# ASSESSMENT OF THE IMPACT OF MDANTSANE URBAN RENEWAL PROGRAMME (2002-2007)

**BY**

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## DECLARATION

I, **Ntombentle Cordelia Peter** declare that this mini-dissertation submitted to the University of Fort Hare for the Degree of Masters in Public Administration is my original work, and that I have not submitted it to any other institution for degree or diploma purposes. I further cede all copyrights on this work in favour of the University of Fort Hare.

Signed

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**N. C Peter**

**Date:……..**

# DEDICATION

To my mother, Theresa Peter, who is my rock, source of strength and greatest inspiration in life.

Malibongwe !

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This study could not have been completed without the assistance of various individuals and organizations, some of whom I would like to mention.

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## ABSTRACT

The study sought to assess the impact of the Mdantsane Urban Renewal Programme (MURP) in Buffalo City Municipality from an analytical perspective of policy making, policy implementation, strategies and results of the programme. The aim was to analyse and evaluate the policy and implementation framework underpinning the MURP within the auspices of the national Urban Renewal Programme (URP). During the course of the study, literature was reviewed with the aim of contextualizing the study, especially given the 'controversies' associated with urban renewal interventions globally. As far as implementation is concerned, the institutional mechanisms, the cooperative government imperatives and the community perspectives are highlighted and reported on. Lastly, the study also proposed different policy and implementation options, as well as an implementation model. This model is advocated as an option for local government consideration with the aim of resolving the urban renewal problematique.

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# CHAPTER ONE

# INTRODUCTION AND GENERAL ORIENTATION

## 1.1 INTRODUCTION

Municipalities by their very existence and proximity to the communities, epitomise development. In a developmental state, municipalities are the closest government to the people, and carry a mandate to facilitate service delivery, reconstruction and redistribution. However, given the state of socio-economic inequalities across developing countries, municipalities bear the brunt of addressing underdevelopment pathologies and are expected to be continuously innovative in order to ensure sustainable development.

In South Africa, municipalities derive their developmental role from the Constitution of the Republic of South Africa, 1996 which, *inter alia*, states that, "…a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community" (section 153). In order for municipalities to play a meaningful role in their developmental mandate, they have to address the inherited social, economic and infrastructural backlogs and inequalities in a sustainable manner, while creating an economic climate that is conducive to investment opportunities and supportive of market forces. This also means finding alternative, innovative and transformative ways of service delivery, as basic services are the foundation of economic growth and development. Therefore, new policies, strategies, systems, processes and procedures have to be continually investigated, reviewed and instituted with the aim of inducing economic growth and redressing inequalities, poverty and unemployment.

It is almost fourteen years since the demise of Apartheid and its separate development policies, and unemployment and poverty are rampant in South Africa. The country is experiencing 'out-of-control' population influxes in urban areas, giving rise to urban poverty and unemployment, which eventually lead to a plethora of problems such as crime, prostitution and the uncontrollable mushrooming of informal settlements.

With the foregoing in mind, and taking into consideration the urban economic disparities, such as the differential levels of development and the state of poverty and unemployment in urban areas, one of the intervening policy instruments introduced by the government to address the status quo was the Urban Renewal Programme (URP). President Thabo Mbeki announced the URP in February 2001, during the annual 'State of the Nation' address. The aim of the programme was described as being, "…to conduct a sustained campaign against urban poverty and underdevelopment, bringing in the resources of all three spheres of government in a coordinated manner".

The South African cabinet mandated the Department of Provincial and Local Government (DPLG) as the national coordinating institution for the URP, but the successful implementation of the programmes was based on the involvement of provincial and local governments. The common features of the selected urban renewal nodes were that they had to be areas of severe neglect, where poverty and unemployment were endemic. Thus eight urban nodes were identified for the implementation of the URP. These included Alexandra in the City of Johannesburg, Mitchell's Plain and Khayelitsha in the City of Cape Town, Inanda and KwaMashu in the eThekwini Municipality, Mdantsane in the Buffalo City Municipality, Motherwell in the Nelson Mandela Bay Municipality and Galeshewe in the Sol Plaatje Municipality.

Since 2001 when the URP was launched, the implementation strategies, approaches and processes differed from one node to another. Within the context of URP, this research focused on the Mdantsane Urban Renewal Programme, hereafter referred to as MURP, using a case study approach. The experiences and outcomes from the study as contained in the recommendations are expected to go a long way in guiding the deconstruction and or re-engineering of the policy and programme towards greater effectiveness and rapid impact.

## 1.2. PROBLEM STATEMENT

Mdantsane is situated in the centre of Buffalo City Municipality about 20 kilometres, north-west of the East London Central Business District (CBD). It is one of the largest townships in South Africa, with an approximate population of more than 300 000 inhabitants (Census 2001, population 175, 783). Some of the inhabitants reside in formal houses whereas others reside in informal, squalid settlements.

Mdantsane has typical features of apartheid townships in terms of its urban planning (located on the periphery of a former Cape Administration Urban Node of East London), where cheap labour would be sourced for the thriving urban economy. There are extremely high levels of poverty and high levels of crime. There is a state of depleted formal engineering infrastructure that needed rehabilitation and upgrading. There is an acute shortage of formal housing stock, including the informal housing component. Furthermore, there are low internal economic opportunities because of its geographic location in the hinterland, away from the coast and harbour. Also, because of its history as a so-called 'Bantustan' or *de facto* 'independent state' in the former Ciskei homeland, there are low education and skills levels in the resident population.

Since 2001, Buffalo City Municipality responded to the policy directive of the President of the Republic of South Africa, and within a cooperative government framework, with its counterpart governmental partners - Department of Provincial and Local Government (national government) and Local Government and Traditional Affairs (provincial government) - embarked on a process of implementing the URP. The MURP was conceived as a result of this process and a lot of work has been undertaken by the programme since its inception.

However, seven years down the line since the launch of the national programme, poverty, unemployment, crime and other social ills are still rampant in Mdantsane. The population influx in the area has increased dramatically and the infrastructure backlogs have increased drastically. The investment confidence in the area is low and the economic hardships of the populace have become more embedded.

In addition, arising from progress reports on the MURP, interaction with various governmental, non–governmental stakeholders and consultations with selected members from the Mdantsane community, a range of questions arose. These required probity in order to ascertain the impact of MURP as a vehicle for social and economic transformation. These questions included the following:

1. Is URP in its current form addressing the crisis of poverty and unemployment in the Mdantsane area?
2. What is the nature of support and cooperation between the national and provincial governments to the URP within the municipality?
3. What is the form and extent of the municipality's responsiveness in the implementation of MURP and how do the community beneficiaries perceive the impact of the programme?
4. What policy instruments are there to check progress and evaluate the relevance of the programmes implemented under MURP?
5. Are the approaches pursued under the MURP, in line with the needs of the communities and the vision of local government?

These foregoing questions were drafted bearing in mind the developmental objectives on which the MURP was premised.

## 1.3. RESEARCH OBJECTIVES

Given the foregoing situational status, the research generally sought to analytically examine policy, implementation strategies and processes of the MURP with a view to deconstructing and or re-engineering its current frames of reference (*modus operandi*).

### 1.3.1 Specific objectives

The specific objectives of the study were to:

- analyse and evaluate the policy framework underpinning the MURP;
- assess the municipal specific responses to the local economic development plight of the Mdantsane community; and
- evaluate the cooperative government approach to the implementation of the urban renewal programme in Mdantsane with a purpose in mind to resolve the urban renewal problematique.

## 1.4. HYPOTHESIS

The study deducted its hypothesis from the various progress reports and public participation processes by the Buffalo City Municipality. The outcome of this deduction was as follows;

***The Mdantsane Urban Renewal Programme has not made any significant impact on poverty and unemployment since its institutionalisation at Buffalo City Municipality in 2002.***

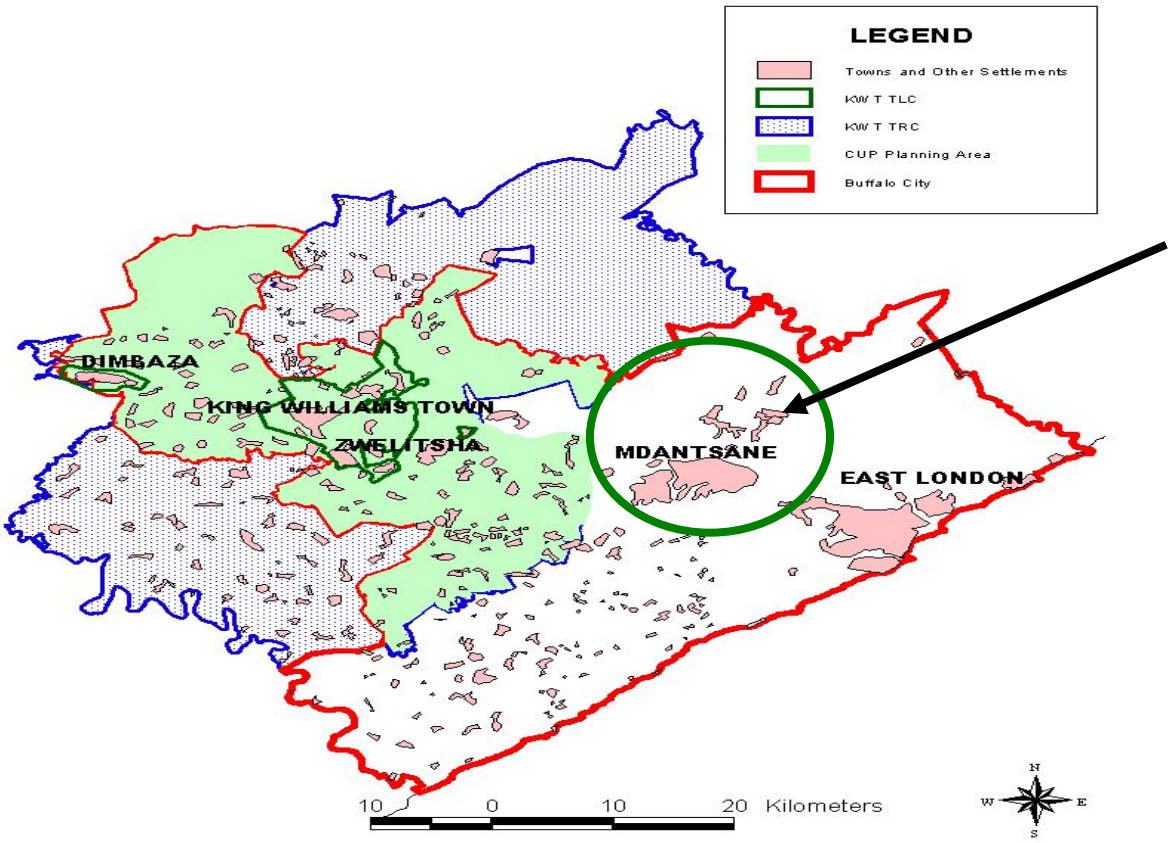
## 1.5. SIGNIFICANCE OF THE STUDY

Undertaking the study was seen as critical as it provided the much needed research-based facts that could enable policy makers to review their current policy positions within an open discussion. Apart from the policy makers, administrators and non-governmental stakeholders - who are key drivers of the urban renewal programmes - can also benefit, as they also have to re-align their operational plans with developments in policy .This is to ensure rapid developmental impact and public accountability in the implementation of their urban renewal programmes and projects. Furthermore, although the primary focus of the study was on Mdantsane, other URP nodes may also draw some valuable lessons and experiences learnt from the outcomes of the study, which in turn may be adopted into their own programmes.

## 1.6. DELIMITATION OF THE STUDY

The URP is a national programme with eight nodal points of implementation, Alexandra, Mitchell's Plain, Khayelitsha, Inanda, KwaMashu, Mdantsane, Motherwell and Galeshewe. However, for purposes of this research, the study was carried out in Mdantsane, Buffalo City Municipality. Buffalo City Municipality is comprised of East London, Mdantsane, King Williams Town and Dimbaza.

**Map 1:** Location of Mdantsane in Buffalo City Municipality




*Source:* Buffalo City Municipality GIS Maps, 2008

## 1.7. ETHICAL CONSIDERATIONS

Ethical behaviour is important in research, as in any other field of human activity (Welman *et al*, 2007:181). The study subscribed to the University of Fort Hare code

of ethics in research. As a result, and because of the nature of the study, consideration was given to the following key areas;

- Data and information integrity;
- Relationship with participants; and
- Public information management, reporting and dissemination

## 1.8 OUTLINE OF THE STUDY

The research report is presented in five (5) chapters.

The first chapter is the general introduction and orientation to the study, which is this chapter. It covers the background, problem statement, objectives and rationale for undertaking the study. In addition it also indicates the scope and ethical considerations.

The second chapter presents the theoretical and legislative framework of the study. Developmental theories underpinning the study are presented and argued. In addition, the concept of 'urban renewal' is discussed at length. Apart from that, the programmatic nature of the programme application in the South African context is discussed.

Chapter Three discusses the research methodology and design. The influences to the design, techniques, population and samples are justified while the ethical considerations are expounded. In addition, the data analysis techniques are discussed and justified.

In Chapter Four, the research outcomes are presented, argued and analysed. The findings are presented in a thematic fashion in order to guide the flow of arguments or issues raised. These findings are also presented in line with the approved research tools that were used to collect the data.

Chapter Five provides an overview, or summation, of the research background, objectives and actual findings. The recommendations regarding the urban renewal programme are also presented for consideration by the implementing authorities.

# CHAPTER TWO

# LEGISLATIVE AND THEORETICAL FRAMEWORK OF URBAN RENEWAL PROGRAMME

## 2.1 INTRODUCTION

Urban Renewal is a development planning philosophy that is widely adapted by many local governments across the world. The philosophy gained prominence as a public administration imperative in the 1940s and, over time, the concept has evolved into a policy instrument for radical socio-economic development in many local governments.

In the post-apartheid South Africa, the concept of urban renewal took centre stage in the 'State of the Nation' address by President Thabo Mbeki in 2001, when he announced the Urban Renewal Programme to be implemented in identified key nodal centres of the country.

In this chapter the legislative and theoretical frameworks underpinning the Urban Renewal Programme will be outlined with the aim of elucidating this crucible phenomenon, which has since been implemented by various participating local municipalities.

## 2.2 LEGISLATIVE FRAMEWORK

The attainment of democracy in 1994 presented South Africa with a mammoth task of dealing with the legacy of apartheid which *inter alia,* had promoted separate development, socio-economic inequalities and an unequal dual economy.

The country required radical legislative and policy reforms in order to heal the visible scars of the past and as such the first major milestone in policy making was the formulation and adoption of the *South African Constitution of 1996* as the crucible for addressing the imbalances and inequities of the past.

The *Constitution of the Republic of South Africa, 1996* is revered internationally as a model policy for progressive democracy and development. It sets out the framework and principles through which the development of the country should be pursued, and its supremacy in law is realised through the application of the doctrine of *trias politica* (separation of powers), a model of governance and democracy coined by Montesquieu (Gildenhuys and Knipe, 2000:7).

