemployed and the relative minority of employed professionals in the city's population. Most of the unemployed have a low level of skills and are not employable given the economic shift toward high-level professional employment. The workforce is therefore polarising *and* professionalising.

The increasing number of international and local migrants to Cape Town, most of who are unskilled people, has significantly bolstered the Cape Town population. The influx has resulted in the growth of the informal economy meaning that there is increasing polarisation between workers in the formal economy who are employed and legally protected and those in the informal sector with no formal support mechanisms (Lemanski, 2007). Due to the changes in the city's employment structure, the informal economy has likely supported the livelihoods of an increasing number of residents (Jenkins & Wilkinson, 2002). There has also probably been an increase in casual labour in some formal economic sectors (Jenkins & Wilkinson, 2002). Therefore, as in other cities across the world, the global economy seems to have facilitated the creation and intensification of a dual economy in Cape Town—one which comprises a formal and informal economic system (Jenkins & Wilkinson, 2002).

Crankshaw (2012) has applied and tested the theories of social polarisation and professionalisation through his analysis of employment trends in Cape Town. It is argued that the decline of

manufacturing and the rise in service-sector employment has not resulted in the occupational polarisation of the workforce into high-skill, high-paying jobs on the one side and low-skill, low-paying jobs on the other (Crankshaw, 2012). It is submitted that there has been a professionalisation of the labour market with an increase in the number of high-income, professional jobs and middle income jobs. Less employment growth in the low-skill job market and the increase in the size of the Cape Town labour market largely in unskilled labour due to migration, have resulted in a high level of unemployment in the unskilled sector. Crankshaw (2012) added that unemployment in this sector therefore has less to do with the economic restructuring of Cape Town's economy and more to do with natural population growth in and migration to Cape Town. Crankshaw (2012) concluded that globalisation has led to the decline in middle income and working class jobs which has further marginalized the poor from middle-income and high income jobs.

Irrespective of whether the workforce is polarising or professionalising, or the nature and extent of each of these processes, the reality is that the economic inequalities that result from one or both of these processes exacerbate inequality in Cape Town. As Lemanski (2007) has put it: the economic disparities reinforce the existing apartheid legacies in South Africa including the social and spatial legacies.

Given these continued realities, the City of Cape Town (2014) acknowledges that Cape Town needs growth in sectors with a high labour absorption of low-skilled labour. However, Cape Town's fastest growing economic sectors (finance, insurance, real estate and business services; community, social and other personal services; and wholesale and retail trade, catering and accommodation) are more capital-intensive than labour-intensive and they mostly require workers that are highly skilled. Strong economic growth in these sectors generally has lower employment multiplier effects than the manufacturing or agricultural sectors. Spatial inequality in Cape Town is also being driven by the trajectory of the spatial economy which does not support urban integration.

3.5.2.2 Trajectory of the space economy

Decentralisation, deconcentration and differentiation are characteristics of Cape Town's economic geography (Turok, 2001). These trends may be reinforced by spatial development policies to protect area amenities and provide support services and infrastructure. Differentiation may also be promoted by landlords aiming to increase their property values (Sinclair-Smith & Turok, 2012). The trends do not support urban integration. As in other South African cities, economic activity in Cape Town is shifting from established centres toward a more dispersed pattern of development. Though the CBD

still retains some form of dominance, economic activity is generally moving away from the CBD toward the suburbs (Turok, 2001; Turok & Watson, 2001 and Sinclair-Smith & Turok, 2012).

Decentralisation is a shift in economic activity from the CBD toward the suburbs which occurs as a result of different rates of business growth and decline as well as the physical relocation of businesses. It is an established process, commonly linked to urban growth due to the constraints of space and congestion in central locations. Decentralisation is characteristic of Cape Town with new property investment taking place in outlying economic nodes (Turok, 2001). Suburban nodes have continued to gain an unbalanced share of new economic activity, particularly through space-intensive, low-value land uses such as light industry, offices and retail centres (Sinclair-Smith & Turok, 2012). Decentralisation in Cape Town is bypassing the south-east (Turok, 2001; Sinclair-Smith & Turok, 2012).

Deconcentration involves a dispersed pattern of economic activity, emanating from established centres. Examples include the re-use of residential properties on main routes in high-income areas for business use and the piecemeal development of business parks on underutilised land outside main economic centres. Deconcentration leads to greater spatial fragmentation through low-density, car-orientated development in wealthy areas (Turok, 2001).

Differentiation involves the increasing tendency of economic centres to focus on servicing different market segments. In Cape Town this is most visible in retail and consumer services, where major centres appear to focus on different population groups. Partially as a result of residential segregation, but also property prices and environmental characteristics. Newer retail centres (such as Tygervalley, Cavendish Square and the Victoria & Alfred Waterfront) focus on middle-class to high-income clientele and have lured them away from older established retail centres (e.g. Parow Centre) and main road retail locations (e.g. Voortrekker Road in Parow and Bellville). These tendencies are also apply to industrial areas. Montague Gardens located in the north-west of Cape Town has actively managed and successfully attracted light industry and small to medium-sized businesses. Businesses have been lured by investment in good area design and management, physical and communications infrastructure and effective security. These tendencies have led to the neglect of some older and more central industrial areas such as Elsies River, Athlone, Retreat and Ndabeni, many of which are in close proximity to or service the employment needs of poor communities. To the detriment of the CBD, northern office locations such as Century City and Tygervalley have attracted high-profile clients by emphasising modern infrastructure, high-amenity levels, exclusivity and controlled environments. These areas provide little to no scope for low-income housing or informal trading.

Differentiation leads to social and spatial separation. Newer economic centres cater for middle-class to wealthy market segments and are not very accessible to low-income groups. These centres are generally located far from low-income communities, have poor public transport access, relatively high pricing structures and project a 'high-income' aura due to their location and environmental controls (Turok, 2001; Sinclair-Smith & Turok, 2012).

The economic centre of gravity of Cape Town is shifting northwards largely as a result of the effects of decentralisation, deconcentration and the pull of high- and middle-income residential development in the northern suburbs (Turok, 2001; Turok & Watson, 2001 and Sinclair-Smith & Turok, 2012). The northern suburbs reflect high levels of private property development and investment. Between 1999 and 2000 there were 72 major projects in the northern suburbs in comparison to 35 in central city districts and nine in the south-east of Cape Town (WESGRO, 2000). Between 2005 and 2013, four of the five business precincts reflecting the highest levels of investment, based on new commercial building completions and re-developments, were in the northern suburbs of Cape Town (recall Figure 1.6). Northern economic drift reinforces the spatial inequalities evident in Cape Town (Turok, 2001).

These development trends reinforce uneven spatial economic development patterns in the city with an acceleration of these patterns in the northern suburbs (Turok, 2001). The above spatial economic trends do not alter the economic contrasts between the south-east of Cape Town and other more affluent areas of the city. In fact, they reinforce these contrasts.

3.5.3 Policy review and suggestions for economic growth and development

Wilkinson (2000) highlighted a dual challenge for the CCT's past MSDF. City officials needed to overcome the city's apartheid legacy and at the same time transform it into a city with world class credentials. To this end, officials were promoting sustainable economic growth and job creation whilst providing infrastructure and services to its residents. The city's IDP also underlined the need for the city to compete in the global economic arena while at the same time dealing with the social pressures related to population growth (City of Cape Town, 2004).

The IDP also indicated that although Cape Town's engagement in the global economy had benefits, these benefits were not spread evenly (City of Cape Town, 2004). There was a concern that the city's global economic success was not being shared with all the city's spaces and people. There was the view that this achievement was in fact exacerbating existing socio-economic and spatial inequality and interfering negatively with the implementation of pro-poor development strategies by

concentrating global development and investment in only a tiny segment of the metropolis (Lemanski, 2007).

These realities accentuate the failure of the then MSDF to adequately address the social and spatial inequalities in Cape Town. The MSDF failed because its pro-poor objectives of equity and social welfare unsuccessfully competed against the objective of economic growth and market competitiveness after 1996 (Watson, 2002). The MSDF was also based on the same principles of densification and the compact city ideal that the failed national spatial development strategies were based on.

The trends of prioritising economic growth above economic equity seems to have remained as evidenced by the City of Cape Town's latest IDP (2012-2017) including supporting documents, namely the CTSDP, EGS and SGS. The EGS is based on the goal of Cape Town becoming a globally competitive city, a goal for cities which, theoretically and empirically, facilitates rather than reduces intra-urban inequality particularly in developing and global South contexts. The upliftment of the poor and marginalised, as articulated through the SGS and Cape Town State of the City Report (City of Cape Town, 2014a), remains largely a function of social development. Job creation in both the SGS and EGS revolves mainly around state-driven work programmes and business skills training. Major investment in hard infrastructure directly supporting economic development is explicitly featured in the IDP for already wealthy areas such as the CBD and Tygervalley.

The City of Cape Town (2014c) indicates that economic inclusivity is being driven mainly through the goal of improved public transport that connects poor households with existing economic development nodes across the city. This mobility paradigm represents an inclusive urban development mechanism to get the working poor closer to jobs. Economic place-making (the other approach to inclusive urban development) involves locating economic activity closer to the urban poor. This approach is being implemented via the City's Urban Renewal Programme in areas such as Mitchells Plain and Khayelitsha (Donaldson & Du Plessis, 2013; Donaldson et al., 2013; City of Cape Town, 2016c). Economic development is only one of five aspects of the urban renewal programme, either competing with or complementing objectives such as environmental development; safety and security; and the clearly dominant objective of social service infrastructure, delivery and development.

Past problems with the urban renewal approach pointed out by Robins (2002) appear to be persisting. One of the major problems with the urban renewal programme was that it was based upon a liberal individualist conception of the consumer citizen that clashed with locally embedded community

networks and identities. Public planners and officials poorly understood local political and economic structures and the structural and institutional obstacles to incorporating ‘the poor’ into the market economy. Public technocrats prioritised basic service provision over community development, leaving local government with little will or ability to address increasing unemployment as a result of local economic shifts. Instead, councils focused on making Cape Town globally competitive, with investment in developments providing insignificant numbers of jobs to people in poor townships.

These continued local policy and programmatic realities, prompt a reiteration of certain arguments. It is not easy to avoid the global economy and implement a solely pro-poor economic agenda (Lemanski, 2007). Lemanski (2007) has noted that evidence from Cape Town shows that even when cities prioritise both agendas, the global competitiveness agenda will halt or weaken the pro-poor agenda, as the former agenda benefits mainly the upper echelons of socio-economic society. Although both agendas are not necessarily incompatible concerns are that in practice success for cities in the global marketplace inhibits the pro-poor agenda and thus has a negative impact on the urban poor (Lemanski, 2007). Direct pro-active poverty alleviation interventions have been touted as a key mechanism to reduce urban poverty.

Too little attention has been paid to the fundamental objective of poverty alleviation (Turok, 2001). A better understanding is required of poverty as it is experienced, how are poverty traps develop and how households can be pulled out of them. Improved long-term strategies are required to help people improve their income, security and quality of life in the short-term (Turok, 2001). Wilkinson (2000) calls attention to certain key challenges that need to be overcome. These involve creating employment opportunities by enabling the expansion and diversification of the economy; promoting private and public sector investment in high order commercial activities in poor areas from which these areas have not benefited; and containing the expansion of the city in areas with already high amenity value, particularly the sprawl associated with the development of high income suburbs.

Without stronger commitment from government urban development patterns will continue to diverge as a result of established development patterns and political and economic conservatism (Turok, 2001). Given the minimal spatial altering of Cape Town, local authorities will struggle to meet the needs of the tax base, formal economy and the poor. This will require incisive, strong, unified leadership not predominately focused on the business as usual approach of improving economic competitiveness and position, and offering little poverty relief (Turok, 2001). Planning has to become more strategic, targeted and action-orientated and reflect less emphasis on comprehensive territorial control. There is an urgent need for practical and concrete policies and actions to enable urban

integration that builds on planning frameworks and expertise in project implementation. These require stronger political, financial and technical support (Turok & Watson, 2001).

Public authorities cannot only focus on fiscal redistribution from wealthy areas to the south-east based on the tax base of wealthy areas (Turok, 2001). This is not financially or developmentally sustainable and will not contribute to residential desegregation. An integrated approach with cultural, social, economic and spatial aspects needs to be fast-tracked to poor areas. Public authorities must manage land supply, control opportunistic development and exercise greater influence over the location and nature of new investment to ensure maximum social benefit (Turok, 2001). Agreements between public authorities and property developers and investors must be consistent and explicit to avoid piecemeal developments as well as being flexible to different types of investment and locational requirements. Extensive public consultation and debate is essential to assist in improving the understanding of the challenges local authorities face in desegregating the city, building political support for transformation and ensuring effective governance (Turok, 2001). A more pro-active approach is required to improve the economic and employment base of the south-east thereby altering its dormitory status (Turok, 2001). Strong public sector investment together with direct multidisciplinary project planning and management are needed. Attaching priority-area status to designated development zones with clear bias toward the south-east would reflect stronger government commitment and build investor confidence in the area. Faster procedures for acquiring, allocating and servicing land would also speed up the development process.

Greater public-private sector collaboration on projects would help to better resource development and reduce investor risk (Wilkinson, 2000; Turok, 2001). According to Turok & Watson (2001), there is a need to focus specifically on a series of urban transformation projects promoting spatial integration on city-wide scales. Transformation projects are ideally located zones between wealthy and poor areas but also focus on movement routes across cities to maximise access. Initiated by the public sector, they are managed by partnerships. The involvement of the private sector is essential in terms of additional investment and in helping to change attitudes. Such projects should be mixed in nature and include employment creation, entertainment, leisure, retail and housing so creating possibilities for cross-subsidisation from generated profits to address basic needs and poverty. Development should have high quality urban design and public spaces as prerequisites to create aesthetically appealing places which enable social integration and attract investment. Projects should not be once-off interventions. There should be a series of projects focused on improving city functioning and progressively extending investment into poor areas.

The Phillipi-Wetton-Lansdowne Corridor Project in the south-east of Cape Town is an urban transformation project of sorts which initially focused on infrastructure and economic development. It was officially backed by the National Department of Transport but lacked central and provincial and eventually local government support. It lacked the resources and political support to achieve the initial objectives (Turok, 2001). The current focus of the project is promoting economic growth and residential intensification along Wetton-Lansdowne Road on the back of enhanced public transport (City of Cape Town, 2014b). Similarly, the city is focusing on integrating Khayelitsha, Mitchells Plain and Blue Downs by prioritising transport links and promoting residential and commercial intensification along transport routes and in highly accessible locations (City of Cape Town, 2014c)

The Cities Support Programme, NDP and IUDF present significant mechanisms to overcome many of these challenges through an improved focus on policy and alignment, coordination, integration and support to municipalities with integrative, transformative urban development projects and facilitation of private investment. Whether a national programme can make an impact on a local level, given various constraints especially political, remains to be seen. Recall Turok's (2001) admonition that urban transformation projects should not be the only poverty alleviation mechanisms in poor areas.

3.6 SUMMARY

Cities are the main drivers of economic growth in countries and also the main conduits of growth for the service-driven global economic system. Global economic considerations have powerfully influenced national policy, including economic and urban development policies, toward modern neo-liberal approaches. This has led to high levels of social and spatial inequality internationally, nationally, regionally and locally, especially in cities. The causes of inequalities in global city environments have been discussed and debated broadly in the scientific literature as they relate to the research paradigms of global cities and post-modern urbanism. Proponents of the world city hypothesis, global cities paradigm and the informational city concept argue that a global hierarchy of cities has emerged. Inequality in cities is a result of the professionalisation and polarisation of the workforce including the exclusion of the poor from the workforce as facilitated by neo-liberal government policy. Proponents of post-modern urbanism contend that inequality in urban spaces is driven by global competition between cities. Specific areas in cities that link themselves to transnational capital and finance become wealthy, separate and fortified enclaves. Irrespective of these theoretical perspectives, global economic competition has a tendency to significantly influence city policies, so exacerbating inequality by concentrating public investment in wealthy rather than poor areas and sectors of society through mechanisms such as the hosting of international mega-sport events. The negative impact of these decisions is most apparent in developing countries characterised

by high levels of poverty and associated social and spatial inequality. Socio-spatial inequalities are most apparent in late-developing cities having regional significance.

Until recently intra-urban spatial and social inequality in South Africa has been largely neglected in government policy. This is troublesome because South African urban policy is profoundly shaped by global economic considerations. This could lead to the entrenchment of the spatial and social realities delivered by apartheid policies. This global influence on policy is evidenced by the emergence of the dual development agendas of driving global economic growth while enabling greater economic equity. This is apparent in national, provincial and municipal policies tasked with facilitating the spatial transformation of urban environments toward more equitable outcomes. The three overarching urban restructuring objectives are to improve economic investment development in and around poor areas; enable the poor to move to better economic locations; and improve the access of the poor to economic centres through better public transport. Policies have attempted to overcome past failures by focusing on greater policy coordination, integration and capacity development across various levels of government. Policies and programmes still need to strongly address the need for pro-active targeted interventions in response to spatial inequality. Provincial and municipal policies reflect conflicting high- and low-level policy objectives responding to economic equity and economic growth respectively. It remains to be seen whether overarching national objectives and programmes focused mainly on economic equity can assist in overcoming these challenges.

Cape Town is characterised as a global city for a number of reasons, primary of which are its high levels of social and spatial inequality. This is attributable to the restructuring of the local labour market as a result of the city's engagement in global economic activity and the failure of development policy, including the municipal spatial development frameworks that inadequately address the dual objectives of economic growth and economic distribution. The city's inequitable spatial economic trajectory has also reinforced inequities. Spatial economic restructuring in the city appears to be biased toward providing the poor with better access to areas of economic concentration rather than locating economic development closer to and within poor areas and facilitating the movement of poor people to better economic locations. Attempts to locate economic development closer to and within poor areas are encompassed by an urban renewal programme which is inherently problematic. Courses of action outlined in policy arguments are a direct focus on poverty alleviation; local economic diversification to enable job creation for the poor; the location of new economic activity close to or within poor areas; and the containment of residential and economic growth in wealthy areas. Greater technical capacity in local government, political will and commitment are required to pro-actively focus on establishing relationships with private investors and communities to fast-track

development in poor areas. In addition to these interventions, a series of mixed-use urban transformation projects is required that are driven by private-public-civil partnerships. Spatial inequality is a multifaceted and complex problem requiring a holistic multi-sectoral response. The results of the investigation of these measures and actions in Tygervalley and south-eastern Cape Town are presented in Chapters 4 and 5.

CHAPTER 4 BUSINESSES IN TYGERVALLEY

4.1 INTRODUCTION

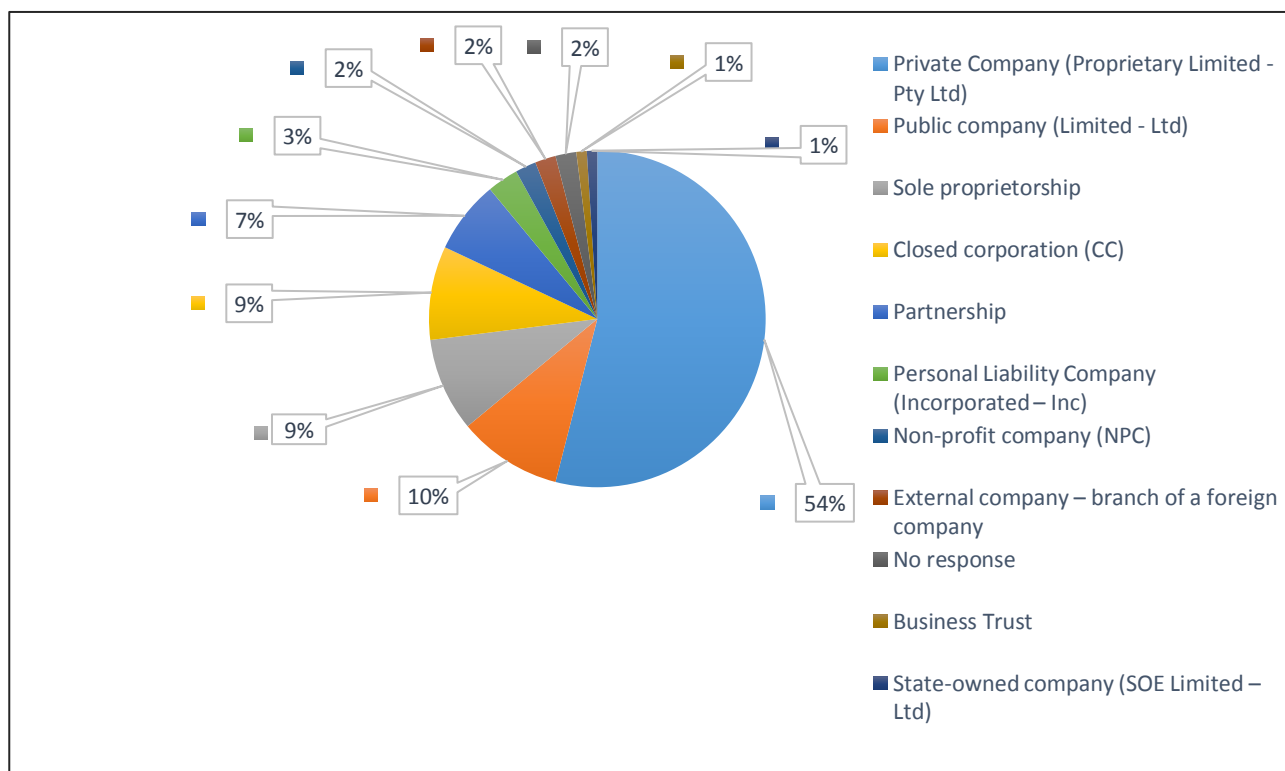
The results of the empirical study are presented, interpreted and synthesised in this chapter as they related to the first and second objectives. Section 4.2 (in which the first objective is addressed) expands on the features of businesses in Tygervalley, namely legal form, number of business locations, year of establishment, type of location, reach, size (employees), business development trends and the supply and demand for property. In section 4.3 the results of pursuing the second objective are reported. The reasons for relocation to Tygervalley; the reasons for vacating their previous locations; and the factors making Tygervalley an attractive business location.

4.2 THE NATURE AND EXTENT OF BUSINESS ACTIVITY

The findings of the enquiries into the first objective, namely establishing the nature and extent of business activity in Tygervalley, are documented and discussed in this section under ten headings.

4.2.1 Business legal form

The majority (81%) of survey respondents represent registered companies. Registered companies have to abide by certain legal requirements which implies high levels of transparency, business ethics and committed business activity by management. The legal form of the business is therefore an indicator of the level of formality of business operations. Unregistered legal businesses which are less formal in nature include, sole proprietorships, partnerships and business trusts, and represent 17% of the respondent firms. Ninety-six per cent of respondent firms are domestic entities, with foreign companies (European and North American) constituting only 2%. Ninety-six per cent of respondents are profit-driven entities and non-profit organisations represent only 2% of the respondents. Figure 4.1 indicates the legal form of the sample of businesses in Tygervalley (n = 100).



