TTRI

Training for Township Renewal Initiative

Mogale City Local Municipality

TTRI Colloquium on Retail-led Township Development

Report of Proceedings

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South African CitiesNetwork

Urban LandMark

This Colloquium forms part of a series of learning opportunities that have been planned by the Training for Township Renewal Initiative (TTRI). The purpose of the colloquium was to equip township development practitioners with an understanding of how retail centres can be planned to lead township development, as well articulating the role of local authorities in this process. Selection of the participants was based on specific professional involvement in township development-related issues and initiatives.

The learning event included conceptual inputs by some of South Africa's top practitioners in the field, and made practical through case studies and a series of panel discussions. Interaction and debate with the participants was a way of interrogating and examining the issues at hand.

About TTRI

The TTRI is a joint initiative by National Treasury (Neighbourhood Development Programme Unit), the Department of Cooperative Governance and Traditional Affairs (Urban Renewal Programme), the South African Cities Network (Knowledge Unit), and the Development Bank of Southern Africa (DBSA), and Urban LandMark. The partners are also supported by other occasional partners.

The joint initiative aims to promote, encourage and support township development and renewal as well as training for township practitioners.

The purpose of the TTRI is “to build local expertise to conceptualise, design, initiate and implement township development processes around the country”.

The TTRI is focused on township renewal and is intended to:

- Build a more nuanced understanding of the spatial, social and economic characteristics of townships that is based on empirical data and analysis;

- Broaden practitioners' points of reference for identifying appropriate development responses by introducing them to new case studies, providing space for networking between peers, and facilitating practical exercises to solve problems for a real township; and

- Inspire township development practitioners to be creative and dedicated in doing their jobs by introducing them to leading researchers and analysts, highlighting leading practice, and emphasizing solutions.

Synthesis of main themes

The Retail-led Township Development Colloquium was structured deliberately to allow for open discussion, with time to pursue themes that developed. As a result a number of themes emerged that were revisited throughout the day and form the main "intellectual capital" of the event. This section attempts to capture those main themes in a succinct way, while the main document presents a more detailed version of the discussions held.

1. <u>Models for township (retail) development</u>

The dominant retail development business model is about expansion, new retail centres, profit. This model was both supported and critiqued. Proponents of the retail-led (mall) model point to the way such centres can bring in people, can act as stimuli for nodal developments, for skills transfer, local job creation and procurement, and the like. The critics of this dominant model made a strong plea not to settle for mediocrity by uncritically adopting what is essentially an American model – the "big box" mall.

The challenge seems to be to avoid simplistic either / or approaches to understanding the broader development agenda, and to learn how to harness various models for retail development to achieve that agenda.

So how do we develop fully sustainable business practices in a second economy context? We need to understand people's contexts and provide them, through creative business models, with a "licence to participate" in township retail activities in ways which really meet their needs and are not necessarily based on conventional or dominant business models. We need to be far more open to alternative models and find ways to accommodate people along the continuum from survivalist to entrepreneurial activities.

2. <u>A call for openness and innovation in our planning</u>

The township agenda requires a fresh look at development alternatives. There was a strong call for innovation in our planning and thinking, and for finding creative ways to add real value. Is retail even the correct driver, and is the dominant model the best one? Retail models that could be considered in pursuit of a broader development agenda include 'high street' developments, 'chaos precincts' (small, highly compact retail areas), hybrids between formal and informal, retail centres as community centres that are *not* characterised by national anchor tenants, a strengthened and refined 'fruit and veg' model (see below) and others.

Underlying all of this is the call for a much closer and more nuanced understanding of township retail *in the context of townships* and the development and regeneration agendas that must prevail there.

3. <u>The "fruit and veg" debate</u>

Part of being innovative and gaining a better understanding of the context of township retail and development arose in relation to a 'fruit and veg' debate. This stemmed from a simple comment that one doesn't understand why 'survivalist' informal traders continue to sell 'fruit and veg', often close to many other vendors selling the same generic 'fruit and veg'. It just doesn't make sense. This query raised valuable debate about needing to develop a sensitive and contextual understanding of people's lives. The logic clearly *does* seem to work on some level – why else would people keep doing it. But do *we* understand it? In our wisdom we assume the 'fruit and veg' model is broken, but maybe it isn't, and instead of trying to fix it, perhaps we should seek to understand it and begin to strengthen the core factors that make it successful, or at least persistent, while assisting in reducing those factors that hold it back. This debate feeds into the call for creativity point – conceptualising effective approaches for developing South Africa's township and rural areas requires more and new ways of thinking about, planning and negotiating retail developments than the conventional approach.

4. <u>Role-players: Negotiating a broader agenda</u>

Regarding the roles of developers and municipalities, there was a strong statement of the need to move away from an oppositional relationship between them (which commonly exists), and instead to strive for a mutually beneficial and negotiated agenda where possible.

Three areas that were identified that such an agenda could include are:

- Recruitment and training of local workers: This increases local jobs and increases local spending power.
- Building in complementary services that attract feet to the centres: Repairs, food, entertainment, etc. could enhance the value of retail centres.
- Local suppliers: Strengthen local procurement. We must try to be innovative – franchises, joint ventures etc.

In order to achieve this, role-players in township and retail developments need to learn to work more together, more collaboratively, because there is clearly more space to negotiate outcomes than is often achieved (another acceptance of mediocrity?). Municipalities can and must be more pro-active in this process. Developers expressed commitment to such negotiations, but also cautioned that they are not a cash cow. Municipal and community expectations need to be realistic.

So how do we leverage or negotiate a broader agenda? A point was made that other stakeholders often abdicate these challenges to developers. But government is the one with the responsibility of pursuing the broader, development agenda, not developers (at least not in the first instance). We need to remind ourselves about what developers' and investors' primary objectives are: to seek profit. As the state, municipalities can be proactive and negotiate social, local economic and environmental good within a viable business proposition for these other stakeholders. Municipalities have control over other inputs such as land, infrastructure, regulation. Within reason, affordable housing, taxi ranks, parks, social spaces, preferential procurement and employment, mentoring, skills training and many others are all part of what can be negotiated with private roleplayers.

5. <u>A pro-active role for municipalities</u>

There was a strong call for municipalities to be more proactive in securing social, economic and environmental rights for society. Instead of waiting for private sector proposals and assessing them on merely technical criteria (density, parking, ratios, etc.), officials need to be more creative and understand the public developmental agenda so as to engage with proposals more meaningfully, and even direct development. Municipalities need to stay abreast of new urban development thinking, of the alternative models and hybrids spoken of earlier, and be willing and able to engage in negotiations with developers to mutual benefit.

Another theme was around ways that municipalities might assist developers – providing bulk infrastructure efficiently, handling land claims issues, zoning needs to happen sooner rather than later, being creative and flexible around parking requirements (i.e. in townships and rural areas), not approving more projects than can be sustained in a particular area, efficient processing of environmental impact studies, and so on - this is where money gets saved, and helps with viability of leveraging in private players.

Put directly by one of the participants, "Municipalities should:

i) Do what only you can do, and the developers will do the rest;
ii) Tell us requirements in advance and we will work it into our plans; and
iii) Think ahead so that you are able to engage with developers in terms of taking account of the needs of the poor."

The following key elements were identified as being key to making a development work:

- **Planning** – densities, bulk infrastructure, social services.
- **Regulatory framework** – there needs to be certainty upfront on conditions.
- Availability of **bulk infrastructure** – the municipality often doesn't know where the underground pipes are, and this costs additional time and money
- Predetermined **timelines** – municipalities need to be clear on how long the approval process might take, and should not add post-approval paperwork to the stated time.
- Making clear **decisions** and not equivocating or breaching these.