Within the cooperative government framework, the local government sphere of government is the closest government to the people and it is constitutionally mandated to pursue development at grassroots level. In terms of section 152 (1) of the *Constitution, 1996*, the objects of local government are –

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organisations in the matters of local government

The *Constitution* further mandates municipalities to structure and manage their administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote social and economic development of the community (section 153 of the Constitution, 1996). In addition, section 195 (1) (c) states that, "public administration must be development – oriented".

While the *Constitution* provides the grand framework for the development mandate in the country, in terms of section 164, any matter concerning local government not dealt with in the *Constitution* may be prescribed by national legislation or by provincial legislation within the framework of national legislation. However, for the purposes of discussing the legislative imperatives of urban renewal in the context of development planning, the *White Paper on Local Government, 1998*, the *Municipal Systems Act, 2000* and the 'State of the Nation' address, 2001 are highlighted hereunder.

The *White Paper on Local Government, 1998* expatiates on the developmental mandate of local government in South Africa and defines the working definition of 'developmental local government' as follows;

*Developmental local government is local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives.*

According to the *White Paper*, given the state of development in the country, the key outcomes for developmental local government include the following:

- Provision of household infrastructure and services;
- Creation of liveable, *integrated cities, towns and rural areas*;
- Local economic development; and
- Community empowerment and redistribution.

The *White Paper* highlights that apartheid planning left deep scars on the spatial structure of the South African cities, towns and rural areas, and the lives of millions of individuals and households (White Paper on Local Government, 1998:28). It then suggests that the spatial integration of settlements be viewed as critical, as it will enhance economic efficiency, facilitate the provision of affordable services, reduce the costs households incur through commuting, and enable social development.

In the *White Paper*, spatial integration is also positioned as central to nation building, to addressing the locational disadvantages which apartheid imposed on the black population, and to building an integrated society and nation. Furthermore, it is recommended that local government can play an important role in promoting job creation and boosting the local economy through public spending, investments and procurement opportunities, efficient service provision and providing incentives favourable for economic growth (White Paper, 1998: 28).

In terms of section 11 (3) (b) of the *Municipal Systems Act, 2000*, a municipality is mandated to exercise its legislative or executive authority by promoting and undertaking development. Furthermore, section 23 of the Act states that, "a municipality must undertake developmentally – oriented planning so as to ensure that;

- it strives to achieve the objects of local government set out in section 152 of the Constitution;
- gives effect to its developmental duties as required by section 153 of the constitution; and
- together with organs of the state, contributes to the progressive realisation of fundamental human rights contained in the constitution.

According to section 24 (2) of the *Municipal Systems Act*, municipalities must participate in national and provincial developmental programmes as required in section 153 (b) of the *Constitution*. In line with these provisions, the President of the Republic of South Africa announced the Urban Renewal Programme as a focused developmental policy initiative aimed at promoting socio-economic integration and rapid transformation in the so-called 'townships', in selected urban municipalities within the country.

## 2.3 THE THEORETICAL UNDERPINNINGS OF URBAN RENEWAL

Urban renewal has its theoretical roots in development planning. Development Planning is a rather abstract facet of public administration which derives its conceptual anatomy from developmental and planning theories. On one hand, 'development' can be explained as a process of moving forward, self improvement and progress. It describes an existing situation that is turned into an improved, enhanced and advanced situation (DED, 2007:5). On the other hand, 'planning' is an organisational process of creating and maintaining a series of actions to achieve a specified outcome (http://en.wikipedia.org/wiki/planning).

Planning is one of the functions of public administration. In 1937, Luther Gullick coined the word POSDCORB and each letter was assigned a different connotation for public administration, namely:

- P-Planning
- O-Organizing
- S-Staffing
- D-Directing

- CO-Coordinating
- R-Reporting
- B-Budgeting

According to Gullick, organizations exist to achieve the goals. Someone has to define the goals, and the means to achieve them. The planning function encompasses defining organizations' goals, establishing the strategy for achieving the goals and developing a comprehensive hierarchy of plans to integrate and coordinate the activities.

Development planning in the context of public administration can, however, be viewed as a process of planning for social, cultural, economic, spatial, rural and urban development. The concept of urban renewal is a cross cutting phenomenon that impacts on the social, cultural, economic, spatial and urban planning milieu.

In South Africa, as already discussed in the legislative framework, local government strives to implement its activities within the constitutional doctrine of developmental local government. One of the incentives to achieving this mandate is the policy process of Local Economic Development (LED).

The practice of LED, as it is implemented within South Africa, has its roots in the *Alternative Theories* of development. According to Brohman (1996:204), this approach advocates development that is 'people oriented', and it is focused on:

- the universal provision of basic needs;
- the promotion of social equity;
- the enhancement of human productive and creative capabilities; and
- the capacity of communities to set and meet their own development goals

The approach is aimed at the satisfaction of basic human needs and desires, particularly at the local community level and the development projects are targeted to build people and empower them to ensure sustainability.

Any LED approach acknowledges the autonomy of the local government and its ability to facilitate development. Thus, the objectives of these interventions are to encourage local participation and consensus building in determining economic and social welfare initiatives for the community. While focusing on the local economy and the importance of local ownership of the development process, the strategic approach concurrently views development within the context of the governance and civil society on all levels (National Framework on LED in South Africa, 2006).

Urban renewal as a programmatic intervention gained prominence in the public administration arena in the 1940s when the United States government introduced a Housing Act which provided local renewal agencies with federal funds and the power to condemn slum neighbourhoods, demolish the buildings, and sell the cleared land to private developers at a reduced price (Hambleton, 1978: 141). In addition, the Act made provision for the relocation of slum dwellers to decent, safe and sanitary housing.

The nature and form of urban renewal has evolved significantly over the years, and today many countries across the world are implementing these programmes within the contexts of their various situations. It should, however, be noted that in most western countries the implementation of urban renewal has always been followed by controversy because of the objectives, methods and outcomes. In South Africa, the programme has been implemented under a different guise, as it is seen as catalytic intervention for local economic development in urban areas which were previously subjected to separate development policies under apartheid.

### 2.3.1 DEVELOPMENTAL LOCAL GOVERNMENT IN SOUTH AFRICA

South Africa is a developmental state. Many South Africans still reside in marginalized poor areas which bear the brunt of the past underdevelopment legacies, sustained previously on non-viable incentives to promote the aims of separate development. These areas are characterized by high unemployment, poverty and huge backlogs in basic service delivery. This harsh reality calls for a developmental agenda that seeks to redress the imbalances of the past and at the same time guarantee sustainability and growth. Therefore, the *Constitution of the Republic of South Africa,*

*1996* determines this agenda through the advocacy and prescription of a developmental state.

Local government is the site through which the impact of development is tested. As such, the local sphere of government is structured in such a way that it can effectively facilitate grassroots (community) development. The *White Paper on Local Government (1998)* advocates: "Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives."

LED has been singled out as the key tool to unlocking local socio-economic developmental potential at a local government level. The *White Paper on Local Government (1998)* states that, "…the powers and functions of local government should be exercised in a way that has a maximum impact on the social development of communities – in particular meeting the basic needs of the poor – and on the growth of the local economy."

However, whilst the *Constitution* places a greater responsibility on municipalities to facilitate LED, schedules 4b and 5b of the *Constitution* which addresses the competency of local government do not include LED. In many instances, it is therefore viewed as an unfunded mandate. However, municipalities are encouraged, through their sphere of influence, to play a connecting role, whereby they draw resources, locked in a range of different government and non-government support instruments, into their localities.

As stated by Rogerson (2004:10-12) LED is now viewed as being of central importance in addressing the objectives for sustainable development. It is undoubted that the post-apartheid South African economy has been characterised by relative stability and positive growth. The economic growth has been projected at between 3% and 6% and in some quarters of the country, these targets have been surpassed (Msengana-Ndlela, 2006:2). However, the question as to what extent the economic growth and stability has contributed towards social transformation, remains a subject of much critical debate.

In line with the Millennium Development Goals (MDGs), the South African Government is committed to reducing unemployment and poverty by half, in the second decade of democracy. This requires an economic growth rate of around 4.5 per cent between 2005 and 2009 and an average rate of about 6 per cent between 2010 and 2014. Much has been set in place at the macro economic level to achieve this. Although there is still work to be done at the national level, far greater challenges need to be addressed at the local level. However, the government has since introduced the Accelerated Shared Growth Initiative – South Africa (ASGISA) as the enabling policy instrument to achieve the desired growth and development.

The Industrial Policy process indicates that many of South Africa's economic problems and potential solutions lie in the area of micro-economics. Government is challenged in both the targeting and the managing of micro-economic initiatives. There is a tendency for these either to be mismanaged, resources wasted, or to be hijacked by specific interest groups. The response to this challenge is to use resources to create conditions which stimulate and enable the general environment in which business is done. Where specific initiatives are required, these should be designed to favour enterprises and social programmes that can demonstrate a clear and unambiguous focus on growth.

### 2.3.2 UNBALANCED GROWTH THEORY AND THE DUAL ECONOMY IN SOUTH AFRICA

In the 1950s Hirshman was one the first theorists to describe a development strategy, based on the concept of geographic growth centres (Malaiza and Fresser, 2000). He argued that, in order for an economy to increase income, it must first develop within itself one or more 'regional centres of economic strength' termed 'growth points' or 'growth poles'. In Hirshman's view, some degree of interregional and international inequality of growth is inevitable, but indeed beneficial. He termed the spread of growth from the centre to peripheral areas as the 'trickling down of progress'.

Hirshman's unbalanced growth theory is particularly applicable in South Africa for the reason that the country has a distinct 'dual economy'. Since early 2000, the government's approach to socio-economic development has been shifting into a new

paradigm of economic thinking, which can be expressed as increased focus on the identification that there are two distinct economies in the country, i.e. the first and second economies.

During the State of the Nation address of February 2004, Mbeki categorized the dual economy in South Africa. According to Mbeki, the 'first economy' is modern, producing the bulk of the country's wealth and integrated within the global economy. The 'second economy' is characterized by underdevelopment, contributing little to the Gross Domestic Product (GDP), containing a big percentage of the country's population, incorporating the rural and urban poor, structurally disconnected from both the first and the global economy, and incapable of self-generated growth and development.

Mbeki further stated that the two economies were interdependent, and both required the intervention of a developmental state aimed at further enhancing the competitiveness and global connectedness of the first economy, while facilitating the development and integration of the second economy into the first. Thus, the second economy cannot achieve growth and development without transfers of large and sustained human, financial, and technological resources from the first economy. The first economy cannot realize its full potential, nor guarantee the social stability it needs, in the medium term, unless it achieves growth, and ensures the integration within its sphere of operation, of the majority of South Africans imprisoned within the second economy.

According to Hirsch (2005: 234), the effect of the introduction of the 'two economies' paradigm in mid-2003 was to refocus the attention of the government and the African National Congress (ANC) on the persistence of poverty and inequality. Hindson & Vicente (2005: 6) argue that this dual economy theory, and its applicability in the South African context, is best described through the work of Lewis (1954).

Accordingly, Lewis sought to explain economic development in economies with relatively small "capitalist sectors" and large "subsistence sectors". Low productivity levels in the subsistence sector would mean that labour supplies to the capitalist sector would be "unlimited" at a fixed wage, tied to earnings in the subsistence sector.

Growth in the capitalist sector is then fuelled by reinvestment of the "capitalist surplus" which derives from the difference between the marginal productivity of labour and the wage rate in the capitalist sector. The wage rate is then held down until labour surpluses in the subsistence sector are eliminated by growth in the capitalist sector. When this happens, a turning point is reached when the gap in labour productivity in the two sectors closes and wages start to rise (Hindson & Vicente, 2005:7).

The applicability of the Lewis model to South Africa was tested in research undertaken in the 1970s (Hindson, 1974: 9-42). It was found that capitalist development, at its origins, faced labour scarcity, not surpluses. Surpluses of unskilled labour were the deliberate creation of a state that used force to impel black labour to enter labour markets in white commercial agriculture, and the mines. A contradiction of the apartheid system was that it also induced labour shortages – in the market for skilled labour. Job reservation and urban influx control laws were used in the urban areas to protect white labour from competition from black labour, thereby leading to high wages for skilled white labour, notably in the manufacturing sector.

On 24 August 2003, President Thabo Mbeki wrote the following lines in his weekly letter in the ANC's electronic newsletter; *"...It is sometimes argued that higher rates of economic growth, of 6 percent and above, would, on their own, lead to the reduction of the levels of unemployment in or country. This is the part of a proposition about an automatic so-called trickle down effect that would allegedly impact on the 'third world economy' as a result of a stronger 'first world economy"*.

He further asserted that, none of this is true. *"The reality is that who would be affected positively, as projected by these theories, would be those who, essentially because of their skills, can be defined as already belonging to the 'first world economy'*. The task faced by South Africa, therefore is to devise and implement a strategy to intervene in the 'third world economy' and not assume that the interventions to be made with regard to the 'first world economy' are necessarily relevant to the former. The purpose of these actions to impact on the 'third world economy' must be to transform this economy so that its underdevelopment and marginalization is eliminated. (Mbeki in Hirsch, 2005: 233).

Thus, both state policies and market pressures have worked against the model proposed by Lewis. Capitalist growth in the South African context has not automatically absorbed labour surpluses, and is currently taking a form (capital deepening) that adds as much to the problem of growing unemployment and poverty as it does to its solution.

Therefore, in terms of priority, government intervention is being directed towards the second economy in pursuance of integration with the first economy. A number of initiatives, particularly through the macro-economic policies, such as the Accelerated Shared Growth Initiative – South Africa (ASGISA), the spatial development policies (National Spatial Development Perspective), Provincial Growth and Development Strategies, Urban Renewal Programmes and of late the District Growth and Development Summits have all honed the strategic intent of government to integrate the two economies by injecting government spending in the second economy.

### 2.3.3 LOCAL ECONOMIC DEVELOPMENT AS A DEVELOPMENTAL PHILOSOPHY

Naidoo (2006:480) argues that in order to give maximum effect to the aspirations of a developing state, there is a need for a more qualitative critical assessment and understanding of the state which will lead to proper categorisation, and proper and relevant developmental interventions. Naidoo further reflects on the origins of a developmental state, the need for economic transformation and the crucial role the state must assume in mobilising and catalysing resources towards national developmental priorities.

In the mid nineties, the newly elected African National Congress-led government introduced the Reconstruction and Development Programme (RDP) and Growth, Employment and Redistribution (GEAR) as developmental policy frameworks for the country. The RDP policy was inclined towards pro-poor social security and basic service delivery provision, while the GEAR policy was a macro-economic policy that sought to promote investment, on the premise that it would lead to a trickle down value chain through increased job opportunities which would eventually lead to poverty eradication and reduction in the unemployment rate. These two policy

directives were implemented concurrently. One of the policy instruments that emerged during the implementation of these policies was the Local Economic Development (LED) phenomenon. Though an old approach to economic growth and development in terms of the global context, as well as in the South African history, this concept has grown to position itself in the lexicon of the developmental state of South Africa.

According to Canzanelli (2001:3), Local Economic Development is a process whereby the local actors shape and share the future of their territory. Canzanelli further agues that LED could be defined as a participatory process that encourages and facilitates partnerships between local stakeholders, enabling the joint design and implementation of strategies, mainly based on the competitive use of local resources, with the ultimate aim of creating decent jobs and sustainable economic activities.