Source: Tygervalley Survey (2016)

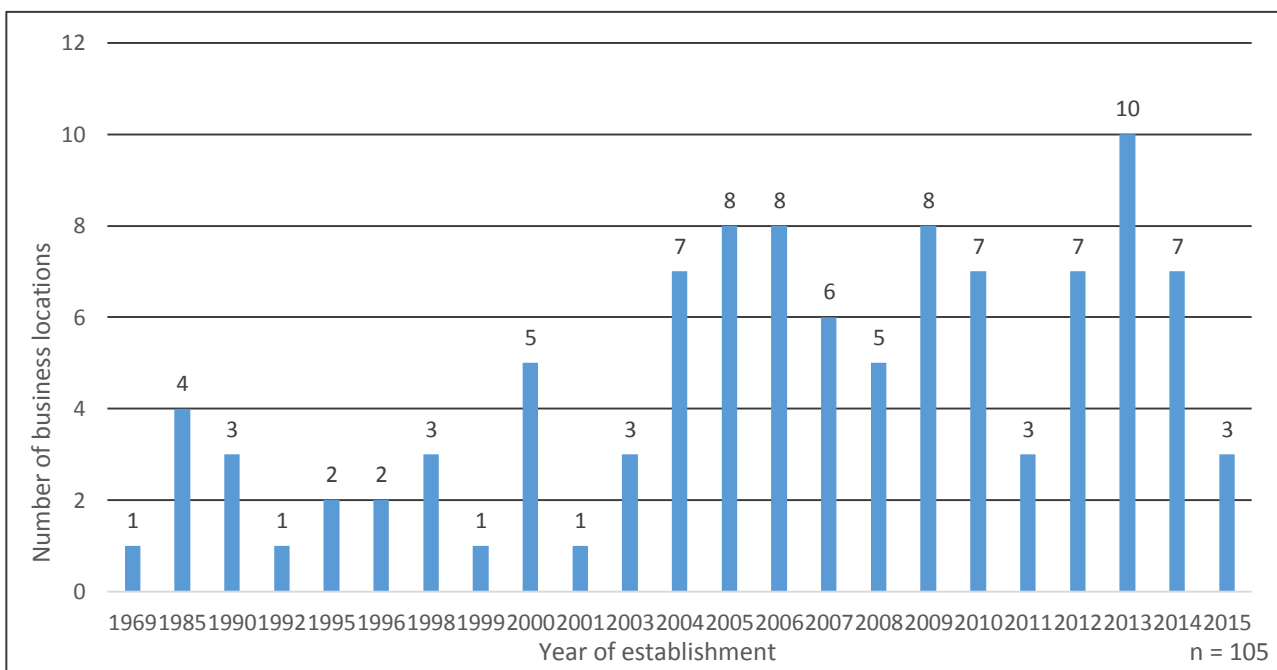
Figure 4.1 Legal form of a sample of businesses in Tygervalley

4.2.2 Business location in Tygervalley

Participants were asked how many business locations they had in Tygervalley. Only 4% of respondents indicated they did business at more than one location in Tygervalley. Ninety-three per cent (93%) operated from one location and three per cent (3%) did not answer the question. The four businesses with multiple locations were relatively large corporates with three operating in the retail sector, namely one in retail healthcare (41-60 employees across two locations) and two in the clothing, footwear and textile sector (each with more than 100 employees across more than five locations). The one company in the business and financial services sector concentrated on wealth and asset management and insurance (with more than 100 employees across three locations). The two companies in the clothing, footwear and textile retail sector reflected multiple brands (hence the multiple locations) and their locations were clustered in the study area. The companies in retail healthcare and wealth and asset management and insurance services had only one brand but multiple business aspects (hence the multiple locations). The latter businesses were more dispersed in the study area those in the clothing, footwear and textiles sector.

4.2.3 Year of establishment at present location

Figure 4.2¹⁵ shows that the majority of survey respondents were recent comers to Tygervalley with 76 locations (72%) established there between (and including) 2004 and 2014. The marked increase in new entrants after 2003 is most likely attributable to the high national economic growth rates during that time. South Africa experienced its highest GDP growth rate between 2000 and 2016 in the period 2004 to 2007 (Trading Economics, 2016). This confirms the opinion of interview Respondent A that business activity in Tygervalley is linked to trends in the national and local economy. Only 17 locations (16%) in Tygervalley were established prior to 2000. This reflects vigorous growth in new economic activity in Tygervalley between the years 2000 and 2015 (84% of locations) in (in order of sector numbers) finance, insurance, real estate and business services; wholesale and retail trade, repair of motor vehicles and goods, catering and accommodation; and community, social and personal services including health services. Prior to 2000 growth was reflected by the same three economic sectors, though the order was different. Wholesale and retail trade, repair of motor vehicles and goods, catering and accommodation dominated, no doubt attributable to the establishment of major retail spaces such as Tygervalley Centre during this time. The other two sectors grew less but equally prior to 2000.



Source: Tygervalley Survey (2016)

Figure 4.2 Year of establishing business in Tygervalley

¹⁵ n = 105 because the figure illustrates number of business locations between 1969 and 2015 and includes the input of respondents with multiple locations.

4.2.4 Business function

Participants were asked the function of the business at each location¹⁶. Table 4.1 shows that the majority (43%) functioned as main offices or headquarters (42.8%), one quarter as branches or regional offices, 16% as standard stores, 9% as speciality stores and 8% as flagship stores. Tygervalley is thus the central business location or hub for businesses and/or the central location from which businesses operate and conduct business in and outside the Tygervalley area. Tygervalley is also a location for regional business functions. This situation is further illustrated by Figure 4.3 which clearly shows the dominance of main office or headquarter growth in 2004 to 2007 and 2013 to 2015 and high levels of branch or regional office growth between 2005 and 2015. Figure 4.3 also illustrates that growth in these functions took place during periods of high national economic growth and location establishment (recall Figure 4.2).

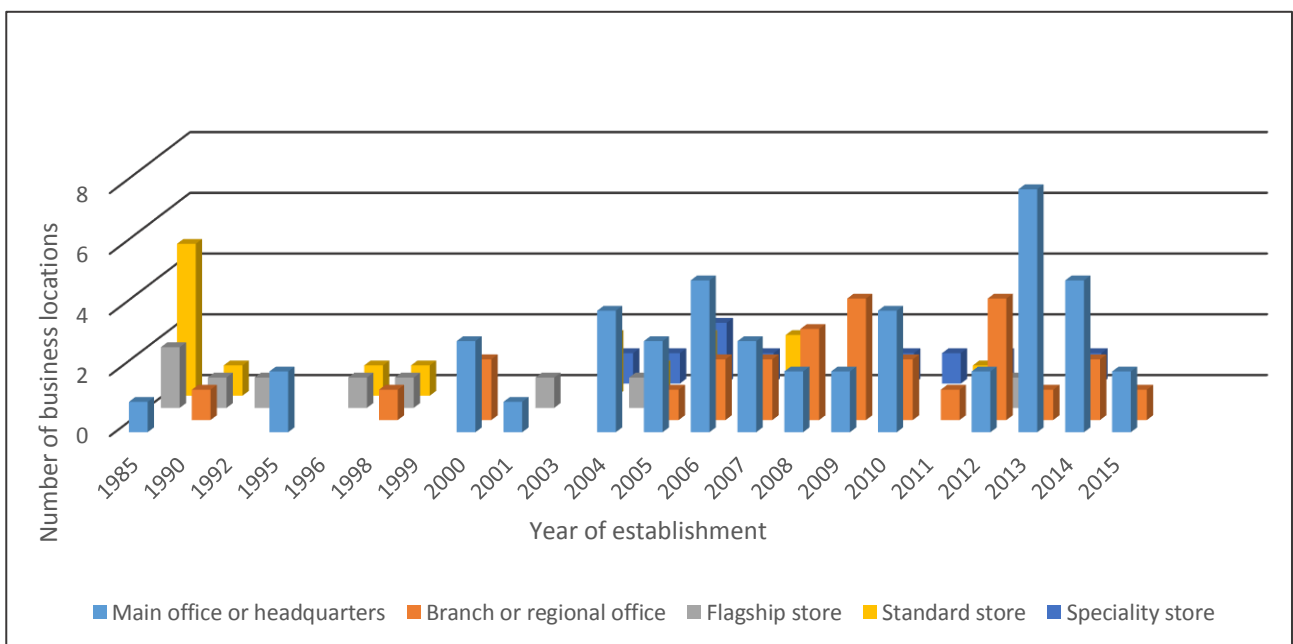
Table 4.1 Function of Tygervalley businesses

Type of business	Description	Number of business locations and percentage
Main office or headquarters	A centre of operations of an organisation such as a business, from which orders are issued; the chief administrative office of an organisation.	48 (43%)
Branch or regional office	An office or store where business for a particular geographic area is handled. This office typically reports back to the main office or headquarters.	27 (24%)
Flagship store	A retailer's primary, most prominent and largest location in a particular geographic area offering standard and additional (usually targeted at high-income earners) company products.	9 (8%)
Standard store	A retail location that offers the standard set of company products to consumers.	18 (16%)

¹⁶ Data was collated for all locations, including businesses with multiple locations. Many locations served more than one function.

Type of business	Description	Number of business locations and percentage
Speciality store	A retail location that offers a specific sub-set of company products based on the consumer market e.g. high-income versus low-income, it services.	10 (9%) n = 112

Source: Tygervalley Survey (2016)



Source: Tygervalley Survey (2016)

Figure 4.3 Function of Tygervalley businesses according to date

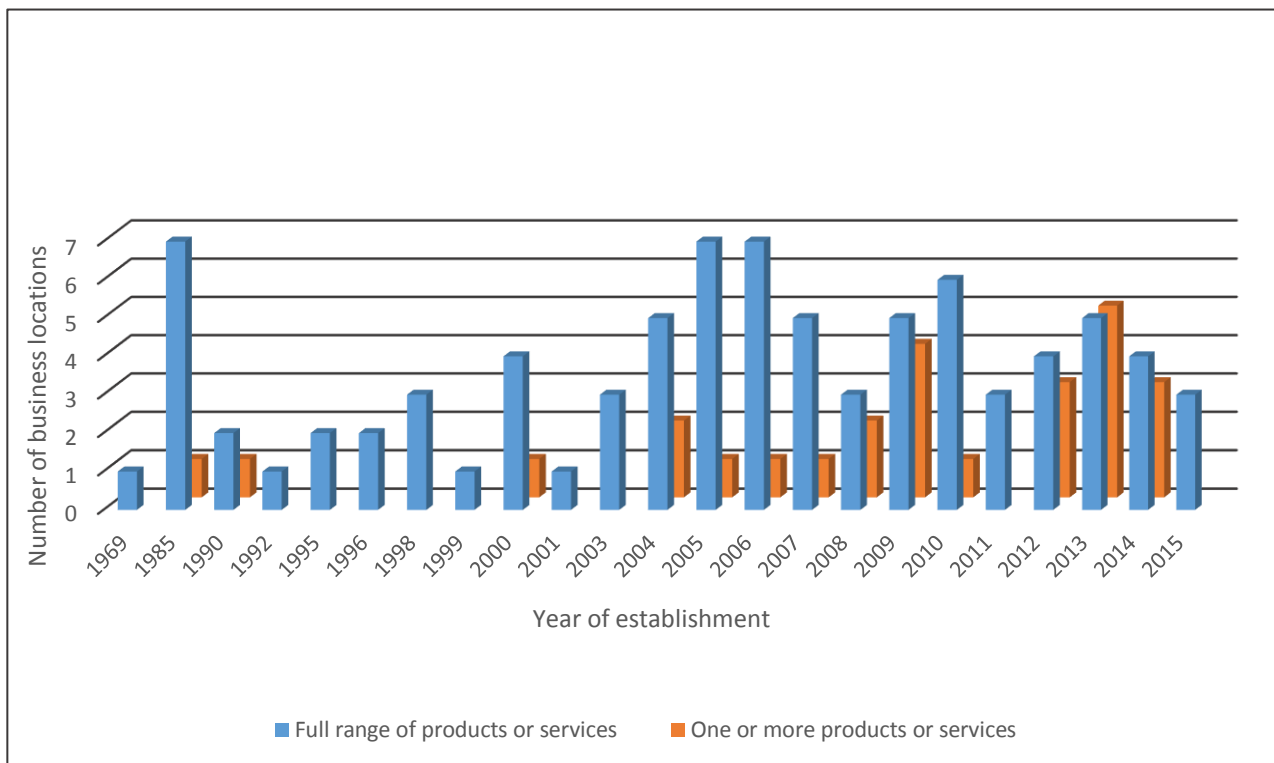
Three out of every four businesses locations offer a full range of services or products¹⁷ whereas one out of four provides only certain products or services (see Table 4.2.) This is explicable given that most business offices or stores in Tygervalley are main or regional establishments further entrenching Tygervalley's position as a central and regional business location. This position is reflected in Figure 4.4 which indicates that most businesses providing a full range of products or services were established between 2004 and 2010. This period coincides with the times when main office or headquarters were established in Tygervalley (recall Figure 4.3).

¹⁷ Data was collated for all locations, including businesses with multiple locations.

Table 4.2 Range of services or products provided by Tygervalley businesses

Product or service range	Number of locations and percentage
Full range of company services/products provided to clients from Tygervalley location/s	85
Only certain company services/products provided to clients from Tygervalley location/s	26
	n = 111

Source: Tygervalley Survey (2016)

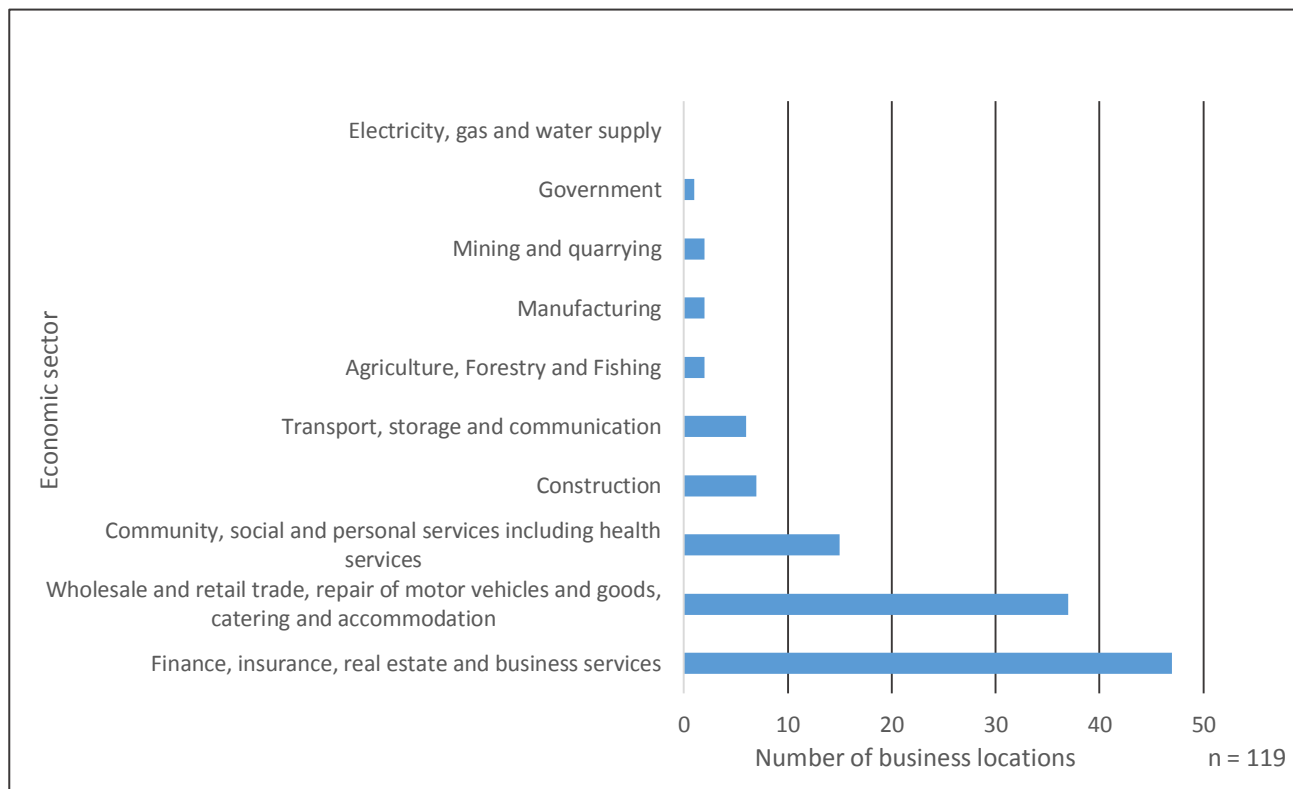


Source: Tygervalley Survey (2016)

Figure 4.4 Range of products or services according to date of establishment

4.2.5 Business function according to economic sector

Figure 4.5 presents the distribution of the respondent firm locations¹⁸ in Tygervalley according to economic sector as classified by the City of Cape Town (2010). Two key economic sectors dominate in the Tygervalley business precinct as noted in survey results and interview outcomes, namely finance, insurance, real estate and business services; and wholesale and retail trade, repair of motor vehicles and goods, catering and accommodation. Community, social and personal services including health and beauty services such as medical practitioners, hairdressers and beauty therapists stand out but to a lesser extent. This accords with three of the four largest employment-creating and growing sectors in Cape Town's economy (City of Cape Town, 2014a) to which Tygervalley makes a significant contribution.



Source: Tygervalley Survey (2016)

Figure 4.5 Economic sector of businesses surveyed in Tygervalley

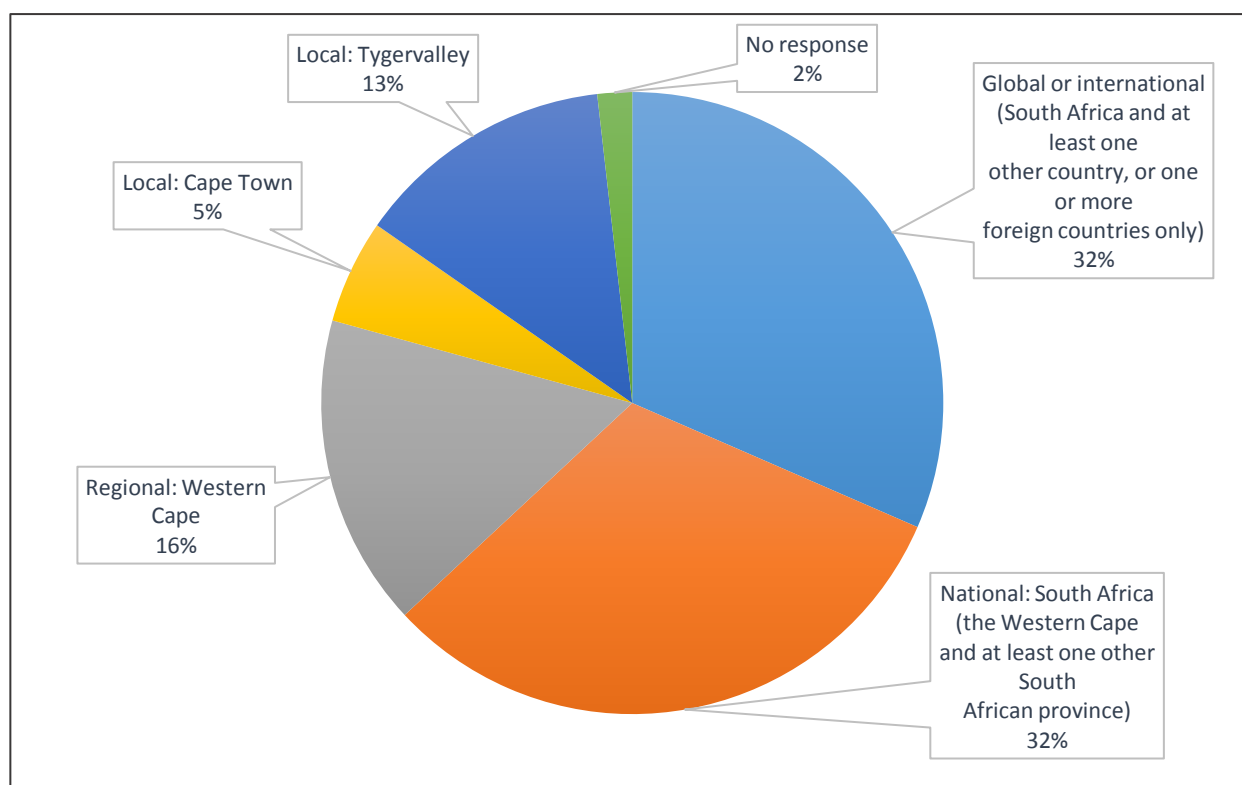
4.2.6 Market reach of businesses in Tygervalley

Figure 4.6 illustrates the market reach of business locations in Tygervalley (n = 111)¹⁹. Most (64%) of the business locations reached to international and national markets, while about one third (34%)

¹⁸ Certain location functions applied to more than one economic sector

¹⁹ Data was collated for all locations, including businesses with multiple locations.

were limited to regional or local markets. One-third of locations offered a full range of services or products to international markets and 23.7% to national clients. One sixth of business locations offered a full range of services to the Western Cape and Tygervalley. Only 22.5% of locations offered business or service products to all the geographic reaches (international, national, regional and local). Most (44.7%) main offices or headquarters had international business reach, while most (51.9%) branches or regional offices had national reach. Most (44.9%) flagship stores had international business reach while the majority of standard stores (61.1%) serviced the Tygervalley area. The reach of speciality stores to all markets was similar. It transpires that it is mainly main office locations offering a full range of services that have international business reach.



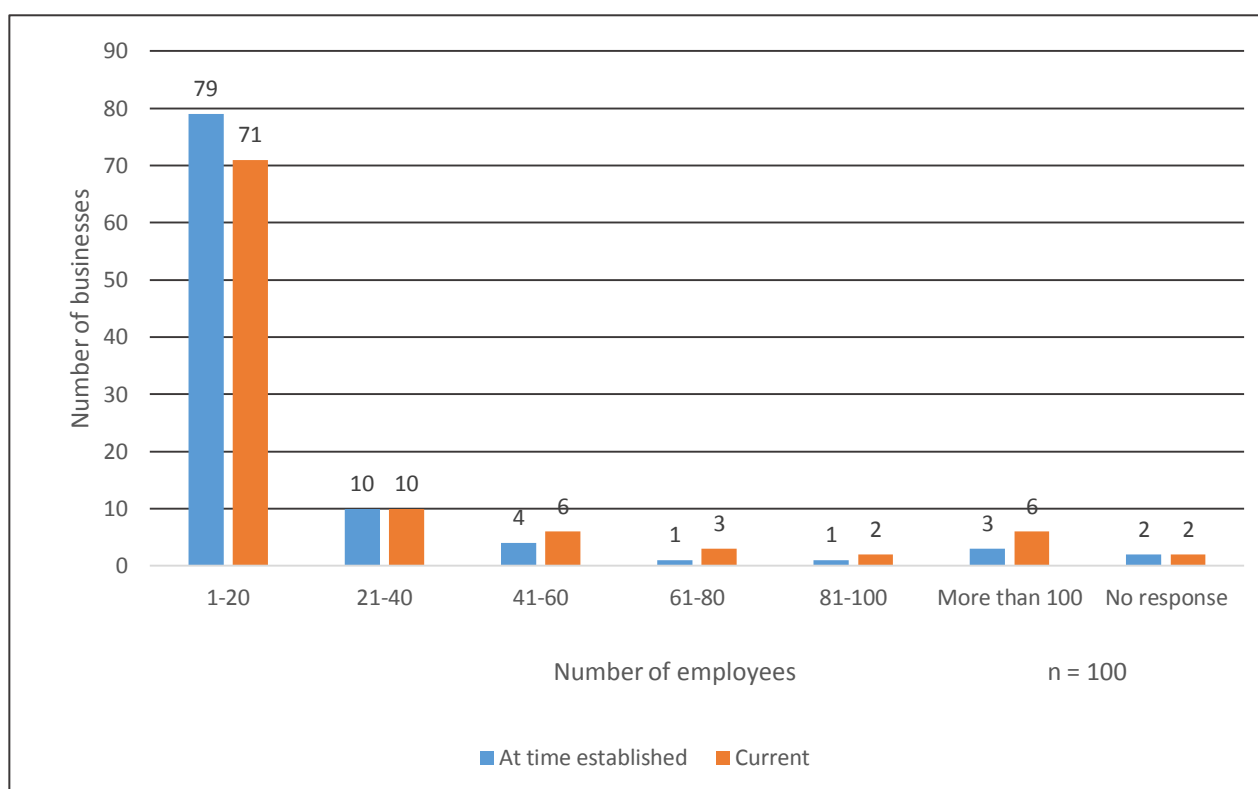
Source: Tygervalley Survey (2016)

Figure 4.6 Market reach of Tygervalley businesses locations

4.2.7 Size of business employment

The current number of employees per business in relation to the number of employees when a business was established has not changed much over time (see Figure 4.7). This suggests that the employment numbers have remained relatively constant in the Tygervalley area. More specifically, there has been a reduction in the numbers small businesses (1-20 employees) with a slight increase

in the numbers of larger businesses (Figure 4.7). The small changes in business size is attributable to the high number of businesses that were established relatively recently (2000-2015) during which period economic growth has been relatively with volatile growth between 2000 and 2008, and relative decline between 2007 and 2015 (Trading Economics, 2016). This would probably have disturbed business maintenance and expansion. A related hindrance to business maintenance or expansion could be limited (affordable) infrastructure and space availability in Tygervalley. See evidence of this in Sections 4.3.2 and 4.3.3. Overall, these trends indicate the relatively high degree of business vulnerability, especially of smaller businesses, to external factors.