6. <u>Identifying and expanding the tools for negotiating maximum public benefit</u>

What are the instruments at the disposal of municipalities for negotiating broader or deeper development outcomes for townships? Examples of possible levers include:

- zoning
- land (but might be a limited instrument for other legislative reasons)
- infrastructure and other inputs
- influencing the conditions stipulated by financiers

The limited identification and use of levers possibly suggests a need to develop and refine the public sector's approach to negotiating a development agenda around township and rural retail centre developments.

<u>Final words:</u>

Although there has been a lot of activity in the sector over the past few years, there has not been enough learning captured from it. There may be an opportunity for the NDP and the TTRI to assist in capturing and share this learning.

Although the session discussed the models and 'the rules of the game' for retail-led development, developers and financiers are probably already looking beyond the current retail-led approach (which will inevitably peak) to new commercial opportunities in townships in the future. Public roleplayers need to be aware that the game might end or change while we are still talking about it!

Welcome and Introduction

I. Li Pernegger, Chief Director: Neighbourhood Development Programme

Given the objectives of the TTRI to promote township regeneration through developing people as township practitioners it is significant to note that ¾ of South Africa's population lives in townships. Yet township development is the responsibility of everybody and also of nobody. It is a big challenge. This colloquium is about retail development, and it could well be the first time in our history that we have this amount of information in one place at one time about township retail development. It is a type of development that the private sector is interested in, perhaps the only type of development they will be interested in in townships, even if many of us believe it is not the only type of development, or even the best one, for township regeneration. But it is important to tap into that energy, to understand it and use it to drive other forms of development in townships.

II. Geci Karuri-Sebina, Specialist: Neighbourhood Development Programme

Why are we having this event today? Retail is obviously an important theme. How significant is it? In a survey of our portfolio, we found that 32 of our 57 NDPG grantee municipalities have committed to retail-related interventions. This is significant because the NDP is committing R10B over 10 years to funding these municipalities for township development and a lot of that will go towards such retail development. In asking what challenges people are facing in pursuing retail we heard issues such as

- uncertainty about actual demand
- competing developments in the area
- location
- land issues
- constraints in terms of bulk infrastructure
- politics and other issues playing a role in planning for township development.

So this is a concern for township practitioners and officials involved in township development, and we felt it would be important for us as stakeholders to have the opportunity to discuss these issues and different models. And also to develop a language and a frame of thinking for how we strategically assess the feasibility of retail for development; whether they are priority interventions, what the negative implications are, what the positives are and how we balance those. But also to have a broad sense of how to plan retail interventions that are located within our strategic frameworks for township development. It is our view that more of these conversations need to be happening.

Case studies

III. Rob McGaffin (Urban LandMark) Township Retail Impact Study

A PowerPoint presentation is available separately. The presentation is based on market research undertaken by Demacon Market Studies

The key points made in the presentation are as follows:

Understanding the dynamics of a shopping centre:
There are 6 / 7 key perspectives -

i) Retail developers: They are the drivers of why we have as many centres as we do. Their objective is to increase the wealth of their shareholders and they do that by growing the value of the share price – by growing turnover and rolling out more stores.
ii) Property investors: To diversify risk across all investments, it is a relatively low risk investment (the national tenants are a safe investment – they pay rentals).
iii) Property developers: Looking for – suitable land, short-term finance (R15-R20 000 per m^2), they often on-sell after construction and population with tenants, profit when on-selling.
iv) Banks: Stipulate that 60-80% of shops must be let to national tenants because nationals can cross-subsidise from other stores.
v) Centre owners: They try to maximise income – highest rental without killing tenants. Low per m^2 rental from nationals, much higher from speciality stores, who have low turnover, large space vs. high turnover, small space, respectively. Need a minimum average rental of around R120 per m^2. Nationals also attract feet into the centres, so can drive a hard bargain.
vi) Tenants: There are certain thresholds out there based on customer market size, disposable income, percentage spend, level of competition around you, and drawing power of centre itself.
vii) Consumers: Will go elsewhere if they can't find what they want.

This business model has resulted in a dramatic increase in township centres in the last decade or so, huge growth in floor space, larger size centres as confidence and buying power increases.

Impacts
The survey covered six centres in a range of areas (rural, semi-rural, urban). The following impacts were determined:

- Impact on consumers: A large percentage of people were shopping outside of their area – high leakage across most case study areas. There was significant increase in local spending after the mall was opened.
- Local traders: Not much shift in consumer spending with local traders. Local traders tended to cluster around the retail centre.
- Time and cost: Both were significantly reduced after the retail centre was built, greater for rural centres.
- Levels of consumer satisfaction: Generally high levels.
- Offerings: High levels of credit, safe and secure, more affordable, greater quality, reduced travel and time.

Survey of local enterprises
What are key locational factors leading to success or failure? Safety and security, visibility, proximity to banks and other services, to residential areas and public transport, public facilities, people moving past their enterprises, low rentals. After development of centre – levels of local competition increased, proximity to public transport improved, pedestrian volumes increased. Access to banking centres remained the same, surprisingly. More than 2km from retail centre, the pedestrian foot count dropped, but increases closer to the malls. No major change in business type – suggests lack of ability to adapt. But was a shift from product to service delivery - hairdressing, cell phone repairs etc.

Performance indicators for small enterprises: - surprisingly little changed, no definitive outcome, varied per context. Impact in non-Metro areas more positive – mall acts as an anchor. Centres are a key factor that can influence small enterprises. Lack of business support and planning is evident.

Factors inhibiting move of small enterprises into retail centres: high rentals, reduced foot flow, inability to compete with the nationals, lack of business planning, few had a business plan, marketing plan or records – so no track record.

Key questions:
- What other impacts exist?
- What role can or should retail centres play from the nodal development perspective?
- Is it the correct model to put retail in these locations, and if so, what are the success factors? How do we define success?
- How much can we intervene in the model to create greater development opportunities without destroying the viability of the retail centre?

IV. Phumlani Mbulawa (SA Cities Network) Case studies of retail centres

A PowerPoint presentation is available separately. The presentation draws on case study work conducted by Clacherty & Associates.

The key points made in the presentation are as follows:

Overview of impacts of shopping centres, strategies to mitigate and amplify: Retail centres as anchors of development, retail centres are not necessarily the first point of development, there is often a cycle starting with residential densification, leading ultimately to urban renewal.

Key considerations for determining retail centre development: Location, potential market, availability of land, commitment from local government – infrastructure, refuse collection.

Impact on consumers: Reduced travelling costs, safer and more secure, quality of goods, access to baking services. Some negatives include higher access to credit.

Impact on local business: Increased number of consumers, increased security. Negatives – higher competition, shifting of buyers to malls, lack of flexibility.

Examples:

- Inzulani Centre, Limpopo. Good potential blocked by vested interests and agendas since 2005.
- Masingita. Positive – no disputes re ownership of land. Location – developed next to transport routes, commitment from local authority – infrastructure provided, market research was good.
- Blue Haze Mall. Began as a small centre, developers understood local dynamics, incorporated local traders and taxi operators.
- Thulani Plaza. Established in 1998, operates where thee are other centres, but not within 10km. Factors – good location relative to other centres, consumers need the services.
- Pan Africa Centre in Alexandra. Included local businesses within the centre, incorporated transport interchange. Nationals take up 80% but remaining for local tenants. The consultative process was thorough.

<u>Strategies for successful retail centre development:</u>
Keep bigger context in mind during planning. Must be context responsive. Be aware of vested interests. Market dynamics and potentials, understand it. Start small, allow for future growth. Ensure commitment from all role-players, long-term maintenance plan, adequate O&M. Provide ongoing training and support for development of local business. Implement a long-term M&E process.