LED encompasses a range of disciplines, including physical planning, economics and marketing. It also incorporates many local government and private sector functions, including environmental planning, business development, infrastructure provision, real estate development and finance (World Bank, undated).

Since 1994, however, there have been coordinated efforts to diffuse more widely the practices of LED in South Africa through the formation of a national framework for supporting LED. As the impetus for driving LED shifted to the level of national government, there has been a notable change in the priorities for LED interventions. At the heart of developing a national framework, LED has been the key activity of the national Department of Provincial and Local Government DPLG which is the leading national department with the mandate for LED policy formulation. Through the frameworks that have been evolved by DPLG there has been a marked shift, progressively towards adoption of a more pro-poor focus in South African LED interventions as a whole.

Recent studies conducted by the Development Bank of Southern Africa (DBSA), suggest that the results of municipal-driven LED interventions in South Africa to date have been mixed (DBSA, 2008: 2). This is largely due to the following factors:

*A focus on projects rather than strategy:* Many, particularly smaller municipalities, have adopted an *ad hoc* project-based approach, rather than developing a comprehensive, integrated strategy. This was fuelled in part by the terms and conditions of the DPLG LED Fund which has now been incorporated into the Municipal Infrastructure Grant.

*Different understandings of what constitutes LED:* As LED increasingly became associated with *ad hoc* micro-level projects, it increasingly lost efficacy as a sustainable development tool. The result was that some municipalities – notably the Metros – rejected LED in favour of economic development strategies, which they saw as more comprehensive and operating more at the municipal/macro level. Examples of these types of strategies are to be found in the City Development Strategies adopted by most Metros under the auspices of the South African Cities Network.

*Constraining paradigms:* Even where comprehensive, integrated strategies have been employed, driving paradigms have often limited impact, resulting in an inadequate balance between pro-growth and pro-poor interventions. Even in cases where some balance exists, the strategies that have been developed are often inadequately spatially referenced, with the result that apartheid settlement patterns have yet to be comprehensively addressed. In addition, government and LED practitioners are still grappling with the challenge of understanding and developing appropriate strategies to address the informal economy and associated livelihood strategies that often buck against rational planning frameworks and paradigms.

*Lack of integration of development strategies across government spheres:* Strategic and planning integration within government entities at all levels, as well as between spheres and agencies of government, remains a major challenge, significantly impacting on the efficiency and efficacy of development initiatives.

The question then arises as to whether, in the evolution of the South African developmental state, LED was the most appropriate policy tool to deal with poverty and unemployment.

### 2.3.4 URBAN RENEWAL PROGRAMME FOCUS

The rate of urbanisation in South Africa is increasing at a tremendous rate. Urban areas have an inevitable pull factor syndrome because of the opportunities that they present. Today all urban nodes in South Africa are distinguishable by growing numbers of informal settlements, traffic and human congestion, rising numbers of indigent households, high unemployment and poverty, as well as scarcity of basic services such as water, electricity and sanitation in the peripheral informal settlements.

Rogerson (1996: 167-179) points out that there are limited possibilities in using the informal economy as a means of resolving the pressing issues of poverty in South Africa's cities. Rogerson's assertion came at a time when South Africa had just initiated a transformation agenda based on RDP and GEAR prescripts. However, concurring with some of the findings of Rogerson, in early 2000 the national government responded by introducing an Urban Renewal Programme that aimed at transforming the informal economy and integrating it with the mainstream economy. This programme was targeted at significant urban nodes of South Africa in order to lessen the impact of urbanisation in these areas.

According to the National Urban Renewal Programme: Implementation Framework (Undated: 4), the focus on urban nodal areas is based on a recognition that poverty is increasingly urbanising. The population of South Africa is now predominantly urban, with 58% of people residing in urban areas. This is projected to increase to 64% in 2030. The three major metropolitan areas of the country, Cape Town, eThekwini (Durban) and Johannesburg, which also have the three biggest Urban Renewal Programmes, account for around 30% of the national population.

It is argued that at least 40% of those residing in the urban areas are defined as poor (DPLG, undated). The DPLG further estimates that the majority of South Africans live in towns or cities, and as many as 16,5 million people (some 37% of the country's total population), live in the 9 largest cities, on less than 2% of the country's land area. The 9 largest cities account for 63% of the total Gross Domestic Product (GDP) of the country.

According to the DPLG (undated), many urban-based municipalities are struggling to handle the impact of increasing urbanisation and the concomitant challenges of promoting economic development and addressing poverty. These challenges require a targeted range of interventions that will arrest urban poverty and maximise the potential of urban economy and social development for the country as a whole.

The Urban Renewal Programme is therefore designed on the expectation that it will respond to the afore-mentioned challenges and, importantly, contribute to an improved understanding, by all in government, of the conditions of urban poverty, and how to address these with appropriate policies, programmes and systems.

Eight urban nodes were thus identified for the implementation of the URP These were Alexandra in the City of Johanesburg, Mitchell's Plain and Khayelitsha in the City of Cape Town, Inanda and KwaMashu in the eThekwini Municipality, Mdantsane in the Buffalo City Municipality, Motherwell in the Nelson Mandela Bay Municipality and Galeshewe in the Sol Plaatje Municipality (http://isrdp.dplg.gov.za)

## 2.4. CONCLUSION

The foregoing chapter has focused on outlining the legislative, theoretical and contextual imperatives of urban renewal. Constitutional and legal framework for implementing development-oriented interventions was discussed, and the mandate, specially bestowed on local government to spearhead grassroots initiatives in development, was positioned.

The theoretical foundations for urban renewal and the discourse of development planning was advocated, while the contextual paradigms of local economic development were positioned as the anchor and philosophy for implementing urban renewal in South Africa. In addition, controversies surrounding the concept, particularly in the western countries (developed countries) were also raised.
The chapter also highlighted the informants of urban renewal, based on the local economic situational analysis and the framework for implementing the Urban Renewal Programme. In this manner, the dilemma of the dual economy in South Africa was established.

# CHAPTER THREE

# RESEARCH METHODOLOGY

## 3.1 INTRODUCTION

Undertaking research work on the Mdantsane Urban Renewal (MURP) is both appropriate and critical. It will undoubtedly add value to the review of policies and implementation strategies of the programme. In order to achieve the desired objectives, it is absolutely critical for the applied research design to provide a balanced and scientific methodological approach to the study.

This chapter, therefore, outlines the research design and methodology applied by the researcher in the process of assessing the impact of the MURP. It describes how the design and method, sampling technique, data analysis approach, scope of the study and the ethical considerations underpinning the research were employed.

## 3.2 RESEARCH DESIGN AND METHOD

Mouton (1996:107) defines a research design as "…a set of guidelines and instructions to be followed in addressing the research problem". It provides the logic, the "blueprint" that links the data collected to the initial questions of inquiry, and assists the researcher to execute the study in such a way that the validity of the findings is maximised (Yin, 2003:19-20).

In addressing local economic development issues within the Mdantsane Urban Renewal Programme, this research applied a qualitative and quantitative paradigm to the research. However, because of the social nature of the research variables, the qualitative approach was dominant.

Babbie (2004:370) defines qualitative research as "…the non-numerical examination and interpretation of observations, for the purposes of discovering underlying meanings and patterns of relationships". Qualitative research is conducted using a range of methods which use qualifying words and descriptions to record and

investigate aspects of social reality (Bless and Higson-Smith, 2000:156). Therefore, qualitative methodology deals with data that is principally verbal. This verbal encounter between the researcher and the respondent relies heavily on interviews that are usually unstructured and that mainly contain open-ended questions and in-depth probes. The qualitative research design is more favoured in the proposed research, because of the qualitative nature of the data to be gathered.

Bless and Higson-Smith (2000:156), also describe quantitative research as research conducted, using a range of methods which use measurement to record and investigate aspects of social reality. The approach deals with data that is mostly numerical. In the study, the quantitative design was used to complement the qualitative techniques, especially where quantities could be determined and presented using numerical or graphical means.

## 3.3 CASE STUDY APPROACH

Within the auspices of qualitative research methods, the case study approach was applied. Mdantsane, a settlement consisting of twelve (12) wards and located in Buffalo City Municipality, was set aside as a single unit of analysis and studied intensively in line with the research objectives.

According to Welman *et al* (2007:25), "…in a case study, the research is directed at understanding the uniqueness and idiosyncrasy of a particular case in all its complexity." The Urban Renewal Programme is implemented in eight (8) different nodes in South Africa and each node is unique. The uniqueness is derived from the circumstances of each location, taking into consideration factors such as development history, ethnic groupings, geographical location, municipal resource base, capacity and population. Furthermore, the priorities of each node are highly influenced by the unique circumstances of the area.

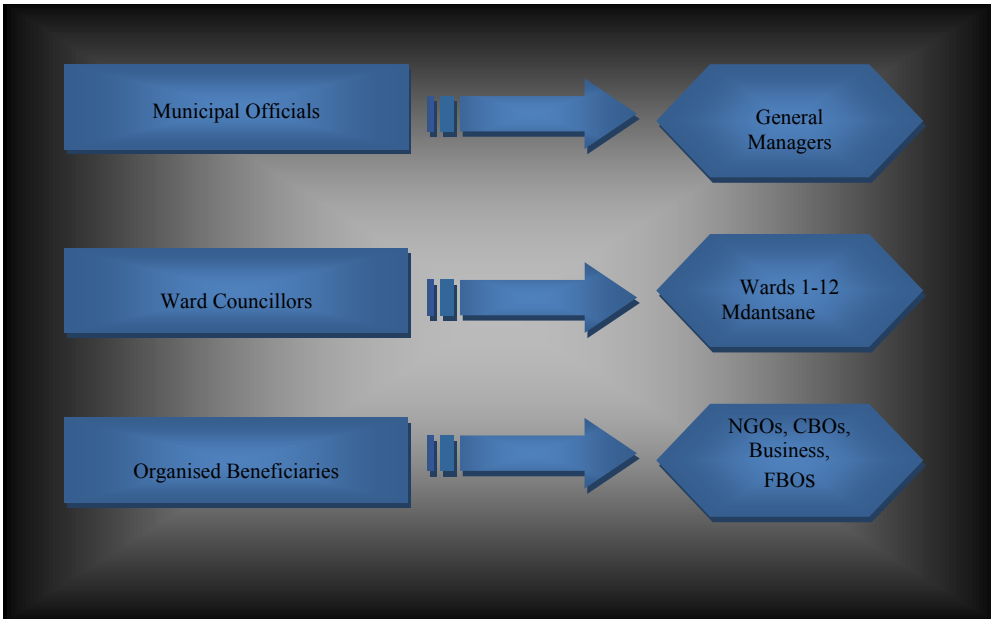
Therefore, for purposes of this research, Mdantsane, as a settlement, was selected as the unit of analysis.

## 3.4 SAMPLING

Qualitative research requires that the data to be collected must be rich in description of people and places (Patton 1990:169). For these reasons the researcher used *purposive sampling methods*. A purposive sampling technique is characterised by identifying access points or settings where subjects could be more easily reached, and selecting especially informative subjects (Marshall & Rossman 1995: 55).

The study was based on a purposive sample in which key participants were identified and categorised. These comprised ward councillors, the portfolio head for MURP, Buffalo City Municipality, Functional General Managers and select organised beneficiaries based in Mdantsane. The purposive sampling technique was chosen because the information needed to be gathered from specific participants who, because of the nature of their responsibilities or status, were either implementers or beneficiaries of urban renewal programmes. The following diagram provides a schematic overview of the sample of participants involved in the research.

**Diagram 3.1** Research Participants




*Source:* Own adaptation

## 3.5 RESEARCH TECHNIQUES

The research report is based on secondary data gathered from municipal documents and complemented by primary information collected through interviews with the identified participants. This data (both primary and secondary) is both qualitative and quantitative in nature.

### 3.5.1 Primary Data

***Key informant interviews***

According to Clark and Sartorius (2004:15), interviews are qualitative, in-depth, and semi-structured. They rely on interview guides that list topics or questions on the particular phenomenon under study.

In the study, structured interviews were conducted with a sample of senior managers employed by Buffalo City Municipality in the fields of Electricity, Roads and Storm Water, Water and Sanitation, and Local Economic Development. This involved posing a series of open-ended questions to the individuals who were selected for their strategic positions, roles, knowledge, status and experience with the municipal socio-economic development activities in the Mdantsane Urban Renewal Programme.

The initial sample also included the official responsible for Housing delivery. However, due to the non-availability of the incumbent, the interview was unsuccessful. Therefore, in as far as the key informant interview technique to the research is concerned; there was an 80% success rate or $n$=4 (where $n$ is the sample size).

***Guided Questionnaire***

Welman *et al* (2007:174-180) describe a questionnaire as a formal, written, set of closed-ended and open-ended questions that are asked to respondents in a study. The questions may be self-administered, or interviewer-administered.

In the study, a guided questionnaire comprised of closed- and open-ended questions was designed and administered by the researcher, with participating ward councillors and organised beneficiaries. All ward councillors (12) from the greater Mdantsane area were identified to take part in this exercise and about 26 registered, organised beneficiaries were also identified to participate. After the research process,8 councillors and 18 organised beneficiaries successfully completed the exercise. Therefore, the research success rates in this regard were 67% and 69%, respectively (or *n*=8 and *n*=18, respectively).

***Focus group discussions***

Focus groups consist of a small number of individuals or interviewees that are drawn together for the purpose of expressing their opinions on a specific set of open questions (Welman *et al*, 2007:201).

In the study, focus group discussions entailed the convening of periodic discussion groups with key role players and beneficiaries of MURP. These sessions were conducted during the research processes, for the purposes of seeking clarity, and sharing and learning the meaning of specific identified questions from the research process.

### 3.5.2 Secondary data

***Documentary reviews***

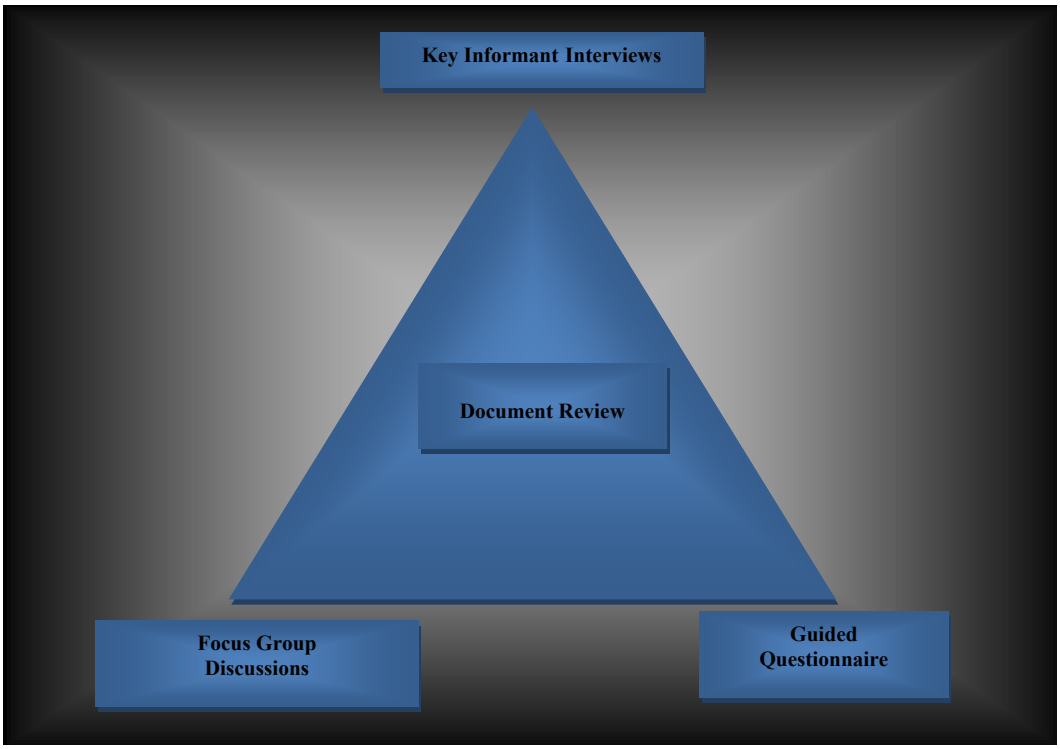
This involved a desktop analysis of all relevant literature applicable to the study. The review entailed a thematic deduction of relevant development indicators from the Quality of Life Survey (QoL) conducted in Buffalo City Municipality in 2007. This study is highly scientific and is conducted objectively, bi-annually, by an independent service provider (Fort Hare Institute of Social Sciences Research). It is within the ambit of the White Paper on Local Government (1998), Municipal Systems Act (2000) and Municipal Performance Regulations of 2001.