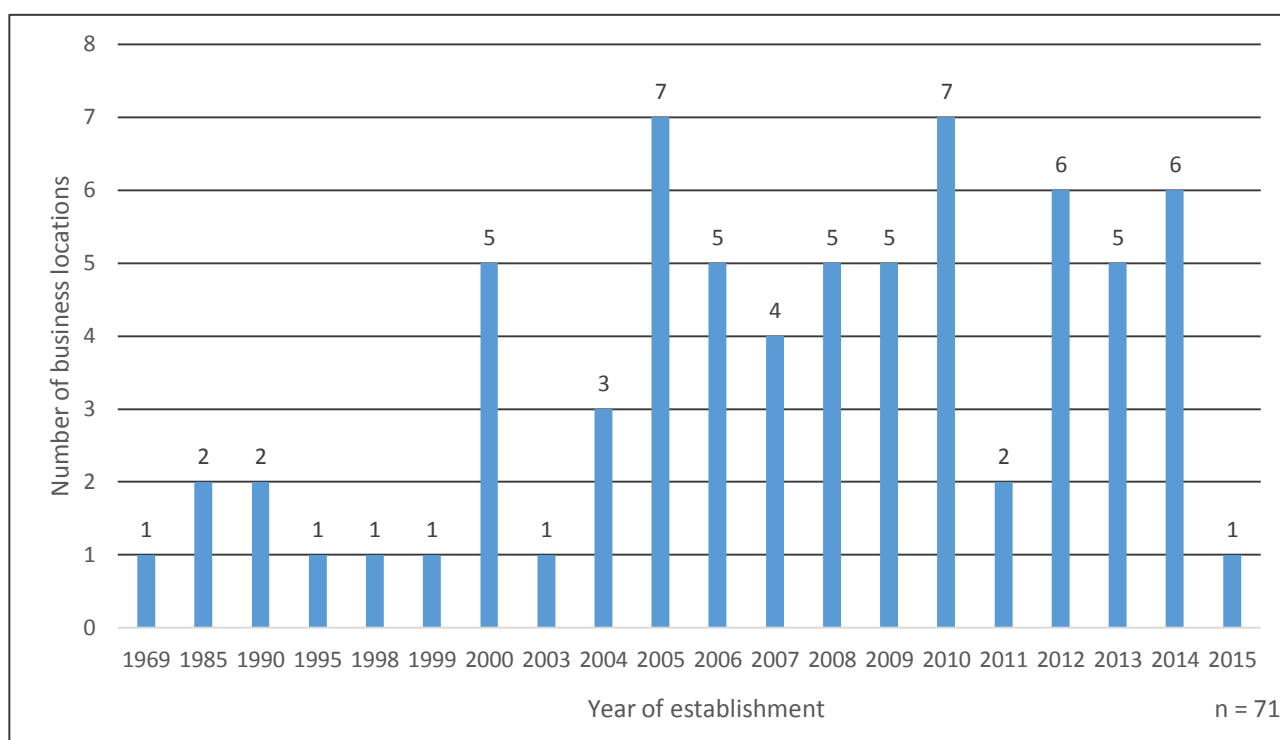


Source: Tygervalley Survey (2016)

Figure 4.7 Business size according to employee numbers at time of establishment and now

Smaller businesses clearly dominate the Tygervalley economic landscape (Figure 4.7). Among the dominant smaller (1-20 employees) businesses group, most (37.7%) were in the finance and business services sector; 31.6% in the wholesale and retail trade, repair of motor vehicles and goods, catering and accommodation sector; and 13.2% in community, social and personal services including health services sector. Seventy-six per cent of these smaller businesses offer full ranges of products or services to clients, with 46.3 % and 26.5% representing main office and branch or regional office locations, respectively. Most of the small businesses are therefore main offices in the financial and business services sector. Figure 4.8 further indicates that the majority (87%) of small businesses were

established between 2000 and 2014. This is consistent with growth in the three main economic sectors in Tygervalley after 2000; and the period experiencing the highest levels of growth of main offices or headquarters with international business reach providing mainly full ranges of products or services to clients. These trends indicate that though economic realities may have hindered small businesses maintenance or expansion, they did not hinder the establishment of small businesses particularly after the year 2000.



Source: Tygervalley Survey (2016)

Figure 4.8 Date of establishment of small businesses (1-20 employees) in Tygervalley

4.2.8 Trends in commercial development

The three Sections 4.2.8, 4.2.9, and 4.2.10 delve into the perspectives and insights provided by the interviewees (see Appendix G). The views relate, in turn, to trends in commercial development; the demand and supply of commercial property and the demand and supply of rental space in Tygervalley.

Tygervalley is perceived by local government as Cape Town's second business hub or CBD (Respondents B and C). The area reflects substantial public investment with local government talking of further investment in transport infrastructure in the form of an additional extension from the national road (N1) to Tygervalley (Respondents B, E and I). Tygervalley services a predominantly white, wealthy and professional community (Respondents G, F and H) and it is dominated by the

financial and businesses services sector (Respondent G). This corresponds with the findings reported in section 4.2.5. The area is characterised by high levels of formal economic activity, with little to no informal activity (Respondent H), an observation that confirms the findings reported Section 4.2.1.

Tygervalley is experiencing a notable rate of commercial development (Respondents A, B, F and H). New commercial and mixed-use developments are occurring in Tygervalley despite South Africa's present (2016) condition of economic stagnation as well as the decline in economic growth in Tygervalley in recent years (Respondents A and B). Commercial property values have been depressed for the last ten years (Respondent B) which is due to Tygervalley's declining status as a business location compared to higher functioning locations like Century City and the Cape Town CBD as well as the value of commercial property being less than anticipated (Respondent C). Many of the new commercial ventures in Tygervalley are not viable (Respondent C). New development and business is continuing nonetheless, being linked to national economic growth and the relative economic stability of the area (Respondent A). Consequently, development and business activity are increasing and are largely self-reinforcing so attracting more development and activity. This confirms the importance and influence of investor attitudes and economic agglomeration to economic growth. There is great demand for developable vacant land in Tygervalley and this demand exceeds supply (Respondent A). However, developments in the area are being done largely on an ad hoc basis (Respondent C).

New development and business activity are not occurring homogeneously over the entire area (Respondent D). Some areas, for example, Edward Street and Durban Road, are struggling commercially due to the plight of crime and poor security (Respondent D). Tygervalley Centre, TygerWaterfront and dedicated office parks are exhibiting prominent levels of new development and business energy (Respondent D). This is evidence that even within a wealthy commercial area like Tygervalley, fortified areas perform better than less secure areas, a trend that clearly relates to post-modern urban theory. Elevated levels of new development are especially evident in the southern portion of Tygervalley where space is available (Respondent D). By contrast, the northern area is quite densely occupied by commercial properties (Respondent D). According to Respondent F insufficient new business is venturing into Tygervalley, which is not conducive to area-based economic development. Many businesses are relocating within Tygervalley and as a result of higher property and rental prices they are consolidating and increasing the density of their business space (Respondent F). Businesses continue, however, to relocate from the Cape Town CBD to Tygervalley (Respondent F). It is anticipated that once competing commercial areas like Century City become saturated, more businesses will move into Tygervalley (Respondents E and I). Businesses locating in

Tygervalley are predominantly large corporates and small businesses, with few mid-sized businesses locating being established in the area (Respondent F). This is in agreement with findings reported in Section 4.2.7.

Business activity in Tygervalley is notably entrepreneurial in nature but no informal economic activity is evident (Respondent H). Many of the major developments in the area belong to large corporates such as Santam and Pioneer Foods (Respondent B). This shows that there area is still attractive, especially for new developments and as a business location. There is very little development of sectional title projects is occurring in Tygervalley (Respondent B) given the relatively high risk of selling or letting predeveloped commercial property where commitments by owners or tenants are not formalised prior to development. Of course, business development and consequent demand for property to let or purchase is associated with the status of the economy at any given time (Respondent A). The Tygervalley area is becoming saturated regarding space for businesses and new developments (Respondent E, G and I). Its commercial potential is capped. It will, however, take another 20 years for the area to become saturated (Respondent F). Once a saturation point is reached, property values will increase dramatically (Respondent B).

4.2.9 Demand and supply of saleable commercial property

Demand for commercial property for sale is high in Tygervalley, whereas the supply is low (Respondents B, D, E, F, G and I). Sales of used property have increased in the area (Respondent B). Owners of existing properties are generally retaining their properties with the intention of selling at economically opportune times for selling commercial property to make good or better returns on investment (Respondents B, D and F). Rental rates have not increased in Tygervalley so the value of the properties has remained stagnant. Property owners are awaiting escalations in rental and capital growth. Most recent sales of used property were distressed sales, where owners sold properties for no profit due to financial difficulties they were experiencing (Respondent B). New building stock is available on the property market but at much higher prices than used properties (Respondent B). This is inflating the value of used stock. Although there is a demand for property to purchase, potential buyers are wary and discerning (Respondent B). They want buildings well suited to their requirements.

4.2.10 Demand and supply of rental space

Many property developments are under construction in Tygervalley but overall demand for rental space is relatively low, even stagnant by comparison. Demand exists, but potential tenants are wary and look out for exactly the right location in Tygervalley at the right price, so leading to an overall

dormant demand (Respondent D). The economic climate has impacted rentals in Tygervalley (Respondent D). It is mainly small businesses and corporates that are looking for rental space in Tygervalley (Respondent F). This matches findings presented in Section 4.2.7. Many of the developments are therefore intended for dedicated corporate tenants that occupy entire floors or buildings (Respondent D). Many corporates prefer to rent space rather than purchase or develop property (Respondent F). Smaller growing businesses tend to invest in property with tenants sharing their space (Respondent F) and once their businesses grow to a particular size they don't renew the tenant leases and then take up tenant space themselves (Respondent F). Corporates aim for high-grade space²⁰, while smaller businesses tend to be satisfied with lower grade space in the right location (Respondent F). Demand for rental space is high and increasing for small tenants in the right location and there is insufficient supply to meet demand (Respondent B). This is consistent with findings in Section 4.2.7. Rental demand is linked to the size and availability of space and this demand and supply is constantly fluctuating. Demand also depends on whether the nature of the rental supply suits the needs potential tenants regarding price, location, image, signage, parking and convenience (Respondents B and G). Rental supply is insufficient for small tenants looking for properties that meet all their requirements. This suggests a possible disconnect between the needs of potential tenants and the rental properties on offer or being developed in Tygervalley. Rental space is relatively expensive in Tygervalley (Respondents C, D, F and H). Landlords are currently asking exorbitant rentals (Respondent D) as they link their rental rates to the high property values. Rental prices in the area are high and over-inflated (Respondent F) leading to much rental competition with rental companies looking for the best rates for their clients (Respondent F).

²⁰ A-grade:

Offices that are generally in high demand and fall within the highest rental brackets. A-grade commercial property is generally not older than fifteen years or has undergone a major renovation, features high-quality modern finishes, air conditioning and adequate on-site parking. The building should be located in an area where the market rental is near the top of the range in the metropolitan area in which the building is located. Also to be considered is the quality of finishes in the lobby of the building, safety and security, access and other similar factors.

B-grade:

Buildings are generally older buildings and in the mid-range of the market. These premises and their finishes are close to modern standards as a result of refurbishments and renovation from time to time. Buildings are air-conditioned and have on-site parking (unless special circumstances apply).

C-grade:

Buildings have older style finishes, services and building systems. They may or may not be air-conditioned or have on-site parking. These are more functional spaces which appeal to tenants with lower budgets (Anvil Property, 2013).

4.2.11 Summary of findings

Tygervalley's business profile reflects high levels of recent, relatively new formal small business growth subject to fluctuations in the economy. Three local economic sectors dominate the area, namely finance, insurance, real estate and business services; wholesale and retail trade, repair of motor vehicles and goods, catering and accommodation; and community, social and personal services including health and beauty services. Most businesses are main offices or headquarters, or branches or regional offices mostly providing full range of services or products to clients. Tygervalley is a central business location accommodating firms with predominantly international and national business reach. Levels of commercial property development and demand for vacant land are high, despite negative national economic trends. The demand for property to purchase is high while supply is low, particularly in the cheaper used property market. Demand is subject to economic fluctuations, specifically fluctuations in property values. Demand for rental space is stagnant overall, though demand is high among potential small tenants. Demand for property sales and rentals is mainly influenced by the requirements of discerning and wary buyers. Supply of rental property accords with the findings about low vacancy by the City of Cape Town (2016b) and Capitol Commercial Properties (2015). Demand is characterised by the need for small spaces meeting the specific requirements of tenants.

4.3 TYGERVALLEY AS A BUSINESS LOCATION

This section presents the findings related to the second objective, namely to uncover the reasons for locating in Tygervalley and vacating previous locations.

4.3.1 Reasons for moving to Tygervalley

Thirty-five per cent (35%) of respondents said that their business had moved to Tygervalley from another location. All except one indicated where they had moved from and provided reasons why they relocated (see Appendix H and Table 4.3). Results show that centrifugal (push) factors varied greatly according to business type and degree of importance. For example, one business in a particular location rated the high cost of space as a very important push factor while another in the same location noted it as an unimportant factor. The importance of centrifugal factors varies between different locations. All the businesses that had relocated to Tygervalley had done so between 2000 and 2015. Most (86.6%) were small businesses at the time of relocation (86.6%), with 71.4% in the finance, insurance, real estate and business services sector. They also predominantly had international and national market reach. This is in line with findings related to high levels of business growth, type of business and dominant economic sector reported in section 4.2. It might indicate that types of business

might have greater flexibility due to the nature of their business and their consequent space requirements (in relation to space availability), regarding relocation.

Most (36%) relocations occurred from the Bellville CBD. This could probably be linked to the factors identified as making the Bellville CBD an unattractive location for business so leading to the flight of commercial capital. Businesses have relocated from Bellville CBD to economic centres like Century City and the Cape Town CBD, but especially to Tygervalley (Future Cape Town, 2013). The centrifugal factors applying to the Bellville CBD include poor infrastructural aesthetics, crime, transport capacity constraints and a burgeoning African expatriate community (Future Cape Town, 2013). These factors correspond with the most important push factors, with the exception of high rental costs, reported by respondents (see Appendix H and Table 4.3). Rental costs in the Bellville CBD are perceivably high in relation to the benefits the area has to offer in terms of infrastructure, transport and market. The decline of formal economic activity in the Bellville CBD is the main reason for the establishment of the Greater Tygerberg Partnership—an initiative between the private, public and civil society sectors to economically revitalise Voortrekker Road (in Goodwood, Parow and Bellville) and the Bellville CBD by improving safety and urban management with the aim of attracting private investment and creating jobs (Future Cape Town, 2013; Greater Tygerberg Partnership, 2015). It is however noteworthy that the economic contribution of the informal economic sector in the Bellville CBD should not be underestimated.

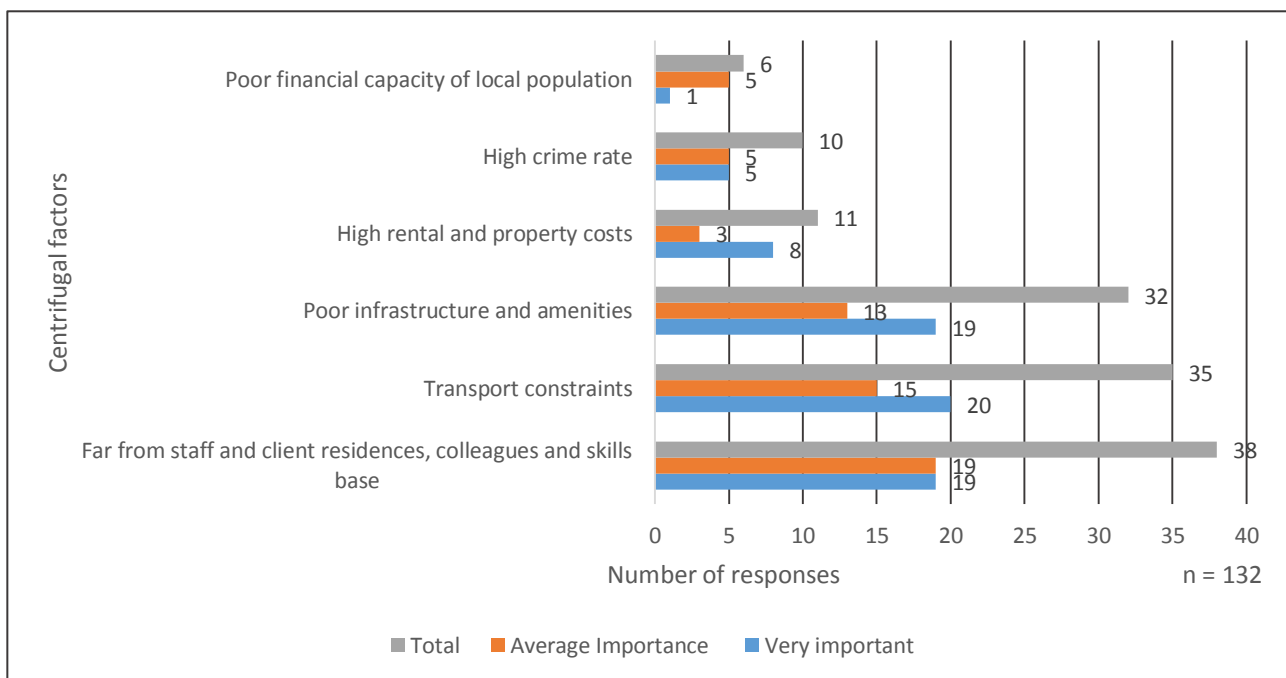
Table 4.3 Most important centrifugal factors pushing businesses to Tygervalley

Previous location	Number of locations vacated	Very important factors
Bellville Central Business District (CBD)	12	Poor infrastructure Limited or no parking High cost of rental space High crime rate Far from client base High property prices Far from staff residential locations Limited access to required skills base High level of traffic congestion

Previous location	Number of locations vacated	Very important factors
		Far from other internal business components locations
Durbanville	5	Poor infrastructure Far from client base Poor amenities Limited or no parking available Limited access to required transport networks High cost of rental space High crime rate Limited access to required skills base Far from staff residential locations High level of traffic congestion
Bellville residential suburbs (Stellenryk and Welgemoed)	2	High level of traffic congestion
Century City and Northgate	2	High cost of rental space High level of traffic congestion
Blackheath, Brackenfell and Kuilsriver	2	Poor infrastructure Limited or no parking available Far from client base Limited access to required transport networks
Cape Town Central Business District	2	High level of traffic congestion Poor infrastructure Poor amenities Far from client base Limited or no parking available
Platteklouf	1	High cost of rental space Far from client base
Stellenbosch	1	Far from client base Far from staff residential locations
Hermanus	1	Far from other internal business components

Source: Tygervalley survey (2016)

According to Figure 4.9 the important push factors named by respondents across 14 vacated areas were being too far from client and staff residences, skills base and other business components or colleagues; transport constraints, specifically, poor or limited parking, high levels of traffic congestion and limited or no access to transport networks; and poor infrastructure and amenities. With regard to the Cape Flats location (Bishop Lavis), poor infrastructure and a financially weak client base were noted as the only very important push factors. It is noteworthy that the factors that have pushed businesses out of locations are mirror images of the factors that have attracted them to Tygervalley as discussed in Section 4.3.2.



Source: Tygervalley survey (2016)

Figure 4.9 Centrifugal factors underlying the relocation of businesses

4.3.2 Attraction of Tygervalley as a location for business

High-end residential developments in the northern suburbs of Cape Town is a stated reason why commercial development occurs (at the rate it does) in Tygervalley (Respondents E, G and I). Residential properties are more affordable in the northern suburbs than in or near the Cape Town CBD and southern suburbs (Respondent B). The northern suburbs also offer good schools and road networks (Respondent B). Many suburban migrants to Cape Town from areas like Johannesburg choose to reside in the northern suburbs further confirming the desirability of the area (Respondents E and I). Commercial development in Tygervalley is supported by a largely white, affluent and skilled, population. Many residents in the northern suburbs have sought to locate their businesses in a business hub close to their residences, hence the proliferation of establishments in Tygervalley

(Respondents E and I). Generally, Tygervalley presents good security, parking and amenities. Respondent B named additional attractions such as less traffic congestion than the Cape Town CBD and central and southern suburbs; shorter walking distances to offices and a large pool of skilled human capital resides in the northern suburbs. Given the expansion of Cape Town and fact that employees are residing farther north and beyond city limits in Boland areas like Paarl and Stellenbosch, Tygervalley is attractive as a central business location between these areas and the Cape Town CBD. The availability of unused vacant land in Tygervalley allows it to offer opportunities for greenfield development²¹ which is easier than brownfield development²² in areas like the Bellville and Cape Town CBDs where little to no unused vacant land is available (Respondents E and I). Table 4.4 and Figure 4.10 marshal and illustrate the factors that attract businesses to the Tygervalley area according to survey respondents. The top three attractions are transport infrastructure, specifically, adequate parking, access to required transport networks and lower traffic congestion; close proximity to resources, specifically, client residences, staff residences and skills base; and good infrastructure and amenities, both carrying equal weight. These findings align with the inputs given by interviewees. Proximity is important to businesses of all reaches, emphasising Tygervalley's role as a central business location for firms with international, national, regional and local reaches.

Table 4.4 Centripetal factors (including relative importance) that attract businesses to Tygervalley

Factor	Number of businesses		
	Very important	Of average importance	Not important
Close proximity to client base	63	11	7
Good infrastructure — a good supply of aesthetically appealing and new buildings and premises	59	20	1
Good amenities (including public services such as transport, recreation and the aesthetic appeal of the area)	59	14	4
Adequate parking available	52	14	4

²¹ Development on unused land.

²² Development on previously used land that might contain structures and wastes from previous uses.

Factor	Number of businesses		
	Very important	Of average importance	Not important
Financially strong client base	45	13	8
Low crime rate	40	20	2
Access to required transport networks	40	21	10
Close to staff residential locations	26	29	14
Low levels of traffic congestion	21	21	12
Access to Tygervalley employee pool (skills base)	20	14	17
Low cost of rental space	11	34	9
Low property prices	6	14	22
Area reflecting high levels of business growth and consumerism	2		
Central business location	2		

Source: Tygervalley survey (2016)



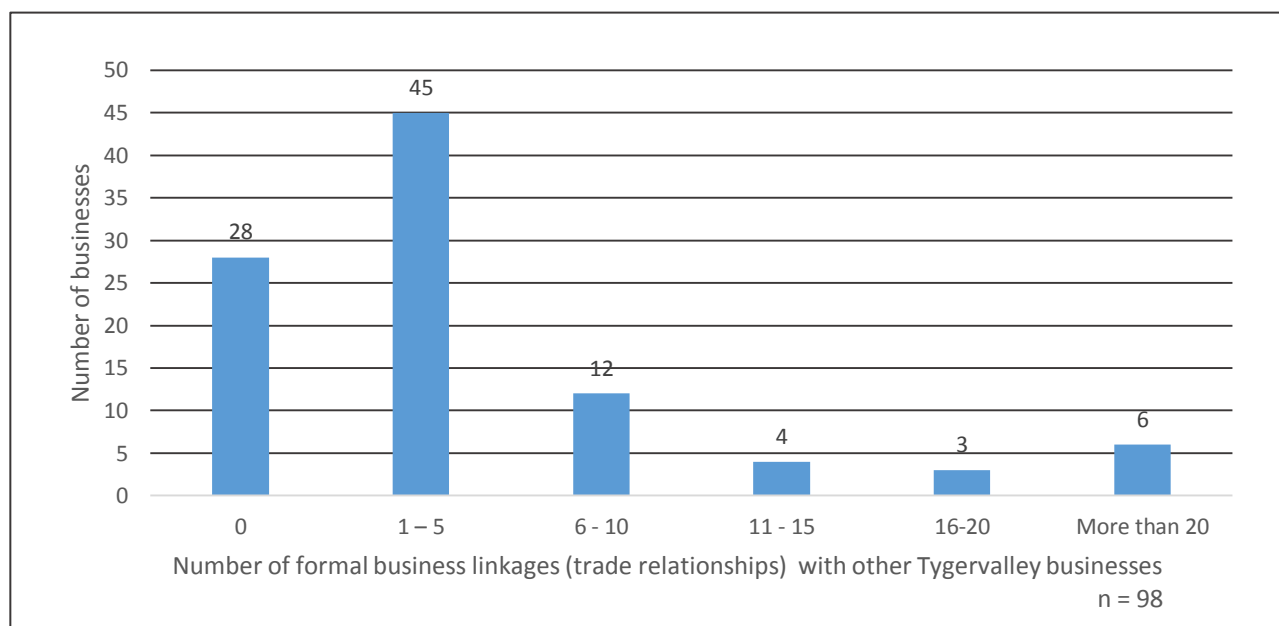
Source: Tygervalley survey (2016)

Figure 4.10 Centripetal factors attracting businesses to Tygervalley

Seventy one per cent (71%) of respondents (100) indicated that the presence of other businesses in the area was an important factor influencing their decision to locate in the Tygervalley area. Of the 71% of businesses indicating that it is an important factor, 16% indicated that other local businesses supply them with products and services that enable them to run their business. Forty-three percent (43%) of businesses indicated that other businesses are their clients or customers while 25% indicated that the employees of other businesses are their clients or customers. Forty-five per cent (45%) of businesses indicated that the number and calibre of businesses in the area boosts the professional and business image of the area which is beneficial to their businesses. Forty-nine per cent (49%) of the respondents indicating that the presence of other businesses was important were part of the finance and business services sector, 34% belonged to the wholesale and retail trade, repair of motor vehicles and goods, catering and accommodation sector; and 17% were part of the community, social and personal services sector.