Panel discussions

<u>Panel discussion 1 – Economic perspectives</u>

V. Setepane Mohale (Economic Development Department)

A key concern is how to generate decent work and sustainable livelihoods to deal with challenge of inequality, unemployment and poverty. Points that arose from the previous presentations must be weighed in this light.

Another issue is the sustainability of retail centre development as a driver of economic growth, poverty alleviation, employment creation. Consumer spending as a driver of economic growth (2004-2008) accounted for 67% of economic activity in South Africa and grew at 7.2% pa in that period. But this could just be a readjustment over the last 15 years and not genuine economic growth and development, which has been mainly consumer and credit driven. So I would like to pose further questions and ask the conversations to deal with the concerns.

So, if there is a limited employment effect of centres, what is their pattern of procurement? Construction, shops, where do they procure from? Not just locally. Are we displacing local manufacturing with imports? Can we leverage more from our local infrastructure? What are the conditions that we place upon people who would like to establish retail centres in such places, to achieve the objectives that Rob and Phumlani were suggesting. Instead the key concern of centre owners or managers is securing the anchor tenant. But what room is there to put other conditions in place? To demand from these business ventures?

Small business development – we referred to local enterprises that can't put together business plans etc. This is true for many SMEs, how do we tailor the services of business development agencies to address this? Currently the interventions are disjointed, very generic. How do they become more responsive?

VI. Dr Ivan Turok (HSRC)

The market research study that Rob and Phumlani commented on is helpful but there are some important gaps.

1. Striking is the scale of expansion of retail centres in neglected areas. But the question arises - has this growth in the townships mirroring the national pattern or greater or not - due merely to catch up?

2. Then the pattern of where the growth is taking place. – the report doesn't analyse why there and why now? Is it random and ad hoc? I suspect not. I would like a better understanding of the strategies of the developers – are they targeting neglect areas, areas with a large population base, low risk areas or are they driven by municipalities trying to seduce development into their areas? This is critically important for negotiations for a different kind of model or outcome for the townships - it affects the model that emerges and the potential gains.

3. The dynamics over time of these retail developments – we don't really know. Are we seeing a change in the composition of tenants, expansion, adapting of local

traders over time, these kinds of things we don't really know. An example is the nodal cycle graph. It is clearly utopian - has it been tested, is there evidence for it? Are there any centre closures? Are all successful?

4. The message that best summarises the report seems to be that the centres are attracting people to spend locally which would otherwise go out. This helps to explain why impact on local traders is modest. But the question is, what is the scale of diversion of spend? Is it 10% or 80%? And what is it on? Food, clothing, jewellery, white goods, services or repairs? This is important for further expansion or development of our retail centre in townships model, as we are calling it. Knowing this will help us build on it, and know how much we can develop more productive activities, add value to the retail centre developments, and how much scope there is for mutually beneficial agendas.

This mutually beneficial agenda could include three things:

- Recruitment and training of local workers, this increases local spending power, local jobs is a catalyser and we need to work hard with retailers for this.
- Building complementary services that attract feet to the centres – repairs, food, entertainment could enhance the value of retail centres.
- Suppliers, we should try to strengthen suppliers. We must try to be innovative – franchises, joint ventures etc.

We have leverage – putting in land, infrastructure, putting in services – we can negotiate.

VII. Dr Thami Mazwai (Centre for Small Business Development, UJ)

Commenting on a study done by Finmark about the viability of township enterprises using a scale of business sophistication from 1 to 8, highest is 8. They found that most township enterprises had turnovers had less than R150 000 pa and only about 17% of enterprises had turnovers of close to R500 000. In 2009 the Centre for Small Business Development did a study in 27 townships in Gauteng that reinforced the above findings. It found that that only 7% of had turnovers of over R1m while 93% were below R1m. That is the scenario we are dealing with, so please try to integrate these findings with the comments by the panellists.

VIII. Discussion:

Comment 1. When government is involved in a centre development then you can impose some conditions, that was the case with the Pan Africa Centre in Alex. The land belonged to the city, there was an agreement with developer, certain conditions were agreed – zoning to restrict size so that it would not impose too much on other retail activities in area, to accommodate informal traders into the centre. Experiences: informal trade, there was always pressure from the developer who is now operating the centre to reduce number of trading stores inside the centre because it might be too dominant and impact on formal trade in the centre. But we feel even more space could have been made available for those informal traders who were displaced from the area when the centre was built.

We also insisted upon the use of local people in employment in the centre. 80% of centre is external retail, 20% local. Pick 'n Pay is the anchor tenant, which has recruited 60% of new employees locally as part of the agreement. Mention was made of centres from 1994, but before 1994 it was artificial, there was no retail in townships. It is now being slowly normalised, so more work is needed to understand growth in retail in townships – is it as a result of normalisation or is it real growth?

Comment 2. Did the research note any linkage between big malls and suppliers or manufacturers in the local area? In townships we are beginning to get confectionaries, bakers, flower growers, veg producers who sell to the shopping centre so we retain more money in the area. Local manufacturers of costumes and regalia. If this linkage is not there there is a problem with sustainability and we are just going ahead with these capitalistic places. Before, you travelled to Durban to donate your R2B pa to the urban economy, now we are just coming to fetch it, saving you taxi money, but if local it is a catalyst for local economic development.

Comment 3. I agree that there has been a shift in purchasing patterns towards township retail centres. In some of these places tenants like Pick 'n Pay achieve a turnover of about R48k per m^2 which is about R10K over the national average. And one could pull in another $1000m^2$ of tenants tomorrow.

Regarding accommodating local businesses, most funding institutions will try to persuade centre managers to increase the number of local enterprises in the centre, but unfortunately many of them will need support and business training.

On employing locally: No large business like Pick 'n Pay will employ 80% of staff from local, they prefer to start with a lower % and grow it as skills grow. The national chains are good at this training.

On informal traders: There must be about 100 informal readers around Pan Africa Centre, 54 have been accommodated in the centre, and they now have electricity, toilets, etc. But those 54 sites have been taken by other people, also from the community and selling the same thing. So you see fruit and veg mostly, and some hair salons. This is a pity because there are many other opportunities. People do visit the centre because it saves them time, it is cost efficient, retail in townships should have been started a long time ago. Retailers do drive expansion in those township markets, and retail in the suburbs is almost saturated, which is why there is so much interest in townships and rural areas.

Comment 4. Regarding consumption and credit driven growth, which many regard as empty growth, can we leverage off that and stimulate the next wave, for example, stimulating production-based economies in the township of rural areas. Can we try to retain more of what is spent? So what is the next thing we should be looking at?

Secondly, regarding product offerings of small enterprises, we are concerned that there are large numbers of fruit and veg sellers in an area like a taxi rank, yet what I don't understand is why they come back every day? There must be some logic to it. Is there something that we don't understand about that logic? And can we work with that?

Reply: Rob McGaffin: The research wasn't set up to answer all the questions; it is helpful but obviously doesn’t go all the way. Yet it does address some of the questions raised. E.g. employment ratios – there is approximately 1 person employed per $30m^2$ of gross lettable area (GLA), which equates to about 55 000 jobs created in all of those centres. There has also been some product differentiation that has taken place. Procurement – not as high as we would hope for - 10-25% locally procured stock. Costs associated with the development of centres – although land is an important component of that and there can be disputes around ownership which can slow it down, but as a total % of cost land is often quite low, so local land owners can't expect to gain high leverage off that land. We need to temper our expectations on that score.

Reply – Ivan Turok: It is fascinating that retailers are driving this because of saturated markets elsewhere, so there must be scope to negotiate with retailers. Can we see who are the more innovative ones who are prepared to go beyond, maybe we should try to engage them. Are we trying? Linkages to get the added value. Are some of them open to franchises, joint ventures to share risk, transfer skills etc. and grow new people through enterprise development. Second, are government agencies involved in providing advice to local traders? Are we geared up to help people move beyond the survivalist imitation type activities to those which add more value?