### 3.5.3 Triangulation

The techniques identified in 3.4.1 and 3.4.2 above were intended to ensure 'construct validity' of the research. According to Welman *et al* (2007:142), validity is the extent to which the research findings accurately represent what is really happening in the situation. Welman *et al* further state that, [the concept 'construct validity', implies that], "…when we measure something with an instrument, the instrument we use to measure the variable must measure that which it is supposed to measure".

Triangulation in a case study is frequently used to discern recurring patterns and consistent regularities. The following diagram depicts triangulation as applied in the study.

**Diagram 3.2** Triangulation of Data Sources




*Source:* Own adaptation

## 3.6 DATA ANALYSIS

Data analysis is a paramount procedure in the research process. The purpose of this procedure is to provide feedback on the tenability or untenability of the original formulated hypothesis and, consequently, on the theory, if deduced: either it is provisionally supported or refuted (Welman *et al* 2007:210).

The study applied both qualitative and quantitative data analysis techniques, in line with the research design. The following data analysis techniques were therefore used.

- **Content analysis** - this analytical process can be described as a quantitative analysis of qualitative data (Welman *et al*, 2007:221). The basic technique involves counting the frequencies and sequencing of particular words, phrases or concepts in order to identify keywords or themes. Webber (1990:24) describes thematic content analysis as the manual or automated coding of documents, transcripts, newspapers, or even of audio or video media to obtain counts of words, phrases, or word-phrase clusters for purposes of analysis. The researcher creates themes which cluster words and phrases into conceptual categories for purposes of counting. It is through this method that research findings could be presented and expressed in mathematical graphs and percentiles.

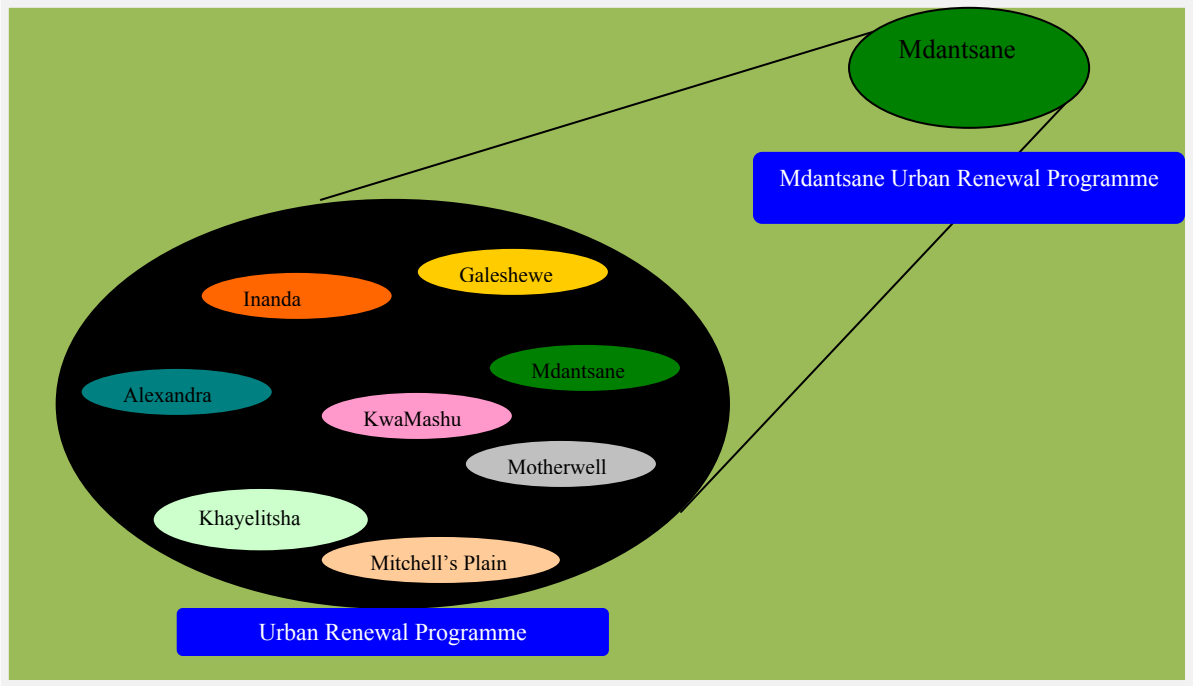
- **Descriptive Statistics** - these are inferential statistics that are concerned with the description and/or summary of the data obtained for a group of individual units of analysis. Triola (2003:12) defines 'descriptive statistics' as a branch of statistics that denotes any of the many techniques used to summarize a set of data. The techniques used in the study include; graphical descriptions - in which graphs were used to summarise data; tabular description - in which tables were used to summarize data; and parametric description - in which estimation of values of certain parameters, and in particular, percentiles, were used to complete the description of data sets.

## 3.7 DELIMITATION OF THE STUDY

As previously indicated in section 3.3, the URP is a national programme with eight nodal points of implementation, Alexandra, Mitchell's Plain, Khayelitsha, Inanda, KwaMashu, Mdantsane, Motherwell and Galeshewe.

However, for purposes of this research, the study was carried out in Mdantsane, Buffalo City Municipality. Buffalo City Municipality comprises East London, Mdantsane, King Williams Town, Bisho and Dimbaza.

**Diagram 3.3** Scope of the study




*Source:* Own adaptation

## 3.8 ETHICAL CONSIDERATIONS

Ethical behaviour is important in research, as in any other field of human activity (Welman *et al*, 2007:181). The research subscribed to the University of Fort Hare code of ethics in research, which among others ensured that, because of the nature of the study, consideration had to be given to the following key areas;

**Data and information integrity** – All data and information presented was properly acknowledged and free from plagiarism. Furthermore, all research findings will in the next chapters be presented honestly, without any bias, in order to assess accurately the problem statement and hypothesis of the study. This will ensure the credibility of conclusions, recommendations and other outcomes of the study.

**Relationship with participants** – The proposed research entailed a great deal of contact with respondents, either through interviews, focus group discussions or prior to completing questionnaires. It was therefore critical that consent be sought prior to participation, from the respective participants. Where principles of confidentiality were established between the researcher and the respondents, such principles were upheld.

**Public information** – The MURP is a public initiative, and a great number of reports on the programme are contained in various government repositories. However, although the programme is a public initiative, the researcher tried all means to guard against any misrepresentation of information or data that may prejudice, sensationalise or jeopardise the programme and its intentions. Thus, professionalism, legal considerations and objectivity were as far as possible preserved at all times.

## 3.9 CONCLUSION

This chapter described the research methodology that was applied in the course of research process. The study was both qualitative and quantitative in design. It was based on both primary and secondary data, and it used a purposive sample to gather the data required for analysis. The data analysis procedure as indicated in this chapter was influenced by the thematic content analysis method.

Discussions regarding the scope or delimitation of the study were presented. The justification of using the case study approach was explained. In addition, the ethical considerations applied by the researcher in the course of the study were also outlined.

The following chapter focuses on textual, graphical and tabular presentations, and the analysis of data that was gathered during the study. It is aimed at providing a factual

narration of the perceived and situational reality, in as far as the ‘value add’ of the MURP, since its inception, is concerned. Perspectives from within the Buffalo City Municipality, and external to the municipality are presented and analysed.

# CHAPTER FOUR

# DATA ANALYSIS

## 4.1 INTRODUCTION

This chapter provides an analysis of the findings from the data collected during the course of the field study to assess the impact of the Mdantsane Urban Renewal Programme (MURP). Qualitative and quantitative techniques will be used for data presentation, while thematic content analysis will be applied. Therefore, the results and opinions will be outlined in themes.

## 4.2 QUALITY OF LIFE SURVEY IN MDANTSANE

The Quality of Life (QoL) is one of the most recognised evaluative indicators for service delivery and development, at local government level in South Africa. The indicator is derived, using the survey technique, and is normally undertaken by an independent research institution. The outcomes of such a survey are undoubtedly useful in determining an objective and triangulated evaluation of the efficiency and effectiveness of municipalities in executing their developmental mandates.

A literature review focused on deducting key developmental indicators for Mdantsane was undertaken, using data from the Buffalo City Municipality Quality of Life Survey 2007. From the analytical review, key indicators and themes were extrapolated and the output is presented as follows.

**Employment**

In terms of the QoL Survey (2007: 12), employment levels in Mdantsane are generally higher than those recorded for the whole of Buffalo City. In fact, 27.3% of Mdantsane residents surveyed between the ages of 15 and 65 are formally employed, compared to 22.5% of Buffalo City residents surveyed.

Unemployment among Mdantsane residents appears to have decreased significantly. In 2001, 78% of respondents replied that a member of their household, between the ages of 15 and 65, was unemployed. In 2007, this figure has dropped to 68.6%.

This is in line with previous findings, which show that household income in Mdantsane is significantly higher than that of Buffalo City generally, and that Mdantsane households are more satisfied with their income levels.

On a gender basis, women are disproportionately affected by unemployment, with roughly 10% more women than men being without a job.

The average Mdantsane resident, not formally employed, has been without a job for 8.9 years. This is on a par with the findings for the city as a whole.

**Table 4.1** Household members currently employed

| | Mdantsane 2001 (%) | Mdantsane 2007 (%) | | | Buffalo City 2007 (%) |
|---|---|---|---|---|---|
| | | Male | Female | Total | |
| No | 78.0 | 62.6 | 72.7 | 68.6 | 77.5 |
| Yes | 22.0 | 37.4 | 27.3 | 31.4 | 22.5 |
| Total | 100 | 100 | 100 | 100 | 100 |

*Source:* Buffalo City Municipality QoL Survey (2007: 12)

**Housing**

The vast majority of Mdantsane households (94%) either hold title deeds or are in the process of purchasing their homes, with home ownership being highest among higher income earners (QoL, 2007: 14). The results from the QoL, further posit that, "…the majority of Mdantsane residents (86%) live in formal housing. Of the 14% of residents who live in informal structures, the overwhelming majority have monthly household incomes of less than R3 500."

With regard to satisfaction levels, more than half of all respondents either said they were satisfied or very satisfied with their dwellings. This is slightly higher than the corresponding level of satisfaction for the city as a whole. Satisfaction levels are generally higher among those living in their own homes, as opposed to those who either rent or live in informal housing. Almost 90% of people living in informal housing felt their homes were too small, compared to only 33% of people in formal housing.

Among those who expressed satisfaction with their homes, the majority said this was because their homes met their requirements or suited their standards. Almost one in three also said they were satisfied with having a home and having shelter. Roughly a quarter of respondents were satisfied that their homes were affordable

Those who expressed dissatisfaction mostly said their homes were too small and that they could not afford better homes. Again, this is on a par with citywide opinions.

The majority of Mdantsane residents have lived in the area for a long time, with the average length of stay being 21.7 years in formal housing areas and 14.3 years in informal housing areas. The average length of stay for the city as a whole is 17 years. The vast majority of Mdantsane residents - roughly four in five - have no immediate plans to move, either within Mdantsane or elsewhere in the city.

**Sanitation**

Virtually every Mdantsane occupant in a formal dwelling - 99.6% - has access to a waterborne flush toilet (QoL, 2007: 16). When including informal dwellings, this figure dips to 88.9%. However, this is still significantly higher than the average for the city, at only 60.8%. This could be attributed to the fact that the greater Buffalo City has a much larger group of people living in traditional housing, mostly in the rural parts of the municipality, which have much lower levels of access to services.

**Table 4.2** Type of Toilet Facilities

| Toilet Facility | Mdantsane 2007 (%) | Buffalo City 2007 (%) |
|---|---|---|
| Full waterborne flush toilet | 88.9 | 60.8 |
| Septic tank | - | 0.7 |
| Basic pit latrine | 0.8 | 21.6 |
| Bush | 4.9 | 1.5 |
| Bucket | 2.4 | - |

*Source:* Buffalo City Municipality QoL Survey (2007:16) [modified]

Given the above-average sanitation levels, satisfaction is generally quite high, with fewer than 14% of residents saying they were either dissatisfied or very dissatisfied. The small percentage of Mdantsane residents who did not have onsite flush toilets, overwhelmingly said they were dissatisfied with this.

**Water**

According to the QoL Survey (2007: 17), Mdantsane's above-average level of access to municipal services extends to water, with more than half of all households in formal dwellings having piped water in their homes. This compares to a Buffalo City formal housing average of 29%. Households who do not have piped water, most commonly source their drinking water from yard taps or, less commonly, street taps.

None of the Mdantsane households surveyed had to rely on either boreholes or informal sources such as dams, rivers, streams or springs. Predictably, those who have access to piped water in their homes expressed the highest levels of satisfaction.

**Energy**

The majority of Mdantsane households use electricity as their primary source of energy for cooking, but, surprisingly, this level of consumption is only marginally higher in 2007 than was the case in 2001. In general, a smaller percentage of households in Mdantsane cook with electricity than is the case for the city as a whole (QoL Survey, 2007:17).

According to the QoL Survey (2007: 18), only 70% of people in formal houses use electricity as their primary energy source for cooking, while, more than 95% of households use electricity to light their homes. This would suggest discretionary use of electricity based on cost considerations.

Households who have access to electricity most commonly make use of prepaid meters, and are generally satisfied with this form of supply.

**Crime and safety**

About 45% of respondents to the QoL Survey (2007: 28) believed that the crime situation in Mdantsane had become worse, while 44% said it had stayed the same. Only about 10% said it had improved. Significantly, however, the percentage of people who believe the situation had deteriorated was much smaller in 2001 (44.8%) than was the case in 2007 (72.1%).

Overall, the people of Mdantsane appear to be more vulnerable to crime than residents of Buffalo City, and are disproportionately affected by almost all types of criminal activity.