The fact that the presence of other businesses was noted as an important factor confirms the importance of economic agglomeration in stimulating economic activity including in Tygervalley. One would therefore expect firms in Tygervalley to have many formal trade linkages with other local businesses. Figure 4.11, however, shows that most (46%) only had between one and five formal trade

linkages with other business and 29% had none. This contrary finding may be attributable to the nature and reaches of business in the area which are mainly small main offices or headquarters in the financial and business services sector with predominantly international and national business reaches. Also, because 29% of respondents indicated that the presence of other businesses is not important, the influence of local economic agglomerative forces should not be overestimated. International and national economic forces also play a role.



Source: Tygervalley survey (2016)

Figure 4.11 Formal trade relationships with businesses in Tygervalley

4.3.3 Summary of findings

The three dominant groups of reasons for businesses leaving previous locations and being attracted to Tygervalley as a business location generally mirror one another. These are proximity to resources, specifically, to clients, staff and skills; transport infrastructure, specifically parking, transport networks and traffic congestion; and infrastructure and amenities. The majority of businesses that have relocated to Tygervalley have done so from the Bellville CBD, so emphasising the centrifugal forces operating in Bellville. The main factors attracting businesses to Tygervalley are: existing economic and business activity; the residential appeal of the northern suburbs; greater opportunities for greenfield development; short walking distances to offices; and the geographically central position of Tygervalley relative to the Cape Town CBD and areas east and north of the city limits.

4.4 SYNTHESIS

Findings about business activity and location dynamics in Tygervalley align with the arguments of Krugman (1998) that existing economic activity and labour (skills) in an area, in this case Tygervalley, represent centripetal forces. Together with information in Chapter One on the high number of developments in northern wealthy suburbs in Cape Town compared to a relative absence in development in poorer areas (see Section 1.5 and Figure 1.6), findings reported above on the nature and extent of business activity in Cape Town highlight the continued inequitable trajectory of Cape Town's spatial economy. This is shown through a number of findings that foreground continued economic growth in wealthy areas. These include the great extent of recent and formal main company locations established in Tygervalley performing the full range of business activities. The core economic sectors of Tygervalley's economy, as indicated by the organisation of business locations according to economic sector, aligns with Cape Town's main economic growth sectors. This emphasizes the important contribution of Tygervalley to the growth and nature (including sectoral structure) of the city economy, which is currently not conducive to increased and more extensive employment particularly among the unskilled and semi-skilled workforce in Cape Town. The extent and nature of trade connections between businesses shows the importance of agglomeration economies for economic production and efficiency and the role of agglomerative economic activity in enabling growth in wealthy areas. The international business reach of businesses in Tygervalley indicates that international trade could be contributing significantly to economic growth in Tygervalley in line with global city and post-modern urban paradigms. The relatively high demand for property to purchase and rent in Tygervalley (in relation to poor supply) by corporates and small businesses, as well as increasing commercial property developments in the area, specifically stresses that business is continuing to gravitate towards wealthy areas. High levels of public investment in Tygervalley, to the extent that the area is perceived by local government as Cape Town's second CBD, further attracts and entrenches business growth.

The findings also highlight that international trade's role in driving growth in wealthy areas, particularly in Tygervalley, should not be overestimated. This is because 66% of survey respondents are focused on national, regional and local trade only. This finding aligns with the critiques of global city and post-modern urban research paradigms by Simon (1995) and Murray (2004) that other methods of analysis linked to the economic function and spatial structure of cities should not be sidelined. National, regional and local factors should also be considered, particularly in relation to the study of intra-urban spatial inequality. At the same time, local trade should also not be overestimated, given the relatively low level of trade linkages between businesses in Tygervalley.

The nature and extent of business activity in and the reasons provided by business for locating in Tygervalley shows that decentralisation, deconcentration, differentiation and northern drift continue to be characteristic of Cape Town's economic geography. None of these trends support urban integration to the economic benefit of poorer areas in Cape Town. Specifically, Tygervalley continues to attract businesses from the historic Cape Town and Bellville CBDs and other central and southern locations thereby enabling the dispersal of economic activity across the city. Businesses are also targeting mainly high- and middle-income groups in the northern suburbs, leading to business growth in Tygervalley that generally does not cater (financially or in terms of physical access) to low-income groups. Members of the workforce in the south-east work in Tygervalley, which is characterised by poor public transport infrastructure, further highlighting the travel challenges faced by low-income earners in terms of proximity and cost.

With the exception of large corporates including retailers, the majority of respondents were small business owners or representatives. This speaks to the finding of Sinclair-Smith & Turok (2012) that small firm development is linked to wealthy residential areas in Cape Town and that the factors noted in the findings as conducive and restrictive to business growth in wealthy and poor areas respectively is particularly relevant to small businesses. A critical insight given the national emphasis on and great need for small and medium business development to drive more equitable economic growth in South Africa.

The centripetal factors conducive to business growth in Tygervalley, and the centrifugal barriers to growth on the Cape Flats align directly with the reasons provided by researchers such as Turok (2001), Turok & Watson (2001) and Sinclair-Smith & Turok (2012) as to why growth is proliferating in the wealthy northern suburbs and is relatively stagnant or declining in the south-east of Cape Town. These contrasting reasons also remain mirror images of each other. Centrifugal factors for the Cape Flats also align directly with the reasons given by businesses for relocating to Tygervalley, including from the Cape Flats, providing evidence that these push factors are still relevant across Cape Town including in poor areas.

According to Turok (2001), Turok & Watson and Sinclair-Smith & Turok (2012), businesses locate in the northern suburbs due to the presence of quality and business-appropriate building stock and infrastructure, high-income residential areas with highly skilled residents that have high disposable incomes; strategic access to road networks; good amenities; and a significant amount of other businesses. The findings indicate that all these mentioned factors are valid and still relevant in 2016. Further pull factors illustrated in the findings were: close proximity to client base; low crime rate;

good social infrastructure in residential areas; adequate parking; close proximity to staff especially management and owner residential locations; relatively short walking distances to offices from parking areas; and vacant land which enables greenfield development. An increasing number of staff are also residing in the far north of the city and in the Boland. The northern suburbs therefore provide a central office point between those locations and the Cape Town CBD.

The findings in Sections 4.2 and 4.3 promote the economic concentration of businesses in the northern suburbs of Cape Town. They also make it difficult for poorer areas in Cape Town like the Cape Flats to attract and foster private investment and business growth in their areas. This is discussed in Chapter 5.

CHAPTER 5 THE SOUTH-EAST OF CAPE TOWN (CAPE FLATS) AS A BUSINESS LOCATION

5.1 INTRODUCTION

This chapter addresses the third objective, namely to determine conditions deterring business from location in the south-east and the remedies to attract them to and stimulate the growth of existing businesses in the area. It commences by providing an exposition of the views of the survey participants and interviewees on the south-east's challenges and potential as a business location (Section 5.2). Section 5.3 reports on the mechanisms for attracting and stimulating business growth in the south-east of Cape Town.

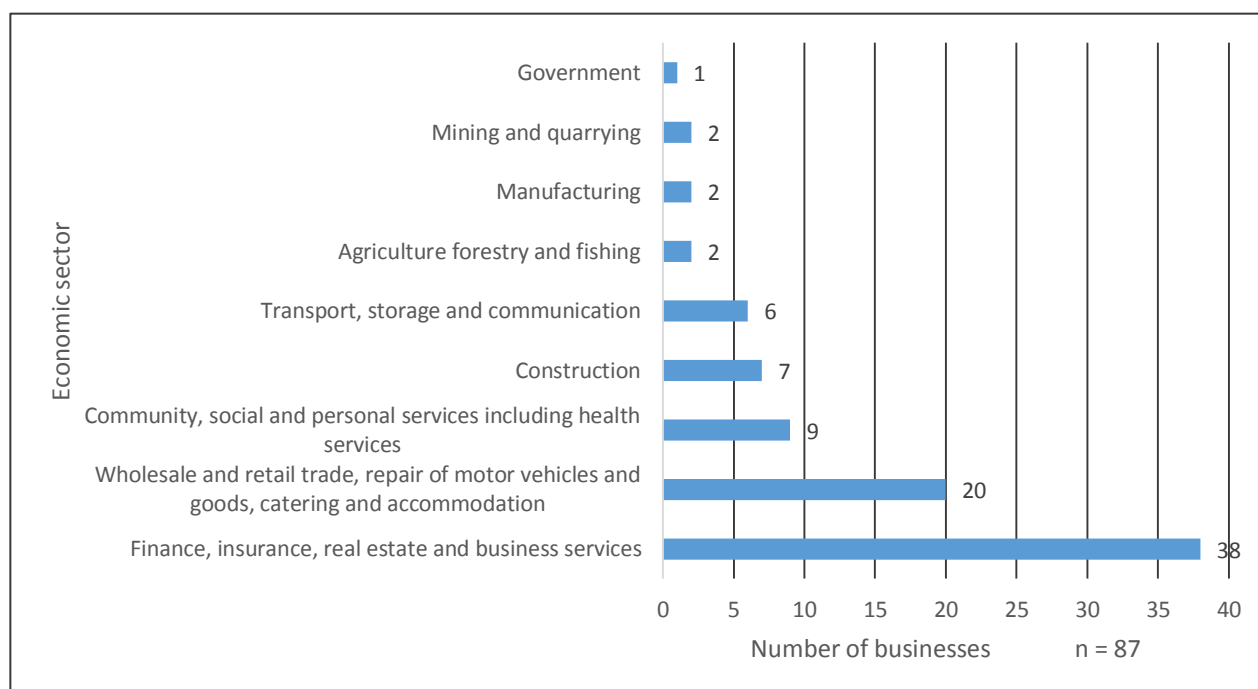
5.2 THE SOUTH-EAST'S CHALLENGES AND POTENTIAL

Eighty-nine of the 100 survey respondents indicated that they did not have business locations on the Cape Flats, while eight indicated that they do. Two respondents did not answer the question while one answered the question incorrectly. One of the eight that had a business location on the Cape Flats was a large corporate in the finance, insurance, real estate and business services sector; three (two large corporates and one non-profit company) were in the community, social and personal services sector; and four (all large corporates) were in the wholesale and retail trade, repair of motor vehicles and goods, catering and accommodation sector. Three of the large corporates in the latter sector had multiple locations in Tygervalley. This finding emphasises that regarding formal business, it is mainly large retail-driven corporates that service local consumers across the income spectrum. This also begs the question about the kind of small business development to be encouraged to effectively service consumers and create jobs in poorer areas.

The business locations on the Cape Flats operated by survey respondents were in Athlone, Mitchells Plain, Khayelitsha, Makhaza, Grassy Park, Gugulethu and Lansdowne. The most important reasons why they located on the Cape Flats were the substantial spending power of the large low-income population and access to main transport routes. Access to low-cost property rentals in the area was somewhat important whereas access to low-cost vacant land and low-cost property for sale unimportant.

Of the 89 businesses that did not have a business location on the Cape Flats, 79 (89%) reported that they would not consider locating a business in the area. Most (43.7%) of these respondents are in the

finance, insurance, real estate and business services sector (see Figure 5.1 below).²³ This could be because the majority of survey respondents are in the finance, insurance, real estate and business services sector (recall Figure 4.5). However, it could imply that businesses in different economic sectors have different location requirements, suggesting that the level of palatability or unpalatability of the Cape Flats as a business location would vary across economic sectors.



Source: Tygervalley survey (2016)

Figure 5.1 Economic sector in which respondent is involved but would not consider establishing a business location on the Cape Flats

The principal reasons provided by survey respondents for not considering a Cape Flats location is the high level of crime; the Cape Flats not encompassing the clientele or target market of the business; and that a location in the south-east is too far from most staff living in the northern suburbs. Other reasons, in order of importance, are the area's poor access to essential transport networks; high levels of traffic congestion; non-central, weak and unattractive business location; poor business image with low levels of business development; that the area is too far for business clientele to travel too; poor infrastructure and amenities; and the financially weak potential client base. In addition, members of the Cape Flats population travel to Tygervalley to access the business services located there.

²³ Many business functions apply to more than one economic sector, hence n = 87 in Figure 5.2 while only 79 respondents indicated that they would consider locating in the south-east.

According to interviewees, members of the Cape Flats workforce work in Tygervalley despite the constraints of public transport (Respondents C & H). Tygervalley is not pedestrian friendly nor well served by public transport (Respondent C). Transport infrastructure in Tygervalley is predominantly car-dependent (Respondent C). Though some public transport infrastructure is available in Tygervalley (mini-bus taxis and buses) it is far from sufficient to service the needs of workers, particularly those who cannot afford private transport. For example, there is no direct rail link to the Tygervalley area. This is a feature of South African cities outlined in the NDP as a national challenge. It is in line with the respective arguments of Kilroy (2007) and Turok (2012) that poor public transport is a cause of spatial inequality and a barrier to urban integration. Investments in integrated rapid transport (IRT) such as the MyCiti bus service in Cape Town has not effectively resolved this issue. There is no MyCiti link to Tygervalley. In addition, MyCiti has been criticised for prioritising affluent areas over townships desperately in need of better transport systems (Gontsana & Geffen, 2013). MyCiti does, however, have a phased roll-out plan for township areas. Interviewees further indicate that the City of Cape Town is also not lowering barriers to investment in poor areas (Respondent C). Continued investment is occurring in wealthy areas as evidenced by roll-out of MyCiti to areas such as Camps Bay and Table View (Respondent C). Local government appears to be servicing wealthy areas in Cape Town that have always been serviced (Respondent C).

Financial institutions tend to support the same kind of large enterprises repeatedly, particularly retail businesses (Respondent C). Large retail companies argue that the reason for not investing in poor areas such as the Cape Flats is the poor area-based economic performance, although at times this is occurring in wealthy areas too (Respondent C). Large retail companies continually reinvest in the same wealthy locations, despite this possibly being to their financial detriment (Respondent C). The investment culture of tenants, retailers and developers is a major barrier to development in poor areas (Respondent C). National retail tenants tend to not invest in poor areas (Respondent D). Many businesses with locations in poor areas are leaving these areas due to area-based Africanisation (Respondent D).

The level of income of people in an area will affect the kind of businesses will be able to locate there (Respondent H). Businesses seem not to be adapting to certain target markets and do not appear to have a clear understanding who their target market is, particularly when attempting to locate in poor areas (Respondent D). There are signs, however, that large national retailers have adapted and are adapting their brands to be more suited to lower income communities (Respondent D). However, barriers to entry in poor areas remain for large and especially for small enterprises (Respondent D). Other barriers to entry in poor areas are extremely high rentals; difficulty in identifying the correct,

most lucrative locations; a low-skilled and poorly educated population; and poor public transport (Respondents D, E, H and I).

Development red tape²⁴ is a major challenge in Cape Town, that impacts on potential developments in poor areas (Respondents E and I). New building plans for development, particularly for poor areas, should be more easily and quickly approved by council. Business urgently needs to be assisted in circumventing red tape. The Western Cape Provincial Government (2016) has a task team to assist local government to reduce red tape related to business development. Whether a provincial task team can be effective in minimising red tape at municipal level remains to be seen and would require significant coordination and integration efforts.

The inputs into new developments versus rental income that will be gained from a property is more balanced in affluent areas where a higher rental can be charged and better returns on investment realised (Respondents E & I). Building costs are the same wherever you build and it is therefore less attractive to build in poor areas (Respondents E & I). Consequently, lower building costs cannot offset lower rentals in poor areas. The costs of redeveloping buildings in poor areas cannot be adequately offset by the low rentals, meaning that investments there do not make financial sense (Respondents E & I). Compounding the problem is the high risk in poor areas that properties could not be tenanted, so requiring tenants to be contracted prior to development (Respondents E & I). The presence of high levels of informal activity add to the challenges of establishing formal businesses (Respondent H). These informal economic activities are liable to create tension between the existing informal enterprises and the incoming, newly established formal enterprises regarding location, space and markets.

The Cape Flats as a business location has potential because any area where business conditions are right and it is managed properly has inherent prospects (Respondents B, E, H and I). Changing perceptions of the Cape Flats as a business location is a demanding task (Respondent H) as confirmed by survey respondents. Only eight survey respondents indicated that they would consider establishing a business location on the Cape Flats. Three are engaged in the finance, insurance, real estate and business services sector; four in the wholesale and retail trade, repair of motor vehicles and goods, catering and accommodation sector; and two in the community, social and personal service sector²⁵. Seven of the eight businesses are small businesses with 1 to 20 employees. The reasons for

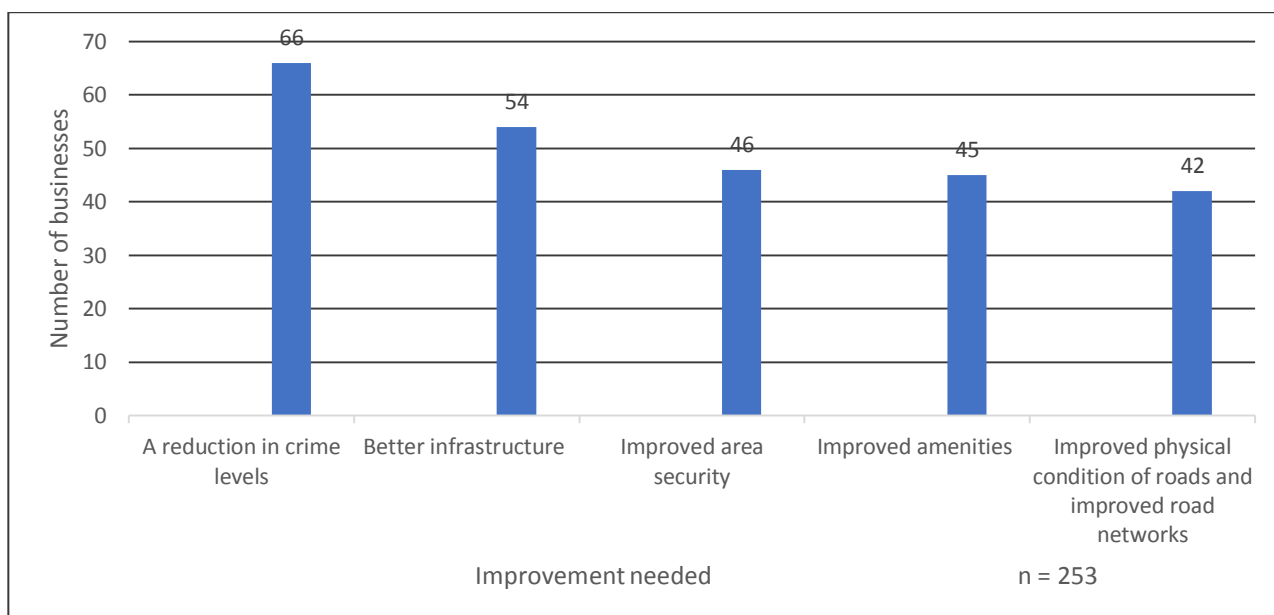
²⁴ Non-essential procedures, forms, licences, and regulations that add to the cost of dealing with government and which in the way of economic growth and job creation (Western Cape Government, 2016).

²⁵ Business functions apply to more than one economic sector

willingness to locate on the Cape Flats is to enable business expansion and to access an emerging clientele. The respondents indicated that they would move there if it were financially viable, if their business partners located there, if the area had enough ‘economic mass’ and reflected higher levels of business development, and if their clientele moved there. They also indicated that having a location on the Cape Flats would make it easier for their Cape Flats clientele to access their services repeatedly as required because Tygervalley is not easily accessible from the Cape Flats. Despite the potential of the Cape Flats as a business location, the area does require support to attract and stimulate business. Potential mechanisms to attract and stimulate business growth is discussed in Section 5.3.

5.3 MECHANISMS TO ATTRACT AND STIMULATE BUSINESS GROWTH

According to survey respondents, business development in the south-east of Cape Town can be stimulated via a multi-sectoral approach, specifically through better infrastructure, improved physical condition of roads, a reduction in crime levels, improved security and improved amenities (see Figure 5.2). The City of Cape Town (2016c) is working on improving conditions on the Cape Flats through various mechanisms such as the urban renewal programme. The programme aims to improve safety and security and has the avowed objective of social service infrastructure, delivery and development. However, given the responses of survey participants, particularly to whether or not they would consider locating on the Cape Flats (the answer was resoundingly no) and their suggestions regarding what needs to be done to improve business conditions, current interventions are insufficient. This is also evidenced by the general lack of economic growth and development on the Cape Flats. Figure 5.2 attests to high levels of crime as the main business concern on the Cape Flats. This is understandable, given the high crime levels linked to unemployment and poor service delivery in Cape Town townships (SABC, 2016) Interestingly, low crime levels was not a top reason why businesses decided to location in Tygervalley, perhaps because crime is not a pressing issue in the area. Crime is, however, a major problem on the Cape Flats that affects considerations of undertaking office development there (Respondent F). This aligns with the finding that mainly office-based business functions such as those in the financial and business services sector do not envisage locating on the Cape Flats (recall Figure 5.1).



Source: Tygervalley survey (2016)

Figure 5.2 Improvements needed on the Cape Flats to stimulate business development

There is a need to facilitate racial and cultural openness to stimulate development on the Cape Flats (Respondent H). It is necessary to concentrate businesses in hubs in particular areas and prioritise mixed-use development (Respondents B and C). The area requires social upliftment (Respondent B). Specifically, the quality of schools and residential properties needs to be improved (Respondent B). The desirability of the Cape Flats as a residential location has to improve for business growth to occur (Respondents E and I). As shown in Tygervalley, commercial development is attracted by residential developments albeit those for middle- to higher income groups. This is, however, a chicken-and-egg situation because business growth and job creation need to occur for social upliftment to occur. Perhaps, market-specific businesses in different economic sectors with different location-based priorities and not dependent on the close proximity of consumers with middle- to high incomes should be stimulated in poorer areas. This is in line with interviewee comments (Respondents C and D) about the need for changes in investment and business culture, and market and branding adaptability. A greater number of smaller businesses willing to cater to a lower-income market are needed.