Reply – Setepane Mohale: The 2007 IDC report, just to look at whether this growth is because of a backlog, or what else is driving it. They estimated about 1000 to 1500 shopping centres nationwide with only 60 in disadvantaged areas. But they found that these ones had about 4 times the trading densities of centres in established areas, generating about R40,000 per m^2 of turnover. Soweto alone generated R4.8B in retail expenditure (2007). Walter and Yondela, we have been discussing the issue of procurement, it's not as simple as it sounds, but it is a necessary next step in terms of sustainability. There is still room for local government to engage much more in this regard. There is a need for greater levels of engagement amongst various role-players.

Re levels of employment of local people – there is room for better planning, training can be started earlier, reduce the drag. Why can we not employ 80% levels of local people? Yondela – there must be some logic to fruit and veg – yes, clustering is a phenomenon around the world. Along Esselen Street – I once counted about 70 hair salons in one area, and they are all making some money, there is some logic to it, and there is probably some room to enhance the economic benefits of that. The example of the Curry Mile in Manchester, they pool marketing costs and purchasing.

Comment 5: If we say we should move in direction of local suppliers for malls, what about % mark-up? Would local producers have any chance of competing with large scale suppliers? Is there any research on that?

Reply - Rob: There is a lot of brand consciousness – 70% of people buy elsewhere to get brands. Another point – timing: when it's a booming market vs tough times. When you are trying to leverage and add value, you need to take account of the timing.

IX. Session summary – Geci Karuri-Sebina

We have begun an interesting conversation mainly around how we can derive greater public benefit from township retail developments, how we can negotiate added value. Some key elements of what we can negotiate are:

- jobs and local procurement
- skills training and support
- links to the supply chain

Tools for negotiation – we discussed some tools or mechanisms by which we might be able to negotiate a broader development agenda, but there are so few such tools. We discussed:

- zoning
- land (but might be a limited lever)
- infrastructure and other inputs
- conditions put forward by financiers.

But these are the only levers we have spoken of, which suggests that we may need to develop and refine our approach to negotiating a development agenda around township and rural retail centre developments.

We also spoke of what space we have for negotiation; for example if a development is fully private, then there may be less space, but if public and with full participation, then perhaps there is more room. If indeed these developments are typically driven by developers, then what room is there for negotiations, and shouldn't municipalities become more proactive in this? But this is just the beginning of the conversation. Let us see how it develops during the course of day.

Panel discussion 2 - Other development perspectives

X. **Dr Temba Masilela (HSRC)**

As the chair of this panel I need to take the organisers to task for calling us "the other" and seeing everything else as economic. There are other areas of development – social, education, various kinds of institutions in addition to economic ones, power relationships, gender issues. "The other" also includes the future. Banks might be obsolete in 5 to 10 years' time – what will replace them in malls? What about shopping malls and linkages with "other" functions – entertainment, churches. I am always struck when I go to a taxi rank and see all kinds of transactions taking place there and even evangelical churches – these are linkages we need to be aware of. Shopping malls are not about consumers but about people. We talk of economic transactions, but there are also social transactions.

XI. **Dr Miriam Altman (HSRC)**

I was involved in the Alexandra Renewal Project and was the one who negotiated the property that Pan Africa Centre is on. But I want to talk about elephants in the room. I am speaking as someone who has tried to do something special in a retail centre development. And I know that small retailers are going to be displaced, larger more efficient ones do come along. Let's put up a factory to grind the rice. In SA there are about 2-3M people who work in retail. It is an important source of employment, growth and demand. And improving access and reducing prices is incredibly important, even if it does displace some people. Yet there is a problem in SA with the way aspirations and attitudes arise in relation to inequality. The PAC land was bought with the public purse. In a highly unequal society, aspirations lean towards what rich people have, and why shouldn't they? So we always spoke of 40,000m^2 of shopping mall space.

There is a lot of pressure in this sector from developers. Marketing is very strong especially in rural areas, and there is a strong need for dynamic leadership in this context, we really did try to do something special. In Alexandra many policy makers saw Alex as a blight. We were trying to make them see it differently. There is a lot of economic activity, it is unusual, it was counter-intuitive. People thought it's a mess. PAC was on undervalued land so it represented an opportunity to bring new ideas in, bring on other kinds of activities to take advantage of the undervalued land that was there. So the concept was to do the minimum and try to turn places around. In that process. It is meant to give an indication that private sector should start buying in, lots of buyers existed.

In thinking about the aspirations, we were saying we can put in a shopping mall of a standard sort, but we said can we think about it differently. In SA today business development is an important goal. So we looked at alternative models and different logics e.g. Oriental Plaza doesn't have an anchor tenant, it is a destination in its on right. But we went ahead with another model. There was a lot of resistance to doing something special, but the core feature was the regional taxi rank that was about to be built. How can we leverage on that. Now there are all sorts of great services in that area, but is that all that could have been done. Was there anything else that we could have done? We could think in terms of bringing people in with a range of services – a health centre? Taxi repair services? Bringing people in for arrange of services and create a new destination. So those were the kinds of things we were trying to work out, but there was a lot of resistance to trying and being creative. And in our deliberations and practice in the future, perhaps we need to re-open those possibilities, to explore other models for retail centre developments in townships.

XII. Mélani Prinsloo (In-fusion)

I like the idea of imagination, creativity. We don't have the answers. We at In-fusion do contextual, participatory research. We look at people's context, what makes them happy, and work with that. We create a dialogue in that community towards business development. For example, the fruit and veg people who keep going back – do we understand their context, or do we assume business principles for them?

In trying to understand how business operates, they have money and business principles and it is a licence to <u>operate</u>, a machine that keeps on rolling according to the rules of the game. The society that they operate in, however, involves the participation of people, so there is the licence to <u>participate</u>. If we can bridge the gap between the licence to operate and the licence to participate the more chance there will be of sustainable practice.

Considering the licence to operate, companies come in and are forced to come into middle and lower end, but they bring 1st economy rules into the 2nd economy. They might try to buy a few products locally, but it's not a fully integrated model. If it were they would be more sustainable. We can't force models like that.

Now the licence to participate – consumers and smaller to medium businesses. How much do they need to make? Survivalists – we can't look down on people like that, they are the heroes of society, along the continuum up to entrepreneurs who will grow something. We need to apply our imaginations to how to develop fully sustainable business practices in a second economy context?

Companies that do realise the interplay between the licence to operate and participate are able to think differently about how they do business. For example, people who cannot afford to pay their home loan each month are automatically excluded, but if we could think of them not having to pay each and every month, just some of them when they have the means, wouldn't this be a more sustainable solution? It's just a different design. You can now text your name to an insurance company and buy life insurance for a few days, for example if you are going on a long taxi journey, when your risk is temporarily higher. That's a more sustainable way of operating. But if you think that people must pay life insurance forever, then you won't have those people as clients.

So these are just some examples of understanding people's contexts and providing them, through creative business models, with a licence to participate. It is complex, though, and there is no easy answer.