In line with the above-mentioned risk, according to the survey results, Mdantsane residents feel a lot more vulnerable than the average Buffalo City resident, when walking in their neighbourhoods, both during the day and after dark. In fact, more than half of all respondents and close to 60% of women said they felt very unsafe walking outside after dark.

## 4.3 MUNICIPAL OFFICIALS' PERSPECTIVE ON THE IMPLEMENTATION OF MURP

Following the administration of the key informant interview technique, the following basic service delivery themes and sub-themes were deducted from the process for presentation and analysis.

**Electricity provisioning**

An interview was conducted with the General Manager (hereafter referred to as the interviewee or incumbent) responsible for Electrical and Mechanical Services at the Buffalo City Municipality. The incumbent indicated that she had been on the job and in the employment of the municipality for five (years). Therefore, in terms of experience and institutional memory on the MURP, the incumbent provided a more informed position on the various issues which were being probed (see Appendix A for the Structured Interview Guide).

The following sub-themes were explored in respect of electricity service provisioning under the MURP.

*Electricity projects and output*

According to the interviewee, since the institutionalisation of MURP at the municipality, the department responsible for electricity has implemented a number of projects under the 'auspices' of the programme. Asked what programmes, projects or activities the department had implemented under MURP, the following major projects were identified:

**Table 4.3** MURP Focused Electricity Provisioning Projects

| Project | Budget | Output |
|---|---|---|
| Electrification of new houses | R4,5 million | Unit P = 500 connections<br>Zongwa = 100 connections |
| Street lighting (New installations) | R4 million | All units = 1250 (new fittings) |
| Electricity infrastructure and maintenance | R65 million | All Units = ± 90% performance on annual maintenance contract |

*Perspective on the MURP Policy Framework*

On enquiry as to whether there was a municipal policy framework to support the implementation of MURP, the interviewee was adamant that such a policy framework was in place and that it was supportive of the implementation of MURP. The municipality's Integrated Development Plan (2004/2005), (2005/2006), (2006/2007) and (2007/2008), as well as the supporting MTEF budgets for the respective financial years, were cited as having prioritized electricity provisioning and maintenance in Mdantsane. However, apart from the Council Resolution that was taken in 2002 in support of the establishment of MURP, there was no evidence of a detailed policy and concept document that sets out the programme definition.

*Participation of sector departments in MURP*

On the issue of intergovernmental cooperation in the implementation of MURP, the interviewee indicated that all the programmes, projects or activities implemented under the auspices of MURP involved the participation of relevant sector departments. The interviewee further stated that, because of the specialized nature of the electricity function and the legislative competence (Constitutional), greater support and cooperation have been provided by the Department of Minerals and Energy (DME) and the parastatal Eskom. Such support has largely been through funding/ financing rather than technical support, as the municipality is sufficiently

resourced with electricity personnel. However, on interrogation of this view, while the DME and Eskom are critical partners for service delivery in the municipality, other sector departments, and in particular 'user departments', ought to be equally involved. These sectors include Education, Health, Social Development, Public Works, Trade and Industry etc. Their inclusion, especially in the multi-year planning of the electricity department, would undoubtedly enhance the strategic planning capability of the municipality.

*Successes and failures*

The interviewee was asked to describe the successes and challenges experienced in the implementation of MURP. She replied that "…mostly all the projects were completed successfully". However, she also highlighted that the provision of the electricity service in the Mdantsane area was being reneged by criminal acts of vandalism and electricity theft.

As a department, the electricity department has responded by establishing a Revenue Protection Unit to deal with the challenges of vandalism and theft. The department has also intensified public campaigns and ward meetings with communities, to raise awareness of the challenges poised by criminal activities.

*Impact of MURP Unit*

In as far as the impact of the programme is concerned, the interviewee was of the opinion that a unit such as MURP is essential for the municipality as, "[with] a dedicated unit the goals of the MURP can be monitored and planned successfully and the programme can be measured".

The interviewee indicated that through improved access to electricity in Mdantsane, households, small businesses, farms, government departments (e.g. Cecilia Makiwane Hospital and Correctional Services) and big businesses (e.g. factories in Fort Jackson and the Mdantsane Sun Mall) have had an uninterrupted, effective and efficient service provisioning. In addition, the interviewee also highlighted that, "…such a service has undoubtedly promoted the goals of local economic development and basic service delivery in the greater Mdantsane area."

*Relationship between MURP and Department of Electricity and Mechanical Systems*
Asked to express a view on whether the Electricity department had added any value to the MURP, the interviewee was of the view that, "…by ring-fencing resources through the MURP Unit and carrying out projects that are service delivery oriented, such as electricity, the result would be a more efficient and effective delivery". The MURP is therefore a catalyst for socio-economic development in Mdantsane.

**Roads provisioning**
Another interview was conducted with the General Manager responsible for Roads Construction and Projects. The incumbent stated that he had been on the job for 9 months at Buffalo City Municipality and 5 years in a similar position with the Amathole District Municipality. Since Buffalo City Municipality falls within the fore-mentioned district municipality, the incumbent had a fair understanding of the operations and activities of Buffalo City Municipality (see Appendix A for the Structured Interview Guide).

The following sub-themes were explored in respect of roads infrastructural provisioning under the MURP.

*Roads projects and output*
The incumbent stated that since joining the municipality, the department has been involved mainly with the rehabilitation and surfacing of gravel roads within Mdantsane as well as the installation of pedestrian facilities around Mdantsane schools.

According to the respondent, an estimated R30 million project was currently being implemented for surfacing and rehabilitation of roads, while R15 million was being spent on pedestrian facilities.

The interviewee emphasized that the model for service delivery, in as far as roads construction was concerned, was based on the Expanded Public Works Framework. To this end an estimated 140 jobs were created through the roads surfacing project, while about 150 jobs were created through the pedestrianisation projects.

*Perspective on the MURP Policy Framework*

Regarding the question requiring the interviewee to express an opinion on the council's policy framework concerning the implementation of MURP, he stated that: "…it was very clear from council policies that MURP had been identified as a primary programme for the municipality". The interviewee also concurred with the view that the Buffalo City Municipality Integrated Development Plan and Budget were explicit, as far as the support of MURP was concerned. However, the argument that there is no evidence of clear policy, concept and strategy on the implementation of the MURP still prevails.

*Participation of sector departments in MURP*

On the sub-theme of intergovernmental cooperation in the implementation of MURP, the interviewee stated that the initiatives for roads construction were primarily supported by the National Treasury through the Neighbourhood Development Partnership Grant (NDPG) and the municipality's own funding.

In the implementation process, the interviewee also highlighted that, other than the above sector departments, the Development Bank of Southern Africa (DBSA) was playing a critical role in both funding and providing technical project management and engineering skills to support the implementation of roads projects in Mdantsane.

*Successes and failures*

On inquiry about the successes and challenges experienced in the implementation of the MURP, the interviewee had the following observation: "…the construction of roads in Mdantsane mainly utilizes extensive local labour methods (EPWP) and the contractors are usually emerging (small micro medium enterprises) and may not have the requisite plant and equipment, experience and skills to implement multi-million rand capital projects". The respondent also noted that, due to the fore-going inadequacies, some of the contractors are unable to timeously complete the projects, or sometimes their workmanship is compromised.

However, in the spirit of "economic transformation" and "skills development", the interviewee went on to say his department had embarked on the following interventions:

- Established a working relationship with the Department of Labour and the internal Local Economic Development Unit to facilitate joint accredited training for emerging contractors
- Established Project Steering Committees (PSC) so as to assist with community facilitation issues.
- Emphasized the employment of local labour (Mdantsane based) in most activities, in order to address the high levels of unemployment and poverty affecting the communities.

*Impact of MURP Unit*

The interviewee maintained that a dedicated unit such as the MURP assists in co-ordinating all activities done by the municipality's service departments in the Mdantsane area. Furthermore, such a unit supports decision-making at Council level through the provision of adequate reporting and comprehensive feedback, pertaining to activities carried out in the area by various service departments. On the contrary, the interviewee also noted that, while the MURP can be a critical instrument for unlocking development in the Mdantsane area, the unit was not adequately capacitated as far as technical human resources were concerned. Linked to the fore-going concern, the respondent also suggested that: "…perhaps the structure of the MURP Unit ought to be analysed against its mandate to determine its efficacy and sustainability".

*Relationship between MURP and Department of Roads Construction and Projects*

The interviewee stated that: "…through a collaborative effort between the MURP Unit and the Department of Roads Construction and Projects, the backlog of unsurfaced roads in Mdantsane had been reduced by 20 % (from 350 km to 280 km). The respondent also noted that a concerted effort by the two departments to unlock funding from the Municipal Infrastructure Grant (MIG) and NDPG would most likely result in the clearing of the current backlog in the next three (3) years.

**Water and Sanitation**

Another interview in the category of key informants was conducted with the General Manager responsible for Water and Sanitation at Buffalo City Municipality. The incumbent was appointed to the senior post of General Manager in February 2008. However, he has been Programme Manager and Acting General Manager for Water and Sanitation for almost five (5) years at the municipality. The incumbent therefore was adequately informed about the inception and experiences of MURP and the provision of water and sanitation services in Mdantsane. (see Appendix A for Structured Interview Guide).

The following sub-themes were explored in respect of water and sanitation provisioning under the MURP.

*Water and Sanitation projects and output*

On the question of programmes, projects and activities undertaken by his department, the interviewee indicated that, since the inception of MURP, the department responsible for water and sanitation had implemented numerous projects, as indicated in the following table.

**Table 4.4** MURP Focused Water and Sanitation Projects

| Project | Budget |
|---|---|
| Buffer Strip Sanitation | R14 million |
| Replacement of pitch fibre sewers | R1 million |
| Replacement of mid-block water mains | R5 million |
| Additional water storage capacity | R13 million |
| Water loss intervention | R1,5 million |

*Perspective on the MURP Policy Framework*

Being of the same conviction as the other two interviewees already mentioned, there was concurrence with the view that the municipality's policy framework was supportive of the implementation of MURP.

From a water and sanitation perspective, while acknowledging the dictates of the municipality's IDP, Budget and Service Delivery and Budget Implementation Plan (SDBIP), the respondent also indicated that the Buffalo City Municipality Water and Sanitation Master Plan prioritized service delivery in the Mdantsane area as one of the focal service delivery areas in the municipality.

Though taking cognizance of the extensive work on the Water and Sanitation Master Plan, there appears to be a lack of a contextualization process to align the outcomes of this study with the objectives and programmes of MURP.

*Participation of sector departments in MURP*

Regarding the participation of other sector departments in the department's water and sanitation programmes, the interviewee indicated that the most prominent support was through the Department of Provincial and Local Government's (dplg) Municipal Infrastructure Grant. This grant was critical for augmentation of the Mdantsane area's bulk infrastructure, in order to support the growing population in the area. The non-participation of user departments (sector) also remains a grey area, reneging effective strategic planning in the provision of this critical basic service.

*Successes and failures*

According to the interviewee, the water and sanitation projects, under the auspices of the MURP interventions, have assisted in reducing the ingress of water (treated and ground) into the sewer system, thus reducing the flow into the wastewater treatment works, thereby creating additional treatment capacity, and capacity for housing developments.

The interviewee further stated that the interventions have also assisted in reducing the loss of potable water thus creating additional bulk potable water for densification and

housing roll-out. Apart from that, the maintenance of the fittings in the water system made provision of water in Mdantsane more sustainable.

He also indicated that some of the work was undertaken by Annual Labour Intensive Contractors, and the municipality's prerogative was then to manage the quality of outputs from such contractors. Undoubtedly, challenges regarding delays in project implementation, and in some cases poor workmanship, have been experienced. However, through the consistent efforts of the municipality's Project Management Unit (PMU) most of the shortcomings in the delivery of water and sanitation projects were managed or resolved.

*Impact of MURP Unit*

The interviewee stated that: "…I consider it (MURP) useful from the point of view of control and support, right there where the action is. It must, however, not stop with Mdantsane. The unit should be evaluated and the concept expanded to other developing urban nodes. (Furthermore) it should be more closely linked to the PMU".

According to the interviewee, a dedicated MURP unit enables a more efficient monitoring and evaluation process that would enhance effective strategic planning for bulk infrastructure to support human settlements and socio-economic activities in the area. However, for this approach to be effective, the MURP must be aligned to the department's own water and sanitation programmes, and technical personnel must be housed or stationed in the Unit (in Mdantsane) to undertake the monitoring, evaluation and feedback.

*Relationship between MURP and Department of Water and Sanitation*

According to the interviewee, the Department responsible for Water and Sanitation: "…is a service delivery department. (Therefore) whatever water and sanitation projects are implemented through the MURP unit have to be managed and maintained by the department". To that end, a realistic operations and maintenance budget should be built into the MURP business plans and actually allowed for in the operating budgets beyond what National Treasury approves as the annual increase.

**Local Economic Development Facilitation**

The Acting General Manager for Local Economic Development was interviewed to probe issues regarding economic development in the Mdantsane area. The incumbent has been employed under the LED unit for approximately one (1) year. While the incumbent might not have been privy to the institutional memory on LED as undertaken by his predecessors, he has over the twelve (12) months been highly involved in the MURP LED initiatives (see Appendix A for the Structured Interview Guide).

The following sub-themes were explored in respect of local economic development facilitation under the MURP.

*LED projects and output*

According to the interviewee, the anchor project for the department responsible for LED in Mdantsane is the Mdantsane One-Stop-Shop and SMME Support Centre. This centre is established to support the growth and development of SMMEs in and around Mdantsane.

The centre provides various support services, including:

- Business registration;
- Business Plan Development;
- Information on business opportunities;
- Tender advice training;
- Business skills training; and
- Business counselling and mentoring.

From a budgetary perspective, the centre has over the years operated on a modest annual budget of R400 000.

Apart from the centre, the LED also supports other job creation and skills development initiatives around Mdantsane in the form of cooperatives and small enterprise developments.

*Perspective on the MURP Policy Framework*

Once again, in the almost repetitive style of comment on the policy framework, the interviewee was of the opinion that the municipality's policy framework, indeed supported the implementation of MURP. He cited that the City Development Strategy (CDS), IDP, the Economic Development Strategy (EDS), Mdantsane Spatial Development Framework and other sector plans seek to change the face of Mdantsane economically, socially, politically, environmentally and otherwise. The interviewee also indicated that, in the following consecutive State of the City addresses of 2007/2008 and 2008/ 2009, Mdantsane was identified as a priority area by the municipality, in terms of development.

*Participation of sector departments in MURP*

According to the interviewee, a number of provincial and national departments, such as National Treasury, Provincial Local Government and Traditional Affairs, Housing, Labour etc. are involved in the implementation of MURP programmes. However, as far as LED support interventions are concerned, the interviewee felt that not enough resources were being dedicated to the facilitation of economic growth and development in this so-called "second economy".

The interviewee further stated that, while massive potential for sustainable economic growth appears promising in the area, due to recent multi-million private investments, the municipality had a responsibility to mobilize public resources and intensify its service delivery activities to enable the creation of an environment favourable for investment and growth.

*Successes and failures*

According to the interviewee, a significantly high number of SMME's have been capacitated, counselled and mentored through MURP LED initiatives. For instance, the training of 12 emerging contractors on an accredited NQF Level 2 qualification resulted in their placement in the Expanded Public Works' Incubator Programme, and current outputs of such contractors have been highly complimented.