Large corporates are investigating options to invest on Cape Flats and would like to drive economic development and job creation in poor areas (Respondent F). Big business needs to invest in poor areas first so to attract and stimulate smaller business (Respondent F). The economic capabilities of communities in poor areas needs to be improved so that entrepreneurship can grow and communities can drive their own growth (Respondents E and I). Community development is a precursor to

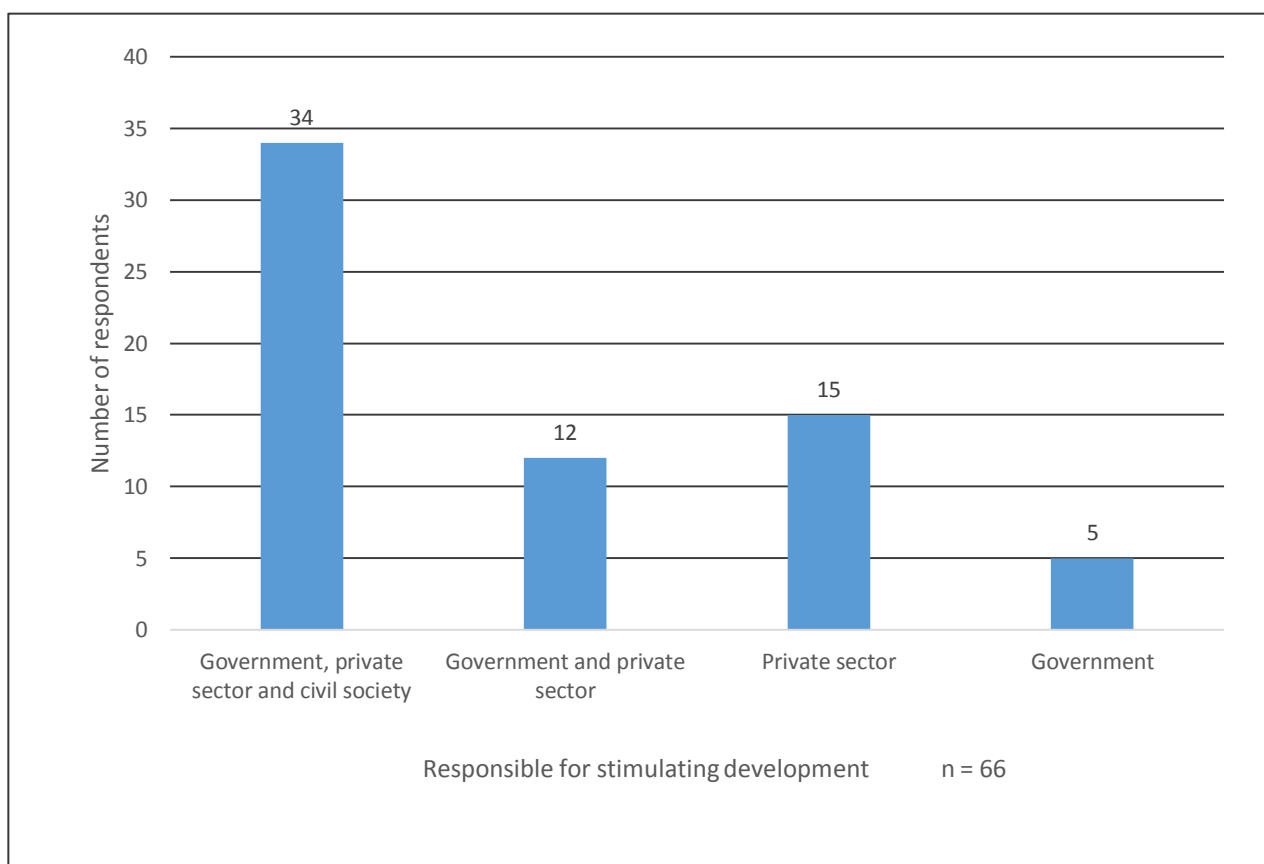
economic growth (Respondents E and I). Local government must plan to support future social and business development in poor areas (Respondent B).

Business-related challenges in poor areas can be overcome with proper local governance (Respondent G). Different political dispensations continue maintaining the status quo in poor areas (Respondents E and I). Government needs to take the lead in developing a blueprint for future business and social infrastructure and use this to attract investors (Respondent B). The political climate must change to become more conducive to investment in poor areas (Respondent D). Political will must be generated to make things happen from a business perspective on the Cape Flats (Respondents E and I). Whether the political will can be generated remains to be seen (Penderis, 2013). In line with the concept of a developmental state, South African local government has been tasked with addressing persistent economic exclusion and uneven development (Penderis, 2013). Central to the developmental approach is that local authorities need to, through relevant structures and processes, facilitate citizen participation in local affairs. The concept of a developmental state is, however, poorly articulated in policy (Penderis, 2013). Compounding the problem is the fact that the idea of a developmental state is contrary to government's neo-liberal policies. In the City of Cape Town in particular, there is little interest in or understanding of the developmental approach and authorities mainly pay lip service to participatory processes (Penderis, 2013). Processes are run in a top-down manner and do not empower citizens or enhance their welfare.

There is a need to establish improvement districts in more areas across Cape Town, particularly in poor areas (Respondents E and I). The spread of city improvement districts (CIDs) as an international public-private partnership urban renewal model has been linked to the rise neo-liberal policies and practices (Didier, Peyroux & Morange, 2012). At a time of great global economic competition between cities, increasing CIDs in South Africa in cities like Cape Town and Johannesburg is being severely criticised, as in North America, regarding the private management of public spaces. Improvement districts are controversial due to concerns about the privatisation of public space (Briffault, 1999). Questions are also raised about the equity of local service delivery. However, with appropriate local government oversight and limits in place, CIDs can contribute to increasing the quality of urban life.

Because some of the survey respondents do not know the Cape Flats area well they are unsure who should be responsible for stimulating development in the area. They did not respond to the question. Sixty-six per cent (66%) of businesses did respond to the question (Figure 5.3). Half (55.5%) of the respondents indicated that government, the private sector and local civil society are, via three-way

partnerships are responsible for stimulating development in the area, while 18% assigned the responsibility to government and the private sector. Twenty-three per cent (23%) of respondents maintained that the private sector alone was responsible, and 7.5% gave government the sole responsibility. This aligns with the opinions expressed by interviewees about the need for partnership mechanisms to facilitate change on the Cape Flats.



Source: Tygervalley survey (2016)

Figure 5.3 Sectors responsible for stimulating business development on the Cape Flats

Respondent H opined that partnerships, though recommended as change mechanisms, are challenging and expensive. They place an unsustainable heavy load on public funding. To have a partnership in every area requiring growth is also not feasible (Respondent H). Partnerships should draw on the inputs and skills of local people and skills supported by external business expertise (Respondent H). A neutral party is needed with no vested interests and with time, and the will and technical capacity to initiate and drive the partnership (Respondent H). Expansion and retention of existing businesses, and not only new business development, is essential in poor areas (Respondent H). Insights should be gained from businesses in poor areas about improving business conditions in particular areas. Such information must be shared with stakeholders in the public and private sectors and civil society

(Respondent H). Existing businesses in poor areas must not be allowed to collapse because it takes more work to create a new job than to retain an existing one (Respondent H).

5.4 SUMMARY OF FINDINGS AND SYNTHESIS

Businesses in Tygervalley with locations on the Cape Flats are mainly large corporates in the retail sector. The majority of businesses surveyed in Tygervalley would not consider establishing a location in the south-east of Cape Town. These businesses are mainly in the finance, insurance, real estate and financial services sector.

Turok (2001), Turok & Watson (2001) and Sinclair-Smith & Turok (2012) indicate that barriers to development in the south-east include low disposable incomes which are, however, offset by the vast population which actually has significant spending power. Other barriers are high levels of crime (the most significant barrier); lack of support from financing institutions for developments in the area; investors' and developers' lack of knowledge of local markets and community politics; poor business image; lack of infrastructure; weak social structures; large numbers of unskilled workers; and lack of public institutional capacity, commitment and will to facilitate development in the area. The area also reflects a small local economic base with high incidence of informal activity.

The findings align with the barriers noted by Turok (2001), Turok & Watson (2001) and Sinclair-Smith & Turok (2012). Regarding barriers to development the respondents indicated that low spending power in the south-east was challenging. However, it was pointed out by Tygervalley businesses with locations on the Cape Flats that the combined spending power of the large population, together with access to transport routes were very important centripetal factors that attracted them to the area. They are prepared to locate in the south-east to access emerging markets if they are assured that the area had economic mass for business development. These sentiments re-emphasise the importance of economic agglomeration in driving economic development. Stimulation of business activity on the Cape Flats requires better amenities, infrastructures, less crime, better roads and improved security. The residential desirability of the area must be increased together with investment in social infrastructure and services. The barriers facing the various economic sectors are in some cases similar while others have sector-specific hindrances.

The findings show that the Cape Flats does have potential provided conditions are right. There is need to attract large corporates to the area but equally there needs to be a focus on small businesses development and local entrepreneurship. More than 85% of the businesses willing to establish businesses on the Cape Flats were small businesses. The Tygervalley findings show that many

businesses are owned and staffed by people residing in the northern suburbs, implying that businesses in the south-east of Cape Town should be owned and staffed by people from the Cape Flats. Proper institutional governance and political will are required to proactively attract investors to the Cape Flats and facilitate clustered mixed-use development in key areas there. Red-tape concerning development processes is a major obstacle to be overcome.

Findings also revealed barriers concerning lack of support from financing institutions for developments in the area. Private investment, business development and property development all have a culture to target high income households and wealthy areas despite some developments in these areas being unviable. Business reflects a lack of adaptability to cater for low income markets and a lack of local area knowledge which translates into an inability to locate lucrative locations in poor areas. Other barriers are poor public transport; relatively high rentals which are needed to make investment sense but which businesses in the area cannot afford; and a high risk that properties cannot be tenanted.

Turok (2001), Turok & Watson (2001) and Sinclair-Smith & Turok (2012) found that it is the responsibility of the private sector, public sector and civil society to facilitate business growth in south-east Cape Town. The Tygervalley study identified the need for this three-way partnership approach but also confirmed that partnerships are expensive to manage and maintain and drain public funds. CIDs are practical and popular mechanisms for urban economic change but they require strict public management. Partnerships should be driven by a neutral party. It is essential to focus on the expansion and retention of existing businesses and not just on the establishment of new business.

The findings align with policy and programme principles set out in the literature and with the work of the Cities Support Programme on how to overcome the challenge of spatial inequality in urban areas, including in Cape Town. Specific interventions featured in the literature and by the Cities Support Programme are improved pro-active, committed and technically capable urban governance working directly with private investors to facilitate development in poor areas as well as targeted mixed-use urban transformation projects driven by partnerships between the public and private sectors and civil society.

Upon further analysis by the researcher, a range of additional linkages between the literature, study findings and secondary data emerged. These linkages are relevant to the study but beyond the main objectives of Chapters 4 and 5, and are therefore discussed in Section 5.6.

5.5 FURTHER LINKAGES BETWEEN STUDY FINDINGS, SECONDARY DATA AND LITERATURE

The study's findings resonate with the theories of new economic geography and generally with the tenants of spatial inequality by emphasising the role of centrifugal and centripetal economic forces and agglomerative economic activity in facilitating spatial inequality. Similar to the results of Kanbur & Venables' (2005) ideas on spatial inequality, the literature on spatial inequality in South Africa as well as this study's findings cite lack of infrastructure as a major cause of spatial inequality. Whereas the literature maintains that international trade entrenches spatial inequality in South Africa at different geographical scales this study found that there is significant international business reach in Tygervalley but it could not be concluded that it contributes to spatial inequality in Cape Town. This accords with critiques of global cities theory and post-modern urbanism in the literature that the role of international trade should not be overemphasised as it can overshadow other national, regional and local trade-related factors that contribute to spatial inequality. Spatial inequality in South Africa has been worsened through the social divisions created under apartheid at multiple geographical scales, as noted repeatedly in the literature.

The literature covering South African urban policy on urban spatial restructuring on national, provincial and local levels is consonant with the policy suggestions by authors such as Kanbur & Venables (2005) for developing countries that focus on stimulating development in and around poor areas while facilitating rather than impeding the movement of poor people into better economic locations. In addition, South African policy emphasises improving access of the poor to economic locations through improved public transport. South African policy and related implementation also reflects, as outlined in the literature on global cities, a dominant objective of economic growth versus a weaker objective related to economic distribution. The literature and study findings confirm that South Africa suffers from policy shortcomings as well as a lack of institutional and political will and capacity, particularly at municipal level, to enable proactive urban transformation.

Reasons for and trends in intra-urban spatial inequality in South Africa including Cape Town, are compatible with theories on the causes of intra-urban spatial and social inequality. These include labour market restructuring following the advent of the service-driven economic dominance and globalisation that lead to workforce exclusion, professionalisation and polarisation; the establishment of wealthy economic enclaves; the limited proximity of the poor to jobs and formal economic activity; and the creation and persistence of urban poverty traps. As in other areas of the world, data on spatial inequality, including intra-urban spatial inequality, is lacking in South Africa. The characteristics and

forces influencing intra-urban inequality, as outlined by Kilroy (2007), are all relevant in the South African urban context as evidenced by the South African literature and this study's findings. South African urban policy, as foregrounded in its agenda to be globally competitive while simultaneously dealing with spatial inequalities, is also profoundly influenced by global economic forces. This explains the continued high levels of investment in wealthy areas to the detriment of poor areas as documented in the global city, post-modern urban and South African literature and corroborated by study findings.

CHAPTER 6 CONCLUSION

Chapter 6 aims to bring the thesis to a successful conclusion. It commences by discussing the study aims and objectives achieved (Section 6.1). Section 6.2 summarises the main theoretical findings of the study followed by Section 6.3 which summarises the main empirical findings and explains the study's significance. The limitations of the study (Section 6.4) and recommendations for future research (Section 6.5) are then given attention. Finally, the chapter is concluded (Section 6.6).

6.1 AIMS AND OBJECTIVES

The aim of this study was to identify conditions conducive to business growth, and levels and types of business growth in the northern suburbs of Cape Town, as well as barriers to business growth in south-east Cape Town. This was achieved by identifying and analysing Tygervalley businesses' features and locational decisions, including their perspectives on business development in Tygervalley and the south-east of Cape Town.

The achieved study objectives were:

1. Established the nature and extent of business activity in Tygervalley by constructing a database of all businesses located in Tygervalley and determining the nature of individual business locations, the extent of commercial development and the demand and supply of business premises available to rent and purchase in the area.
2. Ascertained the conditions present in the Tygervalley that attracted businesses to the area, and the conditions in their previous locations that motivated their move to Tygervalley.
3. Determined, from a Tygervalley business perspective, the conditions in the south-east of Cape Town that deter businesses from locating there, as well as the conditions to be created to attract businesses to the area and the parties responsible for creating them.

6.2 THEORETICAL FINDINGS

Inequality is a major challenge at various geographical scales especially in developing countries. South Africa in terms of income inequality is ranked as one of the most unequal countries in the world. The location of work largely determines, more than any other factor, the status of individual welfare. This largely explains why apartheid policies focused on relegating black people to work and reside in areas with weak economic bases, were so effective in impoverishing the black population. Despite efforts by the South African government since 1994 focused on economic and social redress,

apartheid spatial patterns still persist thereby disconnecting the majority of the South African population from economic opportunity. This reality persists in South African cities which are the main drivers of national, regional and local development growth. It has the greatest impact on the urban poor, with urban poverty levels continuing to increase. Economic development through public and private investment and business growth in cities continues to gravitate toward wealthy areas that were privately and publically advantaged under apartheid, with little to no development in poor areas. This situation is exacerbated by global economic forces, enabled by South Africa's re-entry into the global economy and neo-liberal macro-economic policy, which tends to entrench growth in wealthy areas. In South African cities, the pace of urban residential desegregation has been very limited and slow and public transport systems deemed inefficient and ineffective. Together with the fact that economic development is being reinforced in wealthy areas, very little has been achieved in terms of the spatial restructuring of South African cities to ensure more equitable economic outcomes. Cape Town is no exception. Spatially, it remains one of the least altered cities in South Africa, with development gravitating toward wealthy northern suburbs and little to no growth in the poor south-eastern suburbs.

The academic literature shows that social and spatial inequality are linked. Spatial inequality, the unequal distribution of social and economic resources across a particular area, is caused by centripetal and centrifugal economic forces, including forces of economic concentration that influence the location of firms and households. Lack of infrastructure and openness to international trade are the two main causal factors of spatial inequality in developing countries and can be exacerbated by existing social divisions. Certain scholars have attributed spatial inequality to labour market restructuring that essentially disadvantages the poor and unskilled in urban areas. The advent of service-driven economic dominance and globalisation has resulted in a the professionalisation and polarisation of the workforce as a result of the minimal growth of low-wage, low-skill jobs in comparison to a greater number of high-income jobs requiring high levels of skill and education. Intra-urban spatial inequality is based predominantly on the physical proximity of people to jobs, infrastructure and services but also occurs as a result of the creation of urban poverty traps. Generally, urban inequality studies and policy tend to focus on rural-urban divisions and divisions between urban areas. The nature and causes of intra-urban inequality in South Africa does, however, resonate with characteristics and trends outlined in various studies.

Urban policy in developing countries should, and national, provincial and local policy in South Africa does, focus on spatial transformation which includes key elements of urban restructuring to enable more equitable outcomes. These elements are improving economic development in poor areas;

enabling location and movement of the poor to better economic locations; and improving the access of the poor to economic locations through better public transport. These attempts are, however, potentially undermined by the dual South African urban agenda of economic growth driven by global competitiveness, together with the need for more equitable and inclusive economic activity. The drive for international global economic status can specifically result in greater public and private investment in wealthy areas in cities compared to investment in poor areas, to the detriment of the urban poor. While urban development policy has improved significantly by concentrating on greater integration and coordination, including between different spheres of government, it still does not focus much on proactive targeted urban transformation programmes which are sorely needed. In addition, provincial and local policies seem to prioritise economic growth objectives over economic distribution, particularly at lower objective and implementation levels. It remains to be seen whether national efforts to assist city governments to overcome these challenges will be successful in their endeavours.

Cape Town is a globally unequal city largely as a result of the restructuring of its labour market through global economic connections and the failure of urban policies, including spatial tools to meet spatial restructuring objectives. Even among the objectives a clear bias exists with efforts mainly fixed on improving the access of the poor to economic locations, with less and highly criticised efforts aimed at stimulating economic growth within and around poor areas. Policy arguments therefore accentuate the need for economic and labour market diversification, a greater focus on poverty alleviation, and increased proactive transformative growth in poor areas facilitated by improved urban governance.

6.3 EMPIRICAL FINDINGS AND STUDY SIGNIFICANCE

Findings align with the theoretical, empirical and policy insights of scholars on spatial inequality at various scales in Chapter Two and Chapter Three but do provide additional insights. Findings are generally in line with economic geographical causes of spatial inequality; causes of spatial inequality in developing countries and the other causes and nature of intra-urban inequality, including in South Africa, outlined in the literature.

Overall, findings indicate that Cape Town is continuing on a general inequitable economic trajectory with economic growth proliferating and being reinforced in northern wealthy areas with comparatively little growth in poor areas such as the south-east. Tygervalley is reflecting high levels of commercial property development and recent, small formal business growth characterised by self-reinforcing agglomerative and international economic activity, which is driving the development of

the core growth sectors of the Cape Town economy. This situation is exacerbated by continued public investment in, and local government focus on, economic growth in wealthy areas. It was found that decentralisation, deconcentration, differentiation and northern drift continue to be characteristic of Cape Town's economic geography. None of these trends support urban integration to the economic benefit of poorer areas in Cape Town.

Factors conducive to economic growth in the wealthy (northern) suburbs and barriers to development in the south-east identified in the study findings are similar to those identified in previous studies. It was found that wealthy areas such as Tygervalley continue to reflect the characteristics that promote economic growth while poor areas do not reflect these features. The Cape Flats is nevertheless an area with business potential due to the size of the emerging large population deemed as a major attractor. The factors underlying growth in wealthy areas are generally mirror images of factors deemed barriers to development in poor areas. Besides area-based barriers such as poor infrastructure, poor amenities, low population education and skill and income levels, high levels of crime, poor economic base and poor business image there are other barriers like the need for change in financial, property and business investment and development cultures focused on development in wealthy areas. Also identified as barriers are the inability of business to effectively adapt to low income markets; poor business knowledge on economies and community dynamics in poor areas; poor public transport; poor residential aesthetics and limited investment in social infrastructure in poor areas; comparatively high rental prices in poor areas in line the requirements of property investment returns; high risk that commercial properties in poor areas will not be tenanted; and development-related red tape including problems with the approval of building plans.

There is a need to attract large corporates to poor areas while facilitating small business and local entrepreneurial development to ensure local community engagement in and gains from economic activity. Findings indicate and reiterate that over the past 15 years, since initial assessments in 2001, little has changed in altering barriers to development in poor areas of Cape Town and that policies and initiatives operating during this period have failed to create a spatially more equitable city by creating conditions conducive to business growth in poor areas. There is still a great need, among other efforts, for improved proactive (particularly local) governance directing investment to poor areas through targeted mixed-use clustered urban transformation projects. The private sector is aware of what needs to be done, but requires support to do it. There is a need for city government to continue to work more closely with the private sector and civil society through partnership mechanisms, despite the financial and other challenges that this may present. These efforts must not only concentrate on new business development but also on the expansion and retention of existing business

in poor areas. The findings reiterate the objectives of spatial transformation highlighted in the NDP which focus not only on the aspects of urban restructuring but also on shifts in the structuring of institutions and societal power dynamics to the benefit of the poor. Whether national policies like the NDP can, in time, successfully influence local and provincial urban policy in the Western Cape and Cape Town remains to be seen. This is in light of the current national political climate and the challenges of policy and programme coordination and integration across spheres of government.

This study responded to the challenge of (in)equity in the country's current pattern of spatial development and its trajectory, specifically the lack of spatial economic transformation in South African cities. The study improved the understanding of spatial inequality as a product of economic change within Cape Town. This study on Cape Town emphasised a specific barrier to urban economic integration and restructuring, namely continued lack of economic, specifically private and public investment and growth in poor areas compared to continued investment and growth in wealthy areas. It builds on previous studies spotlighting uneven development in Cape Town. It provides an improved explanation of Cape Town's northern spatial economic trajectory through a more detailed analysis of private investment and business locational decisions and their outcomes. This in turn provides a greater understanding of economic change that could inform policies to address the city's uneven growth pattern and encourage job creation in the south-east. Put quite simply, it provides much needed data on intra-urban inequality in Cape Town, South Africa and in developing countries.

This study confirmed that intra-urban spatial inequality is a complex and multifaceted challenge that occurs not only as a result of increased economic growth in poor areas in comparison to little to none in wealthy areas, but also as a result of little to no movement of the poor into better economic locations as well as poor access of the poor to economic locations through inefficient and expensive public transport. Intra-urban inequality does not occur nor should it be perceived in a conceptual silo. It occurs in tandem with, and is influenced by other aspects of intra-urban inequality and types of inequality at different geographical scales. This implies that to overcome spatial inequality in cities a range of different inequality types and their causes need to be considered and responded to simultaneously. Effective policies and programmes therefore cannot be biased to only one or a few aspects or causes or types. Consideration should also be given to the most effective geographical policy scale at which to address intra-urban spatial inequality. A holistic multi-sectoral approach is required.

6.4 LIMITATIONS OF THE STUDY

The study does not provide a solution to the entire problem of underdevelopment in the south-east of Cape Town, which is a highly complex and multi-faceted situation. For example, the study addressed only one of many barriers to and factors influencing urban economic integration or equality in Cape Town. It also only provides insights into the locational dynamics of businesses in one business precinct in the northern suburbs of Cape Town. The findings are therefore specific to their location and are not necessarily directly applicable to other precincts in Cape Town or other cities in South Africa, Africa or national developing contexts.

The collection of data for the study presented problems and in terms of the research methodology and methods, presents one of the limitations of the study. Specifically, it was very difficult to gain the participation of the units of analysis (businesses) to ensure accuracy and representativeness. The reasons for the low level of participation are probably related to the sensitivity of the subject given the socio-economic and racial history of South Africa and a lack of perspectives and opinions on the part of potential participants. The location-based method of database construction also had its limitations, which were linked to the accuracy of data provided.

6.5 RECOMMENDATIONS FOR FUTURE RESEARCH

This study created a general platform for the study of inequality, including all its aspects at different geographical scales. More specifically, it creates an opportunity for studies directed at intra-urban spatial inequality in other South African (such as Johannesburg and Durban that reflect similar spatial inequalities) and African cities as well as cities in other developing countries, particularly in the global South. It creates a platform for study of inequities in and between spatial economies at different geographic scales, including those of cities, rural areas, and provinces, linked specifically to the processes of economic and demographic concentration.

The study can act as a catalyst for studies investigating the causes and aspects of as well as responses to intra-urban spatial inequality. These include studies on elements of spatial restructuring for greater economic equity, namely economic development in and around poor areas, enabling the location and movement of the poor to better economic locations, and improving the access of the poor to economic locations through better public transport; the creation and persistence of spatial poverty traps largely on the urban periphery; lack of local economic and labour diversity driven by a globalised new economy; the inequitable economic trajectory of urban centres including the sprawl of wealthy suburbs and growth of associated economic centres; the various aspects of urban form that give rise

to greater spatial inequality in city spaces; and the social, economic, political and institutional (including policy) factors influencing intra-urban spatial inequality. Income, employment and other forms of inequality that are linked to and influence intra-urban spatial inequality and vice versa can also be examined.

Studies can be conducted on other northern business precincts in Cape Town reflecting high levels of economic activity. The methodology and methods used in this study could be replicated in this regard. Given that economic diversification, specifically an increase in local manufacturing output, has been touted as a mechanism to improve job creation in Cape Town, it would be useful to analyse the location-based behaviour of businesses in high-functioning northern precincts dominated by industrial activity. This would complement the findings of this study by providing a broader view of the perspectives of a larger number of businesses across possibly more relevant, concerning job creation, sectors of the local economy.