XIII. Dr Thami Mazwai (UJ)

I work in Soweto with the Centre for Small Business Development. We support small businesses. We have different departments and entities that deal with different aspects of development, but there is no broad line that binds them together. They are fragmented and uncoordinated. When you come into the township it is evident – a mall is being built, but what effort is there to stimulate local economic development? Do we understand the local economy - what skills are there, what can the people do to stimulate local economic development (LED)? So malls become huge complexes where people come, some jobs are created, but other smaller businesses shed jobs? Our research showed that small shops around the malls lost customers and some even closed down. Further away there is less impact. All the spaza shops near the malls suffered a heavy loss. So when we talk of LED we must have specific measures to understand employment, its extent, its sophistication etc. We find that in Soweto's R12 Billion economy, the top level of jobs commensurate with that size of economy don't seem to exist. So what is it we can do to address this as a university and a SBDC? Can we reverse leakage, make local entities more competitive? Because people will not buy out of patriotism, but to get value for their money. How do you get Soweto's spending power to develop Soweto's economy? One idea was to create better networks of artisans and other service providers because it is currently by word of mouth, so if there is a call centre that over 200 000 households can use it might boost local employment. What about undertakers? Are they able to buy local flowers? It's that kind of thinking. How do we concentrate on value adding enterprises in Soweto?

XIV. Discussion:

Comment 1. A question to invite a response from others: What has been said is that retail means mall development. No discussion of high street development, town centre development. Malls are reasonably new development in towns and cities, and we have always had high street retail. In township development we catapulted ourselves from no retail to malls. It is a new paradigm that is developer-led, but do smaller agencies have the appetite to take the lead in smaller developments that don't attract the mall developers? Is there research that suggests a future for high street development which still captures a significant part of the retail market in South Africa and it has a part to play in our townships.

Comment 2. Looking at the spatial aspect of the spaces we are designing and the public space that is being developed around these retail centres, here is where the informal and formal can interact. Also, what are we learning about the size of shops. E.g. where retail is extremely vibrant – the "chaos precinct", shops are subdividing into spaces that are extremely small, there is a lot of energy. What are we doing in townships to capture and promote that sort of energy? Let's investigate the hybrids between the formal and the informal. There seems to be an 'either or' in our thinking.

Comment 3. As an authority you are always pressurised towards what is economically viable or profitable and away from the social development agenda. Does retail-led development stimulate neighbourhood development? Urban space creation? It would be sad if we only stimulate further spending.

Dr Mazwai: We need to be thinking much more long-term than short-term. When you are planning a shopping centre in an area, has enough thought gone into maximising benefit and ensuring sufficient local participation so that only the branded shops take the money out of the local economy. At present the malls are just a station where the money goes to depart out of the township.

Mélani: We are exposed to mega projects in Africa. And it is useful to observe the Mozel project that used the development as a trigger and ask what is possible downstream from there? They created 28 SMMEs and 22 are still around 10 years later through an optimization of LED process. They used triggers for development that existed in that community.

Miriam: The Pan Africa Centre project thinking kept getting shut down because people wanted a big shopping mall with an anchor tenant, so they couldn't complete the exercise. We need more business entry and asset creation. There is a fixation on the internal market. We could be leveraging the external market, and capturing value from that, something that has strong linkages internally and externally (Alex is in the middle of Johannesburg after all) and we can try to get something that is 'propulsive'.

XV. Session summary – Geci Karuri-Sebina

We have been right to broaden the scope of this, the "other" panel. It has been a useful session because we have raised many issues that take us beyond the narrow economics of township retail developments. For example we have heard of value chains, but also *values* chains, which is a theme that featured strongly in the discussions. It requires us to think differently and creatively, to hold possible, different models for leading and conepualising development. But what actually happens within municipalities? Is there space to be creative – to include, as Mélani put it, the licence to participate? What space do we have to work differently?

Panel discussion 3 – Functional perspectives (local authorities)

XVI. Lodie Venter (Tshwane Metro City Planning Department)

We will be trying to give you more of a local government perspective. What's going on in the minds of officials when evaluating applications. A study done by GIBS in 2007 by Alfred Mthembu on Maponya Mall retail traders showed that about 60% of the people close by were negatively affected by the construction of the mall, but further away people were less directly affected. People generally found it positive. Spazas were the first to respond to that influence. They were severely impacted but they reacted by changing their products, for example providing goods for immediate use, providing credit, based on personal relationships. So there is a need to train spaza owners in strategic planning and budgeting, also how to adapt.

XVII. Saskia Haardt (Aspire: Amatole District Municipality Economic Development Agency)

Focus is on regeneration of small towns. Small towns – Stutterheim, 80km north of East London, and how they tried to be a little bit creative. We reviewed spatial development framework of the town, found the townships were not mapped, where the majority live, so started with redefining the urban edge, bringing people onto the service delivery map of the town. We identified it as a local node and did a community household needs assessment. The needs were not only commercial – there were issues of crime, education, health and other basic needs. Then we could ask how can we attract government that has service delivery on its agenda into that area, and it proved to be very difficult. E.g. police, municipal, library services, etc. were not present, and when these came in it made it easier to attract local businesses. No national brands are interested in small towns like that. So how do we attract local businesses – there are local businesses in the townships, and the owners mostly reside there. So we persuaded the four major businesses in the town to open outlets in the townships using mostly existing staff. The model includes having business mentors on site to help at every step.

As a development agency we play multiple development roles and also encourage participation of local people. Issues have arisen out of handing over the project to the local municipality so we still have to work through another layer of government, and also we discovered that the strategically placed land is apparently owned by about six local churches (but not registered), but we are now busy with negotiations with the churches. We also work with local councillors. But one was murdered, and with elections coming up will we still have the same leaders to work with?

XVIII. Solomzi Madikane (Overstrand Local Municipality: Economic Development and Tourism)

Our municipality is highly regarded, our ward system is working very well. You can’t compare townships with affluent suburbs. That is unhelpful. It is important to involve town planning department and get buy-in. That helps to get a quicker council decision. They also try to make the developments cater for and attractive to informal traders so that it becomes vibrant. Otherwise it can become a white elephant. In a survey they found about 110 economic enterprises, many of whom were fruit and veg types, but there were 110. Unfortunately, the law enforcers tried to close these down, so some kind of understanding and accommodation is needed. Strong and active community-based structures, these help with the planning process. In townships there is also a lack of vision and people don’t have an entrepreneurial mind. They copy, but don’t create. So a higher level of entrepreneurship is needed.

Then the idea of incubators and beehives of old models. Now we have new approaches based on better access to resources for training and mentoring as well as physical resources. Township branding – townships need to be seen as historic and cultural bases. So mosaics in central places created interest and craft markets emerged. They also created an area for local businesses – advertised, took applications, provided business training. And this is a small town, so all of these activities will surely have a positive impact.

XIX. Richard Dobson (Asiye Etafuleni, formerly with eThewkini Metropolitan Municipality)

I have five anecdotes I would like to share with you and then draw some lessons from:

i) I work with an NGO working with cardboard salvagers in Durban. When they were selling their material someone stole the float from the truck driver. The solution was that the women of the day donated their proceeds to the driver to make up for his loss. There are ways of being within society, within the informal economy which I think we don't understand and we need to be respecting and working with.

ii) A union of self-employed workers in India which has over a million members, about 3 or 4 weeks ago they were elected as vice president of the international trade union congress. So we are now moving away from the era of the superpowers and into the era of those who were left out. So I think in South Africa we need to be taking those international signals seriously and ask what is happening out there that we need to take note of.

iii) An incidental conversation with a vendor – asked him whether they patronise a particular shopping mall. And he replied that they don't – at the mall you will get six carrots, but at the informal market it’s 10 for the same price. So there is stuff here about real economics, so yes, a row of fruit and veg vendors in one area, they are coming back the next day and they are providing a real service.

iv) I asked a friend of that vendor whether she goes to the mall? She doesn't because they get mugged in the lifts. This is about urban management. Urban management is inward, about ourselves, not outward, and if it is outward, it’s punitive. So I am left asking whether they are contributing.

v) Xenophobic fears after the World Cup. One person was upset that the Somalis were being was being driven out of the Western Cape because now couldn’t get food for their children the next morning. So it's about convenience.