The interviewee also indicated that, while the programmes from the department had a considerable impact on the lives of the community, the scale of intervention was

limited by resource constraints. In fact, the respondent emphasized that there was an inverse relationship between the magnitude of unemployment and resources allocated for facilitating LED in Mdantsane.

Apart from that, the interviewee raised a concern that a programme for business retention and investment promotion was not yet in place. Hence the initial focus of his department had been on small enterprise development. The greater Mdantsane area is surrounded by farms (towards Berlin) and factories (in Fort Jackson). The potential for manufacturing and agro industries to grow is very high. Furthermore, the interviewee indicated that the retail sector received a massive boost through a R500 million investment into a shopping mall (Mdantsane Sun). However, through MURP, a business retention strategy can be formulated and implemented in order to sustain existing businesses as well as to promote new ventures.

*Impact of MURP Unit*

The interviewee concurred with the view that MURP was specialized and dedicated towards a defined development zone (Mdantsane). Furthermore, in pursuit of efficient service delivery, it would undoubtedly counteract some of the bureaucratic red tape generally experienced when a unit/department has a huge scope to provide services.

Apart from that, given the potential for economic growth in the area, the interviewee projected that a carefully executed business development and retention strategy would result in tackling the high unemployment and poverty levels associated with Mdantsane area. Also, a clear local economic development intervention in the so-called 'second economy' can result in improved access to markets and finance by small businesses, as well as an improvement in the quality of goods and services in this economy.

Contrary to the above views, the interviewee cautioned that there is: "…a tendency of the MURP to formulate and implement projects and programmes independently from other service departments from the parent municipality". A case in point being the conceptualization and implementation of two LED biased grant funds, namely Local Economic Action Partnership (LEAP) and Livelihood Innovative Fund Enhancement (LIFE). LEAP is intended to be a facilitation grant and would require the support of

service departments such as electricity and mechanical services, water and sanitation, roads construction and housing; while LIFE is intended to provide projects with start-up resource injections and would require the support and participation of the LED department, Community Services department and Public Participation and Special Programmes department.

*Relationship between MURP and Department of Local Economic Development*

According to the interviewee, the LED department has indeed over the years added value to MURP in the sense that through a dedicated SMME support centre under the flagship of MURP, some of the critical objectives of the programme are being realized.

## 4.4 COUNCILLORS' PERSPECTIVES ON THE IMPLEMENTATION OF MURP

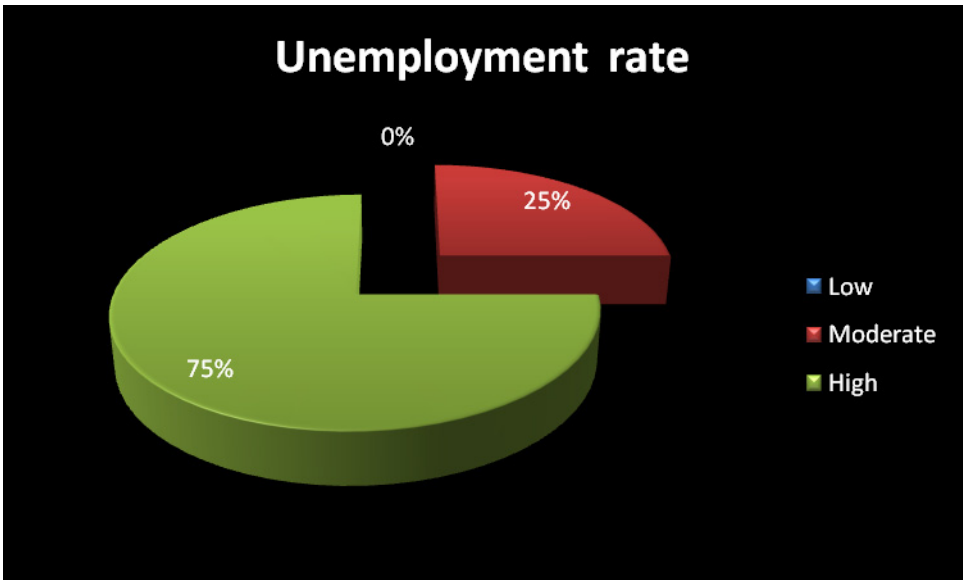
Ward councillors (hereafter referred to as *participants*) from greater Mdantsane participated in an evaluative exercise of the impact of MURP. This entailed the administration of the guided questionnaire technique encapsulating both closed-and open-ended questions. *Post facto* focus group discussions assisted in the consolidation of responses.

The following impact assessment themes were explored within the ambit of the content analysis.

**Socio-economic impact: Unemployment and Poverty**

The participants were requested to express an opinion on the current state of unemployment in their wards. From the responses received ($n$=8), 75% of the respondents viewed unemployment as "high" in their constituencies, while 25% considered it to be "moderate". On closer contact with the participants, it was deduced that the majority of unemployment cases were among the youths, and mostly between the ages of 18 and 30.

**Fig 4.1** Perception of Unemployment Rate




The participants were then requested to indicate whether the MURP had implemented any interventions whereby members from their wards had received unemployment relief on a temporary or permanent basis. All the participants (100%) confirmed that indeed their ward members, and particularly the unemployed, had taken part in numerous projects implemented under the auspices of MURP.

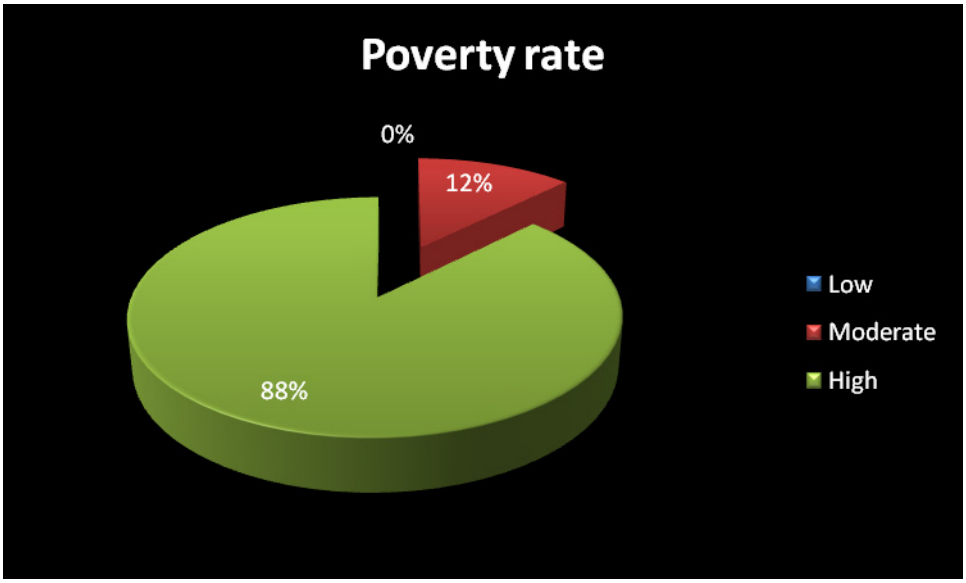
They, however, expressed concern that the employment offers were not sustainable, and normally lasted for a very limited period. From a triangulation basis, these responses concur with some of the statements generated through the interviews with officials. It should, however, be highlighted that it appears that there is no system of holistically monitoring, evaluating and reporting on job creation under the MURP. This obviously results in distortions when assessing real impact, as credible statistics are vital.

**Poverty**

The participants were requested to express an opinion on the "levels" of poverty in their respective wards. Of the responses received 88% of the respondents viewed poverty as rampant and "high" in their respective wards, while only 12% considered the impact of poverty to be "moderate". Further engagements with respondents revealed that poverty was a "cross-cutting" phenomenon experienced in each ward of

Mdantsane and was triggered mainly by unemployment. However, it was also revealed that other social ills, such as the increase in single parents, divorces and the growth of child headed households, were fuelling increasing levels of poverty.

**Fig 4.2** Perceptions of Poverty Rate in Mdantsane




On inquiring whether the indigent households were benefiting from government policies for indigents, such as Free Basic Services (FBS) and Social Grants, all the participants were able to confirm that indeed the affected members were receiving such goods and services. However, they were unable to quantify the number of beneficiaries per ward, nor did they have any records of such beneficiaries. Even on a triangulation basis, this situation is again not confined only to the councilors. As already indicated, one of the short-comings of the programme has been the inadequate capturing of vital statistics for the purposes of repository, dissemination and decision making.

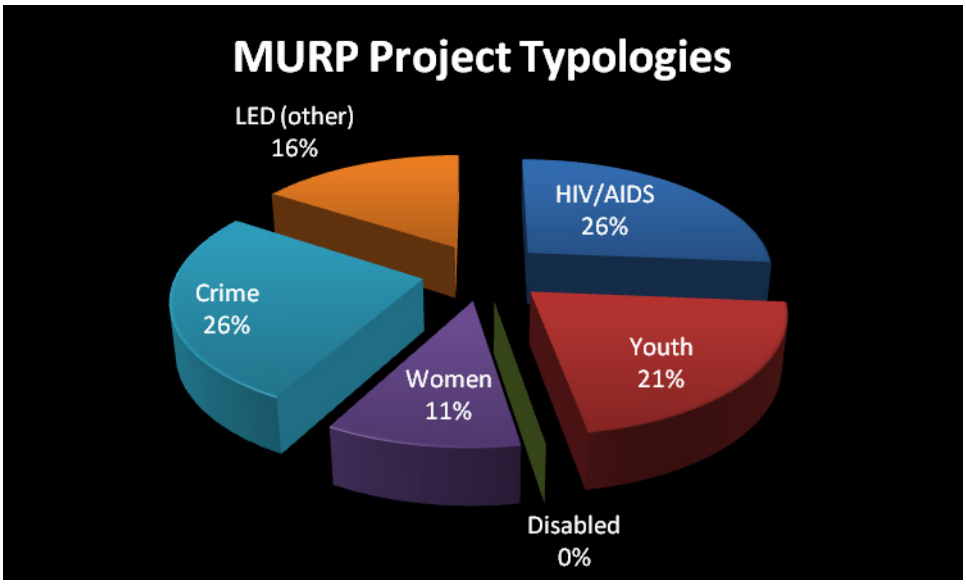
Apart from the government oriented benefits (grants and free/subsidised services), the participants were asked to express an opinion on whether their constituent members had benefited from the MURP. They all confirmed that there was definite relief received through MURP based projects. However, concerns were raised regarding the magnitude and sustainability of the relief, in comparison to the extent of poverty in

the area. It was also concluded from the exercise that the relief was not proportionate to the size of the challenge and that the impact was being delimited or overshadowed.

**Social Programmes**

In order to evaluate the implementation of the MURP against nationally set objectives, from which the Buffalo City Municipality's own objectives of the programme are derived, the respondents were asked to indicate what type of programmes, in their view, had been implemented in their respective wards.

**Fig 4.3** MURP Project Typologies

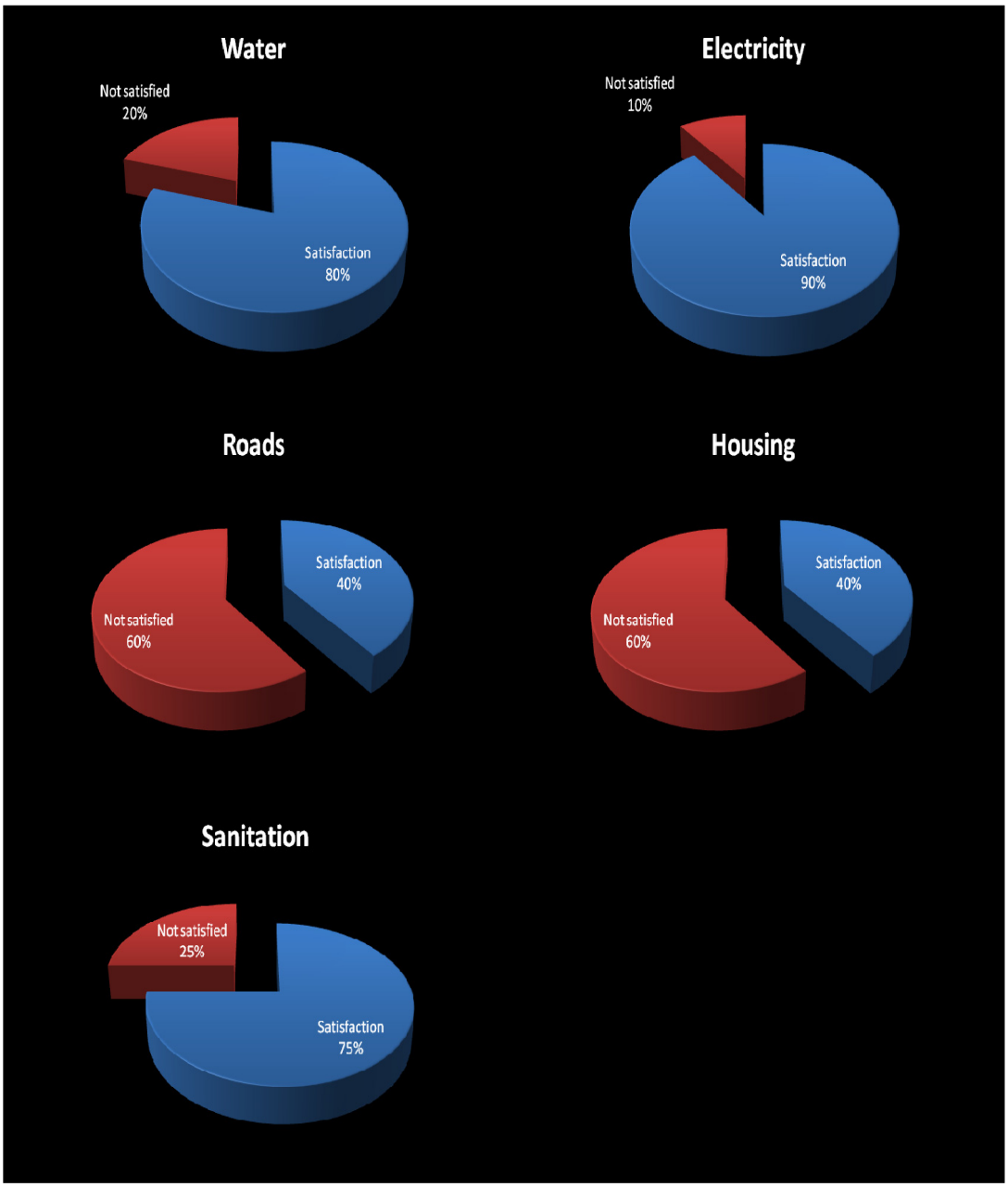



The diagram above illustrates that the majority of projects implemented through the MURP initiative are indeed aligned to the national objectives of the URP as well as the objectives adopted by Buffalo City Municipality. It is, however, noted that no projects have been implemented under the "disability" typology. Furthermore, in line with the foregoing themes on the perception on poverty and unemployment, the exploration of "women-oriented" and "LED-focused" projects remains lower - 40% and 60% respectively.

**Service delivery impact**

The participants were requested to evaluate the standards of basic service provision in the Mdantsane area. The following diagram indicates the results of the assessment, based on the service delivery perceptions of the respondents.