Investigations can also be conducted into the current status of urban economic transformation through spatial restructuring in Cape Town. For example, how effective have improvements to public transport been in improving access by poor people to employment and places of work? What is the extent of residential urban integration in Cape Town with the aim of locating the poor in or closer to better economic areas? With regard to locating economic activity in and around poor locations, future research could focus on the status of previous and current interventions such as the Phillipi-Wetton-Lansdowne Corridor; newly planned urban economic transformation interventions; and the extent of engagement and collaboration between the various spheres of government, and the public, private and civil society sectors, to facilitate development in poor areas. An in-depth study could also be conducted on the extent to which various urban development policies, including spatial frameworks, have been effective in facilitating more equitable economic outcomes in city environments. These studies could be used as a mechanism to track developments to determine what has worked and what has not, and so plot a more effective way forward.

6.6 CONCLUDING REMARKS

This study reiterates that inequality is a current and relevant issue in academic, policy and lay circles in South Africa and across the world. It is a highly complex, multifaceted phenomenon that varies in its nature and intensity across different countries and world regions, as well as within countries. Intra-urban spatial inequality as a manifestation of inequality is complex, reflecting multiple causes and significant interdependencies with other aspects of inequality. This implies a multi-pronged, context-specific policy and programmatic approach to overcoming the challenge of inequality, including

intra-urban spatial inequality. This challenge that needs to be dealt with effectively and efficiently due to the the severe limitations it places on equitable socio-economic development.

[Word count: 43288]

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APPENDICES

APPENDIX A: DATABASE OF ALL BUSINESSES IN TYGERVALLEY AS AT 31 MARCH 2015

No.	Name
1.	Fruit and Veg City Food Lovers Market
2.	Eagle Lighting
3.	Outdoor Warehouse
4.	Plasticland
5.	Picardi Rebel
6.	Checkers
7.	Flooring Depot
8.	Bargain Books
9.	Vetsmart
10.	Audio Vision
11.	Baby Boom
12.	Builders Express - Home and Garden Centre
13.	School & Leisure
14.	Spectacle Warehouse
15.	Dros
16.	The Pink Car Wash
17.	Zone Fitness
18.	Footgear
19.	Tiger Wheel and Tyre
20.	The Barnyard Theatre
21.	JHI
22.	Regus
23.	iQS Quantity Surveyors and Project Managers
24.	Footgear offices
25.	Goji Spa
26.	Woolworths Home and Food
27.	LG
28.	Toy Planet
29.	Absolut Art Gallery
30.	Vida e Caffè
31.	Colcacchio Pizzeria
32.	Oumeul Bakery
33.	At Home Living Space
34.	Spilhaus
35.	Primi Piatti
36.	MP Rug Company
37.	Magnifico Coffee Bistro
38.	Lemon-butta Seafood Restaurant

No.	Name
39.	Sesto Senso
40.	Vivacious Hair
41.	Old Khaki
42.	Gina
43.	Slate
44.	Desva
45.	Xtreme Nutrition
46.	Praca Coffee Shop
47.	Dischem Pharmacy
48.	Wordsworth Books
49.	Truworths
50.	Taleni Africa
51.	Design Divani Interiors
52.	Ouhout Meubels
53.	Artjamming
54.	Out of the Blue
55.	Renewal (Skin, Body)
56.	CASA
57.	Timberland
58.	Wakaberry
59.	Burtons
60.	Mediterranean Barber
61.	Beau Ici
62.	Pulp Kitchen and Deli
63.	3@1 Business Centre
64.	The Hussar Grill
65.	Simply Asia
66.	Kauai
67.	Home etc
68.	Lego
69.	About Cats and Dogs
70.	Dial-a-Bed
71.	Pick n Pay
72.	Health Basket
73.	Placelol Skin Care Clinic
74.	MTN
75.	The Photographic Journey
76.	Luggage Warehouse
77.	Willows Café
78.	VIP Fitness Studio
79.	FNB
80.	VISA
81.	Fairtree Capital
82.	Rent me buy me
83.	Urban Spa
84.	Fernandes and Solms Attorneys
85.	Kumon

No.	Name
86.	Riverside Laundry and Dry Cleaning
87.	Technoswitch Fire Detection
88.	Kovacs Investments
89.	iKhayaletu Project Management
90.	Black Trading Solutions
91.	uHambo Procurement and Distribution
92.	Spoc Western Cape - Micode Systems Limited
93.	DevPro - Nationwide Home Loans
94.	Orbichem Chemicals
95.	School Alert
96.	Senekal, Allen and Partners
97.	Frudata
98.	South African Communications Union (SACU)
99.	VII Consultation
100.	BackBone Media - Pambili Consulting
101.	Alma's Health and Skin Care
102.	BMD - Doctor Malherbe
103.	Du Toit Consultant
104.	M4P Consulting
105.	Delma Trading
106.	Gertech
107.	Dialog Mobile
108.	Sonder - Ssolt
109.	Right Time
110.	R Tech
111.	Acts
112.	Annecto
113.	West Coast Properties
114.	Capricorn Shipping
115.	Snyman van der Vyver short-term insurance
116.	iCE Group Consulting Engineers
117.	AiB Insurance Brokers
118.	Bouwer Architechts
119.	PSG
120.	Zibaldone Italian Restaurant
121.	Bossa
122.	Tact SA
123.	C2M Consult
124.	Scott Bader
125.	Jacques Basson and Associates
126.	Dream Coat Network
127.	ICE Group LTD
128.	Monash South Africa
129.	Egis
130.	Trinity Telecomms
131.	Makana Technologies & Solutions
132.	Appies Incorporated

No.	Name
133.	Dynamix Computer Training Centre
134.	Fishgate Advertising
135.	Frontline Health Safety and Environmental
136.	Oayssis Hair and Beauty Bar
137.	MSP Group (Developments)
138.	ADLAB Advertising
139.	iMortgage
140.	Mostert and Bosman Attorneys
141.	Gary Luyt Property Group
142.	PDP Property Development Professionals
143.	Nedbank
144.	Venters Inc
145.	DevMark Property Group
146.	T Systems - Intervate
147.	EMC
148.	Vodacom
149.	Telectro
150.	Farmsecure
151.	Afripack
152.	Mitsubishi Electric Air Conditioners
153.	Oceanic Supply and Trading co
154.	Regent Produce SA
155.	Contract Accounts Finance
156.	Recruitment Specialist
157.	First Global Wealth Management
158.	Atlantis Corporation (Defense)
159.	JWR Financial Services
160.	Western National Insurance Company
161.	Novare Investments
162.	Plastimd
163.	Rock Capital Management
164.	Harry Viljoen Properties
165.	Much
166.	Provectus Construction
167.	Ryhnc
168.	Stapleford
169.	Tobilinx
170.	Jist
171.	Adlab Advertising
172.	Uytenbogaardt Accountants
173.	EXSA Pty Ltd
174.	Impact
175.	Anlin Shipping
176.	New African Global Energy SA
177.	BDO
178.	Find the Gap
179.	X Chequer Fund Management

No.	Name
180.	Key Telematics
181.	WB Cape South Africa
182.	IRIS Capital Group
183.	Serbio Consulting
184.	MOBE 4 U
185.	Seed Investment Consultants
186.	MAJ Projects
187.	Vodacom Golf Village
188.	Shabby Chic Hair Salon
189.	Aromatics Well-being Centre
190.	The Edge Café
191.	The Body and Bike Centre
192.	Pizza Vesuvio
193.	VX Telecom
194.	Cadence Cycling Performance Centre
195.	Jackson Neethling Chartered Accountants
196.	Curemed
197.	DC3 Distribution
198.	Strauss Daly Inc Balsillies
199.	Delfin Financial Consultants
200.	Finhub Financial and Accounting Group
201.	Cape Town Church of Christ
202.	Schonberg Trust Brokers
203.	Meq Capital
204.	Contego Asset Management
205.	Solid Waste Technologies (SA)
206.	Best Advice Solutions
207.	TG Mintster Consulting
208.	Smart-it Accounting Software
209.	PC Properties
210.	NHA
211.	Africa Growth Institute
212.	ANA-Digi Systems
213.	Broad Market Group (BMG)
214.	Cami
215.	BPAS Architecture
216.	Rheasure
217.	Korwe Software
218.	Jacques Viljoen Attorneys,Notaries and Conveyancers
219.	Selfmed Medical Scheme
220.	NSV Attorneys
221.	Etana Construction Engineering Guarantees - Hollard Brokers
222.	Hollard Insurance
223.	CIA Building Insurance Specialists
224.	B & L Export Consultants
225.	Edmund and Orchards Associates
226.	B&L Export Corporation

No.	Name
227.	Ignite Consulting
228.	Vaughan, Ulyate and Associates
229.	Compac Holdings
230.	Intellisol and MegaPhase Financial Services
231.	BVK Auditors
232.	Access Shipping
233.	FININVEST Consulting/Business Services
234.	Salon di Belle Nails and Beauty
235.	STEAD Realty Commercial
236.	STEAD Realty Apartments
237.	The Tax Shop
238.	Minuteman Press Printing and Copying
239.	BKV Chartered Accountants and Auditors
240.	CBMC
241.	Discovery
242.	Wepeners Attorneys
243.	bpas Architecture
244.	Gerrit Moller Attorneys
245.	Prisma Financial Services
246.	Solv
247.	Summer Green Wealth Management
248.	Coffee Stained Vinyl
249.	Vetus Schola
250.	Masermule
251.	De Tijger Sectional Title Property Management
252.	Aesthetics
253.	InnovateIt
254.	IDESO Industrial Design Solutions
255.	ETANA Insurance
256.	Cattle Baron Steak Ranches (Franchising)
257.	TomCat Advertising
258.	METIS Management
259.	MSA Safety Company
260.	Hollard
261.	Esterhuyze Attorneys
262.	Financial Hub
263.	Attooh Administrators
264.	Riverport Insurance Brokers
265.	CHS Claims Handling Services
266.	PFR Engineers
267.	Affirmative Portfolios
268.	True South Acturaries and Consultants
269.	SAAD Investment Holdings
270.	C&A Friedlander
271.	Tygerberg Trustees
272.	DITCO Outsource Solution
273.	Back Office Fund Solutions

No.	Name
274.	Bellingan Muller inc Attorneys
275.	Tigerland, Kallis & Nel Versekering
276.	Kallis - Nel Bluestar Financial Advisory Services
277.	ADRS - Advanced Debt Recovery Solutions
278.	BFS Tax and Accounting
279.	A.S Hurter Attorneys
280.	ZED Mensware
281.	Rawson Properties
282.	Red Sea Mini Market
283.	Beauty by Grace - Hair, Nails, Body
284.	V's Terrace Café and Laundry
285.	Cinnamon Food Bazaar
286.	Lapa Uitgewers Afrikaanse Boeke
287.	Schwarma and Pizza Café
288.	Arabian Nights Cocktail and Tapas Lounge
289.	Onyx Business Solutions
290.	Oriental Café
291.	Christine Flowers Development Land and Property Sales
292.	Bright Idea Coffee Shop
293.	CELSA Properties
294.	Cattle Baron Grill House
295.	Cosmopolitan Styling Studio and Skincare Clinic
296.	Asian-Asia Restaurant
297.	Cascades Coffee Shop
298.	Valley Car Wash
299.	Axon Adaptation
300.	Munnik Basson and Associates
301.	Immaculate Events
302.	Millenium Floor Coverings
303.	Midre Nails
304.	Southern Fruit Trading
305.	Alpha Dive Centre
306.	Vision Insurance
307.	Brenthurst Wealth Management
308.	Southern Africa Quantum
309.	Sortino Capital Management
310.	Essentially
311.	Otto Krause Inc Attorneys
312.	Earth Resources Investments Group
313.	SACoil Holdings Limited
314.	SA Logistics
315.	Stonehouse Capital
316.	LAPP Kabel
317.	JJC Exploration Products
318.	Blazing Chilli/My Voices
319.	Norawat Thai Spa
320.	Tsukudu Associates

No.	Name
321.	Brittania Bay Developers
322.	MATTFin Money Matters
323.	CalQuate Accounting
324.	Data2Desktop
325.	LWA Quantity Surveyors
326.	Outsurance Business
327.	PPM Attorneys
328.	Seed Investment Consultants
329.	First Global Wealth Management
330.	Thatch Risk Acceptances
331.	Toyota S.A
332.	Pzazz Hair, Body and Nails
333.	Pzazz Café
334.	Jade Court Restaurant
335.	Laubscher & Hattingh Attorneys and Conveyancers
336.	C&A Friedlander
337.	CKR Engineers/Nala Consulting Engineers
338.	Imperial Executive Suites
339.	JVR Consulting Psychologists and Test Publishers
340.	Fika Sports Management Systems
341.	Kevintabo
342.	Libco Broker Services
343.	ITS Engineers
344.	Abrahams Kiewitz Incorporated
345.	Club Caliber
346.	Eugene Coetzee Insurance Brokers
347.	City Capital S.A. Property Holdings
348.	Grand Stand Investments
349.	Downing and Partners Business Consultants
350.	Impact Corporate Brokers
351.	L&H Attorneys, Conveyancers, Notaries
352.	It Figures?
353.	Aspen International
354.	PSG Tygervalley
355.	Gryphon Asset Management
356.	JustInvest
357.	Deeghuys
358.	Sheppard Group
359.	RMB Private Bank
360.	CEB
361.	Old Mutual Tygerberg
362.	Old Mutual RSC
363.	Endress & Hauser
364.	Old Mutual Regional Office
365.	Application Frameworks
366.	Esterhuysen and Nel
367.	Square Peg Recruitment

No.	Name
368.	Personal Wealth Solutions
369.	Yardstick
370.	Lyners
371.	MCiSA Holdings
372.	Chris Toerien and Colin Korte
373.	Omnicon Commercial
374.	Sujean Property Investments
375.	Finhaus
376.	Abante
377.	3M
378.	Eden Security
379.	Albarit Financial Services
380.	ACCOM
381.	MTN
382.	SCP
383.	Bornman Associates
384.	Omnicon
385.	Engen Service Station
386.	Momentum Golf Village
387.	ABSA Bank
388.	African Bank
389.	Capitec Bank
390.	Bidvest Bank
391.	First National Bank
392.	Nedbank
393.	Standard Bank
394.	American Express
395.	Travelex Retail Foreign Exchange
396.	Eye Q Optometrists
397.	Matrix
398.	Mullers Optometrist
399.	SpecSavers
400.	Ancuri
401.	Cellini
402.	Frasers
403.	CAN
404.	CUM Books
405.	Exclusive Books
406.	Paper Paradise
407.	Typo
408.	Waltons
409.	Ackermans
410.	Alice in Blue
411.	Angelina
412.	Big Blue
413.	Brand Emporium Pop Up Store
414.	Café Cotton

No.	Name
415.	Contempo
416.	Cotton Curve
417.	Cotton On
418.	Donna Claire
419.	Earth Addict
420.	Factorie
421.	Forever New
422.	Foschini
423.	G Couture
424.	Hang Out
425.	Identity
426.	Jade and Velvet
427.	Jay Jays
428.	Jet Stores
429.	Just Cruizin
430.	La Senza
431.	Levi's
432.	Long Street
433.	Markham
434.	Martin Delpont
435.	Milady's
436.	Mr Price Apparel
437.	Old Khaki
438.	PIA
439.	Pick n Pay Clothing
440.	Poetry
441.	Queenspark
442.	Romens
443.	The Hip Shop
444.	Uzzi
445.	Young Designers Emporium
446.	Zara
447.	Dentist's Rooms
448.	Doctor's Rooms
449.	Earthchild
450.	Keedo
451.	Naartjie
452.	Premaman
453.	Sticky Fudge
454.	Annique
455.	Clicks
456.	Clicks Pharmacy
457.	Dream Nails Beauty
458.	Durbell Pharmacy
459.	Feet R Us
460.	Fragrance Boutique
461.	Gerard's Hair for Gents

No.	Name
462.	Inglot
463.	Myra's Health and Skincare Clinic
464.	Ozone Health
465.	Partners Hair Design
466.	Partners Hair Design for Men
467.	Premier Dead Sea
468.	Ralo Cosmetics
469.	Red Square
470.	Slik and Silki
471.	Sorbet
472.	Sorbet Dry Bar
473.	Style Studio
474.	The Body Shop
475.	Tosca Hair and Beauty Salon
476.	Aldo
477.	Bata
478.	Burtons
479.	Crocs
480.	Green Cross
481.	Queue Shoes
482.	Shoe Buzz
483.	Shoe City
484.	Shoe Connection
485.	Shoerama
486.	Alamo Spur
487.	Ambeans
488.	Anat
489.	Annapurna
490.	Aomori Shushi
491.	Biza Social Café
492.	Boesmanland Biltong
493.	Boost Juice
494.	Burger King
495.	Café Bagaso
496.	Café Latino
497.	Café Rousse
498.	Cape Town Fish Market
499.	Ciao Baby Cucina
500.	Cinnabon
501.	Columbus Coffee Roasters
502.	Debonairs Pizza
503.	Die Biltongwinkel
504.	Francor Bakery
505.	Green Valley
506.	Illy Coffee Kiosk
507.	Karoo Cattle and Land
508.	Kauai

No.	Name
509.	KFC
510.	Marcel's Frozen Yoghurt
511.	McDonalds
512.	Montagu
513.	Mugg and Bean
514.	Namaqualand Biltong
515.	Nandos
516.	Ocean Basket
517.	Oppiekoffie
518.	Panarottis
519.	Sausage Saloon
520.	Seattle Coffee
521.	Smooch
522.	Snoekies
523.	Steers
524.	Sweets from Heaven
525.	The Bubble Tea Company
526.	Uit ons Kombuis
527.	Vida e Caffè
528.	Wimpy
529.	Ziggis Café
530.	Absolute Pets
531.	Cardies
532.	Cuba Cigar Emporium
533.	Gadget Time
534.	Galaxy Lifestyle
535.	H2O Water Bar
536.	Inky Shop
537.	Pick n Pay Liquor
538.	Pop Skin
539.	Readers Den
540.	The Scoin Shop
541.	The Tea Merchant
542.	Twisp
543.	Verimark
544.	Vetzcure
545.	Barksole
546.	Classique Car Wash
547.	Computicket
548.	Copy Express
549.	Dent Magic Express
550.	Elna
551.	Engen Service Station
552.	Harrington's Dry Cleaners
553.	Post Office
554.	Remote Guru
555.	Tidy Tues Tailors

No.	Name
556.	Tyger Valley Library
557.	Valley Auto Fair
558.	Wizardz Inc
559.	Edgars
560.	Game
561.	House & Home
562.	Pick n Pay
563.	Truworths
564.	Woolworths
565.	At Home
566.	Boardmans
567.	Coricraft
568.	Entrepo
569.	Le Creuset
570.	Miss Lyn
571.	Mr Price Home
572.	Persian World
573.	Royal Persian Gallery
574.	Rugs Original
575.	Sheet Street
576.	Blades and Triggers
577.	Cape Union Mart
578.	Due South
579.	Edgars Active
580.	Nike
581.	Sport n Surf
582.	Sportscene
583.	Total Fitness
584.	Totalsports
585.	Build a Bear Workshop
586.	Toy Kingdom
587.	8ta Telkom Express
588.	Altech Autopage
589.	Audiolens
590.	Cellucity
591.	Chatz Connect
592.	Computer Mania
593.	Dion Wired
594.	Hifi Corp
595.	Incredible Connection
596.	MTN
597.	Samsung
598.	Superfoto Tyger Valley
599.	Telkom
600.	Vodacare
601.	Vodacom Data Store
602.	Accessorize

No.	Name
603.	American Swiss
604.	Browns the Diamond Store
605.	Extravaganza
606.	Galaxy and Co
607.	Jewel Afriq
608.	KC Silver
609.	Klines
610.	Lovisa
611.	Men's Street
612.	NWJ Jewellery
613.	Pandora
614.	Shimanski
615.	Silver Ice
616.	Carrol Boyes/Simply Silver
617.	Something Personal
618.	Sterns
619.	Swatch
620.	Time Watch Specialists
621.	Van Deijl Jewellers
622.	Van Deijl Watches
623.	Watch Republic
624.	Zuri
625.	Flight Centre
626.	Pentravel
627.	Travel Experience
628.	Battle Bunker
629.	BT Games
630.	Funky Frogs
631.	Musica Megastore
632.	Ster Kinekor
633.	Engen Service Station x 2
634.	Classique Car Wash
635.	Intercare Medical and Dental Centre
636.	Neovision Optometrists
637.	Kind 2 Hearing
638.	Clicks Pharmacy
639.	Fluorovision Medical Equipment Suppliers
640.	Stellar Hair Designs
641.	Standard Bank Private Banking
642.	Cape Trial Centre
643.	Dr Johnathan Smith - Dermatologist
644.	Lasermed
645.	Complimed
646.	Summit Rehabilitation Services
647.	Schreuder and Nilsson - Occupational Therapists
648.	Help 2 Heal Psychological Services
649.	Protecea Consulting Psychologists/The Sandcastles Programme

No.	Name
650.	Sureslim
651.	Stellar Winery
652.	Prof Frank R Graewe - Plastic and Reconstructive Surgeon
653.	Dr Juan Schronen - Psychiatrist
654.	Intercare Sub-acute Hospital
655.	The I Group
656.	Pathcare
657.	Symington Radiology
658.	Discovery Financial Consortium and Consultants
659.	Minde Shapiro & Smith Attorneys
660.	Afrimat Limited
661.	ABSA Private Bank
662.	IEMAS Financial Services
663.	Chas Everitt International Property Group
664.	Thaifoon Authentic Thai Cuisine
665.	Bernina
666.	Slimsmart Slimming and Toning
667.	Sensor Security
668.	Dentures Direct Dental Practice
669.	Hair Clinic/Hair Studio International
670.	Professional Nail and Beauty Supplies
671.	ABSA Bank
672.	Radiokansel
673.	EuroBride
674.	Kwikspar
675.	Buchanan and Tredoux Dentists
676.	The Laundry
677.	Yummy Zone - Sushi, Asian Food, Grill
678.	Eastwoods
679.	Kid Station - kids hair salon and special treats
680.	Collectro Cellular Repairs
681.	St Elmo's Pizzaway
682.	Speed Model - Radio Control and Model Hobby Shop
683.	McDonalds
684.	Werkmans Attorneys
685.	Bigen Africa Engineering Solutions
686.	Osro (Sectional Title Administrators and Developers)
687.	Roopa Potgieter
688.	Infoprop Real Estate
689.	MHI Attorneys
690.	Bible Society of South Africa
691.	Tygervalley Eye Laser and Cataract Centre
692.	Qualisure
693.	RSA Makelaars
694.	CREAM Event Library
695.	DEVCO Group of Properties
696.	Megan Dutton and Shane Fourie Physiotherapy

No.	Name
697.	Cape Chiropractic Clinic
698.	SA Tours and Safaris
699.	Graphic Mail
700.	Marietjie Lancer Medical Malpractice Attorneys
701.	Tulley Tex Agencies - Textile Indent Agencies
702.	Webster Attorneys and Conveyancers
703.	CK Trust Business Rescuers and Insolvency Practitioners
704.	Dykes van Heerden Attorneys Notaries and Conveyancers
705.	JHG Personnel Practitioners
706.	Heunis and Heunis Attorneys
707.	LabourNet
708.	The Paragon Generation
709.	TCS Total Client Services Limited
710.	AXV Technologies and Loss Control
711.	Dr Tasneem Begg - Prosthodontist
712.	Dr Paul van Zyl - Prosthodontist
713.	Just Property Group
714.	Sandenbergh, Nel, Haggard Attorneys
715.	Complete Hygiene Solutions
716.	CCIT IT Solutions
717.	Frontline Underwriting Managers
718.	Alwyn Bamberger Insurances/Investments
719.	Sonke Risk Vision
720.	HJ Swart Attorneys
721.	Productivity SA
722.	Imbabala Investments
723.	Coram Deo Trust
724.	Premium Lifestyle
725.	Seperations
726.	Ultraline
727.	Nandos
728.	Die Burger/TygerBurger
729.	Rose Reflexology Bar
730.	Reps Fitness
731.	Crossfit Edward Street
732.	Scooters Pizza
733.	Yuz Sushi Bar
734.	Dot's Learning Centre
735.	Warehouse.co.za Outdoor Online
736.	Stones
737.	Fred Astaire
738.	Hyundai Tygervalley
739.	Clickatell
740.	Gary Luyt Property Group
741.	Allergeeze
742.	Asia Master Restaurant
743.	Fineline Print Solutions