So what do these five stories talk about? They talk about real development challenges:

1. How can we as officials abdicate these real challenges to a developer? To someone who doesn't have the same mandate and commitment as someone within government whose responsibility is to look out for a wide range of stakeholders. To pass on the development mandate with public resources?

2. There is a lot of stuff that is unique to our context, if we could tap into it we could develop sustainability chains, so why should we settle for mediocrity by adopting an essentially American model of mall development when we could be doing so much more. I endorse those conversations where we called for more creativity and to explore other models.

XX. Discussion:

Lodie Venter: The crux of a mall plan is the retail study. Most seem to be a repackaging of the latest census figures. Isn't there a better way, perhaps of involving community members in this process? What are the panel's views?

Solomzi Madikane: In townships, it is critical to do community impact studies. Job creation, skills, capacity, local procurement, maximum use of local people. Development agreements are also important to ensure local development, and does it take place over an extended time? These two are essential for local sustainable development.

Richard Dobson: In SA we tend be either/or developers. We should be much more collegial because there is a whole lot more. We need a hybrid approach to the economy. Not first, second, informal. That keeps them marginalised. And that's what SA is great about. How far are we going to take it forward? Let's not settle for mediocrity.

Comment 1. How do we receive these retail studies and assess them? Is that the only way that local municipalities can work. Is there not a place for a local authority to assess the gap that exists for retail, office space, hotel space, and then to make value judgements for where these spaces should be located? Isn't this better than a passive waiting for the private sector and then to agree or disagree.

Comment 2. Municipalities must have SDFs but there are seldom made understandable to the municipalities so that they can use them. We don't really analyse our space, we don't coordinate land use management, LED, service development, we don't see that and it's a big gap in municipalities. The biggest challenge is how are we going to make sure in township development to do that.

Comment 3. It's useful to understand the conventional mall logic so we can understand the reports, also so we can better negotiate. A question to Saskia: We are often trying to solve all of the issues in a township within the township. And many of the things were done there for political reasons, with no economic rationale, with no better logic. So I am interested in your approach.

Saskia Haardt: Some of the projects they adopted were specifically to break down some of those structures e.g. a road and bridge, bringing back entertainment, green spaces, recreational spaces. There is also a CBD upgrade project. So we can market and brand the town itself. And housing for officials so they can remain in the town. And simultaneously sector stimulation in the timber industry.

Solomzi Madikane: We need to differentiate between the role of the private sector and municipalities. The municipality has a facilitative role and looks at infrastructure provision, what is the impact of that proposal on infrastructure and services? We are now trying to draw in the state into economic development but I think this is problematic. It can kill entrepreneurial spirit.

Geci Karuri-Sebina: Two observations. On creativity and the space for being creative – is there room in a municipality space for being creative? Is Miriam's experience typical? Is there room for that kind of discourse? Can we do high streets? Then, on the issue of the role of municipalities – what is the role, do you direct development or respond to proposals. What do they want to negotiate? It depends on the role they want to play. The NDP gives money to municipalities so that they can be quite directive, but is that correct? Do you see that as your role?

Comment 4. The SA government has a poor tradition of being creative – they are accustomed to a tradition of control and top down, so we need to create a culture of positive and creative planning. One barrier is national government. The MFMA (Municipal Finance Management Act) is a barrier. It blocks creative partnerships with private sector. So we need greater creativity, a culture of collaboration and working together.

Comment 5. I was worried when reference was made that it's important to fast track applications by developers. My own observation is that we tend not to be very informed about our own areas. So we might be rushed into making decisions that we might later regret. We might take them more by the need to impress the developer and not our own development objectives. So we need to have a bit of an appetite on the part of our politicians to do basic data gathering, we seem to lack that. We tend to know what is going on or our own areas. And about being creative, we are in a curious position now where we are about to start the IDP process and one creative way to do it would be to get this issue into the IDP. The politicians in office now are more interested in securing new terms, not so much in the IDP, so this is a window of opportunity to put things into the IDP.

Lodie Venter: Our perception in Tshwane is that retail equals conflict. There is the markets approach that wants to develop at a specific site, and the officials who often have a different site in mind. We have such a case where the market is almost saturated in one area so we put forward another area to the developers. So that's tension between spatial and monetary views. So a question around this creativity of officials is "Can we put forward different kinds of conditions for approval as opposed to the normal bulk, FSR, height, parking and those kinds of things and rather to expect some kind of payback from developers in exchange for the provision of bulk infrastructure, for example, in the form of affordable housing or a park or social spaces. What are your views on those?"

Solomzi Madikane: Not on that point, but on fast tracking applications: Durban in one year sent out an ad about a call centre and promised a meeting in 3 days and a decision in one month. That is creativity, not fast tracking. It's about identifying key areas of your development strategy.

Comment 6. I see the point about putting in conditions in the process and that's important and necessary, but a word of caution – how much can you expect? These are tight economic times - in 2009, only two shopping centres got finance from the banks.

Panel discussion 4 – Functional perspectives (Investors and developers)

XXI. **Mark Souris (Periscopic Property Management)**
A lot of my work has been with developers and investors. A developer is there to make money. But an investor wants to make even more money, but over a longer period of time. Most investors are listed funds. An investor relies on a management company, and the income is derived from rentals collected, and to minimise expenses. Property managers should be involved from the outset so that good design is ensured for maximum effectiveness and location. There are challenges in developments of shopping centres. Constraints for investors or developers are that municipalities don't have SDFs in place, so developers are quick to take advantage of that. In rural areas it gets complicated. Land ownership is complex.

Developers prefer to develop shopping centres, they are generally not interested in high street investments. The larger retailers drive this process, while smaller retailers are more interested in high street developments. Some of the negotiated requirements of developers are not practical and serve to drive them away. Taxi ranks are complex – e.g. in Jabulani, Soweto five taxi associations are vying for the rights, so nobody uses it. At Pan Africa, the taxi association is a law unto themselves, you can negotiate rules etc. and they ignore all of that, for example servicing fire extinguishers, servicing taxis, maintaining ablutions

In rural areas shopping centres are opportunities for entrepreneurs, it creates jobs, not only that, but new opportunities for sub-contractors, there is skills participation within the shops. They also start a nodal development. They bring events to townships that didn't previously take place, e.g. the Red Bull karting race. It doesn't cost R20 to go to an ATM to draw R200. They can walk there to do it. In Soweto there is a turnover of R900M p.a. from two centres with 1.2M people visiting there – surely the residents must enjoy those two shopping centres.

XXII. **Solly Mboweni (ABSA Commercial Property Finance)**
What do banks look for in terms of property development? As financiers we are almost like investors. We use bank money to lend so we can earn money from it. We take a long-term view, so the development must be sustainable for at least 10 years. We look for viability, it doesn't matter whether it is a suburb or township. We do a market study. We also don't look at it if you don't have that. There must also be interest from tenants. We like at least 70% national tenants and 30% for locals, or line stores. We fund 70% of value, so you need 20-25% of your own money. We also want ICR cover of 1.3 times – your net income needs to cover interest on the loan 1.3 times. We have had successes e.g. we funded Jabulani, Protea and Pan Africa, and were involved in various others.

Our experience of townships is different from the usual developments. For example, the parties that you need to include. There is an expectation from the local community that they own it, even if the developer bought it, so it is almost like a community centre, so you need to create community spaces. You also need to keep close contact with the local community forum and try to manage expectations of jobs and local procurement etc. But you have to deliver to the product to the policy holders. So close consultations and stakeholder involvement are critical. And this takes more time than is expected, with greater costs because of all the additional negotiations.

XXIII. Discussion:

Comment 1. I am interested in the work done by ABSA in Maake Plaza which is nearby. Considering that it is under the local authority, how did you get access to that land. And also one of Mark's projects – how did you get access to that land?