**Fig 4.4** Perceptions on Service Delivery Standards




As illustrated in the pie charts above, there is general satisfaction with the delivery of water, sanitation and electricity in the greater Mdantsane area, while concerns were

highlighted in respect of the provision of housing and roads. On further inquiry, it emerged that the rate of delivery in the areas of housing and roads construction was slow, and the current infrastructure in Mdantsane could not adequately support the growth rate of the area. The participants echoed the fact that Mdantsane was initially established to house about 20 000, yet current population estimates are in the range of 250 000 and 300 000.

Apart from the population effects, it was also indicated that the limitations in the delivery of houses was being caused by delays in resource dissemination from the provincial department responsible for housing as well as project management constraints on the part of contractors.

The participants were further asked to express an opinion on the impact of service delivery (standards) in respect of the indicators of water, sanitation, electricity, roads and housing. As residents of Mdantsane, the participants were to express the opinion based on a retrospective inquiry basis of the last seven years (years that have passed since the launch of the URP).

**Table 4.5** Opinions on Service Standards

| Service | Improvement in Service Standard | Low Improvement in Service Standard |
|---|---|---|
| **Water** | Significant improvement | |
| **Sanitation** | Significant improvement | |
| **Housing** | | Insignificant improvement |
| **Electricity** | Significant improvement | |
| **Roads** | | Insignificant improvement |

The table above illustrates that, in terms of service standards improvement, according to the participants, the highest impact can be observed in the provision of water, sanitation and electricity, whereas low impact has been observed in the provision of housing and roads.

## 4.5 EXTERNAL STAKEHOLDERS' PERSPECTIVE ON THE IMPLEMENTATION OF MURP: ORGANISED BENEFICIARIES

Eighteen organised beneficiaries (*n*=18) were engaged to solicit their evaluative views and opinions on the implementation of MURP. All the beneficiaries were registered on the MURP database. The following impact assessment themes were explored with the participation of organised beneficiaries from the greater Mdantsane area.

*Beneficiary typologies*

The participating organizations were asked to indicate the types of programmes, projects and/or activities that they have been involved in, under MURP. Based on their varied responses, the participating organisations were classified into project typologies based on the objectives of MURP. The classification was extrapolated from the respondents' projects profiles. The following table illustrates the distribution of the respondents:

**Table 4.6** Distribution of Organised Beneficiaries

| Programme Typology | Number of Organised Beneficiaries |
|---|---|
| HIV/AIDS | 3 |
| Youth | 7 |
| Disabled | 0 |
| Women | 4 |
| Crime | 4 |
| Total | 18 |

From the records of the organized beneficiaries, the actual number of persons that were engaged to undertake the various projects in a period stretching from 2004 to 2007, was about 24 000.

*Successes and challenges*

The participants were further asked to identify the successes and challenges experienced during their tenure of engagement with MURP. Using the thematic content analysis on the various issues raised by the participants, the outcomes were tabulated as follows.

**Table 4.7** Successes and Challenges (Organised Beneficiaries Perspective)

| Successes | Challenges |
|---|---|
| ▪ The Unit has provided a dedicated and ring-fenced coordination model for all development matters affecting the Mdantsane area. | ▪ The projects implemented by the Unit are normally short-term and unsustainable in as afar as addressing the unemployment problem |
| ▪ The unit successfully facilitated the establishment, re-establishment, and even registration, of community based projects | ▪ The Unit lacks follow–up or post project implementation support on projects that they would have commissioned, resulting in discontinuation of some projects. |
| ▪ Through the One-Stop-Centre, the Unit has supported the establishment and nurturing of small businesses, cooperatives and community based organisations. | ▪ Some of the outputs from projects, particularly LED projects, are normally restricted by barriers to accessing markets, such as standards, pricing and quantities of supplies. *(e.g. the small scale farmers are unable to sell their produce at the East London Municipal Market because the Market Agents charge exorbitant handling fees (12%) and require massive supplies to become profitable)* |
| ▪ The projects implemented through the Unit have led to the creation of several hundreds of jobs at certain times | ▪ While the MURP plays a critical facilitation role, the organised beneficiaries, and in particular emerging businesses, struggle to |

| | |
|---|---|
| | access finance to inject the much needed capital to become competitive and viable. |
| ▪ The Unit has supported many organised beneficiaries with marketing and promotion at seminars, conferences and expos.<br>▪ The Unit has also facilitated small business access to other municipal opportunities, through affirmative procurement strategies. | |

*Organised beneficiaries' view of Impact of MURP*

The respondents were requested to express their evaluated opinions on the impact of MURP since its inception. In terms of the responses received, 68% of the respondents were positive about MURP, 25% were negative about the impact of the unit while 7 % did not express an opinion. Those who were positive indicated that they have a direct interaction with the programme and its staffers, and their experiences were pleasant and professional, and yielded positive results. The participants who were negative raised concerns about the slow pace of infrastructure delivery, such as housing and roads, and the fact that the MURP was centralized in the Mdantsane CBD, making it difficult to be accessed by those in the periphery.

## 4.6 CONCLUSION

In this chapter, the data collected during the research process was reviewed and presented in a thematic fashion that looked at the following –

- *the quality of life in Mdantsane;*
- *the municipal officials' perspective on the implementation of MURP;*
- *the ward councillors' perspective on the implementation of MURP; and*
- *the external stakeholders perspective on the implementation of MURP.*

The interlocking theme across all the areas probed was that of *'assessing the contribution or impact of MURP towards socio-economic development in Mdantsane'*.

The following chapter outlines in detail and summary, the *key research findings* as presented and discussed in this chapter. In addition, *conclusions* and *lessons learnt* will be drawn from an analytical standpoint. Lastly, *constructive recommendations* for policy analysis and the implementation of urban renewal programmes will be put forward. This will be done within a view tof deconstructing and/or re-engineering the current *modus operandi* and finding sustainable solutions to local economic development using urban renewal programmes.

# CHAPTER FIVE

# CONCLUSIONS AND RECOMMENDATIONS

## 5.1 INTRODUCTION

The study sought to assess the impact of the Mdantsane Urban Renewal in Buffalo City Municipality. From the onset parameters were drawn to ensure the analysis of policy, implementation strategies and results of the programme.

In terms of the objectives, it analysed and evaluated the policy framework underpinning the MURP. In addition, it assessed the municipal specific responses to the local economic development plight of the Mdantsane community. Lastly, the study also succeeded in evaluating the cooperative government approach to the implementation of the urban renewal programme in Mdantsane, with a purpose of resolving the urban renewal problematique.

In this chapter, the summation of the research process and the findings thereof, within the auspices of the research objectives, is provided in context. Having raised the conclusions drawn, mainly from the research findings, recommendations for the continuous improvement of the programme are proposed.

## 5.2 GENERAL CONCLUSIONS

Chapter One of this research report outlines the broad introduction to the study. It provides the reader with the background and rationale for undertaking the study. The chapter contains the problem statement, objectives, hypothesis, significance and research design.

Chapter Two reviews the literature providing the tenets of the study. It identifies and presents literature based concepts, arguments, views and opinions on the subject matter of urban renewal. Through the review, critical issues pertaining to legislation, theory and policy implementation of the urban renewal programme are cited. In addition, universal controversies with the urban renewal concept are highlighted.

Lastly, and of paramount importance, is the contextualisation of the urban renewal programme within the realm of developmental local government, and specifically within the ambit of Local Economic Development.

Chapter Three elucidates the research design and methodology of the study. The research process is described, while the participants are profiled and their level of participation in the study determined. The delimitation of the study and the motivation for using a case study approach is clarified. In addition, the ethical considerations which were applied to the study are discussed.

In Chapter Four, the analysis of researched data is undertaken and the results and findings presented. The following table provides a synopsis of the key research findings.

| URP Indicator/Theme | Overall Findings/Results |
|---|---|
| Socio-economic development | ▪ It appears from the various informants in the study that there is an inverse relationship between the socio-economic interventions (input) and the indicators of poverty and unemployment. (output)<br>▪ It can thus be tentatively concluded that despite intervention through MURP, there has not been a significant impact on poverty and unemployment in Mdantsane. |
| Basic Service Delivery | ▪ There appear to be variations of success in managing service delivery backlogs in Mdantsane. On one hand, a noticeable positive impact has been recorded in the delivery of electricity, |

| | |
|---|---|
| | water and sanitation. While on the other hand, basic services such as roads and housing are being provided at a slower rate than expected by the community. |
| Programme Implementation | ▪ From the study results, there is an apparent lack of specific policy on URP in the municipality. Policy related issues have to be deducted from other frameworks, such as the IDP, SDBIP or sector plans.<br>▪ From an organisational perspective, the municipality has successfully established a dedicated MURP Unit to implement the URP.<br>▪ With regards to programme implementation, some of the interventions, particularly from the municipal functional departments, are either coincidentally or deliberately "attributed" to MURP because of their intended geographical scope of implementation (Mdantsane). |
| Stakeholders' Perspectives | ▪ Stakeholders (councillors and beneficiaries) expressed mixed feelings on the impact of MURP.<br>▪ Quick win LED-type of programmes were acknowledged for their impact. However, such impact was considered short-term and unsustainable.<br>▪ Service delivery improvements in |

| | |
|---|---|
| | respect of water, sanitation and electricity were noted, while the slow pace in delivery in respect of housing and roads were highlighted. |
| Cooperative Governance | ▪ The participation of sector departments in MURP activities was confirmed.<br>▪ However, the level of participation could not be ascertained as it was highly undefined, uncoordinated and non-aligned in nature. |

From the onset of the study, a hypothetical deduction had been made, that the MURP had not made any significant impact since its institutionalisation. This hypothesis is supported by the findings and results of the study, presented and analysed in this chapter.

## 5.3 RECOMMENDATIONS

Based on critical issues raised in the study, and informed by the theoretical framework and the findings of the study, the following recommendations are drawn:

### a) On Policy

It is critical that a clear policy on the implementation of MURP be formulated and adopted by Council. Such a policy could guide the implementation of the programme in the remaining three years, as URP is a ten year programme (ending in 2011). A clearly formulated policy answers the questions of *what? how? by whom? when? and using which resources?* These are fundamental questions that also affect the policy evaluation process.

A clearly articulated policy in respect of MURP will undoubtedly express the goals and objects as well as the modus operandi in the implementation of the programme.

Such policy ought to encapsulate the principles of cooperative governance and the terms of engagement between the municipality and the other government role-players.

Institutionally, the policy ought to define roles and responsibilities as well as the mechanism of programme delivery.

**b) On Integrated Planning**

Linked with the policy, a clearly formulated implementation strategy and operational plan ought to be formulated. To circumvent the current deficiencies regarding alignment and coordination of sectorial stakeholders in the planning of MURP, a mechanism or platform for integrated planning for URP can be established.

The proposed mechanism can be aligned to the IDP Process Review and Budget Process of the municipality. Effective sectorial participation, particularly in these crucial planning processes will undoubtedly yield positive results regarding cooperative governance. Furthermore, through sectorial planning, intergovernmental fiscal relations regarding the funding of URP can be enhanced.

**c) On institutional arrangements**

An effective URP undoubtedly requires the establishment of a unit, sub-unit or division. This entity would be dedicated to the delivery of URP objectives in that particular municipality. The unit should also be able to attract adequate capacity to render the programme efficient, effective and economical.

**d) On Programme Implementation**

From the on-set, the principles of cooperative governance in respect of roles and responsibilities, and the financing model of URP, ought to be clearly defined, consented to by all spheres of government, and put into effect. The national government department responsible for the URP (the dplg) ought to take initiative in this regard.

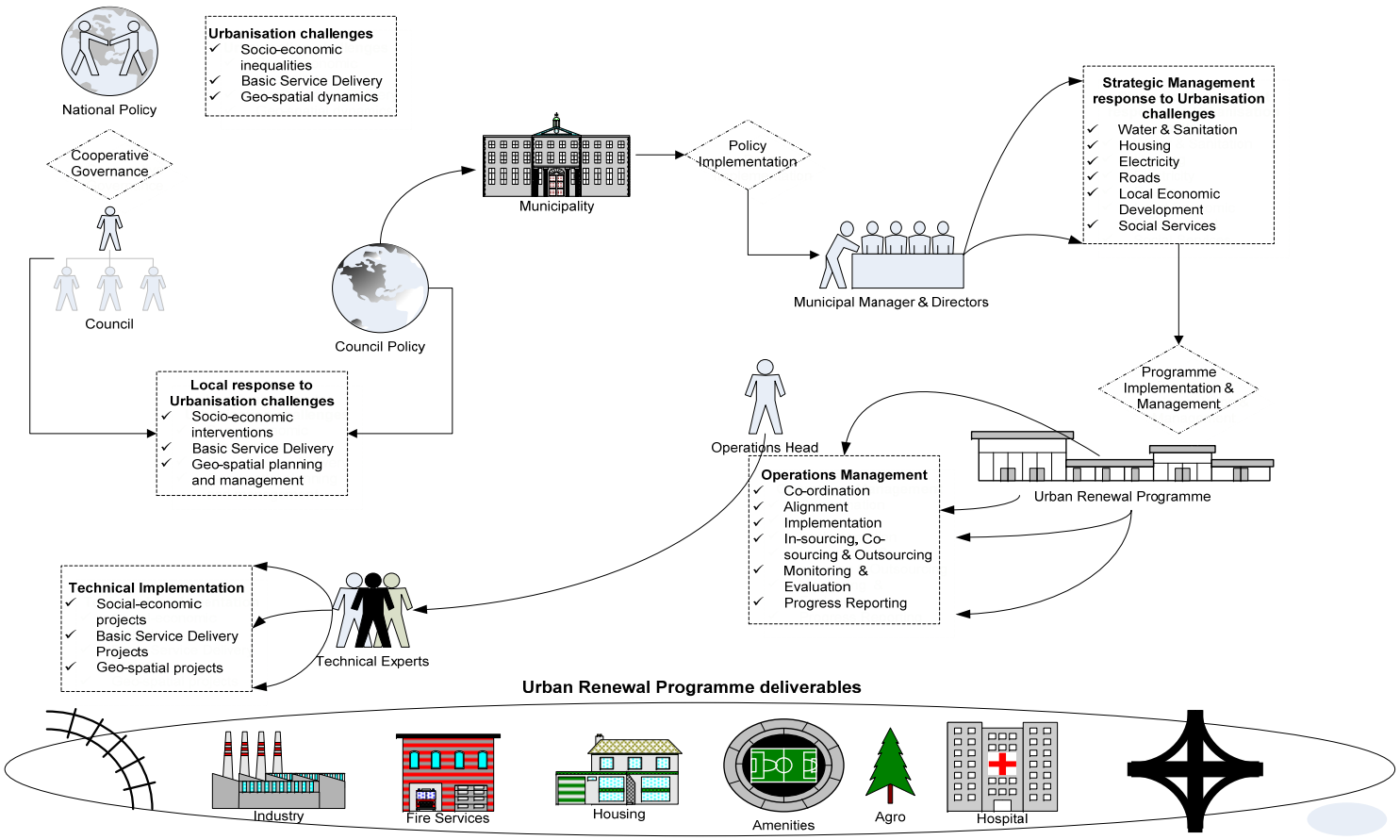
Provincial support in the form of aligning the provincial development plans with the URP requires to be addressed. Furthermore, provincial clusters (departments) whose scope of work has a bearing on the implementation of URP at municipal level should

have their roles and responsibilities defined, consented to and aligned to the URP nodes of their respective provinces.