No.	Name
744.	Café Lunga
745.	Exclusive Marketing and Print
746.	Accolades Group
747.	Financial Expert Marketing
748.	Vision Property Management and Leasing
749.	Future Flyers
750.	Emerald Wealth Management
751.	Chartwell Housing Finance Solution
752.	Tower Group
753.	Ster Kinekor
754.	Tradelink Retail Systems
755.	Cantina Tequila
756.	Buckley's Pub and Pool Bar
757.	Moving Art Tattoo Studio
758.	Bronzo Bella Nails, Tanning, Beauty
759.	Frontier Branding
760.	Optimus Property Solutions
761.	Cycles Alive
762.	School of Shipping
763.	Cedar Healthcare Consultants
764.	Vacca Matta
765.	Planet Nails
766.	Limnos Bakery
767.	Discovery Consulting Services
768.	Realty Financial Services
769.	Regal Financial Services
770.	Spearhead IT Industries
771.	Canon
772.	Journey of Grace
773.	Opportunity Group of Companies
774.	Capital Outsourcing Group
775.	New Image Health Sciences SA
776.	Property Assist
777.	Petroleum Agency SA
778.	Hide and Teak
779.	Mercantile Bank
780.	Studio One Hair and Beauty
781.	Tyres and More
782.	Deco Systems Painting and Waterproofing Renovations
783.	David Newham Property Group
784.	Barloworld Ford
785.	KFC
786.	Caltex Service Station
787.	SEESA Labour Law, BEE and Skills
788.	Barloworld Toyota
789.	Santam Drive-in Centre
790.	Hyundai Tygervalley

No.	Name
791.	DPP Valuers
792.	Spear Properties
793.	BP Service Station
794.	Reeds
795.	Honda Tygerberg
796.	Supa Tronics
797.	Independent Electoral Commission of South Africa
798.	Nedbank
799.	Financial Intermediaries Association of South Africa
800.	National Employers Association of South Africa
801.	Café Viva Computers
802.	LieTech
803.	Douvoordag Slagtery
804.	Shelf Company Warehouse
805.	Thule Sweden
806.	Me Real Estate
807.	9 Franchise Chinese Supermarket
808.	Fireplace City
809.	CA Du Toit Transport and Telematics
810.	Plan Printing Place
811.	Debt Tracker
812.	Adrenaline Bikes
813.	Vase MOB Join the Revolution
814.	Alexou Leather Couches
815.	ORMS Creative Space
816.	Renault Tygerberg
817.	Training Force
818.	Workforce Staffing
819.	Peugot
820.	Citroen
821.	Barloworld Toyota
822.	Pep Southern Divisional Office
823.	SA Auction Group
824.	Multi Insurance Brokers
825.	Riscor Underwriting Managers
826.	Core Catering Supplies
827.	Echo 4x4 Centre
828.	Square Business Partners
829.	Honda Plus Pre-owned
830.	Delphi Props Property Administration and Brokers
831.	Thruyton Motorcycles
832.	Vide e Caffè
833.	Melissa's The Food Shop
834.	De Jagers
835.	Camelot International
836.	Capitol Commercial Properties
837.	Propell Sectional Title Solutions

No.	Name
838.	Francois Kruger
839.	MUA Insuring the Individual
840.	Flightsite
841.	Conradie Bluestar Financial Services
842.	Allied Crane Hire
843.	Glopin Healthcare Consultants
844.	ABSA Consultants and Actuaries
845.	Healthcare Consultants
846.	ABSA Corporate and Business Bank
847.	Santam Direct Business
848.	IIS Group
849.	Suggero Financial
850.	ABSA Corporate and Business Bank
851.	ABSA Vehicle and Asset Finance
852.	Large Business
853.	ABSA Group Treasury
854.	ABSA Commercial Property Finance
855.	ABSA Business Banking Provincial Office
856.	ABSA Card Payment Acceptance
857.	Rademeyer Wesson Chartered Accountants
858.	Marais Muller Yekiso Attorneys
859.	Marais Muller Properties
860.	Badger Capital
861.	Sanlam Investments
862.	Sanlam
863.	C2M Chartered Accountants
864.	VGV Attorneys
865.	The Hudson Coffee Shop
866.	Venshaw Insurance Administrators
867.	Dr Joubert Dentist
868.	Boshoff Visser Attorneys
869.	SAOU (Weskaap) (South African Teachers' Union)
870.	Counterpoint Asset Management
871.	Debt Care
872.	Mediclinic Peninsula Accounts
873.	Barloworld Fleet Marketing
874.	The Assessment Toolbox
875.	Venn Cubed
876.	The Conference Company
877.	Stigting vir Bemagtiging deur Afrikaans
878.	Cosoft
879.	Columbus Stainless Steel
880.	Gometro
881.	Erpfin Solutions
882.	South African Book Development Council
883.	Complete Financial and Business Solutions
884.	HWSETA

No.	Name
885.	Snell Attorneys
886.	Inhealth Consulting
887.	Mediclinic Regional Office
888.	MHR
889.	Sprintnet
890.	Calaska Trading
891.	Meditek Hemko
892.	Efficiency Hub
893.	Risk Methods and Solutions Pty Ltd
894.	MB Consult
895.	MaserMule
896.	Incontext
897.	Inovo
898.	Fanus Jonck Tax Consultant
899.	Breede Valley Fruit Processers
900.	Solethu Financial Services
901.	Liguori Agencies
902.	SIAS Assessment Centre
903.	Lombardi & Kriek
904.	Square Peg
905.	Garis Business Centre
906.	Adendorff Attorneys
907.	Freepaid/BEE Scorecard
908.	Old Mutual Broker Distribution
909.	Kapnias Sharon - Psychologist
910.	Shaun Brian Helder - Psychiatrist
911.	Dr Jeanne Louw - Dermatologist
912.	Makememobile
913.	Gist Pty Ltd
914.	Energy Staffing cc
915.	Cape Town Brain Clinic
916.	Global Typing
917.	Dipar Systems
918.	Symbiosys
919.	Dr Eugene Pierre - Psychiatrist
920.	Global BPO
921.	Blueberry Creatives
922.	City Capital
923.	Grandstand Consultant
924.	Steyn Boshoff and Associates
925.	Blackbird Group
926.	Brink, De Beer and Potgieter Attorneys
927.	Get Savvi Health
928.	Miele
929.	Mettle
930.	Cronje Attorneys
931.	Jaymat Enviro Solutions

No.	Name
932.	Oculus IP - IP Architects
933.	Dynamic Group
934.	Radio Retail
935.	Fedgroup Financial Services
936.	Afterguard Advisors
937.	GF Marketing
938.	Ronin Precision Farming Systems
939.	Ora Fund Managers
940.	Gen Pact SA
941.	Brink, de Beer & Potgieter Attorneys
942.	One-one Infinity
943.	Multisol South Africa
944.	Endecon Ubuntu Consulting Engineers
945.	WEC Consultant Engineers and Project Managers
946.	Motorlease Private Vehicle Finance
947.	IPS International Property Solutions
948.	4C Group
949.	Wealth Migrate
950.	Nsight
951.	ICT Insight
952.	Fashion Brands
953.	Print on Demand
954.	Jetline.com
955.	Cycle Centre
956.	Shine Wellness
957.	Salon Rejuvenate
958.	Ford - Ford Credit
959.	bbp Law - Attorneys
960.	Total Gaz Southern Africa
961.	Town Lodge
962.	Collins Grill and Butcher
963.	Starlite Diner
964.	Equra Health
965.	Discovery Consulting Services
966.	Capital
967.	Fortres
968.	Basil Read Pty Ltd
969.	Everite Building Products Pty Ltd
970.	Metropolitan
971.	Xpedient Medical
972.	Stilus
973.	Vilal Group
974.	Excelan Limited
975.	Quorus Software
976.	Principa
977.	Metropolitan
978.	Cape Span

No.	Name
979.	Curo Fund Services
980.	Computacenter
981.	Greyvenstein's Attorneys
982.	Mariana van Vuuren Physiotherapy and Pilates
983.	Mukoni Software
984.	Phanda Personnel
985.	Occuvision Optometrists
986.	Suiderland Plase
987.	Vericred Collections
988.	One Drop Car Wash
989.	Retail IT
990.	Sunray
991.	SANRAL
992.	Metcis
993.	Metropolitan International
994.	Momentum
995.	Santam Building
996.	Santam
997.	Sanlam
998.	Pioneer Foods - Groceries

APPENDIX B: SAMPLE OF BUSINESSES IN TYGERVALLEY

No.	Database no.	Name
1.	02	Eagle Lighting
2.	05	Picardi Rebel
3.	08	Bargain Books
4.	11	Baby Boom
5.	14	Spectacle Warehouse
6.	17	Zone Fitness
7.	20	The Barnyard Theatre
8.	23	iQS Quantity Surveyors and Project Managers
9.	26	Woolworths Home and Food
10.	29	Absolut Art Gallery
11.	32	Oumeul Bakery
12.	35	Primi Piatti
13.	38	Lemon-butta Seafood Restaurant
14.	41	Old Khaki
15.	44	Desva
16.	47	Dischem Pharmacy
17.	50	Taleni Africa
18.	53	Artjamming
19.	56	CASA
20.	59	Burtons
21.	62	Pulp Kitchen and Deli
22.	65	Simply Asia
23.	68	Lego
24.	71	Pick n Pay

No.	Database no.	Name
25.	74	MTN
26.	77	Willows Café
27.	80	VISA
28.	83	Urban Spa
29.	86	Riverside Laundry and Dry Cleaning
30.	89	iKhayaletu Project Management
31.	92	Spoc Western Cape - Micode Systems Limited
32.	95	School Alert
33.	98	South African Communications Union (SACU)
34.	101	Alma's Health and Skin Care
35.	104	M4P Consulting
36.	107	Dialog Mobile
37.	110	R Tech
38.	113	West Coast Properties
39.	116	iCE Group Consulting Engineers
40.	119	PSG
41.	122	Tact SA
42.	125	Jacques Basson and Associates
43.	128	Monash South Africa
44.	131	Makana Technologies & Solutions
45.	134	Fishgate Advertising
46.	137	MSP Group (Developments)
47.	140	Mostert and Bosman Attorneys
48.	143	Nedbank
49.	146	T Systems - Intervate
50.	149	Telectro
51.	152	Mitsubishi Electric Air Conditioners

No.	Database no.	Name
52.	155	Contract Accounts Finance
53.	158	Atlantis Corporation (Defence)
54.	161	Novare Investments
55.	164	Harry Viljoen Properties
56.	167	Ryhncoco
57.	170	Jist
58.	173	EXSA Pty Ltd
59.	176	New African Global Energy SA
60.	179	X Chequer Fund Management
61.	182	IRIS Capital Group
62.	185	Seed Investment Consultants
63.	188	Shabby Chic Hair Salon
64.	191	The Body and Bike Centre
65.	194	Cadence Cycling Performance Centre
66.	197	DC3 Distribution
67.	200	Finhub Financial and Accounting Group
68.	203	Meq Capital
69.	206	Best Advice Solutions
70.	209	PC Properties
71.	212	ANA-Digi Systems
72.	215	BPAS Architecture
73.	218	Jacques Viljoen Attorneys, Notaries and Conveyancers
74.	221	Etana Construction Engineering Guarantees - Hollard Brokers
75.	224	B & L Export Consultants
76.	227	Ignite Consulting
77.	230	Intellisol and MegaPhase Financial Services
78.	233	FININVEST Consulting/Business Services

No.	Database no.	Name
79.	236	STEAD Realty Apartments
80.	239	BKV Chartered Accountants and Auditors
81.	242	Claassen Attorneys
82.	245	Prisma Financial Services
83.	248	Coffee Stained Vinyl
84.	251	De Tijger Sectional Title Property Management
85.	254	IDESO Industrial Design Solutions
86.	257	TomCat Advertising
87.	260	Hollard Insurance
88.	263	Attooh Administrators
89.	266	PFR Engineers
90.	269	SAAD Investment Holdings
91.	272	DITCO Outsource Solution
92.	275	Tigerland, Kallis & Nel Versekering
93.	278	Blueline Independent Financial Planning
94.	281	Rawson Properties
95.	284	V's Terrace Café and Laundry
96.	287	Schwarma and Pizza Café
97.	290	Oriental Café
98.	293	CELSA Properties
99.	296	Asian-Asia Restaurant
100.	299	Axon Adaptation
101.	302	Millenium Floor Coverings
102.	305	Alpha Dive Centre
103.	308	Southern Africa Quantum
104.	311	Otto Krause Inc Attorneys
105.	314	SA Logistics
106.	317	JJC Exploration Products
107.	320	Tsukudu Associates

No.	Database no.	Name
108.	323	CalQuate Accounting
109.	326	Outsurance Business
110.	329	First Global Wealth Management
111.	332	Pzazz Hair, Body and Nails
112.	335	Laubscher & Hattingh Attorneys and Conveyencers
113.	338	Imperial Executive Suites
114.	341	Kevintabo
115.	344	Abrahams Kiewitz Incorporated
116.	347	City Capital S.A. Property Holdings
117.	350	Impact Corporate Brokers
118.	353	Contour Logistics
119.	356	JustInvest
120.	359	RMB Private Bank
121.	362	Old Mutual RSC
122.	365	Application Frameworks
123.	368	Personal Wealth Solutions
124.	371	MCiSA Holdings
125.	374	Sujean Property Investments
126.	377	3M
127.	380	ACCOM
128.	383	Bornman Associates
129.	386	Momentum Golf Village
130.	389	Capitec Bank
131.	392	Nedbank
132.	395	Travelex Retail Foreign Exchange
133.	398	Mullers Optometrist
134.	401	Cellini
135.	404	CUM Books
136.	407	Typo

No.	Database no.	Name
137.	410	Alice in Blue
138.	413	Brand Emporium Pop Up Store
139.	416	Cotton Curve
140.	419	Earth Addict
141.	422	Foschini
142.	425	Identity
143.	428	Jet Stores
144.	431	Levi's
145.	434	Martin Delport
146.	437	Old Khaki
147.	440	Poetry
148.	443	The Hip Shop
149.	446	Zara
150.	449	Earthchild
151.	452	Premaman
152.	455	Clicks
153.	458	Durbell Pharmacy
154.	461	Gerard's Hair for Gents
155.	464	Ozone Health
156.	467	Premier Dead Sea
157.	470	Slik and Silki
158.	473	Style Studio
159.	476	Aldo
160.	479	Crocs
161.	482	Shoe Buzz
162.	485	Shoerama
163.	488	Anat
164.	491	Biza Social Café

No.	Database no.	Name
165.	494	Burger King
166.	497	Café Rousse
167.	500	Cinnabon
168.	503	Die Biltongwinkel
169.	506	Illy Coffee Kiosk
170.	509	KFC
171.	512	Montagu
172.	515	Nandos
173.	518	Panarottis
174.	521	Smooch
175.	524	Sweets from Heaven
176.	527	Vida e Caffè
177.	530	Absolute Pets
178.	533	Gadget Time
179.	536	Inky Shop
180.	539	Readers Den
181.	542	Twisp
182.	545	Barksole
183.	548	Copy Express
184.	551	Engen Service Station
185.	554	Remote Guru
186.	557	Valley Auto Fair
187.	560	Game
188.	563	Truworths
189.	566	Boardmans
190.	569	Le Creuset
191.	572	Persian World
192.	575	Sheet Street
193.	578	Due South

No.	Database no.	Name
194.	581	Sport n Surf
195.	584	Totalsports
196.	587	8ta Telkom Express
197.	590	Cellucity
198.	593	Dion Wired
199.	596	MTN
200.	599	Telkom
201.	602	Accessorize
202.	605	Extravaganza
203.	608	KC Silver
204.	611	Men's Street
205.	614	Shimanski
206.	617	Something Personal
207.	620	Time Watch Specialists
208.	623	Watch Republic
209.	626	Pentravel
210.	629	BT Games
211.	631	Ster Kinekor
212.	635	Intercare Medical and Dental Centre
213.	638	Clicks Pharmacy
214.	641	Standard Bank Private Banking
215.	644	Lasermed
216.	647	Schreuder and Nilsson - Occupational Therapists
217.	650	Sureslim
218.	653	Dr Juan Schronen - Psychiatrist
219.	656	Pathcare
220.	659	Minde Schapiro & Smith Attorneys
221.	662	IEMAS Financial Services
222.	665	Bernina

No.	Database no.	Name
223.	668	Dentures Direct Dental Practice
224.	671	ABSA Bank (SanTyger)
225.	674	Kwikspar
226.	677	Yummy Zone - Sushi, Asian Food, Grill
227.	680	Celectro Cellular Repairs
228.	683	McDonalds
229.	686	Osro (Sectional Title Administrators and Developers)
230.	689	MHI Attorneys
231.	692	Qualisure
232.	695	DEVCO Group of Properties
233.	698	SA Tours and Safaris
234.	701	Tulley Tex Agencies - Textile Indent Agencies
235.	704	Dykes van Heerden Attorneys Notaries and Conveyancers
236.	707	LabourNet
237.	710	AXV Technologies and Loss Control
238.	713	Just Property Group
239.	716	CCIT IT Solutions
240.	719	Sonke Risk Vision
241.	722	Imbabala Investments
242.	725	Seperations
243.	728	Die Burger/TygerBurger
244.	731	Crossfit/REPS Fitness Edward Street
245.	734	Dot's Learning Centre
246.	737	Fred Astaire
247.	740	Gary Luyt Property Group
248.	743	Fineline Print Solutions
249.	746	Accolades Group

No.	Database no.	Name
250.	749	Future Flyers
251.	752	Tower Group
252.	755	Cantina Tequila
253.	758	Bronzo Bella Nails, Tanning, Beauty
254.	761	Cycles Alive
255.	764	Vacca Matta
256.	767	Discovery Consulting Services
257.	770	Spearhead IT Industries
258.	773	Opportunity Group of Companies
259.	776	Property Assist
260.	779	Mercantile Bank
261.	782	Deco Systems Painting and Waterproofing Renovations
262.	785	KFC
263.	788	Barloworld Toyota
264.	791	DDP Valuers
265.	794	Reeds
266.	797	Independent Electoral Commission of South Africa
267.	800	National Employers Association of South Africa
268.	803	Douvoordag Slagtery
269.	806	Me Real Estate
270.	809	CA Du Toit Transport and Telematics
271.	812	Adrenaline Bikes
272.	815	ORMS Creative Space
273.	818	Workforce Staffing
274.	821	Barloworld Toyota
275.	824	Multi Insurance Brokers
276.	827	Echo 4x4 Centre

No.	Database no.	Name
277.	830	Delphi Props Property Administration and Brokers
278.	833	Melissa's The Food Shop
279.	836	Capitol Commercial Properties
280.	839	MUA Insuring the Individual
281.	842	Allied Crane Hire
282.	845	Healthcare Consultants
283.	848	IIS Group
284.	851	ABSA Vehicle and Asset Finance
285.	854	ABSA Commercial Property Finance
286.	857	Rademeyer Wesson Chartered Accountants
287.	860	Badger Capital
288.	863	C2M Chartered Accountants
289.	866	Venshaw Insurance Administrators
290.	869	SAOU (Weskaap) (South African Teachers' Union)
291.	872	Mediclinic Peninsula Accounts
292.	875	Venn Cubed
293.	878	Cosoft
294.	881	Erpfin Solutions
295.	884	HWSETA
296.	887	Mediclinic Regional Office
297.	890	Calaska Trading
298.	893	Risk Methods and Solutions Pty Ltd
299.	896	Incontext
300.	899	Breede Valley Fruit Processers
301.	902	SIAS Assessment Centre
302.	905	Garis Business Centre
303.	908	Old Mutual Broker Distribution

No.	Database no.	Name
304.	911	Dr Jeanne Louw - Dermatologist
305.	914	Energy Staffing cc
306.	917	Dipar Systems
307.	920	Global BPO
308.	923	Grandstand Consultant (City Capital)
309.	926	Brink, De Beer and Potgieter Attorneys
310.	929	Mettle
311.	932	Oculus IP - IP Architects
312.	935	Fedgroup Financial Services
313.	938	Ronin Precision Farming Systems
314.	941	Brink, de Beer & Potgieter Attorneys
315.	944	Endecon Ubuntu Consulting Engineers
316.	947	IPS International Property Solutions
317.	950	Nsight - 4C Group
318.	953	Jetline-Print on Demand
319.	956	Shine Wellness
320.	959	bbp Law - Attorneys
321.	962	Collins Grill and Butcher
322.	965	Discovery Consulting Services
323.	968	Basil Read Pty Ltd
324.	971	Xpedient Medical
325.	974	Excelan Limited
326.	977	Metropolitan
327.	980	Computacenter
328.	983	Mukoni Software
329.	986	Suiderland Plase
330.	989	Retail IT
331.	992	Metcis

No.	Database no.	Name
332.	995	Santam
333.	998	Pioneer Foods

APPENDIX C: SURVEY PARTICIPATION REQUEST AND QUESTIONNAIRE

THE LOCATION DYNAMICS OF BUSINESSES IN TYGERVALLEY

Cover e-mail / telephonic and face-to-face pitch

My name is Monique Damons and I am a Master's student at Stellenbosch University's Department of Geography and Environmental Studies. I am conducting a web survey to gather important data for my Master's research project: The location dynamics of businesses in Tygervalley.

Tygervalley is widely considered to be the economic hub of the northern suburbs of Cape Town. This study aims to determine the nature and extent of business activity in Tygervalley; the reasons why businesses locate in Tygervalley and (if applicable) in the south-east of Cape Town (Cape Flats); and whether or not Tygervalley businesses that do not have locations on the Cape Flats would consider locating there and if so, under which conditions.

[Name of business] has been selected as part of a sample of businesses/organisations in the area. I am kindly requesting that you please complete this short 15-minute questionnaire. It must please be completed by a staff member with adequate company/organisational knowledge including knowledge on company/organisational history. A response by [Date response is required] will be greatly appreciated. For more information on the study and/or to undertake the survey please click on the link below.

<http://www.surveygizmo.com/s3/2308984/TLDOBIT>

This study has been approved by Stellenbosch University and will be conducted according to applicable ethical guidelines and principles <http://www0.sun.ac.za/research/policies-and-guidelines.html>. Participation is entirely voluntary and you may withdraw consent and participation at any time. Complete confidentiality is guaranteed and the information provided will be used for academic purposes only. For more information, please feel free to contact me, Monique Damons, on 0839267971 or 13685309@sun.ac.za. Alternatively, you can contact my research supervisor, Dr Manfred Spocter on mspocter@sun.ac.za.

Thanking you for your time and assistance in advance.

Monique Damons

WEB SURVEY

INTRODUCTION

Background

This study aims to determine the nature and extent of business activity in Tygervalley; the reasons why businesses locate in Tygervalley and (if applicable) in the south-east of Cape Town (Cape Flats); and whether or not Tygervalley businesses that do not have locations on the Cape Flats would consider locating there and if so, under which conditions.

Your inputs will contribute to a better understanding of spatial economic inequality in Cape Town. This understanding is important as it can inform possible interventions to address the lack of economic growth on the Cape Flats.

Cape Town reflects an unequal pattern of economic growth. Growth is mainly concentrated in the affluent northern and western suburbs of the city, while limited economic growth is experienced in the poorer south-east, or Cape Flats, leading to rising city unemployment and poverty levels.

Identifying conditions conducive to economic growth in Cape Town's affluent suburbs as well as barriers (from a business perspective) to economic growth in the south-east, could help inform policies and interventions to overcome or by-pass barriers to economic growth on the Cape Flats.

Instructions:

Please tick the appropriate box or write where required.

Definitions:

Tygervalley area/Tygervalley: The area north of the N1 national road, south of Old Oak Road (including Willowbridge), west of and along Durban Road, and east of and along Carl Cronje Drive in Bellville, Cape Town.

Business location/location: Any business office, store or physical, brick-and-mortar facility.

South-east of Cape Town/Cape Flats: the south-east sector of the Cape Town metropole where the majority of black and poor people live, including areas that have historical, social, environmental, political and cultural connections to the core of the Cape Flats (the south-east). Suburbs include Athlone, Bishop Lavis, Steenberg, Hanover Park, Bonteheuwel, Manenberg, Elsies River, Langa, Nyanga, Gugulethu, Khayelitsha, Heideveld, Lansdowne, Grassy Park and Retreat.

SECTION 1: GENERAL BUSINESS INFORMATION

1) What is the business name? Please indicate below.

2) What is the business's form? Please indicate below.

- Sole proprietorship - a business owned by only one person
- Partnership - two or more people share ownership of a single business
- Business Trust - a structure where a trustee (an individual or company) carries out the business on behalf of the members (or beneficiaries) of the trust.
- Public company (Limited - Ltd)
- Private Company (Proprietary Limited - Pty Ltd)
- State-owned company (SOE Limited – Ltd)
- Personal Liability Company (Incorporated – Inc)
- Non-profit company (NPC)
- Closed corporation (CC)
- External company – branch of a foreign profit or non-profit company
- Domesticated company – branch of a foreign profit or non-profit company whose registration has been transferred to South Africa

3) Please indicate if the business has more than one location in Tygervalley?