Comment 2. When Maake Plaza was funded I wasn't with ABSA yet. I am a financier, so I don't get involved in that process. But in another case in Mtubatuba, we found a good spot, we were working with a trust that looks after the tribal land (Ingonyama Trust), who were happy to sign a 99-year lease, but the local chief also wanted to be satisfied. Only to find after signing that we went back to square one. And at the end they didn't go ahead with it because we later discovered that a certain other person also owned the land and had the papers to prove it.

Comment 3. Mark mentioned that retailers are apprehensive to go to areas that are being developed as high street developments. Why is that, and what is the main pull to shopping centres? In a lot of developments planners are looking at mixed use, new urbanism models and alternatives but if the market is not for that it would be good to understand why.

Comment 4. My understanding is that in our rural situation the traditional authorities hold a trump card and they insist on being involved, even when multiple ownership exists. It has become critical to resolve this issue otherwise we might as well close shop.

Comment 5. We normally look at developers as people with heavy pockets, not knowing that they get their money from the banks so we will look at them differently. But to my main question, when looking at the market research and the potential of the community. But what determines that potential of a certain area for tenants to be willing or able to spend money there? You will find that after a few months some of the tenants are leaving the mall, so what role is the municipality supposed to play to support the mall and build the local economic capacity?

Geci Karuri-Sebina: What are the instruments that municipalities should use to get better value out of the shorter-term interests of developers and investors?

Mark Souris: Steve's question – a lot has happened in retail since the 1990s, as recently as 2005, the last 5 years have seen huge growth in centres. The national tenants are more happy to move into centres that are developed by established developers and property managers. Track record is very important. Security has become a big issue. High streets are harder to secure than closed malls, likewise open centres or town square developments. Parking in CBD areas in high street areas are impossible - in many places you just can't find parking. Those are the main issues in favour of centres.

Mark Souris: Viability of a development: Anything you plan has a time scale, after which it just costs money and you decide to walk away. So complexities in land availability are a key obstacle.

Solly Mboweni: Market studies: Everything has its elements, a list of people who get involved, the leasing guys, the people who give input on market studies, how to maximise your space etc. A market study is just one of those elements that tells you whether it is viable. Bankers are not qualified to carry out those kinds of studies so we rely on professionals. Another thing that comforts us is when the retailers begin to show interest because they will also do their homework.

Mark Souris: Over the last two years the failures have been mostly moms and pops stores, anything up to 50-60 m^2 stores are having a difficult time. And with above inflation increases in their expenses, many are going under: 2-3% growth with 8-9% rental increases is unsustainable.

Mark Souris: On conditions and instruments that add value. In townships in some cases the infrastructure doesn’t exist or is poor, so the developer is expected to provide that, but it's actually a local authority function. And then there are traffic studies, road widening requirements, drainage and so on. These things add up and all reduce profit and can reach a point of un-sustainability. So to now to expect further conditions makes it completely non-viable. But where the viability is there, developers are happy to look at parks, taxi ranks etc.

Comment 6. Our municipality hopes to use NDP grants to revitalise our township centre. From the investor perspective, is there any role that municipalities can play in influencing investors to get finance? It would also be nice to get a comparative perspective from the government funding institutions to know what you guys are looking for.

Solly Mboweni: Local government can help a long way (not influencing, as Leslie suggests) because when a project starts you have time frames and when the clock starts ticking it's costing money. So there are five or six things I can mention - bulk infrastructure, land claims issue, zoning needs to happen sooner rather than later, parking requirements according to standard specifications (which becomes wasted concrete that costs money and is not used in a township context), and planning. So those are the main areas where a local authority can help facilitate processes. Another issue is not to approve more projects than can be sustained in a particular area.

Mark Souris: Local council don’t have to assist developers or investors with finding money. It’s there. They need to help with environmental studies and speedy delivery of those areas. This is where money get saved and helps with viability.

Yondela Silimela: Municipalities – do what only you can do and the developers will do the rest. And tell us what your requirements are in advance and we will work it into our plans. And municipalities have a responsibility to think ahead so that they are able to engage with developers in terms of taking account of the needs of the poor. What does it take to make a development work?:

- Planning – densities, bulk infrastructure, social services.
- Regulatory framework – there needs to be certainty upfront on conditions.
- Availability of bulk infrastructure – the municipality often doesn’t know where the pipes are and that becomes an added cost and a time delay.
- Predetermined timelines – municipalities need to be clear on how long the approval process might take, and don't add post-approval paperwork to the stated time.
- Making clear decisions and not changing its mind.

Colloquium Programme

TIME	ACTIVITY	SPEAKER
8.30	**Registration**	
9.00	**1. WELCOME AND PROGRAMME OVERVIEW**	**Geci Karuri-Sebina**
	• TTRI welcome & introduction	Li Pernegger
	• Subject introduction and overview	Geci Karuri-Sebina
	2. PRESENTATIONS:	
	a. Township retail impact study	**Rob McGaffin**
	b. Township retail case studies	**Phumlani Mbulawa**
10.20	TEA	
10.30	**3. PANELS SESSION I: DEVELOPMENTAL PERSPECTIVES**	
	a. Economic Perspective	**Thami Mazwai**
		Setepane Mohale
		Ivan Turok
		Discussion
11.30	**b. Other Development Perspectives**	**Temba Masilela**
		Miriam Altman
		Mélani Prinsloo
		Thami Mazwai
		Discussion
12.30	LUNCH	
13.00	**4. PANELS SESSION II: FUNCTIONAL PERSPECTIVES**	
	a. Local authorities	**Lodie Venter**
		Solomzi Madikane
		Saskia Haardt
		Richard Dobson
		Discussion
14.05	**b. Investors & developers**	**Yondela Silimela**
		Mark Souris
		Solly Mboweni
		Discussion
15.05	TEA	
15.15	**5. SUMMATION AND CLOSURE**	**Sithole Mbanga**
	a. Highlights, Parking Lot & Conclusions	
	b. Recommendations	
	c. Event evaluation	
16.00	E.N.D.	

Speaker Biographies

- **SITHOLE MBANGA** is the Chief Executive of SA Cities Network and has been with the organization since 2002. Prior to joining SACN, Sithole was the Local Government Coordinator at the National Business Initiative (NBI) where he managed the national Effective Governance Programme from the NBIs KwaZulu Natal office which included extensive interaction with local government stakeholders. He has conducted capacity building training in Municipal Service Partnerships (MSP), and participated in the development and improvisation of DPLG's national policy on Integrated Development Planning (IDP). Sithole has also been substantively involved in a wide range of strategic initiatives including the Local Government Transformation Programme Management Information System (LGTP-MIS), the KwaZulu Natal Provincial Leadership Forum (PLF), and the Local Government Support and learning Network (LOGOSUL). His education includes an Honors in African and Global Politics and Economic Development, and he is currently enrolled in a Masters programme in Strategic Studies.

- **LI PERNEGGER** is currently the Chief Director responsible for establishing and running the Neighbourhood Development Programme, and the Partnership Grant, at the National Treasury. Previously she was the Programme Manager for Economic Area Regeneration projects for the City of Johannesburg's Economic Development Unit driving projects in areas such as Soweto, the Inner City, City Deep and various business areas. Li has also been a town centre manager for Dudley (UK), the manager of Economic Empowerment for Johannesburg, and practiced as an architect and project manager. Li has an Executive MBA from Birmingham (UK), and has been actively involved in development for over 20 years in both the socio-economic and built environment arenas.