At a municipal level, firstly, council policy needs to be formulated within the ambit of national and provincial policies on the URP. Secondly, council policy should encapsulate specific municipal objectives, roles and responsibilities (councillors and officials), financing models and institutional arrangements (organisational design) for effective and efficient implementation of the programme. Lastly, council policy should determine key performance areas, or deliverables of the programme. This should also entail policy implementation and evaluation processes.

In light of the foregoing recommendations, the following URP model is proposed:

## Urban Renewal Programme – Implementation Model




*Source:* Own adaptation (on MS Visio 2003)

The proposed illustrated model highlights three levels of intervention, namely, governance, strategic management and operations.

At a governance level, issues of policy formulation are emphasised. Thus national, provincial and local policy synergies are required. Furthermore, local policy should address the unique circumstances of the municipality (contextual). Policy at a governance level, ideally should clarify objectives, roles and responsibilities, financing models, institutional arrangements, duration and deliverables (outcomes).

Strategic management with respect to URP implementation is a responsibility of senior management of a municipality. URP is expected to deliver a variety of functional outputs, such as basic services (water, sanitation, housing, electricity, roads), socio-economic deliverables (job creation, poverty alleviation, crime mitigation and reduction, HIV/AIDS mitigation and prevalence reduction) and geo-spatial deliverables (integrated human settlements, urban planning and design, settlements and resettlements, transport planning, environmental planning and land restitution). These diverse, high level deliverables require collective strategic leadership and management from the municipal manager and all senior managers.

Lastly, operations management in terms of the proposal would ideally be implemented through a Project Implementation and Management Unit (PIMU). The PIMU approach involves the creation of a pool of specialist project managers in the focus areas of the URP in a particular municipality. For instance a pool of project management experts in water, sanitation, electricity, housing and roads can be established. This approach is preferred to that one of appointing generalist-coordinators or facilitators, who in turn would rely heavily on the functional departmental staff of the municipality to implement interventions in the URP node. In order to ensure operational synergies, an Operations Head/Manager should be appointed to coordinate, align and integrate the activities of the unit with the entire municipality. That incumbent would also be responsible for the reporting on the implementation process of the programme.

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## Appendix A: Interview Guide – Municipal Officials

# Impact Assessment

### Interview Guide

## Municipal Officials

### General

**Overview**
The MURP was established in 2002 to facilitate socio-economic transformation and rapid growth and development of Mdantsane. Since its establishment, a number of initiatives, programmes and activities have been implemented under the auspices of MURP. The purpose of this interview guide is to assess the impact of interventions implemented under the MURP since its establishment.

**Respondents**
This interview guide has been prepared for the participation of Municipal Officials. Municipal Officials are appointed to implement Council and Government Policies. They are at the coalface of operationalising policies into feasible programmes, projects and activities.

**Guidelines**
Please note that the information gathered during this research will be handled in a responsible manner within the confines of research ethics.

**Process**
The researcher and/or field assistants will administer the interview guide based on the direct engagement with respondents.

**Communication**
The researcher and/or field assistants will engage the respondents in both Xhosa and English. However all responses will be captured in English.

**Disclaimer**
This interview guide has been prepared for a research project undertaken to fulfil the requirements of a Masters Degree in Public Administration at the University of Fort Hare.

Your participation will be greatly appreciated

## Questions

1. Please indicate your designation and the number of years on the job.

2. What programmes, projects or activities have your department/unit been involved with under the MURP? Provide a list and brief description, including the number of jobs created per programme, project or activity.

3. Indicate the budget or monetary values per programme, project or activities.

4. In your opinion, does the municipality's policy framework support the implementation of the MURP.

5. Did the programmes, projects or activities involve the participation of sector departments (provincial or national)? If 'Yes', What was the nature of participation? (e.g. Financial Support, Project Management Support, Project Advisory Support etc)

6. Can you describe any successes and challenges of the programmes, projects and activities implemented?

7. Where challenges were involved, were they resolved, and what role did you play in the management thereof?

8. What, in your view, are the merits and demerits of having a dedicated MURP Unit in the municipality?

9. In your view, has your department/unit added value to the MURP? Please justify your answer and indicate sources of evidence where applicable.

## Appendix B: Guided Questionnaire – Councillors

# Impact Assessment Tool

### Questionnaire Guide

## Ward Councillors

### General

**Overview**
The MURP was established in 2002 to facilitate socio-economic transformation and rapid growth and development of Mdantsane. Since its establishment, a number of initiatives, programmes and activities have been implemented under the auspices of MURP. The purpose of this tool is to assess the impact of interventions implemented under the MURP since its establishment.

**Respondents**
This questionnaire has been prepared for the participation of Ward Councillors Only. Ward Councillors are the elected representatives of their respective ward constituencies. Within a representative democracy model, Ward Councillors are advocates of the developmental mandate at community level in Council.

**Guidelines**
Please note that the information gathered during this research will be handled in a responsible manner within the confines of research ethics.

**Process**
The researcher and/or field assistants will administer the questionnaire based on the direct engagement with respondents.

**Communication**
The researcher and/or field assistants will engage the respondents in both Xhosa and English. However all responses will be captured in English.

**Disclaimer**
This questionnaire has been prepared for a research project undertaken to fulfil the requirements of a Masters Degree in Public Administration at the University of Fort Hare.

Your participation will be greatly appreciated

## Part 1

## Ward Profile

| | | |
|---|---|---|
| Ward Number | | |
| Ward Constituents | | |
| Ward Councillor | Term 1: 2000/2005 | Term 2: 2006/2011 |
| | Y/N | Y/N |
| Ward Committee in Place | Y/N | |
| Ward Population Number | Total: | |
| Total Number of Households & Distribution | Ward Survey 2007 | |
| | Total: | |
| | Urban: | |
| | Rural: | |

## Part 2

## Socio Economic Development Indicators

### 2.1 Unemployment

2.1.1 What is your view of the unemployment rate in your ward?

1 Low
2 Moderate
3 High

| 1 | 2 | 3 |
|---|---|---|
| | | |

2.1.2 Has the MURP implemented any interventions where members from your ward have received employment relief on a temporary or permanent basis?

| | |
|---|---|
| Yes | |
| No | |

2.1.3 If 'yes'. What is your opinion of the nature of jobs created?

_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____

2.1.4 Has the MURP facilitated the establishment of economic oriented community based projects in your ward?

| | |
|---|---|
| Yes | |
| No | |

2.1.5 If 'yes'. List the project(s), how many people benefited and when the project(s) were implemented?

_____
_____
_____
_____
_____
_____
_____
_____
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_____
_____

2.1.6 Has the MURP facilitated and supported the establishment of small and medium sized businesses in your ward?

| | |
|---|---|
| Yes | |
| No | |

2.1.7 If 'yes'. List the businesses, number of people employed and the status of the business (operational or closed)?

_____
_____
_____
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_____
_____
_____
_____
_____
_____

**2.2 Poverty**

2.2.1 What is your view of the poverty rate in your ward?

1 Low
2 Moderate
3 High

| 1 | 2 | 3 |
|---|---|---|
| | | |

2.2.2 How many households are registered on the municipality's Indigent Register from your ward?

Total:

2.2.3 How many households are registered for social grants with the Department of Social Development from your ward?

Total:

2.2.4 In your opinion have any of the projects or activities implemented through the MURP assisted in relieving or alleviating the impact of poverty within households in your ward? Justify your opinion

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**2.3 Social Programmes**

2.3.1 Has the MURP implemented any of the following programmes in your ward?

| Programme | Mark X |
|---|---|
| HIV/AIDS | |
| Youth | |
| Disabled | |
| Women | |
| Crime | |
| Other: Specify | |
| Other: Specify | |
| Other: Specify | |

2.3.2 Comment briefly on the programme(s) selected in terms of the following:

- Number of beneficiaries
- Period of implementation
- Successes and challenges

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## Part 3

## Basic Service Delivery Indicators

### 3.1 Water

3.1.1 How do you view the standards of water provisioning in your ward?

1 Poor
2 Average
3 Good

| 1 | 2 | 3 |
|---|---|---|
| | | |

3.1.2 Have the standards improved in the past seven years?

| | |
|---|---|
| Yes | |
| No | |

Explain

_____
_____
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_____
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_____
_____

**3.2 Sanitation**

3.2.1 How do you view the standards of sanitation provisioning in your ward?

1 Poor
2 Average
3 Good

| 1 | 2 | 3 |
|---|---|---|
| | | |

3.2.2 Have the standards improved in the past seven years?

| Yes | |
|---|---|
| No | |

Explain

_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____

### 3.3 Infrastructure (Roads Construction)

3.3.1 How do you view the standards of infrastructure provisioning in your ward?

1 Poor
2 Average
3 Good

| 1 | 2 | 3 |
|---|---|---|
| | | |

3.3.2 Have the standards improved in the past seven years?

| | |
|---|---|
| Yes | |
| No | |

Explain

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### 3.4 Housing

3.4.1 How do you view the standards of housing provisioning in your ward?

1 Poor
2 Average
3 Good

| 1 | 2 | 3 |
|---|---|---|
| | | |

3.4.2 Have the standards improved in the past seven years?

| | |
|---|---|
| Yes | |

| | |
|---|---|
| No | |

Explain

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**3.5 Electricity**

3.5.1 How do you view the standards of electricity provisioning in your ward?

1 Poor
2 Average
3 Good

| 1 | 2 | 3 |
|---|---|---|
| | | |

3.5.2 Have the standards improved in the past seven years?

| | |
|---|---|
| Yes | |
| No | |

Explain

_____
_____
_____
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_____

## Part 4

## Mdantsane Urban Renewal Programme

4.1 What are your overall evaluative scores of MURP in terms of the following objectives?

1 Poor
2 Average
3 Good

| Objectives | 1 | 2 | 3 |
|---|---|---|---|
| Reduction in unemployment rate | | | |
| Poverty alleviation | | | |
| Social Facilitation (HIV/AIDS, Youth, Women etc) | | | |
| Economic Development (e.g. Business Support) | | | |
| Basic Service Delivery: | | | |
| Infrastructure | | | |
| Housing | | | |
| Electricity | | | |
| Water | | | |
| Sanitation | | | |

4.2 What role do you play as a Councillor in checking progress and evaluating the relevance of programmes or interventions by the MURP?

_____
_____
_____
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### 4.3 Optional

Any other Comments/ Views on the Implementation of MURP

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_____
_____

**End**

**(Notes)**

## Appendix C: Interview Guide – Organised Beneficiaries

# Impact Assessment

### Interview Guide

## Organised Beneficiaries

### General

**Overview**
The MURP was established in 2002 to facilitate socio-economic transformation and rapid growth and development of Mdantsane. Since its establishment, a number of initiatives, programmes and activities have been implemented under the auspices of MURP. The purpose of this interview guide is to assess the impact of interventions implemented under the MURP since its establishment.

**Respondents**
This interview guide has been prepared for the participation of Organised Beneficiaries. Organised Beneficiaries represent the views of individual member beneficiaries. They are the direct recipients of the MURP interventions (programmes, projects and activities).

**Guidelines**
Please note that the information gathered during this research will be handled in a responsible manner within the confines of research ethics.

**Process**
The researcher and/or field assistants will administer the interview guide based on the direct engagement with respondents.

**Communication**
The researcher and/or field assistants will engage the respondents in both Xhosa and English. However all responses will be captured in English.

**Disclaimer**
This interview guide has been prepared for a research project undertaken to fulfil the requirements of a Masters Degree in Public Administration at the University of Fort Hare.

Your participation will be greatly appreciated

## Questions

1. Please indicate the name of your organisation, your interest and the number of people you represent.
2. What programmes, projects or activities has your organisation benefited from, via the MURP? Provide a list and brief description.

3. Indicate the number of beneficiaries per programme, project or activities including their distribution on gender, youth and disability.

4. Can you describe any successes and challenges of the programmes, projects and activities implemented?

5. Where challenges were involved, were they resolved, and what role did your organisation play in the management thereof?

6. What, in your view, are the merits and demerits of having a dedicated MURP Unit in the municipality?

7. In your view, has your organisation benefited from the programmes, projects or activities of the MURP? Please justify your answer and indicate sources of evidence where applicable.

## Appendix D: Permission and authorisation letters

**Buffalo City**
East London • Bhisho • King William's Town
Province of the Eastern Cape
South Africa
**Website:** www.buffalocity.gov.za

BUFFALO CITY
MUNICIPALITY

**Office of the Municipal Manager**
PO Box 134 • East London • 5200
Trust Centre • 10th Floor • Cnr North & Oxford St
East London • 5201
**Tel:** 043 705 1045/6/7
**Fax:** 043 743 8568

**Email: nadines@buffalocity.gov.za**

Our ref.: Enq.: Mr Sharpley Your ref.:

25 July 2008

The Executive Mayor
Councillor N.C. Peter
City Hall
EAST LONDON

Dear Madam Mayor

**MASTERS IN PUBLIC ADMINISTRATION: RESEARCH PROCESS**

Your memorandum dated 21 July 2008 in the above connection bears reference. I will ensure that you receive the necessary co-operation from the relevant officials in regard to your research.

I wish you every success with your studies.

Yours faithfully

**G.G. SHARPLEY**
**MUNICIPAL MANAGER**

Mm/nns.

**Buffalo City**
East London ☐ Bhisho ☐ King William's Town
Province of the Eastern Cape
South Africa
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BUFFALO CITY
MUNICIPALITY

**Office of the Executive Mayor**
PO Box 134, East London, 5200
1st Floor, City Hall, East London, 5201
**Tel:** 043 705 1072
**Fax:** 043 743 9040
**Email:** execmayor@buffalocity.gov.za

| Our ref.:<br>Ifayile yethu:<br>Ons Verw.: | Enq.:<br>Imibuzo:<br>Navrae: | Your ref.:<br>Ifayile yakho:<br>U Verw.: |
|---|---|---|

# MEMORANDUM

**FROM** : EXECUTIVE MAYOR
**TO** : MUNICIPAL MANAGER
**DATE** : 21 JULY 2008

## MASTERS IN PUBLIC ADMINISTRATION: RESEARCH PROCESS

As you are aware, I am currently registered for a Masters Degree Programme in Public Administration with the University of Fort Hare. As part of the studies, I am undertaking a research project on the Mdantsane Urban Renewal Programme.

The research proposal and research tools were approved by the University's Research Committee and the School of Public Management and Administration, respectively.

In line with the research ethical considerations, overall consent is hereby sought from your office as the Accounting Officer, to ensure:-

- *The participation of pre-selected relevant administration officials;*
- *The cooperation and support of the Office of the Chief Operating Officer, where the MURP Unit is located; and*
- *Access to administrative premises and records relevant to the study*

Participant specific ethical considerations will be observed accordingly.

I have also appointed, in my own private capacity, a field research assistant to assist with the interviews and other data collection processes.

**N.C. Peter**
**EXECUTIVE MAYOR**

VUNA AWARDS
Municipal Performance Excellence
Buffalo City Municipality