Yes, more than one location

No, only one location

4) Please indicate how many locations the business has in Tygervalley?

2

3

4

5

More than five

5) Where in the Tygervalley area is the business located? Please provide the physical address of the business below. In the case of multiple locations, please provide the physical address of each location below.

Location 1: _____

Location 2: _____

Location 3: _____

Location 4: _____

Location 5: _____

6) Please indicate in which year the business location was established in Tygervalley? In the case of multiple locations, please indicate the year of establishment of each location.

Location 1: _____

Location 2: _____

Location 3: _____

Location 4: _____

Location 5: _____

7) Please select the category below that best describes the type of business location in Tygervalley?

	Main office, headquarters	Branch/regi onal office	Flagship store	Standard store	Speciality store
Location 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Location 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Location 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Location 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Location 5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

8) Please indicate whether the Tygervalley business location provides a full range of services or products to clients/customers?

	Full range	One or more aspects
Location 1	<input type="checkbox"/>	<input type="checkbox"/>
Location 2	<input type="checkbox"/>	<input type="checkbox"/>
Location 3	<input type="checkbox"/>	<input type="checkbox"/>
Location 4	<input type="checkbox"/>	<input type="checkbox"/>
Location 5	<input type="checkbox"/>	<input type="checkbox"/>

9) Please select the category below that best describes the Tygervalley business location's activities?

	Finance, insurance, real estate and business services	Wholesale and retail trade, repair of motor vehicles and goods, catering and accommodation	Manufacturing	Agriculture forestry and fishing	Mining and quarrying	Transport, storage and communication	Construction	Community, social and personal services including health services	Government	Electricity, gas and water supply	Hybrid - more than one category. Please specify by ticking all relevant boxes
Location 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Location 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Location 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Location 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Location 5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10) Please indicate the extent of the Tygervalley location's business reach.

	Global or international (South Africa and at least one other country, or one or more foreign countries only)	South Africa (the Western Cape and at least one other South African province)	Western Cape	Cape Town	Tygervalley
Location 1	()	()	()	()	()
Location 2	()	()	()	()	()
Location 3	()	()	()	()	()
Location 4	()	()	()	()	()
Location 5	()	()	()	()	()

11) How many employees were working at the Tygervalley business location when it was established? If you had more than one location in Tygervalley initially, please add up the number of employees at all locations at the time.

- 1 – 20
- 21 – 40
- 41 – 60
- 61 – 80
- 81 – 100
- Greater than 100

12) How many employees do you have working at the Tygervalley business location at present? If you currently have more than one location in Tygervalley, please add up the number of employees at all locations at present.

- 1 – 20
- 21 – 40
- 41 – 60
- 61 – 80
- 81 – 100
- Greater than 100

SECTION 2: REASONS FOR SELECTING TYGERVALLEY AS A BUSINESS LOCATION

13) Does the Tygervalley business location represent an office or store that moved to Tygervalley from another area? Please indicate below.

	Yes	No
Location 1	()	()
Location 2	()	()
Location 3	()	()
Location 4	()	()
Location 5	()	()

14) Please indicate where the previous business location was? Please provide suburb/town.

	Previous location
Location 1	_____ _____
Location 2	_____ _____

Location 3	_____
Location 4	_____
Location 5	_____

15) Were there any challenges experienced in the previous area that resulted in the business location/s being moved to Tygervalley? You can select more than one option.

	Very important	Of average importance	Not important
High cost of rental space	()	()	()
High property prices	()	()	()
Poor infrastructure - lack of and/or aesthetically unappealing, old buildings and premises	()	()	()

High crime rate	()	()	()
Poor amenities (including public services such as transport, recreational facilities and the aesthetic appeal of the area)	()	()	()
Far from client base	()	()	()
Financially weak client base	()	()	()
Limited access to required employee pool (skills base)	()	()	()
Far from staff residential locations	()	()	()
High level of traffic congestion	()	()	()
Limited or no parking available	()	()	()

Limited or no access to required transport networks	()	()	()
---	-----	-----	-----

Comments:

16) What makes the Tygervalley area an appealing area in which to locate a business? You can select more than one option.

	Very important	Of average importance	Not important
Low cost of rental space	()	()	()
Low property prices	()	()	()
Good infrastructure - a good supply of aesthetically appealing and new buildings and premises	()	()	()
Low crime rate	()	()	()
Good amenities (including public services such as transport, recreation)	()	()	()

and the aesthetic appeal of the area)			
Close proximity to client base	()	()	()
Financially strong client base	()	()	()
Access to Tygervalley employee pool (skills base)	()	()	()
Close to staff residential locations	()	()	()
Low levels of traffic congestion	()	()	()
Adequate parking available	()	()	()
Access to required transport networks	()	()	()

Comments:

17) To what extent did the presence of other businesses in the Tygervalley area influence the decision to locate in Tygervalley?

- Very important
- Of average importance
- Not important

18) How does the presence of these businesses benefit your business? You can select more than one option

- These businesses supply me with products/services that enable me to run my business
- Other businesses are my clients/customers
- Businesses' employees are my clients/customers
- The number and calibre of businesses in the area boost the professional/business image of the area which is beneficial to my business
- Other - Write In: _____
- Other - Write In: _____
- Other - Write In: _____

19) How many other businesses in Tygervalley, do you have formal business linkages with? If you have more than one business location in Tygervalley, add up the number of trade relationships across all business locations

- 0
- 1 – 5
- 6-10
- 11-15
- 16-20

More than 20

Comments:

SECTION 3: THE SOUTH-EAST OF CAPE TOWN (CAPE FLATS) AS A BUSINESS LOCATION

20) Does the business have one or more locations on the Cape Flats?

Yes

No

21) Where is the business location/s on the Cape Flats? Please provide the suburb/s below.*

Location 1: _____

Location 2: _____

Location 3: _____

Location 4: _____

Location 5: _____

22) Indicate the reasons for establishing business location/s on the Cape Flats. You can select more than one option.

	Very important	Of average importance	Not important
Access to low-cost vacant land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to low-cost property for sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to low-cost property rentals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Substantial spending power of low income but large population	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to main transport routes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

23) Would the business ever establish or consider establishing a location/s on the Cape Flats?

Yes

No

24) If the business would consider establishing a location on the Cape Flats, please provide reasons why?

25) If the business would not consider establishing a location on the Cape Flats, please provide reasons why?

26) Please indicate which entities are responsible for making the Cape Flats attractive to business? Additional inputs/comments are welcomed.

- Government
- The private sector
- Government and private sector through development mechanisms such as public-private partnerships
- Government, private sector and local community (three-way) partnerships

Comments:

27) Please indicate how economic growth on the Cape Flats can be stimulated i.e. what needs to be done in the south-east to make it attractive to business? You can select more than one option below. Space has been provided for additional inputs/comments

Better infrastructure - a good supply of aesthetically appealing and new buildings and premises

Improved physical condition of roads and improved road networks

A reduction in crime levels

Improved area security e.g. through improved police presence

Improved amenities (including public services such as transport, recreation and the aesthetic appeal of the area)

Comments:

Thank You!

THANK YOU FOR MAKING THE TIME AND EFFORT TO PROVIDE VALUED INPUTS

APPENDIX D: LIST OF SURVEY RESPONDENTS

No.	Date submitted	Business name (verbatim - as provided by respondents)
1	2015-09-09	Fishgate Advertising
2	2015-09-09	iCE Tygerberg (Pty) Ltd
3	2015-09-09	BPAS (PTY) LTD t/a BPAS Architecture
4	2015-09-10	X-Chequer Fund Management
5	2015-09-10	Future Flyers Academy
6	2015-09-10	Dentures Direct
7	2015-09-10	PROPERTY ASSIST (PTY) LTD
8	2015-09-10	Gary Luyt Property Managers (Pty) Ltd
9	2015-09-11	Reeds Tygervalley
10	2015-09-21	Anonymous
11	2015-09-23	Hollard Insurance
12	2015-09-29	JACQUES BASSON & ASSOCIATES
13	2015-09-30	Mullers Optometrists Tyger Valley
14	2015-09-30	Henque 3485 CC t/a Capitol Commercial Properties
15	2015-10-01	Novare
16	2015-10-01	IPS Invest
17	2015-10-01	SAAD Investment Holdings (Pty)Ltd
18	2015-10-07	BARGAIN BOOKS
19	2015-10-08	The Urban Spa
20	2015-10-08	Nash H Trading cc T/A Willows
21	2015-10-09	SPECTACLE WAREHOUSE WILLOWBRIDGE
22	2015-10-12	Eagle Lighting
23	2015-10-12	VISA Cape Town
24	2015-10-12	Taleni Africa Management Service Pty Ltd
25	2015-10-12	Burtens

No.	Date submitted	Business name (verbatim - as provided by respondents)
26	2015-10-13	MPower Traders (Pty) Ltd Trading as Pic n Pay Family Supermarket Willowbridge
27	2015-10-21	Mitsubishi Electric
28	2015-10-28	PSG (Pty) Ltd
29	2015-11-05	Intellisol (Pty) Ltd
30	2015-11-06	SA Logistics
31	2015-11-09	MEQ Capital
32	2015-11-10	JIST Integrated Security Solutions (Pty) Ltd
33	2015-11-09	Cadence Cycling Performance Centre
34	2015-11-10	Anonymous
35	2015-11-11	Best Advice Solutions
36	2015-11-12	Bornman and Associates (Pty) Ltd
37	2015-11-13	Abrahams Kiewitz Attorneys
38	2015-11-16	Anonymous
39	2015-11-17	Iemas Financial Services
40	2015-11-18	Prisma Financial Services
41	2015-11-18	Application Frameworks
42	2015-11-18	Schreuder and Nilsson Occupational Therapists
43	2015-11-18	3M South Africa (Pty) Ltd.
44	2015-11-18	Southern Africa Quantum Employee Benefits
45	2015-11-18	New African Global Energy SA
46	2015-11-18	IDESO
47	2015-11-24	SureSlim Wellness clinic
48	2015-11-25	Independent Electoral Commission of SA
49	2015-11-26	Sujean property Investments Pty Ltd
50	2015-11-26	Sonke Riskvision
51	2015-11-26	MUA Insurance Acceptances (Pty) Ltd
52	2015-11-26	PKF Rademeyer Wesson

No.	Date submitted	Business name (verbatim - as provided by respondents)
53	2015-11-30	Fineline Print Solutions
54	2015-12-01	LASERMED
55	2015-12-01	Calaska Trading 132 (Pty) Ltd
56	2015-12-01	Energy Staffing
57	2015-12-01	Ronin Precision Farming Systems
58	2015-12-01	BBP Law Inc
59	2015-12-01	Bronzo Bella
60	2015-12-01	CA du Toit Western Cape (Pty) Ltd.
61	2015-12-02	HOLLARD CONSTRUCTION & ENGINEERING
62	2015-12-03	The Workforce Group (Pty) Ltd
63	2015-12-09	Mettle Investments (Pty) Ltd
64	2015-12-10	Endecon
65	2015-12-11	4CIT Software Solutions P/L
66	2015-12-11	Dots Learning Centre
67	2015-12-11	Shine Wellness
68	2015-12-14	Health & Welfare Sector Education Training Authority
69	2016-01-06	BRINK DE BEER & POTGIETER INC
70	2016-02-03	Multi Insurance Brokers
71	2016-02-03	C2M
72	2016-02-05	National Employers' Association of South Africa (NEASA)
73	2016-02-08	Anonymous
74	2016-02-09	Mercantile Bank
75	2016-02-09	Mukoni Software
76	2016-02-11	SAOU
77	2016-02-17	Computacenter
78	2016-03-03	Suiderland Plase (Pty) Ltd
79	2016-03-03	Mediclinic (Pty) Ltd

No.	Date submitted	Business name (verbatim - as provided by respondents)
80	2016-03-08	Cosoft
81	2016-03-08	Old Mutual - Broker Distribution
82	2016-03-11	DDP Valuation and Advisory Services (Pty) Ltd
83	2016-03-11	DDP Valuers (Pty) Ltd
84	2016-03-14	Garis Business Centre
95	2016-03-17	Amicaflex PTY Ltd T/A Tyger Manor Kwikspar
86	2016-03-22	Bernina
87	2016-03-23	Something Personal
88	2016-04-14	The Foschini Group
89	2016-04-20	Clicks
90	2016-04-20	Time Watch Specialists
91	2016-04-26	Dietrich Voigt Mia Pty Ltd
92	2016-04-26	Edcon
93	2016-05-04	Ster-Kinekor Theatres
94	2016-05-05	Vida E Caffè
95	2016-05-12	Sheet Street
96	2016-05-17	Dischem Pharmacy
97	2016-05-22	Nando's
98	2016-05-25	MARTIN DELPORT[pty]LTD
99	2016-05-30	DURBELL PHARMACY
100	2016-06-01	valleyautofair.com

APPENDIX E: ETHICAL CLEARANCE APPROVAL E-MAIL

From: Graham, CJ, Miss <cgraham@sun.ac.za>
Sent: 08 May 2015 10:24 AM
To: Damons, MH, Me <damons@sun.ac.za>
Cc: Spocter, MA, Dr <mspocster@sun.ac.za>
Subject: RE: URGENT: Ethical clearance process

Dear Monique

My apologies of the late response.

Since the DESC has approved your application as low risk, you may proceed with data collection.

The REC will ratify the DESC's decision in order to issue an official ethics clearance letter.

Please take note that this will take about 2-3 weeks, as we have received a high volume of DESC approvals for ratification.

I ask your patience with regards to the letter, but you may commence with data collection.

Kind regards

Clarissa

Clarissa J Graham

MA International Studies

Research Ethics Committee (REC): Humanities

Navorsingsetiekkomitee (NEK): Humaniora

Afdeling Navorsingsontwikkeling / Division for Research Development

Private Bag X1 / Privaatsak X1, Matieland, 7602

Tel: +27 21 808 9183; Fax: +27 21 883 9027

Besoek / Visit: www.sun.ac.za/research

APPENDIX F: OFFICIAL ETHICAL CLEARANCE APPROVAL LETTER



UNIVERSITEIT-STELLENBOSCH-UNIVERSITY
jou kennisveenoot • your knowledge partner

Approved with Stipulations New Application

15-Jul-2015
Damons, Monique MH

Proposal #: SU-HSD-000408
Title: The location dynamics of businesses in Tygervalley

Dear Ms Monique Damons,

Your New Application received on 30-Apr-2015, was reviewed
Please note the following information about your approved research proposal:

Proposal Approval Period: 14-Jun-2015 -13-Jun-2016

The following stipulations are relevant to the approval of your project and must be adhered to:

- 1) It is unclear where the researcher will find the email addresses of potential participants (see Section 8.3 in the e-form).
- 2) The researcher is requested to save raw data on a password protected computer. Mention is only made of "private hardware".
- 3) In Section 9 of the e-form, it seems as if the names of certain participants will be published in her thesis. Best practice in research ethics is that no names are mentioned in the final report, i.e. that the identities of all research participants remain anonymous. The researcher is requested to ensure both the REC and participants that their identities will not be made known in the thesis.

Please provide a letter of response to all the points raised IN ADDITION to HIGHLIGHTING or using the TRACK CHANGES function to indicate ALL the corrections/amendments of ALL DOCUMENTS clearly in order to allow rapid scrutiny and appraisal.

Please take note of the general Investigator Responsibilities attached to this letter. You may commence with your research after complying fully with these guidelines.

Please remember to use your proposal number (SU-HSD-000408) on any documents or correspondence with the REC concerning your research proposal.

Please note that the REC has the prerogative and authority to ask further questions, seek additional information, require further modifications, or monitor the conduct of your research and the consent process.

Also note that a progress report should be submitted to the Committee before the approval period has expired if a continuation is required. The Committee will then consider the continuation of the project for a further year (if necessary).

This committee abides by the ethical norms and principles for research, established by the Declaration of Helsinki and the Guidelines for Ethical Research: Principles Structures and Processes 2004 (Department of Health). Annually a number of projects may be selected randomly for an external audit.

National Health Research Ethics Committee (NHREC) registration number REC-050411-032.

We wish you the best as you conduct your research.

If you have any questions or need further help, please contact the REC office at 218089183.

Included Documents:
DESC Report

APPENDIX G: INTERVIEW REQUEST, GUIDE AND LIST OF INTERVIEWEES

1. Interview request e-mail

My name is Monique Damons and I am a Master's student at Stellenbosch University's Department of Geography and Environmental Studies. I am conducting interviews as an important part of my Master's research project: The location dynamics of businesses in Tygervalley.

(NAME OF BUSINESS/ORGANISATION) has been identified and selected as part of a sample of expert organisations on economic and commercial development trends in Tygervalley.

I am kindly requesting a face-to-face interview with a representative of (NAME OF BUSINESS/ORGANISATION).

If an interview should be granted, I would appreciate it if I could interview a staff member with adequate Tygervalley area knowledge, including current commercial property trends in the area.

Your inputs will contribute to a better understanding of spatial economic inequality in Cape Town. This understanding is important as it can inform possible interventions to address the lack of economic growth on the Cape Flats.

Cape Town reflects an unequal pattern of economic growth. Growth is mainly concentrated in the affluent northern and western suburbs of the city, while limited economic growth is experienced in the poorer and more populous south-east, or Cape Flats, leading to rising city unemployment and poverty levels. Currently, these spatial economic realities are worsening.

Identifying conditions conducive to economic growth in Cape Town's affluent suburbs as well as barriers (from a business perspective) to economic growth in the south-east, could help inform policies and interventions to overcome or by-pass barriers to economic growth on the Cape Flats.

Tygervalley is widely considered to be the economic hub of the northern suburbs. This study aims to determine the nature and extent of business activity in Tygervalley; why businesses locate in Tygervalley and not in the south-east of Cape Town; and whether or not businesses would consider locating in the south-east and if so, under which conditions.

The interview will gather important data in support of these aims and focus on:

- Current economic development trends in Tygervalley
- Current commercial development trends in Tygervalley

- Demand for commercial property to purchase and rent in Tygervalley
- Supply of commercial property available to purchase and rent in Tygervalley

This study has been approved by Stellenbosch University and will be conducted according to applicable ethical guidelines and principles <http://www0.sun.ac.za/research/policies-and-guidelines.html>. Participation is entirely voluntary and you may withdraw consent and participation at any time. The interview may involve a voice recording. Complete confidentiality is guaranteed and the information provided will be used for academic purposes only. For more information, please feel free to contact me, Monique Damons, on 0839267971 or 13685309@sun.ac.za. Alternatively, you can contact my research supervisor, Dr Manfred Spocter, Department of Geography and Environmental Studies on mspocter@sun.ac.za

Thanking you for your assistance in advance.

Monique Damons

2. Interview guide: key concepts/themes to be discussed during open interviews

- Current economic development trends in Tygervalley
- Current commercial development trends in Tygervalley
- Demand for commercial property (to purchase and rent) in Tygervalley
- Supply of commercial property available to purchase and rent in Tygervalley

3. Final list of nine interviewees

Interviewee	Interview date
Respondent A (Company – commercial property letting and sales)	12 May 2015
Respondent B (Company – commercial property letting, sales and management)	25 May 2015

Interviewee	Interview date
Respondent C (Company — commercial property developments)	20 May 2015
Respondent D (Company – commercial property letting, sales and management)	21 May 2015
Respondent E (Company – commercial property sales and letting)	20 May 2015
Respondent F (Company – commercial property development, leasing, sales and management)	21 May 2015
Respondent G (Business member-based organisation, northern suburbs chapter)	22 May 2015
Respondent H (Non-profit company)	20 May 2015
Respondent I (Business member-based organisation, northern suburbs)	20 May 2015

APPENDIX H: CENTRIFUGAL FACTORS (INCLUDING THEIR RELATIVE IMPORTANCE) PUSHING BUSINESSES OUT OF LOCATIONS TO TYGERVALLEY

Previous location	Number of locations vacated	Reasons for moving (number of responses) according to importance		
		Very important	Average importance	Not important
Bellville Central Business District	12	Poor infrastructure (5) Limited or no parking available (5) High cost of rental space (4); High crime rate (3) Far from client base (3) High property prices (1); Far from staff residential locations (2) Limited access to required skills base (1) High level of traffic congestion (1) Far from other internal business component locations (1)	High level of traffic congestion (5) Limited access to required transport networks (4) Poor amenities (4) High crime rate (3) Financially weak client base (3) Poor infrastructure (2) Far from client base (2) Limited or no parking available (2) High cost of rental space (1) High property prices (1) Limited access to required skills base (1)	High property prices (3) Limited access to required skills base (3) Far from staff residential locations (3) High cost of rental space (2) Financially weak client base (2) Poor infrastructure (1) High crime rate (1) Poor amenities (1) Far from client base (1) Limited access to required transport networks (1)

Previous location	Number of locations vacated	Reasons for moving (number of responses) according to importance		
		Very important	Average importance	Not important
			Far from staff residential locations (1)	
Durbanville	5	Poor infrastructure (4) Far from client base (2) Poor amenities (2) Limited or no parking available (2) Limited access to required transport networks (2) High cost of rental space (1); High crime rate (1) Limited access to required skills base (1) Far from staff residential locations (1) High level of traffic congestion (1)	High property prices (1) Poor infrastructure (1) Financially weak client base (1) Limited or no parking available (1)	High cost of rental space (1) High property prices (1) High crime rate (1) Poor amenities (1) Far from client base (1) Financially weak client base (1) Far from staff residential locations (1) High level of traffic congestion (1) Limited or no parking available (1)
Bellville residential suburbs (Stellenryk and Welgemoed)	2	High level of traffic congestion (1)	Poor infrastructure (1) Poor amenities (1) Limited or no parking available (1)	High cost of rental space (2) High crime rate (2) Far from client base (2)

Previous location	Number of locations vacated	Reasons for moving (number of responses) according to importance		
		Very important	Average importance	Not important
				Financially weak client base (2) Limited access to required skills base (2) Far from staff residential locations (2) Limited access to required transport networks (2) High property prices (1) Poor infrastructure (1) Poor amenities (1) High level of traffic congestion (1) Limited or no parking available (1)
Century City/Northgate	2	High cost of rental space (1) High level of traffic congestion (1)		
Blackheath, Brackenfell, Kuilsriver	2	Poor infrastructure (2) Limited or no parking available (2) Far from client base (1) Limited access to required transport networks (1)	High crime rate (1) Poor amenities (1) Financially weak client base (1)	High cost of rental space (1) High property prices (1) Limited access to required skills base (1) Far from staff residential locations (1)

Previous location	Number of locations vacated	Reasons for moving (number of responses) according to importance		
		Very important	Average importance	Not important
				High level of traffic congestion (1) Limited access to required transport networks (1)
Cape Town CBD	2	High level of traffic congestion (2) Poor infrastructure (1) Poor amenities (1) Far from client base (1) Limited or no parking available (1)	Far from staff residential locations (2) Limited or no parking available (1)	
Platteklouf	1	High cost of rental space (1) Far from client base (1)		High property prices (1) Poor infrastructure (1) High crime rate (1) Poor amenities (1) Financially weak client base (1) Limited access to required skills base (1) Far from staff residential locations (1) High level of traffic congestion (1) Limited or no parking available (1)

Previous location	Number of locations vacated	Reasons for moving (number of responses) according to importance		
		Very important	Average importance	Not important
				Limited access to required transport networks (1)
Stellenbosch	1	Far from client base (1) Far from staff residential locations (1)		
Hermanus	1	Far from other internal business component locations (1)	Poor infrastructure (1) Poor amenities (1) Far from client base (1) Limited access to required skills base (1) Far from staff residential locations (1) Limited access to required transport networks (1)	High cost of rental space (1) High property prices (1) High crime rate (1) Financially weak client base (1) High level of traffic congestion (1) Limited or no parking available (1)
Kenilworth	1			High cost of rental space (1)
Epping	1	Poor amenities (1) Far from client base (1)		High cost of rental space (1) High property prices (1); Poor infrastructure (1)
Pinelands	1	Far from other internal business component locations (1)		

Previous location	Number of locations vacated	Reasons for moving (number of responses) according to importance		
		Very important	Average importance	Not important
Bishop Lavis	1	Poor infrastructure (1) Financially weak client base (1)	High crime rate (1) Poor amenities (1)	High cost of rental space (1) High property prices (1) Far from client base (1) Limited access to required skills base (1) Far from staff residential locations (1) High level of traffic congestion (1) Limited or no parking available (1) Limited access to required transport networks (1)
Johannesburg	1			