- **GECI KARURI-SEBINA** is a Specialist in the Neighbourhood Development Programme where her responsibilities include oversight of the programme's M&E, research and learning agendas, and strategic support. She has worked with numerous knowledge organisations including CSIR, HSRC, and IERI in policy and development research and planning. Geci holds Masters degrees in Urban Planning and in Architecture & Urban Design, both from the University of California Los Angeles (UCLA). She is currently a doctoral candidate in innovation studies as an NRF SARChI fellow.

- **ROB McGAFFIN** is a town planner and land economist. He is the theme coordinator for market issues for Urban LandMark and lectures in the Department of Construction Economics and Management at UCT.

- **PHUMLANI MBULAWA** is Programme Manager: Productive and Inclusive Cities at the South African Cities Network. He holds a BSC Hons in Urban Engineering from the University of Pretoria, and is a qualified Civil Engineer. Phumlani has headed several URP Programmes in the Eastern Cape. Project Management and township renewal. He is passionate about uplifting communities, and contributing positively to the improvement of people' living conditions. Member of ECSA, SAICE, IMESA and SABTACO

- **THAMI MAZWAI** is a former journalist and editor, and heads the Centre for Small Business Development (CSBD) at the University of Johannesburg. His area of expertise is small business support strategies. He is an external examiner on small business support for a local university. Thami is a former member of the National Small Business Advisory Council and a former director of the Small Enterprise Development Agency. He holds a D.Comm from the University of Pretoria and an MBA from Henley Management College, United Kingdom.

- **SETEPANE MOHALE** is an economist and policy analyst with the Economic Development Department (EDD). She has a background in international relations and economics. Setepane has worked in policy development and analysis as well as infrastructure and development project assessment and finance.

- **IVAN TUROK** is a Deputy Executive Director at the Human Sciences Research Council (HSRC). He has been an expert adviser on localities, cities and regions to the OECD, European Commission and the UK Government. Ivan is a Professor of Urban Economic Development, University of Glasgow (1996-2010).

He is also an Honorary Professor, University of Cape Town (2009-2014), and is the author of over 100 academic papers and books

- **JUDI HUDSON** is project managing the FinScope Small Business SA 2010 survey, which builds on and expands the FinScope small business Gauteng pilot of 2006. This FinScope survey has been made possible through the participation of a funding syndicate comprising Swiss SECO, the dti, FinMark Trust, Business Trust, Tourism Enterprise Partnership, Standard Bank and ABSA. Judi lectures in political science at St Augustines College and is currently working on a political biography of Harold Wolpe.

- **TEMBA SIPHO B. MASILELA** is currently the executive director of the Research use and Impact Assessment (RIA) unit at the Human Science Research Council (HSRC), South Africa. His wide-ranging research interests include social policy, public management reform, social innovation, research communication, the research-policy nexus, and stakeholder engagement. He was the founding director of the policy analysis unit at the HSRC and was previously the executive director of the Policy Analysis & Capacity Enhancement cross-cutting programme at the HSRC. Prior to joining the HSRC in July 2006, Temba was a special adviser to the minister of Social Development, and previously worked in the areas of corporate citizenship and reputation management, journalism, and teaching. Temba holds PhD and MA degrees in development support communication from the University of Iowa, and a BA degree in economics and politics from the University of Nairobi.

- **MIRIAM ALTMAN** is Executive Director of the Centre for Poverty, Employment & Growth at the HSRC. This Centre develops innovative strategies to put employment centre stage in policy making and implementation. The research covers the macro-economy, trade and industry, government employment, youth employment, migration, labour markets, household food security and social policy. “Evidence-based Employment Scenarios” is CPEG’s flagship, drawing together top decision and opinion makers in business, labour, government and academia to identify how the targets of halving unemployment and poverty might be reached. From 2001 to 2004, Miriam was Convenor of the Economic Development sector of the Alexandra Renewal Project. Most recently, she was appointed as a Commissioner to the National Planning Commission.

- **MELANI PRINSLOO** is CEO of Infusion, a market intelligence knowledge and research organisation. Infusion strives to address information shortages in under-developed markets to assist with developing a license to participate for local people who take charge of their own development.

- **LODIE VENTER** is a Town Planner in the City of Tshwane's City Planning Department where he has worked for 22 years in total. Lodie holds an MSC (Real Estate) from the University of Pretoria.

- **SOLOMZI “SOLI” MADIKANE** has been based in the Overstrand as Director Economic Development and Tourism for the past 5 years. He has over twenty years community work experience focusing on participatory application to development, adult basic education and cooperatives. Soli was trained as a business Counsellor in the Howard University (USA) and placed with the Small Business Administration in Washington DC as a Howard University fellow. Soli joined the World Summit on Sustainable Development Civil Society Secretariat from 2001 – 2004 as the Executive Head: International Process facilitating International Civil Society inputs into the preparations for the Summit in 2002, and project managing the process outcomes at NASREC.

- **SASKIA HAARDT** has been with Aspire since 2007 and her main area of work is the regeneration of small towns along one of the economic corridors in the Amathole district. She facilitates this through urban upgrade & infrastructure provision as well as through sector stimulation. Saskia is currently focused on the regeneration of Stutterheim town, where she is managing the development of a Community Commercial Park in Mlungisi Township.

- **RICHARD DOBSON** is Project Leader at Asiye Etafuleni, and is an architect by profession. Alongside his commercial practice, he has continually engaged in the architectural challenges of under-development. From 1996 until 2006, he was employed by the eThekwini Municipality on various aspects of its inner city regeneration programme – chiefly, the regeneration of Warwick Junction. This major modal transport interchange is the thriving location of at least 5 000 vendors working in markets and public spaces. In 2008 he co-founded the NGO Asiye eTafuleni to further develop the lessons emerging from Warwick Junction. Over time the NGO hopes to enable vendors in public spaces, to become co-developers of these spaces, with their administering local authorities. The ambition is to encourage the emergence of a unique and contextually responsive South African urban aesthetic.

- **YONDELA SILIMELA** is the Asset Manager: Developments at the Public Investment Corporation (PIC) which is an investment management company wholly owned by the South African government. She has experience in local government (erstwhile EGSC and more recently the City of Johannesburg in the Planning Department) and national government, working with DPLG on the Urban Renewal Programme. The PIC, while operating in a manner comparable with any private sector asset manager, also works to contribute to broader socio-economic development. PIC is making significant investments in rural and township development by investing R2.5 billion in 26 retail developments. These include the first full-service shopping malls in Soshanguve, GaRankuwa and Tembisa in Gauteng, as well as in several townships in Mpumalanga province.

- **MARK SOURIS** is the Director: Retail at Periscopic Property Management (Pty) Ltd. Mark has 20 years extensive retail experience in both the fashion and general dealer industry, as well as 10 years in the retail and property management industry. Over the past 5 years he has been involved in various developments mostly in townships such as Soweto, Diepsloot, Alexandra, Thembisa, Sebokeng, Siyabuya, Botlokwa and Giyani. Mark served as an executive member of the Rosebank Management District and became Chairman in 2004 which is also the year he completed the Advanced Certificate in Shopping Centre Leadership through the University of Pretoria. He is currently a committee member of the South Africa Council of Shopping Centres for the past 2 years and is involved in their Security and Retailer Development initiatives.

- **ANDRE KRUGER** is a PPP Financing Specialist at Absa. He has been a banker for most of his career working within the corporate banking sphere as well as specializing in the provisioning of banking services to the public sector in Southern Africa. For the last number of years, André has focused on alternative service delivery (ASD) including public private partnership (PPP) projects, specializing in the conceptualization of major infrastructure transactions and the subsequent formation of private sector consortiums that tender for PPP and ASD infrastructure transactions. André has an MBA studies from the University of Pretoria, and has additional advanced qualifications including the Advanced Credit program at Chase Manhattan Bank, advanced Project Finance program by Euromoney, and an International Banking program at Lloyds Bank.